How Relationality Shapes Business and Its Ethics

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ABSTRACT. Just as Michael Porter's "five forces" provided a practical analytical tool for describing the forces that shape competitive strategy, so business ethicists ought to provide business leaders with a workable framework for understanding the sources of ethical obligations. The forces that shape competitive strategy vary according to time and industry, but are anchored in an ultimate criteria of profitability. Similarly, ethics can use a set of analytical categories that identify the relevant forces to business ethics on the basis of relationality.

This paper first argues that relationality based on naturalism is the primary, plausible value for ethics. Second, it adapts a tripartite dialectic from scholars William Frederick and Michael Novak to describe the relational categories with which business must contend. Third, it uses these forces in a way similar to Porter's competitive forces to offer an analytical language familiar to managers in order to characterize business ethics.

An important challenge for academics working in the field of business ethics is to find a way to translate philosophical questions into generally accessible languages and practical methodologies. Businesspersons typically are not trained in philosophy, nor are they necessarily interested in questions framed in philosophical terms. Even academics working in other business-related fields such as law, marketing, and organizational

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behavior may not find philosophical discussions useful. Both groups can, however, be very interested in the ethical questions that arise in business. For this reason, it is important to ask which "languages" best translate the insights of formal business ethics into helpful analytical categories.

By taking on this question here, I am not attempting to provide particular directives for ethical decision making. That is, I am not claiming a set of universal commandments for business nor am I presenting the proper prioritization of decision-making principles. Instead, for purposes of this paper, I am pursuing a process that simply tries to find a set of metaphors accessible to businesspersons that describe how they should act. Law is one such language. Like philosophical ethics, law attempts to formulate principles that encourage or discourage behavior and to apply those principles to particular cases. Applied outside of legal structures, law becomes embodied as ethical rules often found in corporate policies. Such rule-based principles, however, often undermine freedom of moral thought and personal responsibility in favor of minimalist notions of how to stay out of trouble.

Given surveys that indicate the importance of religious belief to many Americans, including businesspersons (McMahon, 1989, Arlow and Ulrich, 1988) a similar translation process can take place by linking moral beliefs to religious traditions. Linking ethics to religious traditions can lead people to follow specific commandments, demonstrate loyalty to a particular moral community, or to fulfill individual spiritual obligations and quests. Psychology would be a secular candidate for this translation process,

particularly in its business manifestation as organizational behavior. The sectarian, relative, and/or often individualistic nature of these approaches makes it hard to determine, however, if there are cross-cultural moral obligations.

These languages are not identical to the language of philosophy. Philosophy questions how a person should live. Law, religion and psychology do not solely study the way a person should live. Nevertheless, they each have a great deal to do with the question. For many people, they also frame the question itself.

For the purposes of this paper, I sketch an analytical structure consisting of a tripartite dialectic that is rooted in sociology, theology, and naturalist philosophy. Justifying the philosophical, theological, and sociological dimensions of the structure is a complex task that is beyond the scope of this paper. Nevertheless, for the tripartite dialectic to be credible, the epistemology of the position must at least be plausible. Part One of this paper therefore explains why my approach, which I call the Naturalist/Relational Theory (NRT), is plausible. Part Two then describes how NRT can be translated into analytical categories that can help nonspecialists address questions of business ethics. Part Three ties this analytical structure to contemporary management methodologies in hopes of demonstrating how NRT can be a practical way of analyzing moral problems.

I. The plausibility of the naturalist/ relational theory

A. *Self-Evident reality*

In a pluralistic country and a shrinking world, the diversity of moral beliefs makes it difficult for any truths to seem self-evident or universal. Yet universal and self-evident truths are central to any naturalist theory. Classical natural law theory focuses on the universal and more contemporary naturalism on the self-evident. Viewed in terms of the Kantian emphasis on individual moral decision-making, however, our present culture threatens to make a mockery of the attempt to identify these kinds of truths. Moreover, because

ethical inquiry involves particular, idiosyncratic problems not easily described by any comprehensive moral theory, a naturalist perspective can seem doomed to failure.

