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Business Ethics as a Form of Practical Reasoning: What Philosophers Can Learn from Patagonia

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Title:

Business Ethics as a Form of Practical Reasoning: What Philosophers Can Learn from Patagonia

Abstract

As with other fields of applied ethics, philosophers engaged in business ethics struggle to carry out substantive philosophical reflection in a way that mirrors the practical reasoning that goes on within business management itself. One manifestation of the philosopher's struggle is the field's division into approaches that emphasize moral philosophy and those grounded in the methods of social science. I claim here that the task, at least for those with philosophical training, is to avoid unintentionally widening the gap between philosophical theory and those engaged in business management by emphasizing the centrality of practical wisdom (phronesis) to the moral life. Distinguishing my own approach from recent emphases on phronesis in management literature, I draw on the concepts of social practice and of narrative to tie practical reasoning to the story of a company. Practical reason, social practices and narrative are employed together to give an account of the art of management at Patagonia. The essay hopes to both provide a way for philosophers to harmonize their practice with that of management and a narrative contribution to the literature of Humanistic Management.

Keywords: Business Ethics, Philosophy, practical reason, narrative, social practice, Patagonia

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Introduction: The Role of the Philosopher in Business Ethics

“Is theory meant to guide decision making?” Responding to this question, Ronald Green and Aine Donovan claim that moral philosophers seek to assist human agents as they make decisions. (Donovan and Green, 2009). Further, it is assumed that the resources philosophers bring to an applied field are expressed in the form of moral theories. Yet teachers of business ethics find themselves hampered in their attempts to help by the abstract nature of such theories. Following a familiar script, we begin by introducing our students to several moral theories such as deontology, utilitarianism and contractualism. We then move on to the consideration of cases, but find along with our students that our theories fail to give clear guidance when it comes to deciding on a course of action. In response, we teachers often strive to balance and modify the theories in play. Donovan and Green conclude, “by leaving students with the impression that theory is either employed ad hoc or irrelevant...these approaches often support a trend to relativism or amoralism among business students” (2009:26-27). As the example from how a business ethics class might go awry illustrates, a particular practice of bringing philosophy to bear leads to moral philosophers becoming detached from the subject they wish to illuminate and enrich: namely, business. Donovan and Green end by repeating my initial question, which can now be seen as voicing the frustrated mind of the instructor, “Is theory meant to guide decision making?”

Regarding the field of business ethics itself, Donovan and Green note that, though “the methods of philosophy” have been “seminal to the field of business ethics, it has often been very difficult to integrate either moral philosophy or the moral philosopher into the management curriculum or programs of business ethics” (2009:27) Perhaps fueled by such philosophical failures, there has arisen a bifurcation of business ethics into two fundamental approaches that stand in “tension” with one another. One approach emphasizes normative philosophy, while the other is grounded in descriptive and social scientific methods.¹ Given the impractical nature of theoretical approaches, many business ethicists have turned to the alternative approach in hopes that social scientific data and description can prove to be more useful.

However, moral philosophy need not be married to abstract theory. My aim here is to retain the normative approach of moral philosophy for business ethics by showing how moral philosophy can rely on practical- rather than theoretical reasoning. The approach I advocate promises to narrow, rather than widen, the gap between its practice and that of business. In different words, I hope to display how we might place moral philosophy “inside” the ordinary practice of business. My hope is that this paper, while not empirical, will recapture some of the audience ceded by philosophy to the empirical approach to business ethics.

¹ In an initial effort to unify the field, Linda Trevino and Gary Weaver lay out the different assumptions employed in these approaches and describe the different kinds of academic formation typical of proponents of each of the approaches (Trevino and Weaver, 1994

Donovan and Green’s framing of the problem of business ethics and moral philosophy parallels Michael Pirson’s observation about management and morality. Pirson finds that the abstract, “economistic” modeling of organizations of recent times has led to poor moral vision with regard to human beings at the center of corporations. In “In a time of Global Upheaval-Humanistic Management Needed More than Ever” he writes that the “technocratic approach to human systems design” has made “the notion of dignity as that which has intrinsic value” a casualty within our political and economic orders (Pirson 2017). Human freedom has been reduced to “economic freedom” or “quantitative” freedom. He asserts that “the humanistic community is therefore called upon to conceptualize more intentionally a humanistic system of governance...” (2017: 155).

