**RedZone Podcast Episode #87: Innovation Is Upsetting | Be Willing to Walk Around Being Offended on a Daily Basis – with Professor Stephen Hicks**

Okay, Professor Hicks, I appreciate you for coming onto the show today. Thank you for joining us.

Professor Hicks: Hey, thanks for the invitation.

[00:03:30]
Bill Murphy:

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I've been looking forward to this conversation with you for quite a while and I have pieced through your materials in your books and website because I have a personal interest in my daughter going off to college next year. Plus as an entrepreneur, as I'm perusing, you have these different interest areas of mine lie within your domain. I'm really interested in spending some time with you today, but before we get started I'd love to ... Although I'm going to introduce you to my audience previously to our talking, maybe you can just give my audience an idea of who you are and how you got to where you are today, just the general trajectory would be great.

Professor Hicks:

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[00:05:00] In some ways I was a late bloomer, I started university after taking a year off after high school and working and traveling with the idea that probably I was going to become an architect or an engineer and maybe go into a business with my dad in real estate development up in Canada, but I wanted to get a ... The way I thought of it was a lifetime reading list of big books, great books, important ideas so I essentially got a liberal arts education at the University of Guelph in Canada. As it happens I fell in love with philosophy and ended up taking a lot of philosophy courses, and so majoring in it. Then worked for a couple of years after that saving money for my civil engineering and architecture career, but was torn and eventually decided I would give graduate school in philosophy a shot and try to become a professor because that seemed like a lot of fun.

[00:05:30] That's what I've been doing since then, so it's been a great ride. Currently I'm at a small liberal arts university just outside of Chicago, I teach a pretty wide range of philosophy courses, but my core areas in recent years have been intellectual history, particularly European intellectual history and how that has come to have huge influence in the American academy. Then a lot of themes related to business ethics, particularly with an entrepreneurial focus there. That's where I am.

Bill Murphy:

[00:06:00] That's fantastic. There's several jumping off points that we can take, but I think one of the really interesting ones that we can take is I'm really ... One of the pieces that as I do more and more research, I've been building my business for, as I mentioned to you prior, for about 20 years. I really haven't paid much attention to the political climate, I haven't paid much attention to really anything around me, that's just the focus I had to bring to bear to build my business, raise my family, et cetera.

Professor Hicks: Yes.

Bill Murphy: It's funny because as you have a specialty in entrepreneurship, that I'm sure you've heard that before.

Professor Hicks: Oh yeah, yeah.

Bill Murphy: As my daughter gets closer-

Professor Hicks: It has to be all consuming if it's going to work.

Bill Murphy:
[00:06:30] Yeah, I mean I just jumped all in and I was prepared to live under a bridge if I had to. Because I was I guess probably willing to do that, it never happened. Now it brings me to this point where my kids are getting ready to go to college and we're entering a new era of free speech and we've got to watch what we say, and we've got to protect people and free spaces and such. I'm just curious from your point of view, what has happened? Where have I been for the past 20 years?

Professor Hicks:
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[00:07:30] Well yeah, there has been a revolution, particularly in some sub sectors right, of the university. The ones that are influential in that, they speak to the value issues more. In humanities departments there's been a shift from what we call the tradition of classical liberal education where the individual mind is what we're focusing on, each individual is unique and we're training students to be aware of the best technical knowledge and all of the leading theories and to give the student the skills and the knowledge to be able to assess to for himself and herself where the truth lies and to enter into the argument and so forth. What has replaced that has been what is broadly called a post-modern outlook where we don't focus on individuals as much as we focus on groups and so we hear a lot about individuals as primarily members of racial groups, or gender groups, or class groups, or ethnicity groups and those are seen as more fundamental to a person's identity than their individuality.

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[00:09:00] For those who have been influential in this approach, they're less interested in training individuals, and more interested in teaching people to be expressions, right, of their various group memberships. There's been a more pessimistic shift that rather than being progressive on liberal rights, using liberal in a nonpolitical sense there, just saying that people can and should be trained to be free citizens. That if we do so with a tolerance and civil discussion, we can get past our differences and make progress on all sorts of civil issues. What has replaced that has been a more pessimistic assessment that these groups are in an adversarial relationship to each other and the prospects for those groups getting past their differences peacefully are low and so much more of a willingness to demonize members of competing groups, less willingness to engage in debate and more authoritarian, or what's sometimes degenerately called political correctness as the dominant method.

