

# Philosophical Foundations of Business Ethics: French Philosophy and Social Theory in Relation to Ethics and Philosophy of Management

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This article gives an overview of my book *French Philosophy and Social Theory. A Perspective for Ethics and Philosophy of Management*, published by Springer 2014. As an extension of my earlier work on French philosophy, this book provides an application of important concepts from contemporary French philosophy to business ethics and the ethics of organizations. Although the book covers a wide range of philosophers and philosophical movements, there is a core and deep unity of the book. This is the demonstration of how the conceptual resources of contemporary French philosophy from the early 20th Century to the present day can be applied to give us new perspectives on business ethics and the ethics of organizations.

**Keywords:** French philosophy, ethics, philosophy of management, business ethics, Corporate Social Responsibility (CSR), philosophy of sciences, organization theory

## 1. Introduction

This article presents the book *French Philosophy and Social Theory. A Perspective for Ethics and Philosophy of Management*, published by Springer 2014. As an extension of my earlier work in Danish about general French philosophy written together with three Danish colleagues (Rendtorff together with Luebke, Raffnsoe and Diderichsen 2003), this new book provides an application of important concepts from contemporary French philosophy to business ethics and the ethics of organizations. Instead of focusing on particular philosophers and philosophical movements, the book proposes to give an overview of possible applications of French philosophy to business ethics and ethics of organizations by going in detailed analysis of selected core material of special relevance for business ethics of French philosophy. The reason for this is that it is supposed that the generally interested reader from business practice or business theory or business ethics would be interested in the variety of approaches in tension and interaction with each other rather in going into detail with a particular philosopher or philosophical movement. However, each chapter contains suggestions for further reading and pedagogical illustrations of possible applications to the mainstream business ethics and ethics of organization literature so that the short presentation can give us further knowledge.

In this perspective, the important innovative contribution of the book is the speculative effort to discuss

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and analyze how French philosophy (that says very little, if not nothing directly on business ethics) can be applied as intellectual resources for business ethics, management and organizations. Although the topic covered may seem very large, it is possible to give an overview of the potentialities of French philosophy for the study of business ethics and the ethics of organizations. This book analyzes the significance of French philosophy for business ethics and this is a continuation of earlier research on business ethics (Rendtorff 2009; 2010), philosophy of management (Rendtorff 2013), and general French philosophy that is likely to produce new surprising synthesis and applications (Rendtorff 2014).

## **2. Basic Concepts of Business Ethics**

Against this background, the introductory chapter discusses how we need philosophical and conceptual clarification of particular concepts of business ethics and the ethics of organizations (Rendtorff 2014). This discussion provides a structural outline of concepts that are analyzed further on in the book. The chapter presents some basic concepts of business ethics and those concepts can be used as tools for analysis to structure the presentation of the different approaches throughout the book. A preliminary presentation of the basic concepts of business ethics that need further illumination would focus on epistemology and ontology of organizations, the concepts of institutions and action, concepts of business ethics and responsibility, leadership, power and employees and stakeholders, legitimacy, business ethics, and judgment. The discussion of epistemology and ontology of organizations provides an outline for posing this question to the different aspects of French philosophy. It defines what we mean when we talk about epistemology of organizational study and what we search for when we examine the philosophical content of the concept of organization.

This is developed in the discussion of the need to ask questions about concepts of institution and action. Here, the overall presupposition is that main-stream institutional theory of business ethics and the social sciences can be further illuminated and put into perspective by the contribution of French philosophy and social theory. When we deal with the question about ethics and responsibility, we define these concepts as important in business ethics and we show how they may be illuminated by the understanding of ethics within the different approaches of contemporary French philosophy. The same problem is the question in relation to the discussion of leadership, power, employees, and stakeholders. This kind of question is proposed as question of leadership and institutional environment and we look into the different approaches to French philosophy to see whether they have an answer to this question (Rendtorff 2014). Finally, we look at how modern French philosophy can provide resources for understanding organizational legitimacy, ethics, and judgment and how we can find answers to questions of this kind in the body of knowledge that is called contemporary French philosophy.

