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## Ancient wisdom for modern business leaders

What can philosophy teach business? LBS experts help make the case for the humanising influence of Aristotle and Nietzsche



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Global minds

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### School of Athens, 1509-1511, Raphael Sanzio da Urbino

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London Business School faculty argue for the humanising of management practice using philosophy. This feature is based on the chapter Reason and passion in the humanized workplace taken from What Philosophy Can Teach You About Being A Better Leader which was published in October 2019 by Kogan Page.

**H**ow would a philosopher like Aristotle or Nietzsche run a modern business? Sadly, traditional management practice suggests many firms wouldn't even consider it.

The reason is because management today is rooted in economics and psychology. It is focused on numbers and productivity rather than the people who make those numbers happen.

In contrast, a philosopher's life's work explores what it means to be human. Aristotle (384-322BC) and Nietzsche (1844-1900) might not have known how to navigate a spreadsheet but they would have something to say about people. Today, modern organisations often miss that which matters the most - their people.

Aristotle and Nietzsche developed radically different yet complementary approaches to life that are both urgently needed; to restore trust in business and to help answer pressing organisational questions around empowering and engaging workers, leadership, values and performance. So, where do we start?

#### In search of balance

In his Nichomachean Ethics, Aristotle asks what distinguishes a person - a fully-fledged human being - from an animal or a slave. Animals are driven by raw passion and appetite; slaves are simply driven by others, with no power of their own. Neither of these two conditions allow for happiness and flourishing.

The slave has no freedom to make choices; animals live a hand-to-mouth and suffer greatly in consequence. A flourishing person, by contrast, is someone who learns what is good and has the freedom to choose accordingly.

The distinguishing human quality, Aristotle observed, is this capacity to reason. Animals don't have it and slaves cannot use it. Reason is the 'good-maker', which guides us through the challenges and opportunities that life brings us.

Aristotle took the view that 'virtues' – which make for a life well lived – are pretty obvious. For him, they included friendship, generosity, courage and resilience. It still makes intuitive sense today. But without context, they are meaningless.

Courage sounds good, but is only a word unless we know what it means in a given situation. Here Aristotle urges us to discover what he calls 'the middle way'. This is the middle way between the 'vice' of excess or deficiency; going too far or not far enough. So, the virtue of courage lies somewhere between the vice of excess – rashness – and the vice of deficiency, which is cowardice.

But how do we discover that sweet spot? Aristotle's answer is that we discover it by using our reason, honed by education: exploring how we and others might act in given situations, carrying out experiments, reflecting on the outcome and trying again.

Aristotle's ideal workplace would be one in which we develop our humanity through opportunity and training to use our reason.

#### **Slaves at work**

Aristotle would have liked the contemporary language of 'empowerment' but would then have had second thoughts on how that actually unfolds in many of our workplaces. One of us worked with a CEO who memorably said that for him "the best managers are those in their late 30s with a large mortgage and several children".

Aristotle would see this as modern slavery; reasoned judgement shut down. And that can be infectious. Irving Janis, a leading scholar at Yale University, coined the term 'groupthink' to describe a situation in which all members of a group go along with a course of action with which they all privately disagree, but never voice their disagreement.

“The distinguishing human quality, Aristotle observed, is this capacity to reason”

However, Aristotle would not have encouraged trouble making and rule breaking for the sake of it. Far from it; he saw individuals acting as persons in the context of a community.

One professional services firm with which we work speaks of an 'obligation to dissent' for even its most junior professional staff. Once spoken, some dissenting views will undoubtedly have to be set aside for the sake of aligned action, but the quality of decision making will have been hugely enhanced. Those who have a point of view are also more likely to be reliable in troubled times.

Slaves are more likely to panic and run, especially when the chain of command has been broken and no orders arrive.

#### **Animals at work**

Animal spirits can take over. Famously, the world saw how traders at Enron gamed power supply in California, deliberately generating power shortages to create price spikes and thence super-normal profits. They did so with ever-increasing exuberance and glee, as recordings of the Enron traders attest. People died in 2001 when the Californian electricity network crashed in consequence: an operating theatre table was not a great place to be.

But animal spirits, devoid of a moral compass, are not just the preserve of traders. A

colleague in another institution gave us a video tape of Jeff Skilling, Enron's CEO, talking to MBA students at the time of those power outages. He began his speech with a big grin on his face and a joke. "What's the difference," he asked, "between California and the Titanic?" His answer: "At least when the Titanic went down the lights were on!" It is difficult to think of a more tasteless joke about the toll of human suffering unleashed by his own traders.

Soon after, Enron collapsed and Jeff Skilling was given a hefty prison sentence for fraud. But what struck us with dismay, as we viewed the video, was not the circumstances or the joke itself so much as the gales of laughter and rapturous applause from several hundred MBA students (not our own, we assure you) destined to become leaders. It is worth reflecting in our experience how animal spirits are so contagious, and at times deadly.

