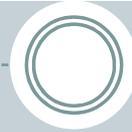


Against the “Hollowing-out” of Meaning



Virtue Ethics in the
“Blueprint for Better Business”
HELEN ALFORD OP



Against the Hollowing-out of Meaning



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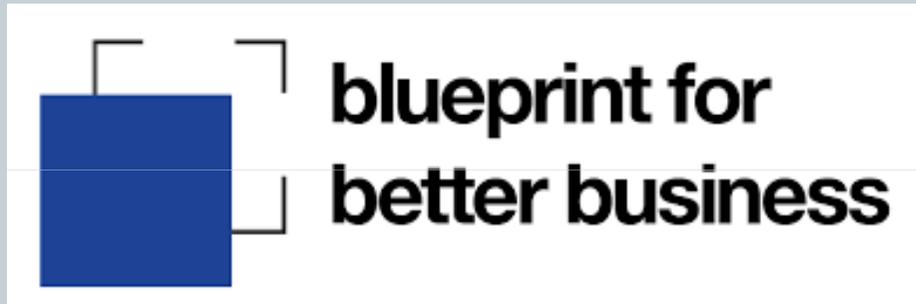
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- The “Blueprint for Better Business” Initiative
- The tendency in business to “hollow out” the meaning of words
 - Underlying problems in capitalism:
 - ✦ Drucker and MBO
 - Instrumentalisation
 - ✦ CSR, Shared value
 - Lying
 - ✦ Marketing: cultural “pollution” and “selling dreams”
 - Quality and systems thinking: have these been more resistant to hollowing-out?
- Virtue ethics in Blueprint and resisting the hollowing-out of meaning
 - Virtue and BBB; a realist metaphysics; trust and relationships
- Can Blueprint resist being hollowed out?



Blueprint for Better Business

- Some history; a focus on business purpose
- Access for business to an “independent body of thought”
 - “Access points” to CST
 - Blueprint Trust is independent of any controlling influence (esp. business) in constitution, governance, funding and provenance.
- Positioning
 - Focused on “why”/”what for”
- Mode of operation
 - Facilitation of a voluntary movement
 - ✦ Not a membership organisation, not about compliance (“kitemark”), not fee for service (ensuring independence)
- Unilever, Vodafone, PwC (UK), Hermes, Old Mutual Wealth “signed up”, others considering it . . .
 - SMEs, NGO, interreligious dialogue . . .
- Call for papers: “purpose-led business” at LBS ca. Sept 2016
<http://www.blueprintforbusiness.org/>



A Framework to Guide Decision Making

DEFINING PURPOSE

<p>Each person is a someone, not a something (DIGNITY & VALUE OF PEOPLE)</p>	<p>Show respect for the dignity of each person and for the whole person; never use people merely as a means to achieving business objectives. Respecting the whole person includes thinking of people in all their various roles in relation to the business: as employees, customers, suppliers, investors and citizens. Demonstrating respect means setting a purpose and seeking outcomes that enable each person to reach his or her full potential, not least being able to contribute fully to building relationships and communities both within the workplace and beyond. Such purposes and such outcomes engender trust between people and between business and society.</p>
<p>Delivering value by serving society (THE COMMON GOOD)</p>	<p>Genuinely aim to promote the good of society as a whole through the provision of goods and services that benefit society; never use stakeholders, and society as a whole, as a mere means to business success. This gives meaning to the purpose of the business within society and demands innovation to achieve that purpose alongside a financial return. Society and communities of people determine the licence, and freedoms, of business to operate and grow; these will be broader if business actively aims to reduce harm and produces goods that are truly good and services that truly serve.</p>

