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Authenticity and Business

Business would approach continuous development if there were the social emergence of adequate critical authenticity.

There would be a commitment to authenticity and the working out of its implications. It would require that we be in the third stage of meaning where it is recognized that social policies, political rights, economic activity and institutional authority are grounded ultimately in authenticity. To get to this point, individuals would have progressed through common experiences of intellectual, moral and religious conversion. Their histories would be different, their cultures diverse, their attainment at different stages, yet at their core they would have experienced and appropriated interiority as the center of human living.

Note that it is not the emergence of authenticity. Authenticity exists. The institutions we have, our culture, what we have made of ourselves individually, are the fruits of authenticity. Rather it is the emergence of an adequate critical authenticity. This is authenticity that is self-possessed, that can distinguish clearly between the authentic and inauthentic, the intelligible and the unintelligible, the reasonable and the unreasonable, good and evil. Adequate critical authenticity equips us to work through the various dialectics in which we find ourselves.

With regard to common sense in general and business in particular, its implications are long term practicality. At its root it is the rejection of the rationalization that justifies the continuance of evil as an attempt to deal with evil. It is the rejection of the process that Polanyi terms moral inversion, where evil becomes a value and is considered good. This requires that we go beyond good and evil in Nietzsche's sense to its foundation. It also is the concomitant rejection of the rationalization that rejects solutions because, given the present morass of absurdity and the difficulty of implementation, they are deemed impractical.

What is in fact impractical is short-sighted common sense. First, the more one is a truncated subject, the more short sighted one is, since less is taken into account. For example, the less one understands their own feelings and motivations the less they can have an empathetic or sympathetic understanding of others. Second, the less differentiated one's consciousness, the less practical one is in the long run. For example, if we do not have some knowledge of theory and scientific or systematic thinking, we cannot appreciate the complexities of getting things done or their long term implications. Since common sense mediates between theory and concrete situations, an undifferentiated consciousness is missing a differentiation of common sense. Third, knowledge of history also is crucial. It is needed not merely because those who do not know the mistakes of the past are condemned to repeat them. It is needed to understand the present situation and the possibilities for the future. The present situation is the result of decisions and actions and

it is grounded in the hearts and minds of people. To transform the situation is to transform the people. Without an adequate understanding of their motivations and concerns and their origins, solutions are paper thin. The final contribution to short-sighted practicality are the egotistical, group and general biases with which we all are familiar.

Insofar as the general situation is constituted by these biased, unsystematic processes, no one is effectively responsible for it. As a group we are not collectively responsible for it. Yet, if the situation is to be improved, we need to assume collective responsibility. Fostering this responsibility is one of the tasks of adequately critical authenticity.

Business is a set of institutions within a complex context of other institutions which include government, law, social services, education and religion. The basis of successful functioning of institutions is cooperation. Prima facie, the mediation of the functioning of the various institutions is the law. It lays out the rules for functioning and provides a means for resolving disputes. However, rules are not exhaustive. Like grammar and syntax, they provide degrees of freedom in generating intelligible relations and organizations that the rules permit, but for which they do not account. Cooperation, and the laws themselves, have their basis in a firmer, but less explicit foundation. The same is true with policies and procedures within a business. That foundation is authenticity. Recognition of that foundation within the business community and the development of an unbiased rational self-consciousness by a critical mass of individuals within business (enough to make a difference) would be the emergence of adequate critical authenticity in business. However, since business operates within a broader cooperative context, that emergence would be concomitant with similar events in the other major institutions, or in society as a whole.

If we use the common definition of business as the production of goods and services for profit, we can distinguish business from other institutions, but we do not adequately define business.
Within the cooperative institutional network, businesses have their own self interest. Indeed, the free market is often characterized as everyone for themselves. The basis for capitalism is competition. In actuality, our economy is managed, so that only some businesses are competitive. While competition plays a role in providing better and more cost effective products, there are other forces which foster cooperation. Industries form groups to lobby for changes favorable to the industry for example. More importantly, businesses rely on one another to succeed. General Motors, for example relies on other businesses to supply parts built to specifications, delivered at specific times and at specific prices.