Moral Philosopher as Articulate Observer of Practical Wisdom in Business

I noted above the predicament of moral philosophers teaching business ethics: as they endeavor to incite moral reflection by the application of moral theories they find they have unwittingly placed themselves outside of the form of life with which they crave deeper imaginative engagement. By remaining outside, we lend credence to the aura assumed by empirical research of being “realistic.” Thus, much depends on how we philosophers understand ourselves as we approach the task of teaching business ethics. The self-conception of moral philosophers implied in the script rehearsed above, I claim, is tied to the view that moral philosophy consists of relatively autonomous “theories” of moral deliberation and choice, whose merit can be evaluated prior to their usefulness in navigating the moral world. Here I recommend that we turn away from this posture and embrace the claim that the test of moral philosophy lies in its ability to illuminate the activities of exemplary businesses.

In what follows, I argue that the philosopher can again be brought ‘inside’ the activity of business ethic by conceiving of her craft as a form of practical reasoning. Philosophical business ethics understood as practical reasoning seeks to train the attention of the business ethicist upon the way a business’s guiding principles emerge from the very life of a business when said business is operating virtuously. Rather than relying heavily on already formulated principles business ethics should be conceived as facilitating the display of the virtues and rules² that already guide the business from within. Because practical reasoning inheres in its exemplification, much of this essay, therefore, will be taken up with an examination of a company: Patagonia. In short, I am using the story of a company that leads its market in ethical

² What I mean by “rule” here is further elaborated below through the discussion of “heuristics.”

savvy, though by its own admission is no less a member of the clothing industry than Wal-Mart and Target, in order to exemplify practical wisdom in the world of commerce.

The Return to “Phronesis” in Business Ethics Literature

The turn to practical wisdom (phronesis) has been the topic of a substantial literature within management and professional ethics in recent years. Much of that literature, however, reproduces the ‘outside’ position of philosophy relative to business ethics.” (Ames et. al. 2019) Bachmann and his co-authors recently offered a broad overview of the uses of phronesis in management studies (Bachmann et alia, 2018). As a philosophical method, the heart of Bachmann et al.’s article is found in their proposal to construct a definition, or philosophic conception, of phronesis that will ground its deployment theoretically. This is deemed necessary because for an imagined skeptic, the diversity of approaches may render the concept “slippery,” even “meaningless.” By contrast, admitting that the literature under review reflects differences of “approach,” “methodology” and “justification,” they argue that these approaches to phronesis nevertheless “complement one another.”

They orient their summaries of the various uses of phronesis to the creation of a conceptual account of phronesis meant “to do justice to the plurality of the disciplinary contributions to the field while at the same time extracting the *overlapping consensus* on the role practical wisdom could play in management theory and practice.” (Bachmannm 201: 148) Outlining their “conciliatory conception” of practical wisdom, composed of eight essential “features” of practical wisdom derived from the literature, is the focus of the last section.³ Their

³ These consist in the “action-oriented feature,” the “integrative feature,” the “normative feature,” the “sociality-linked feature,” the “pluralism-related feature,” the “personality related feature,” the “cultural heritage feature”

hope is that within the conciliatory conception the diverse forms of “phronetic research” will be synergized.⁴

While I appreciate their attempt to promote communication among scholars who have been drawn to practical wisdom, I see it as reproducing the problem of philosophy as extrinsic theory and therefore not addressing the core issue. I disagree with idea that this should or can be done by way of an abstract or theoretical “conception” that hopes to capture practical wisdom’s “very principle.”(Bachmann, 2018: 148). Indeed, the authors do not spell out just how they envision their eight-feature conception actually being used by future researchers.⁵ It is ironic that phronesis, a concept characterized by the attempt to turn one’s attention from theoretical knowledge toward the tacit of knowledge of the virtuous person, would be thought to be in need of a theoretical anchor.⁶

A similar attempt in the related movement of Humanistic Management can be seen in the way Mele moves from a substantive historical survey to a set of “propositions” about Humanism meant to establish common ground and provide a unified theoretical basis for further research.

(Mele 2016)

and the “limitation related feature.” I note the very length of this list raises the question of how such a conception-definition is to be used in practice.

⁴ Through their study of the concept as it appears in philosophy, theology, psychology and management literature, they propose “to add clarity and bring synergy to the interdisciplinary debate.”