The issue is that when animal spirits take over, it is the moral compass – not just the rules – that gets lost, and with that, the skill to decide on the right thing will get forgotten.

So, for Aristotle, humanising the workplace means creating a more and more reasonable environment.

### **Nietzsche's spirit**

Nietzsche would have found Aristotle's reasonable workplace dreary, with everyone musing about the right thing to do rather than getting on with outstanding work and honing their skills to perfection. And yet he is very much in the lineage of Aristotle, addressing the same core question: what is the good life? Like Aristotle, he looks for an objective answer: feeling good is not enough. And like Aristotle he looks for a 'good-maker': a yardstick that allows us to figure out what is best, not blindly adopting the moral codes of others or waiting for divine guidance that will never arrive.

What if we organised our workplace and informed our behaviour based on a series of different philosophical insights about what makes for a good, fully human life? We began with Aristotle. We chose Nietzsche as our second guide because he is poetic, extreme and controversial: as different as we could find from the cool, thoughtful, structured Aristotelian world view. By stepping into these two hugely different points of view on the good life from the beginning, we hope that your 'what if' curiosity will be stirred and that this will take you through your working life with a questioning mind.

**“Nietzsche would have found Aristotle's reasonable workplace dreary”**

We do not tell you to reorganise your workplace on Aristotelian, Nietzschean or any other lines but we do insist that you develop your own point of view: a point on which both Nietzsche and Aristotle would have agreed.

Nietzsche's teachings are all about how to rise beyond the herd and flourish as an individual – to become 'Higher Men', as he describes those who have reached their full human potential – we must make our own judgements about the good life from our own experience. By contrast, members of the herd look to others to make their judgements for them. Those others might be priests, bosses or even philosophers.

Have you ever seen this in your own workplace? Those in power speak of values and even commission consultants to run workshops so that all employees know what values they are meant to uphold. Typically, they say little about individual flourishing and a lot about teamwork, humility, compliance and engagement.

Meanwhile, everyone knows very well that those who get to the top exhibit few of those qualities, but as good employees they attend the values classes nonetheless.

### **The end of moral authority**

In his own time, Nietzsche saw a collapse of conventional moral authority, which made it imperative for people to discover their own values. The received wisdom of the Church, State and other institutions holding moral authority was increasingly coming into question.

In many organisations today, we often see a collapse in trust and authority, leading to cynicism and apathy. It's difficult to see moral authority being restored in our organisations in an age where every opinion gets broadcast and any alleged misdeed of our leaders gets immediate exposure. All CEOs should explore Glassdoor to see what their employees really think of them, and not rely on the official engagement surveys.

If people will no longer swallow others' values, then they must discover their own.

### **Breaking away from the herd**

Nietzsche gives a call to arms: to reinvent our own values. How do we do that? He tells us the key is self-awareness: awareness of the many levels of motivation, or drives that govern our behaviour, and how we dress those drives up as values. We might take pride in our willingness to help others, for example. On examination, it might turn out that this arose from not wanting to disappoint our mother.

There is nothing inherently wrong in that, but the mistake is to mask who we are with a set of values that belong to someone else. Nietzsche would encourage us to experiment, choosing which drives to let off the leash, seeing where that takes us, and if that is to a place in which we are more invigorated, less resentful, more potent and proud of ourselves – exercising what he called 'the will to power' – then we can attach the label of values to the underlying drives. They will then be our own values, which will give us more insight into how we act and reflect on how we can act even better. Some of those drives will come from dark places but with awareness can be transformed: the impetus to cruelty, for instance, can be sublimated into competition for excellence. But if we continued to fool ourselves with the value of humility, then cruelty would remain a hidden drive with bad consequences, and the opportunity for excellence would drift by.

### **Life as a work of art**

Nietzsche told us that we must take personal responsibility for who we are and what we do. That way, we will be crafting our lives and what we stand for, as an artist creates a masterpiece.

Would you hire one of Nietzsche's Higher Men? This would be a difficult, unreasonable person, not suited to bureaucratic processes but one who would bring incredible creative determination to your organisation. You most likely have them on the payroll already. If your HR department can tolerate them skipping those values workshops, they may survive to become your most important people assets, probably as individual contributors rather than as managers or managed. But will they stay with you?

These questions raise a fundamental question. Can our organisations accommodate both aspirant Nietzscheans and followers of Aristotle's Middle Way? We believe that they must. Within your organisation you will no doubt find arenas for bold experimentation and revitalisation that need the Nietzschean spirit. In other situations, the call will be for stability, coordination and progressive improvement rather than revolutionary change – here the Aristotelians will thrive.

The key is to avoid a one-size-fits-all approach to selecting people, measuring performance, offering rewards and shaping processes, so that we design the organisation around the person rather than the other way around.

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