



Tuesday March 9, 2010

DOV SEIDMAN January 12, 2010, 5:27PM EST

Philosophy is Back in Business

Forget economics. Philosophy offers a deeper, broader way of thinking to help guide companies through times made tougher by overspecialized experts

By [Dov Seidman](#)

The financial and climate crises, global consumption habits, and other 21st-century challenges call for a "killer app." I think I've found it: philosophy.

Philosophy can help us address the (literally) existential challenges the world currently confronts, but only if we take it off the back burner and apply it as a burning platform in business.

Philosophy explores the deepest, broadest questions of life—why we exist, how society should organize itself, how institutions should relate to society, and the purpose of human endeavor, to name just a few. *The Wealth of Nations*, a book that serves as the intellectual platform for capitalism, lays out how markets should be organized and how people should behave in such markets. The book's author, Adam Smith, was not an economist, as many believe, but a philosopher. Smith was chairman of the Moral Philosophy Dept. at Glasgow University when he wrote the book.

Like other philosophers, Smith attempted to create a new framework for understanding the world, addressing how we as humans seek alignment in our relationships and among competing interests.

The philosophical approach Smith pursued has faded from use, yet it's more relevant than ever in light of the crises our organizations and countries face. Credit, climate, and consumption crises cannot be solved through specialized expertise alone. These problems, like most issues businesses confront in the global marketplace, feature complex interdependencies that require an understanding of how political, financial, environmental, ethical, and social interests influence each other. A philosophical approach connects the dots among competing interests in an effort to create synergy. Linking competing interests requires philosophers to examine areas that modern-day domain experts too often ignore: core beliefs, ethics, and character.

When I say we need to return to a philosophical approach in relation to problem-solving, I mean that we need to broaden our understanding of problems by looking deeper at our own beliefs, values, ethics, and character, and then understand how they relate to those of others who share a stake in our problem-solving efforts.

NEEDED: BROADER QUESTIONS AND GOALS

This has grown difficult to do at the organizational level because so many our businesses are packed with specialized domain experts. We are having trouble connecting the dots among these knowledge silos to conceive enduring solutions.

Like philosophers, we as individuals and organizations need to keep values, ethics, and the overall human condition in mind as we make decisions and take actions. Among other behaviors, this means hiring for character (in addition to specialized skills), considering the long-term implications (in addition to the short-term rewards) of our decisions, and figuring out how we can create value (in addition to extracting value).

By taking these steps and embracing a more philosophical approach to problem-solving, we will establish our character as the 21st century's defining competitive differentiator. As the Greek philosopher Heraclitus so elegantly put it almost 2,500 years ago: "Character is fate." This holds true for individuals and organizations.

I see growing evidence of businesses asserting their desire to address the human condition, which certainly marks a step in the right direction.

My bias stems from my experience as an undergraduate at UCLA, where philosophy lit a fire inside me. By rewarding me for the careful consideration of one idea instead of compelling me to read hundreds of pages of text, philosophy helped me understand why I was struggling in all other academic areas. I studied philosophy for seven years before I went to law school, where I took eight classes in jurisprudence, which is essentially the philosophy of law.

A MORE ETHICAL CORPORATE SECTOR

Although I pursued my philosophical studies because I was inspired by the subject, I also reached a conclusion that led me to found LRN, a company that helps businesses develop ethical corporate cultures: Philosophy is powerful enough to tackle sprawling issues. The discipline remains amazingly practical after existing for more than 2,000 years.

Here's a timely and practical example of how applied philosophy can generate a new business idea: At LRN, we don't think of our suppliers as "vendors" or our customers as "buyers." They are all our "partners" in a shared effort to build our businesses together in the service of a big idea—a more ethical corporate sector. This may sound abstract, but it's actually quite practical.

When you share a philosophical concept or a world view, you create alignment, whether it's with a colleague, a trading partner, or another stakeholder. Without that shared vision, relationships often bog down in low-level squabbles.

During LRN's negotiations, for instance, instead of butting heads with our partners across the table over low-level details, we strive to remember that we share common ground and that we are committing to working together for years. If we remember that, we're more likely to reach a win-win agreement that deepens our connections.

LRN is hardly alone. As I wrote in an [earlier story](#), more companies appear eager to deepen connections with their own partners and the human condition in general. I was recently struck by the simplicity of Ally Bank's print advertisement expressing its competitive advantage: "We Speak Human."

WANTED: PHILOSOPHERS IN PINSTRIPES

These corporations are promoting the notion that their mission extends beyond profit and provides new frameworks—transportation, fuel, manufacturing, and so forth—for improving existence. These assertions require supporting actions over the long term if they are to have merit. In our connected and transparent world, where so many can easily see deeply into our operations, it has become clear that companies and even nations have character—and that their character is their destiny. For institutions to ensure that their characters, or cultures, are consistent with their behavior, they need more humans within their organizations who can appropriately manifest the desired culture through leadership, business practices, and individual behaviors.

When LRN posted the job listing for the New York office administrator position that Emily recently stepped into, we included a specification designed to let candidates know that we valued what they might contribute to our company, beyond their administrative skills: "Philosophy major preferred." We hoped to find someone like Emily, who could truly connect with our mission and not just "do the job." That qualification seemed a bright idea.

It turned out to be a practical idea. Before my September trip to China, philosophy major Emily took the initiative to join a group of staff members who brainstormed with me about ways I might connect international company executives, local business people, students, and Chinese citizens on the topic of values, ethics, and behaviors. Our office manager and philosopher added value in a way that someone hired exclusively for a skill set probably would not have been able to contribute. Anyone—not only philosophy majors—can think more broadly and more deeply about the beliefs and values at the root of our crises, but Emily certainly does.

This is hopeful news at a time when massive problems are nudging people to hunker down rather than to lean in and connect.

These connections are vital as we engage deeper with the 21st century's biggest challenges. As we do this, we will find that philosophy's application is not only "killer" in a practical sense, but necessary in a fundamentally human one.

Dov Seidman is the founder, chairman and chief executive officer of [LRN](#), a company that helps businesses develop ethical corporate cultures and inspire principled performance, and the author of [HOW: Why HOW We Do Anything Means Everything...in Business \(and in Life\)](#). LRN recently announced the acquisition of leading green strategy firm, GreenOrder.