[00:09:30] This has been a long time in the works. The seeds for this can be traced back a half a century or so now, but it has been influential, especially in the humanities and some of the social science areas. Since most students do take some courses in philosophy, and psychology, and sociology, and anthropology, and so on, they do come in contact with it. There has been a sea change, and if you haven't been paying attention for 20 years, being busy actually getting productive work done and so forth, it's natural then if you look up now to be quite shocked at what you're seeing coming out of many of the universities.

Bill Murphy:

[00:10:00] It's probably a Trump exaggeration to be totally out of the picture for 20 years, but it's been pretty close to that. From the sense, and actually from an entrepreneurship point of view, I'm not sure, I'm careful to dive into this rabbit hole, only from the sense that I always balanced it out, can I add value to my customers by going down this rabbit hole and can I add value to my family.

Professor Hicks: Yes.

Bill Murphy: I think part of the reason I'm diving down is I have a super conservative daughter and I myself lean that way as well. It's really interesting to see ... And plus you read the news about white privilege in the crimes that ... I'm not going to use the right word, but the black movement about racial in the police force and brutality-

Professor Hicks: Yeah, Black Lives Matter.

[00:10:30]
Bill Murphy:
Yes, Black Lives Matter, so and I sit there and I look at it and I kind of let it pass me by. It's like okay, that's interesting, but now by doing a little bit more research when you get into the experts, it's like well hold on here because I'm close to Baltimore. They had the mayor, the chief of police, the police staff, all of these folks were black, but then there was a white officer that was maligned and all of a sudden ... It was really, not confusing to me, but I was like why are the facts being squelched?

Professor Hicks:
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[00:11:30] Yeah, part of the understandable thing about being an entrepreneur or anybody who's going to be successful in their field is that you do have to block out a huge amount of stuff so that you can focus all of your mental and physical resources on mastering your field and becoming proficient at it and then marketing it. But there's a danger as well because then you're not aware of the broader, cultural landscape and what's going on there and certainly the broader political landscape and those in almost any field of human life are going to influence you and then affect how you can do your business or practice your trade, whatever is. In the case of entrepreneurs, the realistic thing, then, is to point out that if you are successful in your business, you're going to be scaling up your business and when you scale up your business you'll be hiring hopefully very talented, knowledgeable people.

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[00:12:30] The first place people look for that is young people coming out of university because they are supposed to be cutting age and full of energy and new ideas and so on. What you need to know is what are they actually being trained in and what cultural attitudes, philosophical attitudes, political attitudes, and so on are they picking up during their university time? If you are the entrepreneur who has scaled up his or her business, you're also the chief culture officer. Part of being the chief culture officer is a matter of being able to work with people of all different personality types, character types, technical skills, and so on as well as philosophical orientations and that's where the post-modernism versus traditional liberal education is going to be important for this generation's entrepreneurs.

Bill Murphy:

[00:13:00] One of the interesting pieces that I explored before we talked is this word post-modernism, because it confused me initially, but I heard you give a brilliant ... I want my audience to understand this word from a broader context because I finally heard it a day or two ago and I listened to you explain the history. You went back to the middle ages and explained ... If you could walk my audience through kind of the major epochs and what brought us to a post-modern era. Because as soon as you say post you wonder, what's modern and then what's pre-modern?

Professor Hicks: Yeah, exactly.

Bill Murphy: Maybe you could just get us onto a level sheet from-

Professor Hicks: Okay, how about if I ask you for a strict time limit.

Bill Murphy: Yeah.

Professor Hicks: March it back, do you want a one minute answer, a two minute answer, and I'll try to honor that.

Bill Murphy:
[00:13:30] Yeah, the one I heard was you started in the middle ages and explained what was the general philosophy in the middle ages and what that was called, and then you worked up through the renaissance. I think just broad strokes that I think everybody would get from previous classes. Then I'd love for you to hit on Marxism, and Socialism, and the general philosophy and then march us into today. That would give us kind of a lens of where we are today.