In a sense, naturalism simply builds upon the obvious. After-dinner speakers have for years told the story of the couple lost, airborne, in an hot-air balloon. Spotting someone on the ground (usually a lawyer, but professors have sometimes make an appearance as well), the meandering balloonist calls out, "Can you tell me where I am?" The ground-based spectator replies, "in the air, riding in a hot-air balloon." The balloonist remarks to his companion, "Undoubtedly a lawyer (or professor, etc.). Entirely accurate and completely useless."

Naturalism is sometimes like the ground-based spectator: Accurate without being helpful. For example, naturalism deems moral knowledge a quest for how to flourish and to live well. It also presents human beings as essentially social creatures (Perry, 1990).

With each proposition, naturalism says nothing about what is necessary to flourish, or how human beings best express their socialness, their "relationality." But the usefulness of naturalism's propositions is in their recognition of how human beings are part of a larger context that includes other people, the community (MacIntyre, 1981; Hauerwas, 1983; Solomon, 1993) and nature itself (Frederick, 1992 and 1995)

Nearly every "school" of business ethics recognizes, in one way or another, the relationality of humanity and our quest to flourish. The virtue-based theory of Robert Solomon takes this approach most clearly because of his emphasis on the communities necessary to teach virtue and the understanding that whatever actions we take contribute to the moral development of those who observe and are affected by others actions. The very notion of stakeholders (Freeman, 1994; Boatright, 1994), is a recognition of the impact of corporate action on nonshareholders. Thus, stakeholder theorys insights take into account the very real consequences of corporate action on all of a corporations constituents. Similarly, rights-based theory (Werhanel, 1985) specifies what kinds of rights

are beyond corporate, utilitarian calculus in order to minimize the harmful effects of corporate action on various constituents. Finally, the notion of a social contract (Donaldson and Dunfee, 1994) assumes the existence and legitimacy of a relationship in which people in various corporate and noncorporate roles must negotiate (actually or hypothetically) with one another their mutual obligations. Each of the business ethics theories have a common essential relational component.

There are, of course, many ways in which business behavior is relational. Plant closings impact employees and their communities, as do harassment and discriminatory practices. Nature itself is negatively affected by pollution, oil spills, and depletion of its resources. Moreover, contemporary quantum physics demonstrates that not only human beings, but all entities – even the smallest molecular components – exist only in a relational dance of energy, matter, and time (Harris, 1992; Davies, 1983, and Wheatley, 1992). Thus, it is not simply corporate actions are relational, but the very structure of life itself is relational. No action is without its consequences on the well-being of others. Without specifying what the best kinds of relationships may be then, a relational theory points out the obvious, but vital truth that our very human existence is relational. No action can be compartmentalized. No action, except perhaps pure contemplation, is purely private.

William Frederick has argued that the moral issues of business arise out of gene-based evolutionary processes and therefore, business values can be grounded in nature itself (Frederick, 1992 and 1995). Fredericks analysis, which is very important to the next part of this paper, makes the important – and self-evident – point that human beings are, by nature, relational so that attempts to compartmentalize human behavior should be suspect. Denying that one's actions have consequences, and often significant consequences for others, both human and nonhuman, or that such consequences need to be accounted for, contradicts the reality of our existence and claims to the contrary ought to be viewed suspiciously.

Pointing out our relationality is not useless, but

an accurate, self-evident statement that must be a central feature of any subsequent determination of ethical obligations. If one is to argue, however, that it is plausible to use naturalism to make moral claims, one must address the is-ought dilemma of the so-called !naturalist fallacy. That is, the descriptive fact that we are related does not necessarily mean that our actions ought to enhance our relationality.