## **3. Early Contemporary French Philosophy and Business Ethics**

The discussion of early contemporary French philosophy and business ethics makes the outline of important concepts in French philosophy that have been developed and that have had an influence on French thought in the contemporary philosophy (Rendtorff 2014). From Henri Bergson, we can develop concepts about consciousness and human subjectivity that has an impact of human responsibility, memory, creativity, and identity in organizations. But Bergson also provides early foundations of phenomenology and searches for intuitive meaning in organizations. With his works on creative evolution and the sources of morality and religion, we find a foundation for understanding the intuitive and creative evolution of organizations and institutions that provide a new perspective on business ethics and that also influence the further development of

French thought. The sociologist Emile Durkheim is also a classical name for developments of contemporary French philosophy. He provides a theory of modernization and of the separation of work and professional ethics that influences further thinking. Durkheim's sociology defines some essential concepts of organization that has had an impact on business ethics. From Alexandre Kojève, we get the important Hegelian concepts of recognition and the importance of freedom in history and in the institutions of modernity. These concepts have direct application for business ethics and they are important in further development of the dialectics between the same and the other in French thought (Rendtorff 2014). From Marcel Mauss, we inherit the complex sociology and economy of the gift that opens a whole area of sociological reflections about the foundations of human interactions in organizations and in society. The sociology and economy of the gift give us new perspectives on corporate philanthropy and the foundations of ethics, as it is for example proposed by one of the philosophical interpreters of Mauss, namely Georges Bataille. Accordingly, with this discussion, we propose intuition and creativity, separation of work and differentiation, recognition, and institutions, and the economy of the gift as important concepts to retain for further reflection on business ethics and philosophy of organization (Rendtorff 2014).

#### **4. Phenomenology and Existentialism**

In the discussion of phenomenology and existentialism, we give the basic outline of a phenomenological and existentialist approach to business ethics and ethics of organizations (Rendtorff 2014). In this perspective, the epistemology and ontology of organization focus on meaning and on the embodied life-world of the organization. But we also propose reflections on human freedom, subjectivity, and intersubjectivity in organizations. With his philosophy of the body and recently published previously unedited lectures on the concept of institution, Maurice Merleau-Ponty provides us with a historical-intuitive concept of institution that challenges main-stream institutionalism. In his existentialist philosophy of dialectical reason, Jean Paul Sartre has developed a comprehensive philosophy of organization, praxis, and institutionalization. This philosophy also provides a theory of organizational development and the role of freedom in organizational action. Existentialist praxis philosophy also contains a theory of interaction between organizational members and conditions for organizational decline and innovation.

Moreover, the existentialist perspective may provide us with an outline of a conception of dilemmas of leadership and ethical choices in management. In contrast to Sartre, the ethics of Emmanuel Levinas represents a sharp criticism of the Marxist praxis philosophy. Levinas provides us with a humanistic concern for the other and the ethical respect for the other in organizations. This perspective opens for an ethical institutionalism that provides a critical perspective on organizational totalization of meaning. With Paul Ricoeur, we move from the phenomenology of the ethical encounter towards a hermeneutic and narrative perspective on organizations and organizational identity (Rendtorff 2014). For Ricoeur, the foundation of business ethics may be said to be "the good life for and with the other in just institutions."

This approach implies a philosophical concept of institutions that is also a criticism of the praxis philosophy of Jean-Paul Sartre. In this sense, Ricoeur provides a hermeneutical turn of the philosophy of organization that also can be presented as a foundation of a narrative conception of business ethics. In this tradition, we may also mention authors like Castoriadis and Lefort that transform concepts like imagination and creativity from the Marxist and phenomenological tradition and give them a new meaning for a theory of society.

## 5. Marxism and Post-Marxism

The Marxist tradition was in some sense prior to the existentialist tradition and it also emerged during the 30s and 40s in connection with the strong communist party in French politics. The Marxist tradition related to communism was a Euro-Marxist position seeing Marxism as an alternative to the bourgeois French mentality (Rendtorff 2014). It was an author like Roger Garaudy who was a member of the communist party who presented a version of Marxism that combined Catholicism and Humanism with Marxism. The view of the dialectics of organizations and organizing would in the light of this kind of philosophy of course be that the workers should take over the means of production and that some kind of collective ownership should be constructed in relation to the means of production. The humanistic vision of the unification of Marxism and Catholicism should be the center of this concept of work and organizations. A further development of the work of French Marxism would be the concept of sociological Marxism as the basis for analysis as developed by Henri Lefebvre (Rendtorff 2014). He proposes a theory of everyday life as the foundation of Marxist analysis.