⁵ For a positive comparison to Bachmann et al., I suggest the work of Noel (1999, “On the Varieties of Phronesis, Education Philosophy and Theory, Vol. 31, no 3). Like Bachmann she is prompted by the diversity of appeals to phronesis in her field of education to seek some clarity in the big picture. However, rather than turning to an abstract re-conceptualization of phronesis like Bachman et al., she traces the relationships between the different aspects of phronesis a researcher may emphasize and its implication for the sorts of research questions asked and pursued by said researcher. While refusing a reductive definition, this approach at the same time aids other scholars in the effort of seeing how a particular use of phronesis illumines or fails to illumine a practice in some respect or other.

⁶ Lest my strong emphasis on tacit knowledge prove misleading, I do acknowledge the value of theoretical work on the topic of phronesis. My own views have been shaped especially by Wittgensteinian voices in the field, such as that of of Joseph Dunne in “Back to the Rough Ground: Phronesis and Techne in Modern Philosophy and in Aristotle.”

By contrast, what I offer here not an explanation or definition of practical reasoning but an attempt to follow an example of practical wisdom in operation. This is because I believe the turn to theory represented in Bachmann et al.'s conciliatory conception positions the philosopher engaged in business practice as an "outside" arbitrator. We recall that the experience of such detachment was at the root of the recovery of phronesis in the first place. How ironic that it should be reinstated by the effort to secure practical wisdom's relevance.

Case Analysis: The Importance of Narrative

Thus, while several efforts have been made in recent years to invoke practical reasoning, or "phronesis," in relation to professional ethics, my own is distinguished by co-emphases on 'narrative' and 'practices,' focusing all three concepts on the study of a case so that moral reasoning is internal to the practice of business. My discussion of the company Patagonia as an example for developing the notion of business ethics as practical reasoning is integral to the argument of this paper. The kind of philosophical reflection I hope to practice, and am calling "practical reasoning," compels a focus on examples, treated in narrative form. The intention is to display the character of the company over time.

I draw primarily from two books that compose part of the company's three volume "Patagonia Business Library."⁷ Each is authored or co-authored by the company's founder, Yvon Chouinard. *The Responsible Company: What We've Learned from Patagonia's First 40*

⁷ Patagonia's "business library" consists of the three volumes. *The Responsible Company* presents an overview Patagonia's business and environmental commitments, while *Let My People Go Surfing*, discussed at length in this essay, narrates the company's history in detail. The third part of this trinity, *Tools for Grassroots Activists*, is both description and how-to manual for groups seeking to organize for environmental causes.

Years “aims to sketch...the elements of business responsibility for our time” (Chouinard and Stanley 2012: 3). Drawing on the company’s own experiences, it addresses itself to owners, managers and employees who may “work in companies quite unlike ours,” yet who nevertheless hope to conduct business in ways more responsive to the ecological crisis of our times (Chouinard and Stanley 2012: 3). It emphasizes ways that Patagonia has found ethical benefit in sharing experiences with companies, such as Walmart, that at first glance would appear a world apart as far as values. Its mode of address thus exemplifies a spirit of open communication that is also thematized in the book under the heading “transparency.”

Chouinard’s *Let My People Go Surfing: The Education of a Reluctant Businessman* (Chouinard 2016) focuses more on Patagonia as seen from within and provides a kind of manifesto of what the company stands for. It weaves together the history of Chouinard as a lover of outdoor sports with that of the company that bears his signature. In the bulk of the book, the author gives voice to the various “philosophies” of Patagonia. The philosophies are structured by a series of what we might call “heuristics” that together help compose a portrait of specific department, such as Product Design or Human Resources, within the company. For example, a heuristic for Product Design is “measure 2x, cut once,” while in Production we find “develop mutual dependency with your suppliers.” I will clarify what I mean by applying the term “heuristic” to aspects of Patagonia’s philosophies in the section to come, yet, as we will see, to begin to grasp such heuristics requires following the narrative thread as it recounts the histories through which these heuristics were discovered and formulated (and reformulated).

The sources could be thus be called “biographical” in nature when this term is extended to incorporate both the individual point of view of a founder and employee and the ethos (*esprit de corps*) of the company itself. Is the use of such sources justifiable?