B. *The naturalist fallacy and relational theory*

For some, the idea that all human beings, and indeed nature itself, are relational implies that each persons ethical duty becomes "A spiritual community of persons, mutually responsible for the welfare of all and for the material basis on which that depends" (Harris, 1987, pp. 262–263). Because of our interconnectedness, a negative consequence for another person is a negative consequence for me as well. Thus, philosopher Errol Harris argues that such interconnected relationality becomes a "universal principle" of increasing consciousness, self-sufficiency, and self-determination so that:

> If we have been right so far, it should follow that the highest from (sic) hitherto experienced, human mentality, is the closest analogy to the ultimate nature of the absolute whole. In that case, it must involve something like, yet somehow transcending, self-conscious personality. It must involve and yet transcend some form of organized community. It must be at once a physical, organic, intelligent, moral and spiritual whole, of which we (with all that is implied in our nature) are integral members. (Harris, 1987, p. 262)

Harris claims that one can derive a normative model from nature – and thereby defeat the naturalist fallacy – because the evolutionary progression from simple to complex organisms, currently culminating in self-reflective consciousness, is both the source of moral consciousness and the recognition of the duty to act in ways that embrace our interrelatedness. That is, it is our evolutionary destiny to become increasingly aware of the consequences of our actions, so that we enhance our humanness and

goodness by taking increasing responsibility for the consequences of our actions.

Does Harris successfully defeat the naturalist fallacy? It is not clear that he does, since he does not clarify why an individual ought to embrace the holistic formulation Harris recommends or how all people are negatively affected by one anothers losses. If I win a game, contract, or a promotion and you lose, how am I hurt? One can argue, for instance, that there is a human ability to transcend nature or that the evolutionary process can allow beings to act with more self-interest than Harris model. Harris himself to some extent recognizes the lack of proof of relational duty when he concludes that, in conceiving of the self-conscious, personal, and interpersonal nature of ultimate reality, one essentially takes a leap of faith:

> The answer, of course, is implicitly given in religion, which postulates a supreme being of the kind required. But that is not a complete or distinct answer, because the question remains – how we are to conceive the Deity (Harris, 1992, pp. 34–35).

Harris's use of religion leads to an understanding of God in Tillich-like terms: unfolding, ultimate self-conscious awareness and interconnection. In such an understanding, God is not a grand person meting out justice and mercy, but an evolutionary, spiritual force perfecting itself through time. There very well may be good reasons for encouraging religious belief so that individuals act for the welfare of others, but the appeal to faith in a divine being does not itself compel a claim that our natural condition of relationality requires us to act in ways that embrace it.

A second response to the naturalist fallacy problem comes from the legal philosopher Michael Perry. Perry essentially follows Wittgenstein in rejecting the search for principles that ultimately justify moral behavior in favor of an "existential orientation" in which we participate in life (Perry, 1990). That is, we create our moral principles by the ways in which we act rather than through some pre-existing, self-standing justification.

Perry argues that one cannot ultimately justify values like rationality and flourishing. The "proof" is ultimately circular; it depends upon the authority of that which is being proved. Unless one already values rationality, for instance, we cannot justify it. But, he argues, we do value rationality and flourishing and it is because of our existential orientation toward these values that they become criteria for moral action. In fact, we may actually be better able to prove that human beings are relational than that they are rational or that they seek to flourish. But even if we can prove that human beings are relational creatures, the moral duty to embrace those actions that foster relationality derives not from the normative position that we ought to do things that foster relationships because of its goodness, but instead from our orientation toward relationality.

Perry concludes that the truly important question is not whether a person ought to be moral, an ultimately circular question. The question is whether there is a connection between what Perry calls altruism and a flourishing life. As a result, Perry, like Harris, questions whether a secular philosophy can sustain that connection or whether a claim of self-fulfillment through what is essentially a duty to "love thy neighbor" requires religious belief. I agree with both Harris and Perry of the ultimate necessity of religious belief to make this claim. For purposes of this discussion, however, it is sufficient to claim that Perry does overcome the naturalist fallacy by refusing to require normative claims to stand on non-naturalist grounds. In short, his claim is that the naturalist fallacy exists when one requires moral knowledge to be based on justificatory claims. If such an epistemology is not the basis for such claims, then it is plausible that our relational nature and valuing of relationality, as well as rationality, flourishing, survival and profit, make relationality itself an appropriate moral claim.