BEHAVIOURS NEEDED TO BUILD CHARACTER & ACHIEVE PURPOSE

<p>Other people matter (SOLIDARITY)</p>	<p>Freedom with responsibility (SUBSIDIARITY)</p>	<p>Building trust and trusted relationships (RECIPROCITY)</p>	<p>Valuing diversity and building bridges (PLURALITY)</p>	<p>Stewardship of people, values and resources (SUSTAINABILITY)</p>
<p>Judge decisions as good, or not, in the context of the best values, expectations and needs of those with whom we should seek to build relationships. Do not make decisions in a self interested, self determined, closed world that does not weigh sufficiently the impact on others. Make a fair contribution to society and avoid actions that cause inequality. Opportunities should be sought to serve the broadest community, including the underserved, the underprivileged and the excluded; not to emphasise the divide but rather to bring people together, through new job opportunities, innovative goods and services, and new markets.</p>	<p>Allow people to develop by being able to contribute to making decisions at all levels. Do not create dependency through reserving decisions unnecessarily to higher levels in the hierarchy, or lose accountability through inappropriate delegation. Give people the freedom, and support where necessary, to take on the risk of decision making and to have a voice in their work, thus fostering innovation, creativity and a sense of shared responsibility.</p>	<p>Start with basic honesty and integrity so that each and all receive what they are entitled to or can reasonably expect. This is the first stage of building trust. Then go beyond this minimum, using knowledge and capabilities to provide benefits that people desire and value but cannot expect or demand, in particular in situations of information asymmetry or power imbalance. Fair and efficient markets depend on trust and trusting relationships</p>	<p>Be clear as to who you are and what you stand for, combining this with an openness to enrichment from others, valuing diversity of thinking and cultures. Favour curiosity and inclusion over suspicion and exclusion of those who think differently. Maintain consistency of purpose and values whilst embracing diversity, encouraging closeness to people, markets, innovation and growth.</p>	<p>Acknowledge and seek to measure the impact the business has on people, values, resources, and the environment. Accept responsibility for those impacts. Then take steps to develop people, nurture values, preserve and restore existing resources and create new ones where possible so that others may enjoy their benefits. Use your knowledge, influence and experience in collaboration with others for the benefit of all.</p>

Five Principles of a Purpose Driven Business

Honest and fair with customers & suppliers

- Seeks to build lasting relationships with customers and suppliers
- Deals honestly with customers providing good and safe products and services
- Treats suppliers fairly, pays promptly what it owes and expects its suppliers to do the same
- Openly shares its knowledge to enable customers and suppliers to make better informed choices

A Good Citizen

- Considers each person affected by its decisions as if they were a member of each decision - makers own community
- Seeks and provides access to opportunities for less privileged people
- Makes a full and fair contribution to society by structuring its business and operations to promptly pay all taxes that are properly due

Has a Purpose which delivers long-term sustainable performance

- Operates true to a purpose that serves society, respects the dignity of people and so generates a fair return for responsible investors
- Enables and welcomes public scrutiny of the alignment between stated purpose and actual performance

A responsible and responsive employer

- Treats everyone with dignity and provides fair pay for all
- Enables and welcomes constructive dialogue about its behaviour in keeping true to its purpose
- Fosters innovation, leadership and personal accountability
- Protects and nurtures all who work for it to ensure people also learn, contribute and thrive

A guardian for future generations

- Honours its duty to protect the natural world and conserve finite resources
- Contributes knowledge and experience to promote better regulation to the benefit of society as a whole rather than protecting self interest
- Invests in developing skills, knowledge and understanding in wider society to encourage informed citizenship

“Hollowing-out” in business: Drucker and MBO



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- 1954, *The Practice of Management*

- “What the business enterprise needs is a principle of management that will give full scope to individual strength and responsibility and at the same time give common direction of vision and effort . . . The only principle that can do this is management by objectives and self-control”
 - ✦ MBO is management by self-control, with “communications up”, information for self-control, reports and procedures as tools
- He saw the “plant community” as a bulwark against totalitarianism
 - ✦ In Drucker’s 1942 book, *The Future of Industrial Man*, he wrote ‘above all, we shall have to prevent centralized bureaucratic despotism *by building a genuine local self-government in the industrial sphere . . . To do so . . . ‘the plant must be made into a functioning self-governing social community’* (Schwartz, 2004)
- Jack Welch and GE, 1981
- By 1980s, “he no longer saw the corporation as an ideal space to create community. In fact, he saw nearly the opposite: a place where self-interest had triumphed” (*Business Week*, 28.11.05)



“He was the creator and inventor of modern management”

“Hollowing-out” in business: CSR and Shared Value

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- **Business case for CSR**

- greenwashing; “parasitic logic”

- **Shared value (strategic CSR?)**

- aims to “re-legitimize business” and “redefine the purpose of the corporation”.

- CSV: “policies and operating practices that enhance competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates”.

- ✦ Reconceiving products and markets; redefining productivity in the value chain; enabling local cluster development

- Crane et al

- ✦ Cf instrumental stakeholder theory, blended value, social

...

- “Intellectual piracy” “Moving beyond trade offs . . . by ignoring them”.