The dependence on Patagonia's founders' own account of the values informing their business grounds itself in their character as narratives of a certain kind. Narrative form combines character with historical trajectory (or, "plot") and setting (Thiele 2006; Nelson, Paul 1987; Nelson, Hilde Lindemann 2001; Atkins 2008; MacIntyre 2007; Hauerwas and Jones 1989). In this case, these two works picture the experience through which Patagonia discerns and acts in its heuristics through time. Narrative provides an advantage because it allows the student of business ethics to carefully attend to the way moral character emerges from business practices over long stretches of time (50 years, in Patagonia's case). While Patagonia's heuristics have general and lasting standing, they are not imported from a place of abstract thought but rather brought to light as hard-won insights derived from experience. We would do well here to think of Wittgenstein's comment in the *Philosophical Investigations*, "One learns the game by watching how others play. But we say that that it is played according to such-and-such rules because an observer can read these rules off from the play of the game...." (PI §54)

Were these accounts of business practice based in the life of a company averse to critical reflection on its own practices, much less ideologically driven self-promotions, the narratives contained in them would be barren ground for business ethics. However, as I trust the reader will begin to see from what follows, Patagonia is a company that has made a habit of ordinary (philosophical) moral self-analysis, and therefore has the ability to tell its story in a truthful, morally rich, way. Thus, their example offers insight into the process by which a good company brings its values consciously into critical relation with its own practices. It further demonstrates that practical reasoning, and thus business ethics of a particular kind, is not alien but rather a constitutive element of a business functioning well.

If my example is successful, the reader will find in the discussion of Patagonia a persuasive display of one way to bring the methods of philosophy to bear on the task of business ethics in its pedagogical and scholarly modes. Put another way, by observing Patagonia I hope we might see something of how to “manage humanistically,” especially insofar as humanistic management requires the deployment of a certain tacit rationality, or “art,” that both presupposes and sustains the ethos of a humane organization. (Mele, 2016)

Patagonia: The Company

Understanding business ethics as practical reasoning furthers its aim to shape the moral imagination of business practitioners by refusing to abstract “ethics” from the language employed in everyday business. At the same time, it helps prepare business students for what they will encounter in their professional lives. I promised above to elucidate the practical reason approach through the concepts of practice and narrative. I will take this up after introducing the example.

In December of 2017, the company Patagonia made headlines when they joined Native American tribes and other conservation organization in a lawsuit to fight the Trump administration’s plan to reduce the Bears Ears National Monument by 85%, opening the way for private companies to mine and drill for oil. The area had been designated a National Monument based on its sacred status for many Native American tribes (McCombs and Price 2017). While the name “Patagonia” is widely recognized by consumers in America and beyond, the meaning of this political step in relation to their company culture may not be immediately clear.

Early in Patagonia's history, when the company's sole activity was producing climbing hardware, it took the risk of discontinuing its staple product, called a "piton," because they believed it harmed the cliffs on which it was used. At the prompting of its female employees, the company developed a widely copied on-site childcare program in the early 1980's, when only a handful of such programs existed in the country. The company's founder, Yvon Chouinard, began devoting himself to leading weeklong "philosophy seminars" with employees, so that every employee would have a grasp of the company's long-term moral vision. The seminars challenged employees to imagine how the company might look and operate in 100 years, when environmental stewardship and sustainability would be even more crucial to a successful company. The company has given \$79 million in charity, mostly to grassroots environmental organizations since they began making donations in 1985. Indeed, the recent lawsuit over Bears Ears is just the most recent in a forty-year history of political involvement (Gells 2018).

In 1994 the company produced its first internal environmental assessment report, questioning the impact it was having by making clothes. Patagonia not only provides a livable wage and healthcare for its employees, but strives to make work meaningful for them. Representatives of the company regularly visit its suppliers in foreign countries to ensure safe working conditions, livable wages, and community access to education and adequate health care. Patagonia leads the way in making its supply chain, including the environmental and social costs associated with the production of its goods, transparent to its customers. The list goes on.⁸

And yet the story of Patagonia contains a thread of ethical irony. Before Yvon Chouinard and his partners began the clothing business that came to be called "Patagonia," they were busy in their machine shop producing steel hardware for rock climbers. When they started Patagonia

⁸ One can find a more exhaustive account in the appendix of *The Responsible Co* by Chouinard and Stanley. See Chouinard and Stanley 2012:87-112.

with the manufacture of rugby shirts for climbers, they were “looking for a cash cow,” a sort of business less ethically demanding than hammering out ice axes where a hairline fracture could mean the difference between life and death for a customer. “Patagonia was to be our irresponsible company, bringing in easy money, a softer life, and enough profits to keep Chouinard Equipment in the black.” (Chouinard and Stanley 2012: 2-3) This likely accounts for Chouinard and Stanley’s refusal to draw a clear boundary between Patagonia and run of the mill companies, claiming that “as mice and men share 99% of their genes, so do Wal-Mart, BP and Patagonia.” (Chouinard and Stanley 2012: 4) That it develops within the same human and systemic constraints with which all businesses must come to terms makes the Patagonia story all the more relevant to students of business ethics.