Professor Hicks:

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[00:14:30] Okay, I'll launch in and then when you want to jump in just give me a signal and I'll wrap it up. If we think about the modern world, both in philosophy and history we talk essentially about the last four to 500 years. The main features of the modern world, and again this is striking if you think about how many tens or hundreds of thousands of years human beings have been around, the last few hundred years have been extraordinarily revolutionary. The fact that we are very science friendly and we have mature sciences and we expect science to be able to continue to push back the frontiers of knowledge to explore interesting, fascinating things about ourselves and the world that we live in. Science, particularly mature science is a very modern thing. The fact that we are a technological society, and again that we take huge amounts of technology for granted, that we're comfortable with technology and we always expect the technology to be improving.

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[00:15:30] The pace of technological innovation prior to the modern world was very slim. In the modern world we are much more individualistic. We don't divide people into classes and say as a matter of law you're only allowed to do certain things, and associate with certain other people, or marry people, or be friends with these sorts of people. We say as individuals you should be free to live your own life as you want and all individuals should have this right equally. Another characteristic, then, of the modern world has been a decline of a lot of ethnocentrism. If you go back the history of the French and the English just to take two examples, they hated each other for centuries and centuries, but as we've got further into the modern world they've put aside their ethnic differences and treated each other by and large peacefully and respectfully. They're huge trading partners, cultural trading partners, economic right as well.

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[00:16:30] Politically there's been a huge number of revolutions and that extension of those basic rights to women, a huge multi front battle against racism and slavery. It's striking to think that for all of human history the second or third class status of women was unquestioned. The fact that other people of different races and ethnicities, if we beat them in war, well of course we can take them into slavery. That's just part of nature. The fact that in the modern world we've by and large put those ideas behind us is also a striking revolution. The widespread markets, the widespread-ness of liberal democratic republican forms of government. The rejection of old fashion tribalism, old fashioned feudalisms and so on. The modern world has been very revolutionary in just a few centuries and chances are good that people in our lifetime, people born in the 20th century, we're like the fish swimming in it, we're not aware that we're actually in water, it's just the environment that we are raised in.

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[00:17:30] We are liberal in the classical sense. Democratic, republican, we believe in liberty and equality. We take science and technology largely for granted and that makes all of us moderns. The big contrast is then to what we broadly call then a pre-modern world. If we just look at the history of the west, because different parts of the world the timelines are different. From say three or 400 or 500, a decline of the Roman Empire for the next millennium, almost a thousand years, the dominant cultural framework was a strongly religious one where we're not especially scientific right or technology. We're not especially interested in the natural world, we're focused on the world beyond the natural world. Under the extent that we're that way, we're not going to be as interested in science and technology and trying to understand the natural world. The natural world was seen more as a place where you live, typically not very long. Life expectancies we're quite low and there's a lot of misery in your lifestyle because we don't have modern technologies and modern medicines when we get sick.

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[00:18:30] We're just focused largely on getting through this life and what's going to happen to us in the next life. We don't have the individualism of the modern world. People are very circumscribed in what they're allowed to do because of their class location. The vast majority of people are serfs, or peasants, or slaves in some sorts. If you're not that then you're in a guild and of course then you have more privileges, but they are privileges and you're still not allowed except under certain circumstances to associate with people above your station. You certainly don't want your kids to marry anybody below your station. You have a very much hierarchical class bound kind of society. The notions of separation of church and state, the notion of free markets, all of those are nowhere on the landscape for a thousand years.

[00:19:00] The point is that in the early modern world, you can start to see this in the renaissance and 1300s and the 1400s and certainly the reformation and the counter-reformation and the 1500s was another revolution area. You see the developments of the sciences starting in the 1500s and the 1600s and then a whole number of political and economic revolutions in the late 1600s and 1700s so it's an extraordinarily dynamic couple of centuries and out of that we get the modern world that you and I are familiar with. I'll pause there in case you want to jump in on any of that, and all of that then can be a backdrop to talking about post-modernism and how it reacts to both of those.

