

***Doing Right in a Shrinking World: How Corporate American
Balance Ethics & Profit in a Changing Economy****
by Louis DeThomasis and Neal St. Anthony

Reviewed by Dale Hershey**

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People in business sometimes make decisions that are unethical. They sometimes consciously deceive customers, mislead investors, spoil the environment, mistreat employees, hurt fellow workers, and do other things reprehensible. How can they be discouraged from doing these harmful things? That is the question to be answered by responsible business leaders, educators, politicians, judges, and writers. Books on the subject of business misconduct are too often simplistic and general in their prescriptions. Decades ago, Walter Lippman wrote:¹

The moralist is irrelevant, if not meddlesome and dangerous, unless in his teaching he strives to give a true account, imaginatively conceived, of that which experience would show is desirable among the choices that are possible and necessary. If he is to be listened to, and if he is to deserve a hearing among his fellows, he must set himself this task which is so much humbler than to command and so much more difficult than to exhort: he must seek to anticipate and to supplement the insight of his fellow men into the problems of their adjustment to reality.

Louis DeThomasis and Neal St. Anthony undertake this task by putting aside the usual outlines of ethical issues and the development of codes of ethics. Instead they advocate a mental framework, a way of thinking, which they describe as "doing ethics." Louis DeThomasis is Chancellor of Saint Mary's University of Minnesota and a fellow of the Hendrikson Institute for Ethical Leadership. He is also a member of the DeLaSalle Christian Brothers, a Roman Catholic religious order. Neal St. Anthony is a business columnist for the *Star Tribune* of Minneapolis.

A book with two authors might send different messages, and this one does. On one hand, the book presents a puzzling definition of business ethics; on the other, it offers a fundamentally helpful mental framework for approaching difficult problems of business ethics.

The authors denigrate efforts to achieve ethical behavior through the development of principles and adoption of formal codes. Academic studies by ethical philosophers they say “have little meaning in the corporate headquarters of an international company, or for that matter, in a small local business enterprise.” (12) “Traditional academic approaches to business ethics focus on individualistic themes: respect for private property, personal honesty, the sanctity of contracts, employee loyalty, etc. But the complexity of the real world of business today renders this traditional, individualistic approach to business ethics impotent.” (45)

In place of codes, the authors offer examples of good conduct—the experiences of businesspeople who, in the authors’ term, “do ethics.” You don’t have to think about it; you simply do it. Their examples, drawn from interviews with selected CEO’s, describe acts of foregoing large salaries so that employees can be paid more, paying attention to employees’ suggestions and needs, heeding the cultural differences among employees, and relating positively to communities around the world where business is done. “[T]o *be* principled is infinitely less important than to *do* something—the right thing” (1) “We need to stop being principled and just do what is right!” (42) Here, “being principled” evidently means looking for guidance in a code.

Arguing that one must “just do what is right” leads, of course, to the question of what the right thing is. That is the question that codes of conduct try to answer, and it is a question that business leaders and employees want to have spelled out. Though the authors assert that codes are too legalistic and unrealistic, the best codes exhort businesspeople to behave just like the CEO’s whom the authors admire. Followers of the Caux Principles² or the Johnson & Johnson Credo³ would find their workplaces more humane and their businesses more successful. Actually, codes are so useful that the authors, with all of their scorn for codes, offer their own “ten commandments for doing ethics in business.” (50-51) Among these are such vague prescriptions as “Do what is ethical and you will do good business” and “Give the extravagant gift of your commitment to social justice.” Codes might be too general to answer many specific ethical questions, but they are at least as helpful as these commandments.

The book, however, makes important points in raising the significance of imagination and generosity as keys to ethical behavior. On these points it is as though one writer left off and the other took over. Here two points are made. First, ethical problems come in such variety that one must be imaginative in dealing with them. “[W]e must imagine new perspectives with more universal value-laded choices.” (74) As an example of imaginative approaches, the authors focus on the Mondragon Experiment of Father José María Arizmendiarieta and the cooperative business movement he initiated in the Basque country in 1956. (75-79) Father José’s business efforts succeeded spectacularly because he involved workers in all phases of management and production and shared profits equitably. The authors foreswear any criticism of capitalism, as might be inferred from

their choice of this example. They hold Father José out as an imaginative capitalist.