Practical Reason with Social Practices and Narrative

In this section, I present practical reason as rooted in character and as moving through time to design more “satisfactory”—that is, fitting with a company’s values—solutions to contingent problems in business. I draw on the concepts of a social practice and narrative. The two concepts work in unison, as shared practices are part and parcel of sharing a story.

The concept of a social practice guides us toward one illuminating way of approaching the distinctive ethics of Patagonia.⁹ This involves placing its business activities in the context of the outdoor sports beloved of its founders and employees. Understanding the nature of such

⁹ For a very helpful recent account of how MacIntyre’s concept of a practice can be used in business ethics, see Sinnicks, “Practices, Governance, and Politics: Applying MacIntyre’s Ethics to Business.” In a way that I believe concurs with my discussion of practical reasoning, Sinnicks cautions against the inclination to generalize. Insofar as managing an institution can itself be considered a practice, it must remain attentive to the internal goods of the practices its purpose is to support.

sports as climbing as morally formative practices will help us understand somewhat the character of these business men and women, for these practices are not incidental to the company's story and identity. The most significant actions a company undertakes are only intelligible in the light of the character of the people making them. Seeing Patagonia's founders as practitioners provides insight into how some of these choices appeared to them at the times they were called upon to act.

These outdoor sports can be described and analyzed as examples of what Alasdair MacIntyre calls a "practice" (MacIntyre, 2007). Practices are morally formative. They shape practitioners by virtue of having intrinsic rewards, what MacIntyre calls "internal goods," that require a re-shaping of one's desires if they are to be properly pursued and enjoyed. Patagonia's founders were avid rock climbers. Rock climbers, at least in the American tradition, find a unique satisfaction in the adventure of climbing a rock wall in pristine condition. Thus, Royal Robbins, a highly regarded master practitioner of the 60's and 70's gave voice to a climbing ethic stipulating that climbers should seek to preserve adventure.¹⁰ This meant, among other things, placing minimal bolts along their ascent.

As climbing grew more popular in the early 70's, Patagonia (then, "Chouinard Equipment") was confronted with the fact that their staple product—an iron bolt, or "piton" —had become an environmental menace. Pitons have to be hammered into cracks in the rock face to allow climbers to set ropes for themselves and their gear. But, once hammered in, pitons were difficult to extract, so they were often left behind for other climbers to happen upon.

Furthermore, the violence of the hammering sometimes chips the fragile rock, defacing the cliffs

¹⁰ A handwritten copy of Robbins' seemingly un-institutionalized but highly influential "climbing ethics" can be viewed in the documentary film "Valley Uprising" (Peter Mortimer, Nick Rosen 2014).

themselves. Despite the existential risk to their business, Chouinard Equipment stopped making pitons. As it happens, they were able to market an alternative tool--the aluminum chock--which was less environmentally harmful and helped keep the company going. They appealed directly to the customer, whom they addressed as a fellow rock climber invested in preserving the practice's unique rewards. This is an example of a business action undertaken that flows from the character of the businessmen and women, a character shaped by a practice. Had they not been dedicated climbers--that is, "practitioners" of a certain sort--the "problem" caused by their product may not have showed up as such on their moral radar (at least would have appeared differently to them, e.g. without the same urgency or without calling for an appeal to practitioners themselves as in their catalog).

Patagonia's ethical culture takes shape, and manifests itself, through time. It is neither static nor immune to time, but evolves and reveals itself gradually. Its values—or, better, its moral capacity as a company—is displayed in how it moves through present challenges toward an increasingly responsible future. Narrative (story), then, becomes vital to showing what matters to the company, or displaying its character.

In the days when the company was still primarily devoted to producing metal hardware, Chouinard was climbing in Scotland when he spied a colorful rugby shirt in a shop window.¹¹ He soon realized that, in addition to its being attractive, the shirt's features would make it useful for rock climbing. Its cotton weave was durable, and its thick collar would protect a climber's neck against chafing from the gear-laden rope-sling worn around the shoulders. Chouinard's genius was to imagine a new use for an already existing product by discerning in those qualities that would make it function better than what was currently in use.

¹¹ In the next several paragraphs, I draw extensively on (Chouinard, 2016) pages 98-104.