Bill Murphy:

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[00:20:00] I think that was a great backdrop because when you use the word post it sets it up nicely. What I'm particularly interested in as you explain the next segment is, because I think this is really relevant to all the leaders, and I love the way you tied some of the folks, the kids coming out of colleges today are the ones that we're hiring. It's the one that my company's hiring, all the businesses and all the leaders, all the technical leaders and the nontechnical leaders, they have to hire kids in their 20s and I've been having great success with them, but a lot of folks have been struggling. What'd be interesting is as you build through the modern era, through that 1600, 1700s, I think you left at into the 1800s, the types of philosophies that emerged in the Socialism, the Marxism, and then where we went to today would give I think really a good framework for everybody as we then maybe shift it, shift gears and focus on some on the entrepreneurship pieces.

Professor Hicks:

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[00:21:00] Okay. Yes, so we'll tie this back to the hiring issues, that's where the rubber's going to meet the road on a lot of these philosophies. One of the obviously issues that comes up in the workplace, particularly in the modern world where it's religious diversity, political diversity, ethnic diversity, sex and gender diversity and so on so we can broadly call all of that globalism, or cosmopolitanism, or internationalism. When you start having people of dramatically different backgrounds starting to work closely with each other, how do you manage that socially? One of the things that has gone on in the modern world is a lot of experiments of human interaction that just didn't happen before. Men and women, for example, particularly toward the end of the 1800s as women's education had increased dramatically, that enlightenment modernist push for women's liberty, equal liberty rights, and equal political rights and so forth was gaining significant traction.

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[00:22:00] So then human beings start doing in some country something that never happened before and that is men and women working together in the same environment very closely with high stakes and pressure and so forth for eight, 10, 12 hours a day. How are you going to manage that? You'd need to have certain ground rules in place. Or, you'd say it's in increasingly global societies and what that means is, again on a much larger scale, people of different ethnicities and different religions are going to be starting to work together. People of different races. Again, in cases where the stakes are high or the pressure is high and they have to find a way to get along with each other. One of the important things, then, coming out of the modern world is this notion of respect for the individual so that I don't see other people as simply avatars or representatives of some group and that it's your group against my group, but what I need to do is treat each individual as an individual and ask what are your merits?

[00:22:30] What's your character? Can you deliver the goods? And the fact that you come from a different racial group, or a different religious group, or ethnic group that's really secondary or irrelevant. The philosophical argument for the importance of individualism that comes in the modern world has huge implications, then, for entrepreneurs or people doing business to the extent that people are able to put aside their racism, and their traditional sexism, and their traditional sexism, we're going to be more successful as entrepreneurs dealing with our vendors, dealing with our coworkers, dealing with our customers.

Bill Murphy:

[00:23:00] I think that's a really good point that you just made from an individual point of view. I guess what confuses me is it seems like what's bubbling up, what I'm hearing is more of a groupthink, like-

Professor Hicks: Absolutely, yes.

Bill Murphy: Maybe you can build on that, then.

Professor Hicks:

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[00:24:00] This is then the counter-revolution, or the counter-modernism, or the post-modernism because what we have coming out of post-modernism is ... And there's a lot of sophisticated philosophical, and psychological, and anthropological argumentation behind this. The idea that individuals are either secondary, or ultimately not real. There are reinvigorated race-centric analyses, sex or gender-centric analyses, class-centric analyses. What all of these views, and they come out sociology, and anthropology, and some forms of psychology with some philosophical argument are of the idea that the individual is only a construct. That we are born, and this is ... Only crude versions will take it this far, but as a working example that the human being at birth is kind of a lump of plasticine born into a certain social context, or a network of social context and what that plasticine is molded and shaped into is going to be a function of its class membership.

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[00:25:00] If you're born in one class with a certain economic background, you're going to be shaped to think and value certain things differently from me if I was born in a very different economic class. Or if you were born into this racial and I'm born into that racial group, or you're born into this ethnic group or I'm born into that ethnic group. We in the strong forms are totally a product of various social pressures on us. We don't really have any individual autonomy, individual agency, we are vehicles through which these groups play themselves out. What that means is that when you have people of very different groups, very different racial groups, ethnic groups, and so forth, this analysis, some forms of post-modernism say it's impossible for individual members of those group to have meaningful conversations and resolutions of their differences with each other. It is your group versus my group.