C. *Translating the conclusion*

What does the plausibility of NRT mean in the business context? Can one make any particular claims about business behavior on the basis of a

naturalist understanding of our relationality? I believe there are two answers.

First, recognizing our relational nature does in fact challenge claims that "business is business." It prevents one's routine compartmentalizing business behavior as unconstrained by relational forces. Businesspersons, in fact, readily understand the importance of relationality in terms of competition and long-term relationships with constituents including suppliers, employees, and consumers. The determinative issue is the priority and nature of particular relationships. To whom does business owe its primary responsibility and in what ways? This question leads to my second response that asks further what the observation of nature tells us about relationality.

I am not asking simply whether or not we should model our behavior after that which we observe in nature. Nature provides many such models. Rather, I seek to identify the common forces in nature that affect behavior. The work of William Frederick suggests that these forces operate in a tripartite dialectic. Moreover, the dialectic has sociological analogues that provide a framework with which executives can analyze moral problems in business.

II. The tripartite dialectic

A. *Description*

1. *The naturalist basis of the dialectic.* William Frederick has argued that there are three value clusters that oppose one another: economizing values, power aggrandizing values, and ecologizing values. All three values are rooted in nature and are "incompatible with each other." Frederick recognizes that culture also plays an important role in shaping values, but one that is "an outgrowth and extrusion of dynamic natural forces that embrace, in the most literal and comprehensive manner, the innermost recesses of our being and the farthest realms of the cosmos." He also recognizes "x-factor values," the totality of individually held values within an organization. Because individually held values differ, organizations' "value-boxes" (their culture) can differ widely.

In spite of these cultural variations, Fredericks tripartite value structure provides a defensible representation of the recurring forces in business. Economizing values combat entropic disintegration, disorder, and degradation according to Frederick. Thus, for Frederick, the central significance of business is its ability to sustain life for those falling under its "organizational umbrella." Business makes its primary contribution by promoting economizing. It must balance inputs and outputs, foster growth, and maintain systemic integrity.

> Economizing is therefore the central, indispensable, defining characteristic of business. It emerges as the main normative principle of business activity. Businesss social justification rests on this economizing principle, which is its central value (Frederick, 1992, p. 290).

In addition to economizing, however, other natural forces operate in business. Chief among them is power aggrandizement. One's position in a firm's hierarchy and the power derived from it in that hierarchy become a "dominant value of the business order." Frederick argues that the "addictive hedonism of power is the defining trait of corporate managerial culture and personality."

Frederick classifies the final set of values as ecologizing values that do not function in business. "Interconnectedness knits a community of life forms together with themselves and with the environment of their ecosystems." Like the other values, ecologizing values grow out of the evolutionary processes of natural selection, where such interconnectedness has "adaptive survival effects." These values include symbiosis, collaboration, and mutual life-support (a more comprehensive interlinkage phenomena than symbiosis), group defense and integrity, and, resulting from these three, community sustenance equilibrium. Frederick argues these values directly oppose those of economizing and power aggrandizement.

> Ecologizing proceeds by collaboration and cooperation, whereas both economizing and power aggrandizement are most successfully achieved by competition and self-centeredness. Ecologizing promotes the survival of integrated groups of living

things within their respective ecosystems. Economizing and power aggrandizement pit groups against one another in a vast and destructive zero-sum game. It is out of these differences that the most important normative issues in business arise to confront us. (Frederick, 1992, p. 296).

Frederick concludes that a central mistake of business ethicists is to focus on the points at which the two central thrusts of business, economizing and power aggrandizement, conflict with individual x-factors. This homocentric emphasis on individual persons misses the central challenge to business behavior: the ecologizing demands of nature. That is, the question for business ethics is not so much when an individual is abused by economic and political self-centeredness, but rather how to enhance relationality in daily life. His position, like that of Perry's, suggests that one must make the connection between altruistic behavior and a flourishing life.

The question is whether Fredericks description is plausible. I conclude, with one important caveat, that it largely is. The caveat is that instead of viewing natural forces as being opposed, they are dialectical. The value clusters themselves are interrelated, as a sociological description of the tripartite dialectic makes evident.