The rugby shirt (for climbers) marked the beginning of Chouinard's foray into the clothing industry, and many other products soon followed, some of them (also) made from cotton. Yet they ran into trouble when they learned that the cotton in their shirts resulted from an extremely toxic process of cultivation and preparation. Soil to be used for cotton production is treated with organophosphates until it is "doornail dead." (Once a field has been used for cotton, it takes 5 years before earthworms will return to the soil.) While cotton represents 2.5% of the world's cultivated land, it accounts for 22.5% of global insecticide use and 10% of the world's pesticide use (Chouinard 2016: 98). Runoff from cotton fields has contributed greatly to oceanic dead zones.

If you've followed what I said in the previous section about the rootedness of Patagonia's ethics in formative practices such as climbing you may have already intuited why this discovery about the cotton in their shirts led them to a point of moral crisis. At the time, Patagonia did not have a written rule forbidding them to use materials produced in pesticide intensive forms of industrial agriculture (behavior, I should add, which other clothing companies tolerate without qualms). As I will discuss below, Patagonia's explicit and written environmental guidelines were formulated later (and continue to evolve). They were being guided, it seems, by a moral compass derived from their character as practitioners. In the piton crisis described earlier, Patagonia employees discovered that their love of climbing entailed concern not to disfigure beautiful walls. To preserve adventure for climbers meant to leave as little trace as possible on the environment as one passed through. These heuristics are intuitively extended to the new context of toxic agriculture, specifically cotton cultivation. That is, these rules of thumb turned out to have corollaries in contexts beyond what the founders anticipated, or even could have anticipated.

Perhaps one could characterize their deliberations in this way: The projection of the shirt from the context of rugby to that of rock climbing was fitting, in the sense that the shirt met the conditions of the practice and the needs of practitioners. But the use of conventional cotton, because of its toxic impact on the earth, did not fit the overall spirit of climbing or the character of climbers. For a key “internal good” in the practice of climbing is the joy of intimate encounter with nature. And nature is discovered to be fragile.

Moving on, Patagonia’s response to the cotton crisis was not a matter of instantaneous rectification, as some more abstract moral theories might lead us to imagine about moral life. Rather, the company transitioned gradually, moving in steps that would carry them from where they were to a better place, without collapsing the business altogether. Here’s how Chouinard describes the process (Chouinard 2016: 100).

Two decisions facilitated our transition to organic cotton. First, we decided to use ‘transitional’ cotton temporarily as well as organic. Transitional cotton is grown using all the organic processes, but the practices haven’t been in place long enough to earn official certification. Second, we decided we would sell ‘clothing made with organically grown cotton’ rather than ‘organic clothing.’ The difference seems small, but we didn’t want to mislead buyers about the fact that we would still be using synthetic dyes and conventional cotton thread in the production.

The problem, it turns out, was more complicated than it first appears. At the time, only a small number of relatively small growers were producing certified organic cotton, so it would be challenging to meet the company’s needs from them alone. Further, conventional dyes and processing agents also violate organic standards. He continues (Chouinard 2016: 100):

At that time, we had found that natural dyes not only failed to meet our quality standards but had significant environmental problems of their own. (Thankfully, technology has improved, and we are working with partners to roll out the use of natural dyes on a large-

scale.) Cotton thread is a mass-produced product that would require us to order huge minimum quantities of unknown quality. Further, while we learned and experimented with the new materials, we used a low formaldehyde resin in two styles for 1996 to minimize wrinkling and shrinkage.

As this shows, the challenges involved reconciling two of Patagonia's fundamental commitments—namely, to stewarding the environment while making top quality products. Steering their course involved experimentation and a vision of how the circumstances of their business might change in a future that they could help bring about. Today, every cotton garment made by Patagonia is organic.

In sum, to grasp who Patagonia is as a company, their moral character, requires examining how they cope, in real time (and through time), with actual problems, and not primarily looking at their stated “values” or “principles.” In general, such value statements often exist apart from a company's actual practice and thus serve merely rhetorical purposes. To avoid this cynical fate, statement of values should be interpreted in conjunction with attention to a company's history. This again shows why narrative is a vital concept for examining Patagonia's culture, for story can display meaningful change through time. But let us turn to such moral generalities and their role now.