This is a kind of analysis that provides a theory for understanding everyday life of organizations combined with a critical social theory. Indeed, the dialectical theory of existential Marxism as proposed by Jean-Paul Sartre may be conceived as a theory of institutionalization and of historical development on the basis of the concepts of dialectics and collective human actions from anarchistic revolutionary and innovative groups over stable structures of organizations towards the reified condition of an institution like the state or like society. From there, we go to the criticism of dialectics of historical action with the structuralist Marxism of the pupils of Althusser like Etienne Balibar who proposes a strict scientific reading of the *Capital* by Karl Marx as opposed to the anthropological and idealistic readings of Garaudy and Sartre. Today, Marxism may be said to be continued by post-Marxism of authors like Balibar or Rancière that conceive a new political theory on a post-marxistic foundation. The question is how we can use this in organization theory as a critical tool to analyze the problems of reification and domination in organization (Rendtorff 2014).

## 6. Liberalism and Neo-liberalism

In French philosophy and social theory, the work of Raymond Aron represents the liberalist criticism of Sartre's Marxism. Aron provides a liberal-republican response to the existential Marxism of Sartre. They are discussion partners from two very different points of view in more than 30 years (Rendtorff 2014). Aron provides us with a liberal account of society and the role of organizations within society. He has been followed by a liberal tradition in French philosophy that has also drawn on resources in Anglo-American philosophy for example Friedrich Hayek and John Rawls. Today, there is a strong interest in liberalism and liberal philosophers, and philosophers are reading classical French philosophers like authors like Rousseau and Tocqueville. But also by addressing contemporary liberal theory like it has been done by Catherine Audard who as a specialist of Rawls applies this tradition to the context of French philosophy. Indeed, contemporary defenders of the liberal and republican tradition are also Luc Ferry and Alain Renault who have defended a concept of political theory as a criticism of the thought of 1968. In addition to their view, we can also mention André Comte-Sponville's critical view on business ethics in his attempt to distinguish between economics and morality in the book with the title *Is Capitalism Moral?* Finally, elements of rights thinking have for example emerged in recent French philosophy where for example Emmanuel Picavet has proposed his book about

stating your rights *De la revendication des droits*. This tradition provides a neo-liberal framework for understanding organizations and organizational action.

## 7. The Epistemological Tradition and Organization

In this context as a follow-up of the present work on French philosophy and business ethics, it is a great challenge to ask the question whether the so-called epistemological tradition—*l'épistémologie à la française* can help us with anything in business ethics. This tradition was first of all a tradition that discussed the foundations of the natural sciences including physics and biology. It was the great epistemologist Gaston Bachelard who initiated the discussion about the relation of the foundations of rationality of the natural sciences in relation to the poetic and mythical expressions of the human pre-scientific world of existence. This issue is to which extent it is possible to provide a perspective on not only organization in the biological world but also in the human world of corporations, in particular with regard to pre-scientific metaphorical perceptions of organization. When we apply the thought of Ganguilhem, we are confronted with the question about what business ethics can learn from the theory of the normal and the pathological and what consequences, if any, this can have for our concept of organization. Indeed, when we apply the thought of Bachelard and Ganguilhem to business ethics and the ethics of organization, we face a rather speculative endeavor because they have not confronted this issue directly.

The case is different when we analyze the work of the sociologist Edgar Morin who has tried to develop a kind of complexity sociology that combines the natural and social sciences in the view of organizations. This kind of approach may also be found in the work of Michel Serres who can be said to present cybernetics of governance. Moreover, when we discuss the work of Serres, we would also have to confront the work of the philosopher and sociologist Bruno Latour who has recently done a lot of work in developing a theory of organization out of the insights of the natural sciences in combination with social sciences. Latour provides us with a new perspective on the sociology of organizations that gives us a new constructivist perspective on organizations that can help to reformulate our concept of business ethics.

## 8. Structuralism and Post-structuralism

From the structuralist and post-structuralist tradition, we can find an entirely different perspective that represents a break with both the phenomenological and epistemological approach to organizations (Rendtorff 2014). In this sense, the structuralist and post-structuralist perspective also provides of view possible concepts that can give us new views on organizations. With the concept of structure, the anthropologist Claude Levi-Strauss would open for an anthropological analysis of the organization as a space of dualisms between clean and unclean, pure and impure. There would also be potentials in the structuralist approach to understand the tension between action and structure that could give us a potential for a new concept of institutionalism in relation to corporations. Norms and values in organizations would be dependent on structure and action would also be conceived from the point of view of structure. From Louis Althusser, we get a Marxist reformulation of structuralism, which may have an influence of our concept of organization. When it comes to Michel Foucault, we would face a criticism of structuralism and we would face a historical genealogical approach to organizations that would include analysis of neo-liberalism and its logic of governance as a play of bio-power and regulative game of domination of discourses in corporations.