However, the distinguishing characteristic of business, the drive for profit, sets it at odds with other human concerns. In Randy Newman's terms, "Its money that I love." No matter how well meaning one is, if you cannot turn a profit, you go under. Underlying the business climate is the threat of losing your job, or being responsible for others losing theirs, stockholders losing their money and so on. Just as the core of law enforcement's power can be reduced to force, so the core of business can be reduced to the power of money and its role in making a living, maintaining our standard of living, and more profoundly, survival. The problem of living is one for which we have collective responsibility and we meet that responsibility collectively through the network of institutions.

But we also meet the problem imperfectly as evidenced by wars, recessions, depressions and the ebb and flow of authentic values. In effect, we encounter breakdowns in the process, declines in society. So in attempting to meet the problem of living, we encounter a paradox. While we think we are doing the right things, the process breaks down. How can we correct our collective behavior when it is seen as the correct response to the current situation? Why do 'correct responses' lead to breakdowns? Hindsight is twenty twenty. But how do you get and stay on the right track?

Posing the problem in this form is misleading. We cannot expect to find the right way of doing things and stick to it. Rather, we need to learn how to recognize and recover from our errors. That is, we need to continually learn to do things differently and we need to adjust quickly. We need to change our thinking from looking for a solution to implementing series of solutions. The issue shifts from finding a solution to development. The notion of development needs to recognize stops and starts, blind alleys and declines. But we need to minimize the impact of declines and focus on recovery from them. The answer, in short, is not an answer, but a process. The process is one of continual self-transcendence. It is required because our current selves are not "adequate" to the task. We need to grow.

Clearly a developing business has these needs as it expands its product lines, markets and organization. But mature businesses also have these needs if they are to keep pace. They need to recognize the external changes to which they must respond if they are to survive. Consider IBM which was mired in a corporate culture that had outlived its usefulness and which made it difficult for it to respond to the changing market for computer technology. IBM clearly had a solution to the problem of management and they did not begin to change until it was apparent to everyone that their solution was now a major problem.

So the first issue is one of process and development. The transformation of the organization needs to be built into it. It should be expected. However, this is only partly a function of having policies and procedures such as project management and the budgeting process where changes are implemented and the direction of the corporation is charted. The people within the organization need to have the resources to change and there must be a commitment to it.

The second issue is intersubjectivity. Corporations bring together people with different backgrounds, personalities, levels of education and so on. Each corporation puts its own twist on the prevalent professional attitude that provides the context for business interchanges between people and departments. The professional attitude is a set of expressions and actions that permits work to get done independently of ones particular background and concerns. If the professional attitude is the persona of the organization, then there also are other forces working within the organization that cannot be assimilated to that attitude and do not see the light of day. There needs to be a way to bring those to expression else the organization risks being subject to forces it does not acknowledge, leading to a loss of control, or in losing opportunities for development which would be proposed if they would get a fair hearing. Consider for example, the attitude that you minimize bad news. Then you could be having problems with production or customer service that are affecting product quality and leading to a loss in revenue, but management would not be fully aware of the problem. Likewise, solutions, many of which would be obvious to the workers, would not be proposed, since, to propose them would be to reveal the bad news. Thus, the more authentic

the professional attitude within an organization, the more realistic its self-appraisal would be, and the more likely it would be to set the right course. In short, the more genuine the corporation, the more likely it is to acknowledge and use the forces conditioning its self-transcendence.

A third issue is management. There is a transformation occurring in corporations where the organizational hierarchy is becoming flatter. Fewer layers of management are necessary due to automation. Many of the routine controls of production and review of information have been automated. At the same time, automation is putting more tools into everyone's hands. For example, there are fewer secretaries because many people now have their own word processing software on their desk and do their own secretarial work. On the other hand, the remaining secretaries are doing more than ever. They need to know word processing, spreadsheets, presentation software and desktop publishing.

The implementation of computer systems requires interdisciplinary teams to define requirements, develop and test software, and implement the system. Then changes are continually made requiring an ongoing process of setting priorities within the corporation for using information technology. This requires interdepartmental input and long range planning. The use of teams has become generalized to most projects across organizations. Thus, instead of being organized by functions, corporations are becoming organized by process. Since the processes involve multiple functions, individuals in particular departments need to become literate in the functions of other departments to adequately make their contribution to the process. A new mode of cooperation is becoming prevalent.

