

Business and Philosophy

Business Practice: Applied Moral Philosophy

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Ayn Rand and Business

Donna Greiner and Theodore Kinni

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More books like this one should be written. Donna Greiner and Theodore Kinni's short volume brings their expertise on management to bear upon a little-developed area of inquiry: what philosophical ethics can contribute to successful business practice. The authors are well-versed in the professional literature, but they write like actual human beings. Their prose is straightforward, and they consistently connect their theoretical points to clear, practical examples. And unlike much writing in business ethics, which consists of academics admonishing business professionals from the perspective of an alien ethic, *Ayn Rand and Business* sticks consistently to what business ethics should do. It focuses on the positive—on what it takes to achieve genuine success in business, and on providing ethically informed, practical advice about how to create value in the business world.

Two stories about the world of business are relevant to evaluating the importance of Greiner and Kinni's book. The newest story about the contemporary business world is the shift to entrepreneurialism. Entrepreneurs have always played a central role in the history of business, but large-scale business in the modern world has also been dominated by bureaucratic and authoritarian structures. Elements of the bureaucratic model of business organization included top-down authoritarianism, with CEOs likened to military generals who conceived the strategy and in turn ordered subordinates to execute

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the strategy as dictated. The bureaucratic model also included the "organization man"—the employee who was not expected to do much thinking or to assert much independence, but rather mechanically and faithfully to carry out instructions. In return for his loyalty, the organization man could expect that the company would look after him, and that longevity of service would be honored and rewarded.

The new entrepreneurial world of business has lessened the power of the authoritarian model and forced the early retirement of the organization man. The new employee is expected to be entrepreneurial *within* the business organization, and gone is the expectation of longevity of service. In place of both is the expectation of a faster-paced world of business, in which the values that employers and employees trade are likely to change in the not-too-distant future. Accordingly, the relationship between employers and employees is now expected to be closer on the spectrum to the relationship between a business and its consultants or its sub-contractors. The skills and mindset of the organization man are radically different from the skills and mindset of the entrepreneur, and it is the entrepreneur's skills and mindsets that are increasingly needed by both managers and employees.

Entrepreneurs exhibit a passion for creating value, independence of thought in the face of new challenges, a commitment to creative solutions, and courage and perseverance in the face of obstacles. In all of Ayn Rand's writings, the entrepreneur is the key character. A book on the relevance of Rand's ethical philosophy to the new world of business is then precisely on target.

The second relevant story about the business world is an older one: the hectoring and admonishing attitude characteristic of traditional systems of ethics. Traditional thinking about ethics has been dominated by Platonic and religious models formed in pre-modern times. Those models are, arguably, able to offer useful advice to tribal and monastic societies, but they are poorly suited to describe and evaluate major institutions of the modern world—including free markets, corporations, and decentralized information economies. Accordingly, there has been a long-standing tension between the world of moral philosophy and the world of business.

In the world of traditional ethics, "ambition," "competition," and "profit" are bad words; its good words are "selflessness," "altruism," and "sacrifice." Most traditional business ethics has therefore seen its task as being to urge the business world to be less ambitious, to shame it into giving less able competitors more of a chance, and to convince it either to make less money or, if it absolutely must make money, to give more away afterward.

Most business professionals are vaguely convinced on general principles that ethics are important, but at the same time they have learned to be wary when they hear from traditional ethicists that what they need is more ethics. Most business professionals know that ethics is essential to long-term success—that productivity and pride depend upon commitment, trust, justice, and integrity. But at the same time, they are confused when told that justice and integrity require self-sacrifice, that being too productive is unfair to the little guy or hurts the environment, or that financial success and pride are unworthy aspirations.

What the business world needs and wants to hear are the truths that the moral is the practical, that ambition is healthy, that achievement and productiveness are virtues, and that justice, integrity, and honesty are profoundly *practical* ethical principles. In all of Ayn Rand's writings, these themes dominate her moral philosophy.