2. *The sociological basis of the dialectic.* The notion of a tripartite dialectic consisting of the economic, political, and cultural/moral sectors has been most prominently championed by Michael Novak. Unlike the sociologist from whom Novak appropriated the dialectic – Daniel Bell, who claimed that capitalism undermines the interdependency of the three sectors – Novak claims that, linked with a set of whiggish values, capitalism in fact supports it. These whigish values include individual self-discipline, civic responsibility, competitiveness, creativity, and cooperation. Rather than analyzing capitalism solely as an economic phenomena, Novak argues that it has to be contextualized within politics and culture (Dorrien, 1993). The difference is important because it suggests that rather than making values such as cooperation and community sustenance antipodal to economizing and power aggrandizement, Novak places them in a

dialectical relationship. It may be true, for instance, that individuals seek power and status, but to do so requires collaborative effort. Similarly, an organization's limitation on disorder and promotion of growth is interdependent with its ability to collaborate with others. This dialectical identification does not serve to ennoble economizing and power aggrandizement, but it does suggest that the relationship among Frederick's value clusters is not as opposed as he describes.

An example of the essential interrelationship of these forces can be found in the work of free market theorist F.A. Hayek. He roots his theory in an evolutionary epistemology with considerable room for moral virtues. For Hayek, the basis of morality is trade, for it is when exchange is desired that human beings learn virtues such as promise-keeping, truth-telling, quality production of traded material, and even notions of altruism and solidarity (albeit far more limited than what most ethicists propose) (Hayek, 1988). These virtues are necessary for trade to flourish. That they do flourish helps humanity to survive, providing the existential justification for morality on a level without normative claims. Further, life is too complex and human beings too cognitively limited to permit a "fatal conceit" of specifying a complete set of laws which restrain economic behavior by enacting morality. Rather, laws ought to protect certain basic rights such as life, freedom of contract, and property according to Hayek. Beyond these restraints, moral institutions such as the family and the church, according to the agnostic Hayek, ought to instill the requisite virtues in order for trade to flourish. Thus, even in this rather uninspiring framework, business virtues are necessary in addition to legal constraints for the survival of business. Without such a balance, Hayek argues, instinctual self-gratification undermines economic affairs.

One may wish to dispute whether economics completely explains moral behavior. But underlying Hayek's analysis is a recognition of the necessity of relationality. One does learn about moral behavior by interacting with others and by learning from the experience and reflections of those, including ones self, who have interacted with others. Novak argues that personal quests

to make society better through the establishment of voluntary organizations can provide social justice without the government imposition Hayek fears. Such a notion allows individuals to enact the form of solidarity appropriate for their particular community. By actively building up the cultural/moral sector, they promote ecologizing, community values. Those notions of solidarity, however, are not extraneous to business; they are the cooperative glue that allow people to live with one another. They provide the ecologizing context within which economics and politics operate, a fact that Toqueville recognized in American society long ago. Thus, the tripartite structure, nuanced dialectically, provides a way to take into account basic forces that shape business behavior.

Pope John Paul II drew on Novak's dialectic in his encyclical *Centesimus Annus* (1991). He demanded an economic structure in which participating individuals would be motivated to practice solidarity. The Pope clearly had in mind specific forms of solidarity practiced through the dignified treatment of workers, the inclusion of the poor in the free market economy, and a particular level of freedom. Whether or not these definitions of solidarity are appropriate does not necessarily determine the way in which the moral sector ought to limit the economic and political power. The "common good" is this dialectic is a communal manifestation of relationality rather than a specific institutional or cultural form.

Frederick is correct that since businesss social justification is its economizing role, profitability is the primary value for business. Given the fact that those affected by business have other primary values, however, business reaches its value of profitability by interaction with various "x-factors" and with other sectors. Goodwill and reputation have economic importance because ecologizing values matter to business.