Bill Murphy:

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[00:26:00] Yeah, and what's really interesting is this equality of outcome is really getting under my skin is versus the actual earning of ... You used the word agency, having the agency to climb versus trying to make the whole groups equal outcome. I think where that manifests in my own business was I had a really strong experience of this. This'll be something from your entrepreneurship point of view will be really interesting because I tested out a team concept at one point where literally I would float ideas, I'd float the requests into a group and the group would get excited. Everyone's around excited that the group was going to get things done, but there was no individual agency within the group so I didn't get the outcome I was looking for. I had to demolish the group and go back to a loosely coupled team, but everybody had their own individual agency to perform the individual task and then they were kind of backing up each other.

Back to our point about equality of outcome versus ... Is that a problem with ... You were explaining the individual earlier versus kind of this group morphing. Is that where one of the manifestations you're seeing you're coming from that?

Professor Hicks:
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[00:27:30] Yeah. I think there are two related, but also separable points in what you were just saying there. I think whether you see individuals as individuals fundamentally, or as vehicles through which group dynamics are played out, you are going to have that issue of when you take individuals and put them into a group. What is the right kind of dynamic if you're going to get some productivity and proper brainstorming and sorting out the good ideas from the bad ideas. Even if you are a very strong individualist, you recognize that there's value to brainstorming and being able to bounce your ideas off other people. Having people playing devil's advocate and so on. What you will then do is structure your group dynamics in a way that maximizes the individual's thinking. That is going to be different from the way you will approach setting up those group dynamics if you think that it's only once you get individuals together that there's some sort of co-actional, collective mind dynamic that comes into play and out of that the good ideas are going to emerge.

[00:28:00] I'm talking about much more individualistic on this and I think there's great value to group work. You have to know something about the social psychology, and as you did yourself you have to do a lot of experimenting with the individuals and you do have to make it clear that ultimately each individual is responsible for his or her contribution and the followup action items that come out of the group. There is no ultimate group product rather that's going to spontaneously emerge just because you've got a bunch of people and you've crammed them into a group.

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[00:29:00] It goes back to the other issue, the second issue which is then to say if you seriously deny the agency of individuals, then the idea that somehow we should reward people as individuals is ultimately going to go out the window and you will get some sort of equality of outcomes perspective. One of the things that then ... If you go back to the story I was telling a couple of minutes ago, if you really believe that human beings are more or less plasticine and it's a matter of luck what social context you happen to be born into as this lump of plasticine. That what you become is a product of forces beyond your control and not really up to you, then the idea that somehow some people deserve more or have earned more and other people deserve less or have earned less is going to go out the window.

[00:29:30] Then what you're going to say is the fact that some people end up with more as a result of certain social forces is just a matter of luck. Nobody really deserves more than anything else and if it's all just a matter of luck, then if we're interested in fair distribution of the goods that are out there in society, then one standard answers is going to say is it should be some sort of equal distribution. What we need to do is use various social institutions like governments to redistribute things in a more equal fashion. Or it might be that in a company, if everybody's output is just ultimately a matter of luck, then proper distribution is everybody should get the same wages, same benefits, same honors, and so on. That's one way of getting to that equalities of outcomes.

Bill Murphy:

[00:30:00] But haven't we been down this path before where we've been down this ... I might not be using all the correct wording, but from a Marxist, kind of Socialist point of view, isn't that group thinking, like we're going to make everything happy for the big group, haven't we been down that? Didn't it lead to a lot of death and a lot of mayhem from Hitler and Mao. I guess I'd be concerned that we're skirting that edge again. Am I sort of out in left field with that thought?

Professor Hicks:
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[00:31:00] Yeah, so if you take all these issues that we've been just talking about now in terms of arguments about human nature, how individual or group created are we? Agency versus passivity and put that in a business context, that's one thing, or in a family context, that's another thing. If we scale up those issues to political systems, then no, you're absolutely right. Marxism as one of the dominant versions of Socialism of the last century and a half now, is a very robust version of the collectivized understanding of human nature. The fact that that theory was taken seriously and applied in fairly sophisticated form to political processes and economic processes and on the basis of that political revolutions were mounted and successful to the point whereby the mid to early part ... The early third to middle part of the 20th century, over half of the world's population is living under Socialist, mostly Marxist inspired revolutions, yes.