In addition to imagination, the authors assert that attitude is fundamental. The attitude that promotes ethical behavior is one of generosity. “Fundamentally, business ethics requires us to believe that whatever our endeavors, if we give more, we will indeed get back more.” (104-105) The value of this generous attitude must be taken on faith, because it is beyond quantification. “Business ethics requires an unwavering belief, a faith, that doing good is good: good for you, good for others, good for business. Business ethics is not neat, clean, easily quantifiable, and a fast and sure track to specific calculable results. Like all matters of faith, it rests on a willingness and ability to accept that which cannot be verified empirically.” (104) This is not religious faith. It is the expectation, based on experience, that ethics is sound business.

A generous, unselfish attitude is not inconsistent with the profit-making motive. It is an attitude that recognizes the worth of every individual, that recognizes life purposes beyond the business context, that rejects acquisitiveness as a single guiding principle. It is a “proximate truth . . . that each person has human dignity and should therefore be given an opportunity to live a decent life.” (110) In spite of the earlier rejection of “principle,” the book summarizes the work of Jean Piaget and Lawrence Kohlberg on the ethical development of the human personality, showing that one can reach “the final stage of acting upon principle at any cost.” (128) We act ethically when, in spite of a cost to ourselves, we serve a larger good. That larger good would be good for business. It is in this last stage of moral development “that we will observe people engaged in *doing* ethics in business.” (128)

The authors aim to state an approach that is applicable the world over. “[U]ntil we examine, study, and comprehend cultural systems, including our very own, we cannot expect businesspeople to practice ethical behavior effectively in a global economy—or, for that matter, even to do successful business.” (64) They point to the danger of ethical egotism: “No effective business ethic is possible today if one’s starting point is ‘my way is the better’ or ‘only’ way to do ethics in business.” (23) The authors say this means not cultural relativism but “constructive discussion and dialogue with those who act differently than we do.” (24) Easier said than done when specific action is called for, but perhaps as constructive a suggestion as can be offered in the abstract.

Finally, in a section that is important but off the topic, the authors take on the education establishment. “No longer can our universities and business schools envision themselves as the dispensers of information in business and business ethics. Our universities and business schools require nothing less than a transformation! Instead of dispensers of information, educators must become the *creators, enablers, and networkers* of business ethics, ‘in formation’! The substance and spirit of business ethics cannot be covered in a smattering of elective

course offerings; we must form our students by integrating ethics into every course and every internship until it becomes nothing short of second nature." (126) This exhortation is made to the whole university, not just to the business school. "University business programs . . . must provide leadership in the creation of an integrated ethical process, an ethical consciousness that will permeate the entire curriculum of the college, not just that of the business department." (127) One suspects that this section was written by the author who has a penchant for italics and exclamation points. One subheading in this chapter actually says, "Mind Share Plus Heart Share Equals Market Share." (129)

In summary, the book contains guidance by example—the ethical decisions of selected CEO's—but offers little analysis of what makes those decisions ethical. The authors think such analysis is meaningless. Their prescription is simply to "do ethics," as the title says, not to waste time on "academic studies." This is likely to be unsatisfying to those who want more thoughtful content. The book does, however, point to the fundamental necessity of imagination and generosity in dealing with hard ethical questions. When it identifies this mental framework and provides examples of its use, the book comes closest to meeting Walter Lippman's standard—anticipating and supplementing the insight of businesspeople into the problems of their adjustment to reality.

¹ Walter Lippman, *A Preface to Morals*, Macmillan, New York, 1931, page 319.

² Caux Round Table, "Principles for Business," available at <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF> (last accessed June 8, 2007).

³ Johnson & Johnson, "Our Credo," available at http://www.jnj.com/our_company/our_credo/index.htm (last accessed June 8, 2007).