



Ethics

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LOSING SOUL

What doth it profit a man if he gain the whole world and lose his soul?

Mark 8:36

A story is told about Protagoras, the ancient Greek philosopher, who took money for teaching law, a practice his contemporary Socrates abhorred. The story goes like this:

A student came to Protagoras to learn the law. Protagoras offered the following arrangement. The student would pay Protagoras when the student had won his first case in court. As soon as the student agreed to the terms of the contract, Protagoras took the student to court suing for payment on the following grounds: If Protagoras as the plaintiff won the case, the student would have to pay Protagoras because of the court finding in Protagoras' favor. If Protagoras lost the case, the student would have won his first case and would owe Protagoras the money on the basis of the agreement. Either way, Protagoras should be paid.

Being a quick read, the student argued the contrary. If he, the student, won the case, he would not have to pay Protagoras by the ruling of the court. If he lost the case, he still would not have won his first case, and would not have to pay Protagoras, on the basis of the contract.

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The student's response notwithstanding, this story is instructive because it shows what can happen if the pursuit of money gets in the way of someone's professional responsibility. For the financial service professional, it can also serve as a lesson on how *not* to act as a professional. The pursuit of money can cause the professional to forget one's ethical responsibilities.

However, behavior such as Protagoras' is not limited to teachers and financial service professionals. One cannot pick up a newspaper today without encountering some example of unethical behavior. In the past year we witnessed the executives at WorldCom, Enron, Arthur Andersen, Adelphia, Tyco, and Rite Aid fail in their fiduciary responsibilities to their companies for the sake of money. Such behavior has shaken the faith and trust of many in business and the markets.

There are too many stories of corporate greed and corruption. At the same time there are any number of stories about good, honest businesses that put other goals above making as much money as possible. I am reminded of that when reviewing applications for the American Business Ethics Awards, given each year by the Society of Financial Service Professionals. Contrasting the ethical companies, whose missions and visions are to make society better by offering quality products and services, with the scandalous companies making headlines in the news this past year made me think of how helpful the Protagoras story is in explaining the difference between a person or company who

does things right and a person or company who doesn't.

It is likely that a whole host of factors contributed to the ethical lapses of companies like Enron and WorldCom, but I think the Protagoras story helps us focus on one major factor that occurs in all of the situations mentioned. People and companies who concentrate solely on accumulating as much money as possible forget their primary purpose or mission—to produce quality goods and services—and that is akin to losing one's soul.

I understand that, in a skeptical era when people are used to talking only about things they can see and measure, talk of losing one's soul is problematic. But there is a sense in which the word "soul" captures exactly what the ancient Greek philosopher Aristotle meant by a defining purpose—and the loss of soul or defining purpose is a malaise that can spread across the world of business. For Aristotle, soul was what gave life and purpose, the animating principle of a body. Of course, one can just live, existing without purpose. But there needs to be more to living than just existing. For human beings our goals, projects, and purposes are what animate and define us—they make us who we are. So by soul we mean that thing which gives the body not just life but definition.

Consider this: when people describe themselves to others upon first meeting they are likely to either describe what they do for a living or talk about their future projects and plans—the activities that make them who they are. They may talk about

their hopes and dreams, the things that define them, shape them, and in short “give them soul.” They don’t describe their physical makeup. They don’t have to. Others can see that for themselves. They tell you what makes them tick, and that is what we mean by soul.

But souls can be corrupted. Souls can be lost. Souls can be sold to the devil. Aristotle identifies the major source of corruption as accumulation for the sake of accumulation. He disapproved of people who turned “...every quality or art into a means of getting wealth. This they conceive to be the end, and to the promotion of that end they think all things must contribute.”¹ Such people corrupt themselves by striving for a goal unworthy of human beings—accumulation for its own sake.

This does not mean all wealth accumulation is corrupting. To accumulate wealth in order to live better is fine. It is when one accumulates wealth for the sake of accumulation that a problem arises. According to Aristotle, those who accumulate wealth for its own sake “get intent upon living only, and not upon living well.”