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[00:32:00] That's a large social experiment that we have to take seriously. If the result of this, as you're pointing out a huge death toll, the numbers are almost meaningless. We can say 60 million in China, 30, 40, 50 million depending on which historians you listen to in Soviet Union. Three or four million in various Southeast Asian countries, African nations, smaller scale experiments in South America and Central America, yeah the death toll from these broad philosophical theories taken seriously. It's worth pointing out that Karl Marx's PhD was in philosophy and his followers, the activists were also very intelligent men and women, often university educated. They took the theories and applied them in the best textbook fashion they could think and once they succeeded in their revolutions they were able to put the theories into practice and the widespread death and misery is a matter of the historical record.

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[00:33:00] Yeah, my view then as a philosopher is to say yeah, there is a long chain of cause and effect that has to be traced there, but it's absolutely important that we do so. We should be learning from the disastrous Socialist practice in the 20th century especially and very seriously looking back at the philosophical and ideological principles that led to that in the first place and really subjecting them to scrutiny. It is very disheartening, and this is part of what you were saying, we have been down this road before to see what is now a younger generation ... And my reading of them is that they're not people who are historically well educated. They don't know this history, they don't know that we've been down this road before in dozens and dozens of experiments around the world. To them everything is fresh, they've just got a theory they've heard from some clever professors that this is the right way to think about things. They're angry about various injustices, sometimes justifiably so.

[00:33:30] They are putting into practice theories and principles that are going to lead to the same destructive results.

Bill Murphy:

[00:34:00] What's happening is, in the founding fathers in the United States, if someone is offended by their lifestyle back then, whether they were slave holders, or they used the wrong words, or what have you, then that becomes reason to malign ... Which I guess means that we don't necessarily going to respect that historical path because they're deemed to be false because of some belief pattern. Essentially the understanding of history would essentially start to dilute because that was a bad path, that would be the wrong way to look it. Because it seems like everybody's really offended you know between ... And this partially links to how do we embrace the new generation coming into the workforce if they're so offended by wording and the need for safety and the safe spaces and such. How do you integrate those people, how do you integrate into society?

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Professor Hicks:

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Yeah, so there's a couple of more fine tuning applications of these very general principles that we've looked at. There's this issue of offense. Part of the achievement I think of the modern world is to say look, if you're going to take individuality seriously then you have to expect that individuals when they think about things and make their own decisions about their lifestyles, they're going to make all kinds of choices all over the map. They're going to have different religious ideas, different political ideas, different lifestyle ideas, sexual preferences, artistic preferences, scientific ... Just everything is going to be very diverse right and so forth. Part of living in a free society is that you should expect to be offended on a fairly regular basis. What you have to do is develop a tolerance.

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[00:36:00] All of the arguments about tolerance on religious matters, on artistic matters, and tolerating the give and take of debate as we argue about all of our different ideas. The modern world then says sure, you're going to be offended regularly and part of your growing to be a mature person is developing a thick skin so that you can handle the heat. That your ideas can be challenged, that you're willing to see other people living their lives in various ways and say that's their life, not my life. A certain measure of being offended on a regular basis is part of the price you pay for living in a liberal society. What you get then out of that is if you back away from the idea that individuality matters and that liberal freedoms apply to the individual matter.

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[00:37:00] If you think that people are parts of a group and that all people in the same group then basically are going to have the same ideas and the same values, and that you're in a power struggle with other groups. What you want is for your group to dominate the other groups. You want to impose your agenda on the other group. It just becomes then a power play. One of the things that you learn is since all the people who are liberal, and individualist, and nice people and civil are willing to respect people's differences and that they are trying to be a civil as they possibly can, they don't want to be offensive. There's too much offensive is going to be problematic so people learn their manners and learn how to be civil, that one of the weapons you learn to use is to say if I am offended by something, then decent, modern people say okay I'll try not to do that so I don't offend you anymore.