B. *Levels of the dialectic*

On the largest scale, the dialectic simply recognizes the various sectors of life in a free society. As indicated in Figure 1, the tripartite dialectic
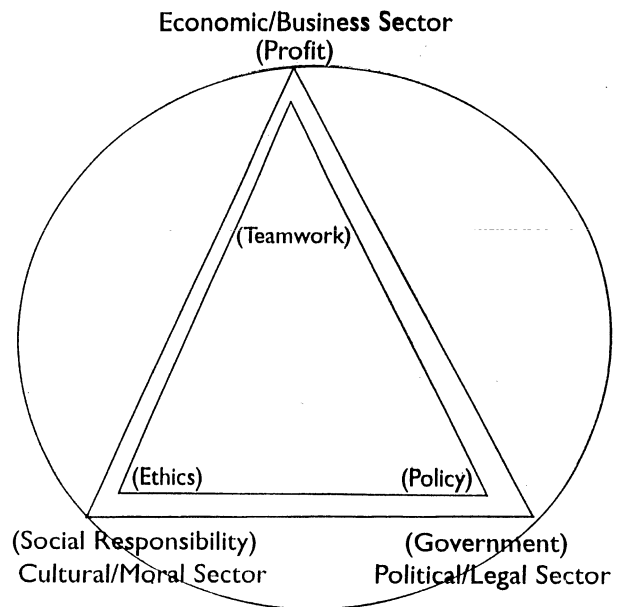

Fig. 1. Circle of relationality, the tri-partite dialectic the dialectic of business ethics.

not only describes a businesss interface with those outside of its organizational confines, but also its relationships with those inside. Efficiency is a dominant economizing value in an organization. So are internal hierarchy, policy structures, and employee morale. Even Sun Tzu's classic *The Art of War* (1991), a book in which one would not expect to find a discussion of morality, begins with a discussion of the importance of a generals building harmony with soldiers by treating them with benevolence.

The values of economizing, power aggrandizement, and ecologizing are interdependent. By focusing too heavily on efficiency, an organization can undermine internal harmony, which in turn can undermine the entire purpose of the organization. Similarly, internal fiefdoms undermine harmony and efficiency. To fulfill its own role, each value cluster must act within the constraints imposed by the other sectors. Taking other sectors' interests into account does not make an organization surrender to those other sectors, but it will prevent the compartmentalization of any one of Fredericks forces. The dialectic is thus applicable within a given organization as well.

For example, over the past decade or so,

American businesses have imported the originally American-grown theories of total quality. (Deming, 1982; Juran, 1979) These theories, emphasizing employee empowerment controlled by sophisticated statistical processes, have demonstrated that competitive business practices are fostered by collaborative workplaces and streamlined hierarchies. These management practices indicate that in many instances, good ecologizing is good economizing.

I do not wish to suggest that business enterprise is a paragon of ecologizing values. Particularly within a global context, business is not likely to constrain its behavior unless required to do so. Moreover, it may well be true that if business leaders could get away with not considering ecologizing values, they would, contenting themselves with power aggrandizement and economizing. But the insight of the free market, espoused particularly well by Hayek, is that the market itself requires restraint of instinctual self-gratification in order for more complex interdependent relationships and trading opportunities to develop. Even if one eschews the goodness of business ethics, business requires them if is to sustain itself.

Given Fredericks claim that the three value clusters reach to the ends of the cosmos, it should not be surprising that these values occur within individuals as well. Many issues of moral integrity in business are directly related to this interaction. For example, do feelings of loyalty to a co-worker/friend take precedence over a change for one's own promotion or prevent one from reporting that friend for embezzlement? Does the need to feed oneself or the desire to reach a position of power outweigh working on a morally offensive product? These dispositions, in fact, are Frederick's x-factors, and just as a particular organization or a particular culture have different ways of prioritizing and expressing those values, so do individuals. These examples demonstrate economizing values related to basic survival needs, power aggrandizing values of ambition, and ecologizing values of conscience. Thus, one can analyze moral problems in business within this tripartite dialectic from the standpoint of political economies, organizational culture, or individual morality.