There are two problems with accumulating wealth for its own sake. First, pursuing wealth for its own sake destroys wealth. Aristotle reminded us of the story of King Midas when he said, “How can that be wealth of which a man may have a great abundance and yet perish with hunger, like Midas in the fable, whose insatiable prayer turned everything that was set before him into gold?”² When Midas’ touch turned everything into gold, he realized he had missed out on the

really important things in life.

The second problem with accumulating wealth for its own sake is that there are no limits. First, the accumulator will never be happy since there is never enough wealth to satisfy him or her. Second, there are no limits to the means used to accumulate the wealth. We guide and check our behavior by asking ourselves why we do things and what the point is of what we do. But with accumulation there is no point except accumulation. So whatever is necessary for the accumulation of wealth becomes acceptable.

Consider how this works out in the Protagoras story. Protagoras ignores his noble purpose as teacher and concentrates on accumulating money. He fails to look out for the interests of his students (his primary responsibility) and utilizes whatever he can, in this case the law, to make money. His greed, or his disposition to accumulate, causes him to lose himself by losing his noble mission and professional calling that made him who he was. In short, Protagoras corrupted himself and his status as a teacher when he turned his profession into a way to make money.

Businesses today talk about vision and mission, and rightly so, for those visions and missions are the goals and purposes of companies. One can say that they are what give companies their souls. One can make a persuasive case that it was when Enron lost its sense of what it was that it became corrupt. It simply wanted to be the largest company in the world, without asking what the point of that was. It lost its vision,

its soul. Enron was no longer clear as to what it was about. Think to what extent the exclusive pursuit of money led the Koslowskis and Fastows of the world to forget their fiduciary responsibilities to their companies.

A similar phenomenon occurs with professions. A professional is by definition one who is responsible for looking out for the best interests of another—a teacher for a student, a doctor for a patient, a lawyer for a client, or a financial service professional for a client. To make the accumulation of wealth a goal in itself is to cease to be a professional, to lose one’s professional soul.

The Protagoras story and its lessons are especially important for the financial services industry because one of its primary concerns is to deal with the accumulation of wealth. When the vision of the purpose is lost or superseded by money accumulation for its own sake, there is no overriding principle or guide to set any limits on either the professional or the client. The Protagoras story should teach us to keep focused on the purposes for which any accumulation, be it the professional’s or the client’s, is taking place. For the professional who will do whatever it takes to make money and the client who expects the professional to do whatever is necessary to enrich him or her, ethics and morality will have no place.

To sum up, becoming a mere accumulator means you forget your primary responsibility, which is dictated by your purpose. When the accumulation of money drove him, Protagoras forgot his purpose was to teach. Similarly, when

the pursuit of money and commissions or fees is the major driver of financial service professionals, they forget their responsibilities to the client. When a company strives only to maximize profit and forgets its mission of producing goods and services, it leaves aside ethics and values. When accumulation of wealth is the only driver, the lack of responsibility inevitably follows.

Finally, when accumulation is the primary goal, the sole limit on activity is the law, and energy is spent trying to find loopholes to allow for the accumulation of even more money. This leads to a compliance mentality. Absent a sense of ethical responsibility, the only deterrent to the accumulator is the sanction of the law. For the accumulator there is no limit, except the law, as to what is permissible.

To the extent that the accumulator disposition infiltrates or pervades the financial services industry the industry gets corrupted, because to that extent it loses its soul, its ennobling purpose. The ethical course is to keep in mind one's noble goal of serving others. That will vitalize one and make life worth living.

What is the practical outcome of all of this? Both the financial service professional and his or her clients need to continually examine the overall life goals for which the accumulation is important. The recent concern with helping clients examine or at least determine goals other than financial ones underscores the importance of this point. Suitability may mean more than just suitability for accumulating as

much as possible. It may mean suitability for the overall goals and purposes of one's whole life. To simply assume that your client's only purpose is to accumulate as much money as possible not only does you a disservice but your client as well. ■

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(1) Aristotle, *Politics*, Bk. 1, Ch. 9.1258a13-14; translated by Ernest Barker (Oxford: Oxford University Press, 1946).

(2) *Ibid.*, Bk. 1, Ch. 9.1258a 1-2.