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[00:38:00] It becomes then a weapon that you can ratchet up in various context. The interesting thing though, and this is another variation here, is that the use of the offense weapon, or the offended tactic is very asymmetrical and this comes out of the oppression studies analysis. The idea here is yes we're all members of groups, but in the past some groups have had more power than others and those groups have been using their power to their own advantage at the expense of these various other groups that have been on the receiving end. In the interest of fairness what we should do is give the benefit of the doubt and maybe do a robust affirmative action on behalf of the groups that have been offended against, and been exploited, and harmed, and oppressed in various ways. We're more like then to give the benefit of the doubt to groups that have some sort of historical claim that says we have been beat up upon by these various stronger groups.

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[00:39:00] What works then as a tactic and is to say, I am a member of some group that has suffered harm in the past. If I am getting offended now at something that you as a member of a more powerful group that has done bad things in the past, then I should be the one who gets the deference in this particular case. In any conflict the tie is going to go to the side that has the greater claim to a harm and offense rate in the past. Once that assymetry principle is accepted, then it becomes a very useful tactic to go out of your way to be as offended as you can by as many things as you possibly can because you know that's going to put the other people right on the defensive and they're going to say oh, I guess I owe it to them to give into the on this particular thing. The more of those little victories you can collect, the more power you get in your institution or in your social circle, whatever it is.

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[00:40:00] The interesting thing is then if you take the historical analysis, the argument at least in our social context is going to be it's male who have been offending against females. They have been the oppressors and so anytime now females are able to claim some sort of offense, we need to give them the benefit of the doubt on that. Or, historically it was whites against various nonwhites. Now if you can make a claim to offense as a member of a nonwhite group, that has a certain amount of cultural power now. Or, it was Anglo-Saxons, or protestants, or whatever, those ethnic groups that had the dominant power in this country so if you're not an Anglo, not a protestant, a member of some ethnic minority and you've got some sort of a grievance claim, that has special cache and power now. It's the assertion of minority interests but using the being offended tool as a weapon in the current social environment.

Bill Murphy: Okay, I see. That links to the term which I've had to research, the white privilege term and then also-

Professor Hicks: That's right.

Bill Murphy: The safe space and the being ... Okay, this all makes sense.

Professor Hicks:
[00:40:30]

[00:41:00] Right, and then the privilege is a bit of a term of art. To my way of thinking it's an anti-concept because a privilege is some sort of authorized institution that has power and is able to grant special rights. If you're a member of a country club you have certain privileges that people who are not members of that club have. Or under old feudal systems, the monarch could grant privileges to certain individuals, but not to various other individuals. Privilege is an advantage that's given by a social institution and often arbitrarily doing it so.

[00:41:30] What has happened in the last generation is the concept of privilege has been broadened. Any advantage that anybody has, we were going to call that a privilege and that takes away the idea that there are advantages that might be earned by your individual effort. It obliterates the concept of an earned advantage, everything that you have just is a privilege because you happened to have been born into the right family, or at the right time, or in the right country. Things that have nothing to do with your individual agency. Yes, it's all networked.

Bill Murphy: It seems like we've been down this road before, but I appreciate you for bringing us to that point. As we round the final turn I do want to go back to entrepreneurship and innovation because a lot of the folks who listen to my show are the innovators in their organizations either because they invented and created the organization, or because they're in a position of intrapreneurship within.

Professor Hicks: Yes.

[00:42:00]
Bill Murphy:
Also, I have never had anybody talk about ethic though. Maybe we can wrap up with innovation, I'd like to launch into that though with a conversation about ethics.

Professor Hicks: Yeah, absolutely.

Bill Murphy: Maybe give me your general ideas how you see ethics, and social responsibility and whether we're overdoing it or whether we're under doing it in the world and where you see entrepreneurs and intrapreneurs plays a role in that.

Professor Hicks:
[00:42:30]

[00:43:00] Yeah, my take on ethics in the business ethics community is currently a minority position. Right now, and for much of its professional life the last half century or so, business ethics has been dominated by the idea that ethics is about a sermon. That what you do is you sit on the sidelines and you watch people in business do what they do and then whenever they mess up and make a mistake you jump in and say, you shouldn't have done that. You look at the problem cases and ethic then comes to have a reputation for being a don't do that, don't do certain things. Whereas my view is that ethics first and foremost should be focusing on the positive. We're living our lives and we want to live the best lives that we possibly can and that's of course a big, huge project and it involves many right to components. When we think about our business lives, it's going to be an important part of our lives, the core ethics issues here are am I going to go into business or am I going to not go into business.