- ✦ Serious shortcomings . . . will erode any real possibility for . . . more fundamental change . . . a symptom of an approach to management scholarship that is itself endemic to the failings of the current capitalist system



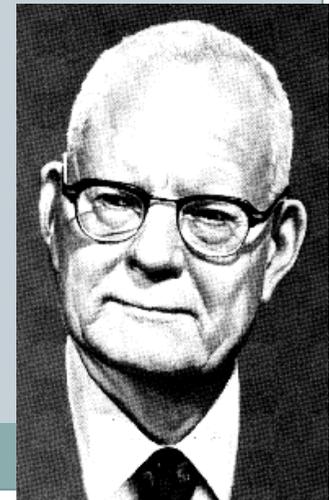
What about quality?



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- Quality has both (statistically) measurable and “mysterious” aspects
 - More resistant to hollowing-out than the idea of “objective”?
- Picked up first in Japan – does this make a difference?
- Developed an elaborate set of instruments
- Deming had an explicit “management philosophy”
 - 14 Points, 7 Deadly Diseases, “System of Profound Knowledge”
- It has been able to “crossover” to other orgs
 - Healthcare (CIM); Education



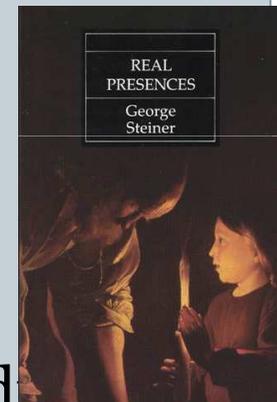
Problematic status of language



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- “the relationship between word and world, inner and outer, has been held ‘in trust’. This is to say that it has been conceived of and existentially enacted as a relation of responsibility . . . *It is this break of the covenant between word and world which constitutes one of the very few genuine revolutions of spirit in Western history and which defines modernity itself*
- there is aesthetic creation because these is *creation*
- “Meaningfulness is not an invariant datum. There are indeed vacancies . . . ruptures . . . But these are not of the essence . . . To read the poem responsibly (‘respondingly’) . . . is to wager on a relationship – tragic, turbulent, incommensurable, even sardonic – between word and world”
 - George Steiner (1989), *Real Presences. Is there anything in what we say?*, Faber



Hollowing out and Blueprint



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- Can Blueprint avoid this fate?
 - it explicitly builds on a provenance that is not under the control of business
 - judging by the immersion courses, business people are fascinated by its content
 - ✦ so far, there is strong insistence on keeping the depth of the ideas in the foreground of the initiative
 - ✦ There have been considerable efforts to frame the ideas in an accessible way so that they can be tested in a business context.
 - ✦ There have been considerable efforts to reach out to the broader environment that shapes business thinking - large and small businesses, high profile business leaders, the investor community, the consulting community, wider society (NGO's, trade unions, faith communities), academia, the media and politics (without a political stance or in favour of any one political party)
 - the crisis has left its mark in the psyche of business people, providing a “negative” reason for being interested in something like Blueprint