Analyzing business ethics in terms of these dialectically interdependent value clusters does not solve particular moral problems, but the tripartite dialectic does provide a framework with which one can analyze the various forces impacting business. The next question is the practicability of this approach. I will argue that the approach is practicable for a business executive because describing ethical dilemmas in terms of interdependent relational forces places ethics within a familiar managerial decision-making process.

III. Managerial application of the dialectic

To this point, I have explained how NRT is plausible and how a tripartite dialectic of natural and sociological forces helps to analyze the various dimensions of business. How though, does an executive decide what to do? To answer this question, I draw on managerial theory, because that theory is likely to be familiar to executives. Managerial theory requires executives to take into account the dialectical nature of the three forces. Without trying to make businesspersons into philosopher-kings, it does require them to resist compartmentalized thinking and to account for how forces impact others.

A. *Corporate strategy and accounting for social forces*

A popular method of teaching corporate strategy is Michael Porter's classic "Five Forces Theory" (Porter, 1975). Under Porter's theory, a manager must analyze the competitive position of a company by identifying and, if possible, manipulating the forces in order to create a sustainable competitive advantage. These forces are the threat of new entrants, the bargaining power of customers, the bargaining power of suppliers, the threat of substitute products or services, and the rivalry among existing firms within the industry. Determining what an executive must do to create a strategy before a problem is analyzed would be foolish. It is through the analytical process that one determines how a firm should be positioned in order to sustain a competitive advantage and the resulting profitability.

In Porter's Five Forces Theory, one must scrutinize the industry in which one operates. The particular industry and the particular company will give rise to a specific set of issues with which the executive must deal. For instance, the principal problem for a company may be defense of its market position where there are strong buyers and weak suppliers. If there is no strong rivalry among firms in the industry, that force is not as relevant as are other forces, if it is relevant at all.

Similarly an executive's particular ethical issue may have nothing to do with the legality of a proposed action. Any proposed reasonable alternative may be legal. Instead, the question for the executive may be establishing a more efficient workforce by firing many workers. Another alternative could be to invite the workers to assist management in solving the problem. While there could be negative implications for company goodwill when it fires employees, there could also be greater profit. These counterbalancing forces would not be as important as determining how to become more efficient while still maintaining ecologizing, community-sustaining values. In light of these natural, recurring forces, an executive cannot simply ignore one force to address the other any more than the executive can ignore any relevant competitors when crafting corporate strategy.

Similarly, one cannot articulate an a priori determination of what ethical responsibilities a business person may have until the dimensions of the issue are understood. Porter's framework for analyzing competitive strategy does frame a business problem in a way similar to the tripartite dialectic. As such, a primary duty for a manger would be to identify the nature of the problem and then balance the forces to enhance relationality.

To a great degree, this strategy is simply one of stakeholder theory and of social contract theory. That is, the responsibility of an executive is to take into account the natural forces that are a part of business. But given the difficulty in negotiating with various constituents, the dialectical approach of NRT puts the executive in the position of analyzing the inherent forces that are part of business itself. The businessperson

need not become responsible for all problems of society, but rather of all the factors that are part of the business. If the forces are, in fact, dialectical, then business must consider ecologizing forces in order to enhance its economic prospects.

B. *Managerial balancing of dialectical forces*

What does a business leader then do when confronted with an ethical problem? The executive takes into account all the forces that are a natural part of human life, including relationality. The executive considers legal, economic, and ecologizing values. As indicated in Figure 2, an executive has as many as nine "angles" to consider when the tripartite dialectic is cubed on the three levels of social, organizational, and individual.