Principles as “Rough Maps”

In the introduction I stated that, seen through the lens of practical reason, moral generalities or principles do not stand independently from the context provided by a business's daily grind, as though to be applied “from the top down.” Indeed, practical reason encourages us to attend to the way generalities emerge--“bottom up”--from the company's experience as it

develops a history. In this section, I show that in the light of practical reason, the role of the business ethicist is first of all and simply to draw attention to this process by which everyday practice embodies certain principles or values which may on occasion be the subject of direct, conscious reflection. We want to consider the use of value statements in the company's daily life. Further, in those cases where a company is already self-reflective, the task of ethics becomes to draw out further, facilitate comparison and perhaps subject the company's own process to critical analysis, asking, say, whether its behavior contains problematic contradictions.

Having discussed practice and timeful transitions (or "narrative") as dimensions of practical reason, we finally describe how Patagonia's written statements about values function as guides to the company as it steers itself into the future. The company has articulated what it calls "philosophies" for the three business dimensions of design, production and distribution.

The point of stated values, or mission statements, seems to be to steer a company through the Scylla and Charybdis of being locked in to the point of inflexibility, on one hand, and malleability to the point where choices between options seem arbitrary, on the other. Patagonia's "philosophies" can be seen as their response to the challenge of achieving integrity without growing overly rigid.

It is impossible to conceive at the start all that will be required by Patagonia's commitment to environmental sustainability. Switching to organic cotton did not end the company's quest for sustainable fabric. Organic cotton eliminates pesticides, but like conventional cotton cultivation it too requires copious amounts of fresh water--a resource that is both direly necessary and scarce in many communities. Coping well with one problem seems simply to have brought another into view. In several instances for the company, switching to a fabric with functional advantages has brought unanticipated environmental consequences.

Ethical responses are made in the flux of changing circumstances, and which of those new circumstances will prove decisive in staying true to your values cannot be foreseen in advance. As a person or company's capacity to see, and care about, the impact of their actions on the world increases, responsibility itself continues to look different to it.

This raises the question of whether a statement of values, or a checklist of principles, can ever be useful. Perhaps they represent a temptation to freeze ethical reflection, making it seem more certain and law-like than it actually is. But since good companies do develop such statements of values, we ought instead to attend to *how* such statements are actually used by them. Chouinard describes Patagonia's philosophies—which *Let My People Go Surfing* presents in the form of essays, replete with examples—as “rough maps.” A map that aspires to be too exact will not serve well in an area of “changing contours,” as Chouinard puts it. In what follows I will offer a few examples to illustrate what such philosophies look like in practice.

At one point in its history, Patagonia discovered that its inventory included several distinct products with nearly identical functions. A typical company might react by asking what it matters so long as they are selling. And isn't it always good to offer more options to customers? As craftsmen and practitioners making goods to be used (primarily) by other practitioners, however, Patagonia believes that their products' form should follow function. Functional distinctiveness accounts for a product's right to exist (in the eye of the craftsperson). And, what's more, function is determined with respect to Patagonia's core customers, master climbers and kayakers, to name two, who know what is needed in the field. So while some may think multiplying choices inherently good, Patagonia believes that what is good for customers is the right amount of choices, not as many as possible. They believe that too many choices are paralyzing, not liberating, for the customer. Fittingly, the needless proliferation of choices in

terms of, say, color, leads to environmental hazards, as they found with regard to the toll dyeing processes take on nature (Chouinard 2016:86).

“When we’re doing our job right, each style of ski pant has a distinct purpose. You make each in a good range of sizes (including women’s) and offer just enough colors.

“Simplicity of product line,” “form follows function,” “designing for our core customer,” and “don’t cause unnecessary harm” are “principles” from aspects of Patagonia’s Design Philosophy. We might better call them “heuristics,” borrowing the definition of Billy Vaughn Koen of a heuristic as, “anything that provides a plausible aid or direction in the solution of a problem but is in the final analysis unjustified, incapable of justification, and fallible.” Koen’s emphasis on the fallibility of such guides helps us avoid imagining them as something to be mechanically applied.

As we have seen, these distinct dimensions of the philosophy intersect and complement one another in a variety of ways. Again, the skill of relating them seems to rest in the ability for projecting heuristics from one realm to another. For instance, the example above reflects the ability to project a guideline needed for the art of life, i.e., simplicity, onto the art of doing business. Such projection requires tacit understanding of both realms, life and business. And there is finally no way to spell out *a priori* how Patagonia’s principles will guide their actions *in situ*.

Second, having developed criteria for choosing among its suppliers that were true to its values, Patagonia once contracted with a new sewing factory overseas in order to save some money. They acted based on the factory’s good reputation, even though no Patagonia representative had visited the factory before production began. They later discovered that the factory was operating in violation of the standards Patagonia had laid out for worker safety,

sustainability, etc. In this way they discovered that for their philosophies (here, for suppliers) to work they must ultimately be accompanied by relationships with business partners.

