

The Role of Philosophy in Business

Leadership is often viewed from the strategic and tactical perspectives only, with little importance placed on the philosophical dimensions of what it means to lead. Yet, to truly lead, one must have a vision of not where one wants to go, but also how one wants to get there. This is a function of one's business philosophy.

To be sure, when referring to business philosophy one does not intend to conjure up Kant and Sartre, but rather to imply that each of us has business practices and approaches we favor. What those are, and how they are executed reflect one's business philosophy.

It could be said that the first manifestation of business philosophy is the purpose of one's business, not in the sense of the sector or product, but in the vision and values that are imbedded in the reason for the company's operations. While a mission statement might seek to clarify and proclaim a company's business cause, a vision statement would seek to pronounce the company's business philosophy.

Breaking down the differences of each of these defining tools, it could be stated that a company's values are expressed to provide purpose, while a vision is expressed to provide the path toward realization of goals. While values may include best business practices, high services standards and a commitment to employees, a vision would incorporate a statement of intent and a core objective, such as the obtainment of a certain position within the marketplace.

Having made these distinctions, the more pointed question becomes; how does a company establish a vision and how that vision is passed on to employees in a manner that also preserves the ethical posture of the company. Certainly the scandals that have rocked the business world in recent years have been the result of strong missions, powerful visions, and collapsed ethical systems.

Tudog proposes the following:

1. Leadership

You cannot run a company under the slogan "do as I say, not as I do". The successful integration of your business philosophy into the grassroots of your organization will be a function of how greatly you demonstrate the essence of the philosophy in how you conduct business – both with customers and employees. There is no replacing good leadership.

2. Management

Different from leadership, which is the example being set, management is the implementation of the philosophy via the monitoring of the organization to encourage compliance.

3. Marketing

A philosophy, like any other core message that needs to be communicated, requires a marketing structure to raise awareness and create interest. In larger companies there are often vehicles for communication, such as internal (employee) newsletters, bulletin boards, email messages and other mechanisms. In smaller companies some of these channels may need to be developed. In either case, people must be educated toward the company philosophy, and that happens through internal marketing campaigns.

4. Reward

One key element in installing a corporate philosophy is providing reward to those who adhere to the principles. There is great temptation to promote the best performers, without sometimes considering whether that performance was achieved while in compliance with corporate philosophy. By rewarding the best performer without thought to company value systems is to make a mockery of these systems, almost to the point where it is counter-productive on a number of different levels.

5. Train

While value systems and philosophies don't generally change dramatically with the passage of time, there is still a need to engage in scheduled, periodic training in order to reinforce the philosophy, demonstrate commitment to it, and provide people with the opportunity to interact with it in a manner that allows them to feel ownership. By training your staff so that they can understand and embrace your philosophy you are doing much more than teaching them to think like you, you are teaching them to behave like you.

There is a place for philosophy in the corporate world so that better governance and higher standards of goals can be supplemented by employees interested in representing their company not only by what they sell, but by what they stand for.