In the philosophy of Gilles Deleuze, we would also find a strong criticism of dominant concepts of organizations and we would see discussions of capitalist globalizations that would provide a perspective to understand the play of desire and difference in organizations (Rendtorff 2014). In a very different way, the theory of habitus of Pierre Bourdieu provides us with a new understanding of the concept of structure as bound to the habitus of individuals, and with his different concepts of human, cultural and social capital Bourdieu helps us to understand how norms are generated and developed in organizations. Bourdieu's concepts of body, structure, and habitus also give us a perspective on organizational action that provides a foundation for doing organizational analysis in business ethics.

Furthermore, the concept of deconstruction based on the movement of difference in structure and text in the philosophy of Jacques Derrida may also be analyzed as providing a perspective on the ethics of organization. With this approach, we may contribute with concepts that can help us understand the metaphysics of business ethics and the ethics of organization (Rendtorff 2014). With the so-called ethical turn of deconstruction, Derrida may help us with the deconstruction of the idealistic presuppositions of CSR and with the search for a new justice and legitimacy of the "coming democracy" in organizations. But there are also many interesting reflections on the gift, recognition, identity, structure etc., in the philosophy of Derrida that may provide a different perspective on the ethics of organizations. Followers of Derrida like Jean-Luc Nancy and Philippe Lacoue-Labarthe may be mentioned as authors that help to move beyond business ethics towards aesthetics of organization that questions concepts of metaphor and narratives in the context of work and organizational culture.

## 9. Postmodernism and Hypermodernism

In the postmodern sociology and philosophy, we find a perspective that tries to understand the developments from modernity into another kind of advanced modernity or hypermodernity, as suggested by the sociologist Gilles Lipovetsky. Jean Baudrillard proposed an analysis of the society of consumption that provides an understanding of the desires of late capitalism (Rendtorff 2014). Moreover, in the philosophy of Postmodernism by Jean-Francois Lyotard, we also find concepts that understand the corporation as a postmodern organization with no great narratives or center but rather as a decentralized project organization with specific small narratives and values that provides a play of metaphors and a multitude of language games. Ethics in organization is in this context situated and depended on the values of a particular network organization. In a somewhat other perspective, a philosopher like Alain Badiou focuses on the concept of the event and he uses psychoanalysis as the foundation for analysis that can be used as basis for criticism of organizations.

Sociologists like Luc Boltanski and Eve Chiapello can further with their book on *The New Spirit of Capitalism* be said to provide a kind of postmodern or hyper-modern perspective on organizations because they show how we have moved from a strict bureaucratic managerial logic of project management of the 1960s to the new logic of network society in the 1990s where it is the value-based project organization with its concepts of flexibility and values-engagement that has become the new spirit of capitalism.

Finally, the important work of Lipovetsky contributes to this new logic of capitalism by analysis how we have moved towards "Les crepuscules du devoir," the sunset of duty where business ethics is based on virtue and searches for identity in the experience economy in hypermodernity rather than on the traditional concepts of duty and a deep sense of responsibility. Lipovetsky shows how business ethics is very important in the

hypermodern society because both consumer and producer are searching for construction of identities and searching for happiness in the context of the economic exchange of the experience society. Bernard Stiegler also takes up problems from hypermodernism and combines this with the philosophy of Derrida in proposing a philosophy of *Pharmakon* that contributes to the deconstruction of traditional concepts of business and business philosophy.

## 10. Discussion: New Foundations of Business Ethics

After having presented such a myriad of different points of views, an perspective that can be applied to the problems of business ethics and the ethics of organizations, we also contribute with a discussion of what we can learn from French philosophy when we work in business ethics (Rendtorff 2014). The conclusion is that we have shown that French philosophy contains many important resources for management reflection and reflectivity in business ethics. Those resources are, however, not available without speculative reflection, but with hard reflective work, the resources from French philosophy give us new and surprising perspectives that open for new paths of reflection that can help to understand ethics in organization. Moreover, we argue that French philosophy implies a contribution with a framework for understanding potential critical problems in organizations. There is a deep criticism implied in some of the perspectives that may be a revelation for managers that can help improve organizations. Indeed, this is also due to the fact that French philosophy provides increased understanding of organizational culture, dynamics, and legitimacy and this is also for the concrete work in organizations. Finally, the book argues that the resources from French philosophy have contributed with improvement of ethical formulation competencies and global views on leadership that help managers and business students to get better deliberative capacities and become better “reflective” practical persons in hypermodern experience society (Rendtorff 2014).

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