Virtue Ethics and Hollowing Out



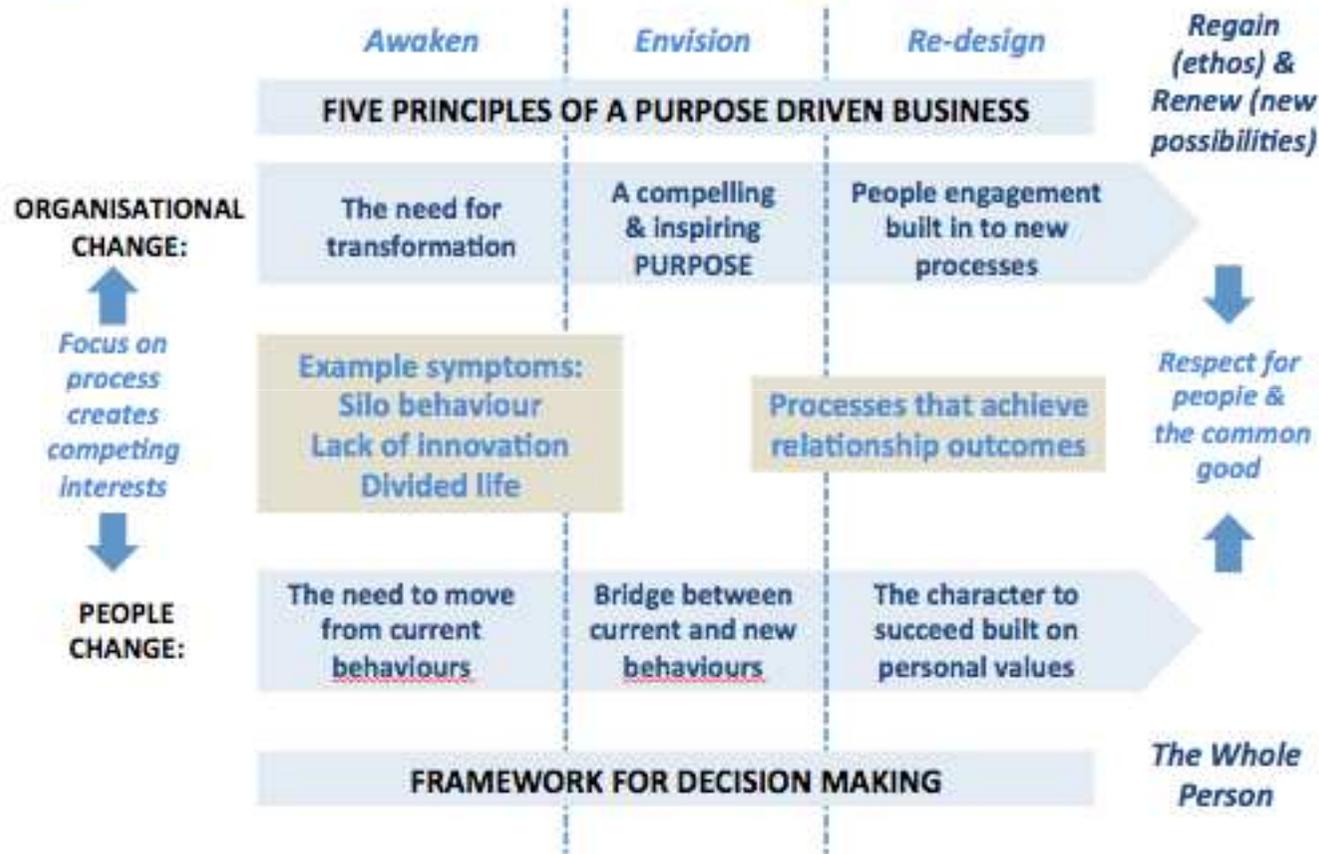
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- Virtue ethics is incorporated into Blueprint
 - Virtue and purpose/trust; virtue in the BBB change model
- Virtue ethics is built on a realist metaphysics (being is good)
 - It may not be able, immediately, to prevent effects from the underlying contradictions of capitalism
 - Maintaining a proper relation between good ends and good means, virtue reduces the likelihood of instrumentalisation
 - Meaning of words and the virtue of Truth
 - ✦ Content, usefulness, due circumstances
- Virtue develops in relationships, where meaning is held in trust



Blueprint: making change happen





Using Wittgenstein: McCabe



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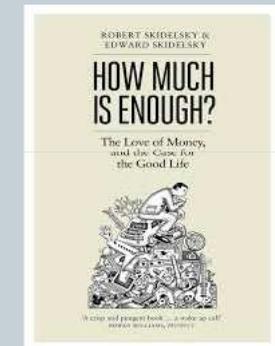
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- **Anti-dualist: the body is “intrinsically communicative”**
 - There is no “me” inside, thinking thoughts that are then expressed “in the public world of the body”
 - ✦ “concepts are nothing like experiences but are simply skills in using words . . . The question of meaning is not a question about my secret thoughts but about the public language”
 - ✦ “Meanings, then are ways of entering into social life, ways of being with each other . . . ‘To imagine a language’, as Wittgenstein says, ‘is to imagine a form of life’”
- **Ethics is “the study of human behaviour in so far as it is a piece of communication”**
 - “The purpose of ethics is . . . to enable us to enjoy life more by responding to it more sensitively, by entering into the significance of human action . . . It consists in the process of trying to see things always at a yet deeper level”

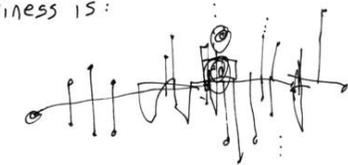
Prospects for Blueprint

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- Is the weight of history stacked against a happy ending to this story?
 - A success story from long ago: Benedictines and manual labour
- Deeper problems in capitalism – could these swamp Blueprint?
 - Skidelskys on “insatiability”
- Three possible outcomes:
 - Best case (quality?): BBB becomes mainstream without hollowing-out
 - Second-best (systems thinking?): BBB becomes niche to avoid hollowing-out
 - Worst case (MBO?): BBB succumbs to hollowing-out
- Which will it be?



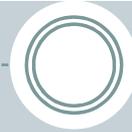
business is:



"socialising with purpose"

ehugh

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