At the same time workers are becoming more empowered. This means that people lower in the hierarchy can now make decisions previously reserved for higher managers. This does two things. First, it reduces the response time for resolving problems or making changes since levels of approval are reduced. Secondly, and more importantly, it puts control of the job in the hands of the person who understands it.

These conditions, an increase in tools and information due to automation, the emergence of teams as the primary organization for implementing change, and the empowerment of workers gives them more responsibility and more opportunities to be creative. In short, it gives them a job which is closer to what being a person is all about.

What can adequate critical authenticity contribute to this situation? There is the obvious answer that it can help business focus on long term gain versus short term returns. The good companies tend to do this. They do basic research and development and strategic planning. However, it needs to be done on all levels. Temporary solutions in business tend to become permanent as the current need is met and becomes less pressing. A set of temporary solutions typically ends in an unwieldy process that needs to be redesigned, often at great expense. There is nothing, for example, that contributes more to the entropy of a computer system, its inability to be changed effectively, than a series of quick fixes. Typically, the response one gets is that we do not have the resources, be it people, money or time.

However, there is a more pressing issue, values. If the authority of institutions is based on cooperation of its members and if cooperation is based on authenticity, then the long term success of any institution, including business, is based on fostering authenticity. But this means that there is going to be a conflict between proposals and solutions which take authenticity into account versus those that do not. And sometimes the solution that promotes authenticity is going to cost more and seem less efficient and effective in the short and long run. Remember that a year is a long time in business. To think five years out is almost science fiction. To think into the next generation is almost unheard of, except in the tobacco industry. And to think about the foundations of business itself and the fact that my mode of decision making is undermining them, is rare. So not only is the proposal which considers authenticity going to cost more, it is going to seem unnecessary and impractical.

So how do you argue for authenticity? First you need to show that an open, authentic environment is a more productive environment. Naturally, the environment will not be fully authentic, so you would need to abstract the key factors. Then you need to show that that environment is based on cooperation and that the basis of the cooperation is a faith in others authenticity. Unfortunately, the best argument for common sense is experience. So you would need to go through some failed processes and keep pointing out how they can be improved until the more authentic course is chosen. If faith in their authenticity is eroded, then cooperation begins to be withdrawn and performance suffers. As cooperation is withdrawn, the authority of management begins to erode. As authority recedes, a gap develops between authority and power. Orders are followed not because people believe in them, but because of the power of money. People need jobs. As authority is not seen to be legitimate, the values of the organization do not stir the workers conscience. Management will issue directives and the results will be haphazard. Unless the situation is corrected, there will be a continuing decline.

Conversely, an authentic organization would recognize that there are higher values than its corporate values; religion, family, personal growth and the general social welfare for example. The primary goal of the company would not be to make money, but to provide a product or service. If that is done well, then the company would be profitable. The employees would understand the corporate values and how they fit within the broader context of the culture's values. Concern for the employees personal and professional development would blunt the more inhumane practices of downsizings and reorganizations for example. A more mature view of people would not mistake enthusiasm for authenticity, continuous activity for productivity, criticism for insight or belligerent management for toughness. The corporation would be able to reinvent itself because the employees would be able to reinvent themselves. They would be given the opportunity to be authentic. This would include putting all the cards on the table in a cooperative atmosphere. The results of authenticity are the business' products. If authenticity develops, if the absurdities and impediments to productivity are reduced, then business should become more productive and socially responsible.

Adequate critical authenticity also can contribute to business' success by critically appraising and correcting unwarranted criticisms of business. For example, the pain and suffering of unemployment from corporate downsizing is not solely the fault of business. Downsizing was necessary for the long term health of business. It is the restructuring of the corporation.

Unemployment is always going to be a fact of life in business. The lack of adequate unemployment insurance, social services and health coverage contributed to the suffering. So the role of adequate critical authenticity in business is to argue for adequate services from other institutions to complement the necessities of business. It needs to help define the proper role of business so its role is not distorted in an attempt to compensate for other institutions failings. At the same time it needs to protect business from unwarranted attacks which would undermine its authority and ability to develop. Since, ultimately, business provides the funding for all other institutions, those attacks undermine the basic fabric of our society.