Greiner and Kinni's book is a fine introduction to the direct relevance of Rand's work to the more entrepreneurial business world. Others such as Nathaniel Branden and Edwin Locke have made initial explorations of this territory. Branden's *Self-Esteem at Work* (1998) applies decades of Objectivist work, mostly his own, on the moral and psychological principles of self-esteem to successful business practice. Locke's book *The Prime Movers* (2000) uses a wide range of historical cases of success and failure in business to abstract the Objectivist moral principles that make business work. *Ayn Rand and Business* shares the virtues of both approaches. It integrates Greiner and Kinni's reading of Rand's theoretical works with dozens of familiar, real-life examples of managers, entrepreneurs, and employees in practice.

The book is divided into three major parts. After an introduc-

tory, biographical section Greiner and Kinni get down to business. The second section of the book, "Randian Work," is a beautifully structured discussion of Rand's moral theory, moving gracefully from abstract principles to practical business examples. Greiner and Kinni start with a chapter on the nature of values and virtues. Then they devote a chapter to each of the seven virtues in Rand's system: Rationality, Independence, Integrity, Honesty, Justice, Productiveness, and Pride. Within each chapter on the virtues, attention to clarity of structure is maintained. Each chapter contains an initial general discussion of the virtue in question, including examples of scenes and characters from Rand's novels. The authors then define the virtue in question, and explain its range of application. Finally, they provide examples from the business world that illustrate the virtue in question.

It is refreshing to see a book on moral philosophy focus on examples of moral success in the business world rather than on moral failure. Key decisions and events in the careers of Bill Gates, Andy Grove, Michael Dell, Michael Eisner, and Jack Welch show how a commitment to a moral principle was integral to their achievements. In addition to such contemporary examples, Greiner and Kinni relate classic examples from business history. In many of their decisions and practices, Thomas Edison, Henry Ford, Edwin Land, and Walt Disney exemplify the use of moral principles in successful action.

The most original part of *Ayn Rand and Business* is its third section, "Randian Management." Here Greiner and Kinni draw upon their professional expertise as professors of management to integrate Rand's insights with contemporary management theory. Three themes organize the discussion of the principles of successful management. First, managers should make innovation a central value in any business. Second, employees who can think are the primary capital of any business, so managers should see their function as being the development of employees to their greatest potential. Third is leadership. Managers are leaders: they decide the purpose of a business, craft its mission statement, and make the mission statement's principles a living part of the business's culture and ethos. Greiner and Kinni's compact discussion of each of these principles

is a useful condensation of a vast literature.

Aside from a few points of detail here and there, I have only one criticism of the book. The book begins with two chapters of biographical material, in which Greiner and Kinni sketch the major events of Rand's life from her childhood in Russia, to her career in Hollywood, to her success as a novelist, to the growth of the Objectivist movement and its many schisms. In my judgment, the material of these two chapters is not relevant to the theme of the book and it undermines the reader's motivation to read further. In a book about Ayn Rand on business, decisions about what to include should be governed by two principles: Does it help the reader to understand Rand's views on business? And: Does it motivate the reader to learn more? Two-and-one-half chapters of biography do neither. If the target audience is those familiar with Rand, then the biographical chapters offer no new information. If the target audience is professionals who want to learn how philosophy can help their business, then the biographical chapters offer no useful information. In either case, the biographical chapters are a distraction from the point of reading the book. Given their expertise and their theme, the authors could much more profitably have used that time and energy given to biography to developing further their very good discussion in the second and third parts their book.

Ayn Rand and Business is a book on applied moral philosophy, and so it is a useful complement both to Rand's artistic presentation of the business world in her novels and her theoretical presentation of it in various essays. For those already interested in Rand's philosophy, Greiner and Kinni have given us an informative extension of her views to another profession. For those who are in business, they have introduced a useful and necessary set of philosophical principles to guide professional activities.

As a work on applied moral philosophy focusing on management issues, the book necessarily limits its scope. It does not address all of the concerns a thoughtful business professional will raise when thinking further about business practice—issues such as conflicts of interest, office politics, the proper role of government, dealing with a chaotic regulatory world, or the cultural preconditions of the social

system in which business best flourishes. While *Ayn Rand and Business* is not written to address those questions, it can also serve as a model for other, future books to follow.

References

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