Since each sector operates at three levels, one can use the structure to determine what kind of issue is involved. The issue could be purely
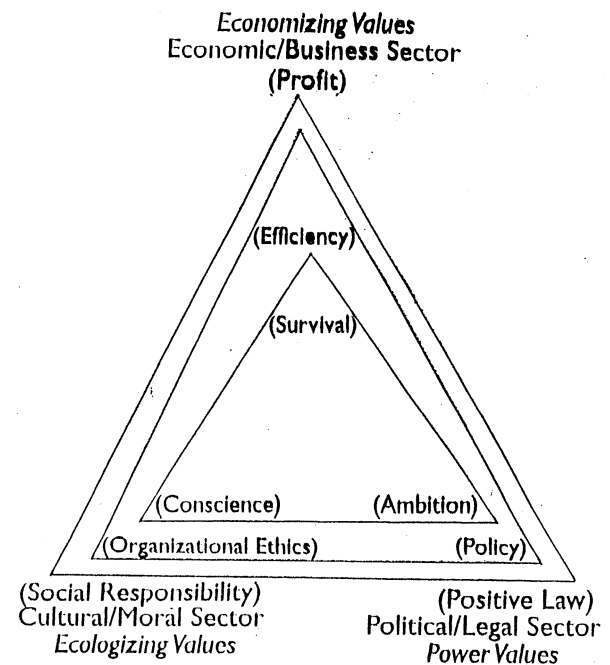
Reader's Key:
Italicized words indicate Frederick's value clusters
Sector designations are adapted from Novak

Fig. 2. The tri-partite dialectic, the dialectic of business ethics.

personal, organizational, or social (conceived of in more macro terms). Is the dilemma a social, philanthropic one or is it one related to the efficient use of internal resources? The former calls into question what role a corporation has in relation to society as a whole, while the latter is more concerned with how that role is accomplished within the organization. In both cases, there is a moral element to the decision. This tripartite structure does not mandate a particular action, but an executive should take into account the consequences of the decision on these various elements for the very reason that corporate action cannot be compartmentalized.

For instance, a religious fundamentalist insurance claim adjuster may be morally repulsed by approving a claim for abortion services. The business transaction would be legal and profitable, but conscience may require the adjuster to refuse to perform the job and/or quit. The decision to take such an action could also be affected by the individual's economic position (would the adjuster's family starve by this action) and perhaps a commitment to defer to authority. In this case, the three value clusters operate on an individual level and might be addressed at that level.

An important implication of this model is the necessity of creating organizational structures in which personal virtues can be drawn upon in making business decisions. Without such a structure, business organizations tend to become two rather than three dimensional. That is, all business matters tend to become evaluated solely in terms of economics or legalities. In such instances, Frederick is correct in noting that ecologizing values play little if any part in business. Such instances also lead to the tug-of-war critiqued by free-marketers such as Hayek in which excessive legal interference undermines the economic and moral power of the market. It is when personal virtues become relevant in business; where one's personal commitment, energy, and identity are engaged by the business that ecologizing values dialectically support business enterprise and where executives can then balance natural forces as they do strategic ones.

The decision an executive makes, then, results from the identification of the nature of the issue and the analysis of the particular problem at hand,

just as an executive must balance competitive forces in order to determine corporate action. I explicitly leave open the issue of prioritizing proper behavior within each module to the normative, empirical, and historical studies that demonstrate what value particular ecologizing virtues have. This paper is not meant to mandate a particular solution for particular dilemmas any more than Porter's theory mandates a fail-safe corporate strategy. I do think this schema of analyzing corporate moral problems can lead to a more complete decision-making methodology. It requires an executive to consider the community-building values of business because those values are part of our human nature and because it is part of the essential nature of business.

IV. Conclusion

This paper argues that the Naturalist/Relational Theory is a plausible description of life. Because we value relationality, our socialness, we need ecologizing values of community in order to flourish.

Ecologizing values operate within a tripartite dialectical context, along with economizing and power aggrandizing values. All three value clusters have a basis in nature and have sociological expression as well. What business ethics ought to concern itself with are the ways in which the community-building, ecologizing values balance the more readily apparent values of economizing and power aggrandizement within the corporation.

The tripartite dialectic describes a way for executives to understand these forces, not as mandated ethical principles, but as forces that must be accounted for in making business decisions. Taking these forces into account replicates a managerial methodology present in corporate strategy. Thus, by viewing ethics as sets of relationships that must be taken into account by business executives, one provides a flexible, yet defined means of determining how various persons and groups will be affected by corporate action and how their reactions will impact the ultimate economizing success of the business enterprise.

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