Such experiences led to the following formulation of their Production Philosophy:

“Develop Long-term Relationships with Suppliers and Contractors (Chouinard 20016: 114).

To work effectively on a single endeavor with so many other companies, with no compromise in product quality, requires a level of mutual commitment much deeper than the traditional business relationship.... Consequently, we do as much business as we can with as few suppliers and contractors as possible. The downside is the risk of becoming highly dependent on another company’s performance. But that’s exactly the position we want to be in because those companies are also dependent on us. Our potential success is linked. We become like friends, family, mutually selfish business partners; what’s good for them is good for us.

Crucially important to grasping Patagonia’s philosophies and the examples above is recognizing that these philosophies do not exist solely in print, or even just in the minds of their authors. The written materials, constructed in the course of experience trying to do business with the sensibilities developed in practices like rock climbing, are subjects of discussion amongst Patagonia employees in weeklong seminars. For years, Chouinard himself led these seminars. That the company largely hires from the community of practitioners of outdoor sports suggests that these seminars are in part a putting of the philosophies to the test. An important question such seminars put to them, I presume, is “do they faithfully articulate the sensibilities and values their employees already implicitly hold?”

Patagonia’s philosophies embody a dialogue between moral generalities, or what we might call more abstract ethical speech acts, and the histories and experiences that give rise to them. It is instructive to compare Patagonia’s “philosophies” to what ethicists mean by moral “principles.” While based on these philosophies we might concede that principles have their

place in business ethics--i.e. as providing the organization the kind of orientation to be expected from a “rough map” of the terrain--too often in the hands of business ethicists principles are used as a hedge against contingency. As professional codes of ethics often appear to my undergraduate students, moral principles might seem to provide an ideal picture of the moral life such that code guarantees good behavior.¹² Modern moral philosophy springs from a desire to secure a “moral point of view” amidst the shifting sands of history.¹³ Ironically, for business ethicists, adopting this conception of morality results in their being marginal to the actual direction a business takes. Thus, insofar as we envision moral reflection as applying general principles to concrete circumstance--a problematic picture insofar as it leaves out the role of skillful judgment--, it is important to remember that there exists no fully neutral position prior to the application of said rules and principles, let alone from which the relevant rules and principles were selected.¹⁴ Further, these examples also suggest that such written statements are limited in their ability to reflect how the company instantiates these principles or to illustrate how the principles themselves can change and deepen over time. For that we need a more developed story, one that displays these values in their active use by practitioners. Finally, rather than starting with principles and proceeding to carve out moral complexities of business decision-making, Patagonia’s philosophies should be seen as articulating values lived out in daily practice. Only in the context of Patagonia’s story can we come to grasp which principles matter and why.

¹² Koen’s notion of a heuristic (“anything that provides a plausible aid or direction in the solution of a problem but is in the final analysis unjustified, incapable of justification, and fallible”) seems to allude to the temptation to try seeing principles as something like physical laws within an orderly cosmos. See note 2

¹³ For further discussion of modern moral philosophy along these lines, see Pincoffs, *Quandaries and Virtues: Against Reductivism in Ethics*, and Anscombe, G.E.M., “Modern Moral Philosophy.”

¹⁴ I owe this way of putting it to my colleague at the University of Dayton Dr. Michael Cox.

CONCLUSION

We return to the claim of Green and Donovan with which we began, i.e. that philosophical business ethics by its nature seeks to shape the moral imagination of business practitioners and those in training to enter the practice of business. This vocation is frustrated by the self-conception of philosophers as outside arbitrators, and the return to *phronesis* a philosophical antidote that works by narrowing the gap between theory and practice. While supporting this turn, I have emphasized not definitions or explanations of *phronesis*, but its narrative display in an actual business so that moral reasoning is internal to the practice of business. Similarly, while the propositions and elements of Humanistic Management (Méle 2016) are integral to my examination of Patagonia, my examination does not provide another systematic presentation of those elements. Patagonia's character, I have argued, comes to light through concentration on the practices beloved of its employees and the ways it has tried to be true to its identity over time. The concepts of a social practice and narrative provide crucial support to such ethical analysis. Our attention to Patagonia's story allows us, I hope, a glimpse what humanistic management can look like, both in its concern for the social nature of the firm and its implicit claim that management is more an art than scientific technique.

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