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[00:44:00] For example, I'm going to try to get a living by being a parasite and stealing from various other people. Or I'm going to be lazy and expect my parents or society as a whole to support me in various ways. My view is that right from the get-go, people who decide to go into business are already making a positive ethical commitment because what you are saying is I am going to take responsibility for my life and I am going to make a living by my efforts. I'm going to be a value creator and a value producer. I think that that is something that business ethics needs to start with as a foundational principle giving honor to people who go into business as their mode of surviving in the world. I'm not trying to be a military conqueror and just go out and kill people and take their stuff. I'm not going to be a back alley mugger, I'm not going to be a lazy guy on the sofa in middle ages whining that I never had a chance in life.

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[00:45:00] The emphasis should be on positive value creation and honoring those people who do engage in positive value creation. Another then immediate component, you mentioned social responsibility I think right at the foundation level built into the practice of business is a high social responsibility. Because what you do once you start making stuff, creating things that are valuable, is then you try to sell them to other people. We take the producers standpoint here. What that means is you're offering something to another person and of course you're honoring that person in the sense that they can look at what you have to offer and say, yes I like that or no I don't like that. If they don't like that they're free to walk away. Also, if they do like that or they show some interest, you enter then into a negotiation phase.

[00:45:30] That's a peaceful discussion that you're having about the features of your product or service, how much you're going to charge, and all of the various things what we negotiate. You are committed as a matter of principle to offering something of value to another person and trying to deal with that person on a peaceful basis. Of course, you expect a certain measure of justice your way. You're the one who has created some valuable product or service and the customer is honoring you by payment. Saying, wow this I think is going to add value to my life, I'm willing to give you say a hundred dollars for this. What you're committed to is the idea then of peaceful interactions with the customer and the customer's committed to peaceful interactions with you. Built into this transaction is the idea that both of you should walk away from it better off.

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[00:46:30] It's going to be a win-win transaction. The deal goes through, you shake hands, you sign the contract, and then you say to each other, thank you. Thank you for doing what you do. If you're the seller, you're thankful that the person brought money to the table, if you're the person who's the customer, you're thankful that the person made the product right or service. My view is that when we think about business ethics we should be framing the whole discussion in terms of these very positive things. People committed to responsibility, to making value in the world, to dealing with other people peacefully, and to be always seeking the win-win transaction. Out of that of course, as business get complicated and people have mixed motives and sometimes we get tired and we're tempted to cut corners, there are people who are going to try to cheat in various ways.

[00:47:00] Part of business ethics also has to deal with the negative. I do frame all of discussion of those negative things within a deeply positive honoring understanding of what the business enterprise is all about.

Bill Murphy: Do you link social responsibility and ethics together or do you kind of break them? I guess what I'm referring to there, there seems to be a corporate guilt to social responsibility. Am I accurate with that? Are we doing-

Professor Hicks: I'm sorry, did you say the word guilt along the way?

Bill Murphy: Yes, almost like a corporate guilt.

Professor Hicks: Yes.

Bill Murphy:
[00:47:30] Or it's almost like a badge of honor or like we're going to give $5 for every pair of shoes to the poor in India. The guy who had that idea probably was very much aligned with that concept, but the more we carve out these programs for others, it doesn't seem to be quite as social responsible as-

Professor Hicks: Yes, right.

Bill Murphy: Anyway, that's where I'm going with it.

Professor Hicks:

[00:48:00]

[00:48:30] Social responsibility is also a term of art within the business ethics community. You can use it of course just neutrally to say we are social beings and what are our basic responsibilities to each other. My view is the one that I just sketched out before that we should respect each person's individuality and their freedom. If we're going to interact with each other the basic social principles there that we're going trade with each other peacefully and seek the win-win. That's my understanding of the basics of social responsibility, but all of that is very controversial in the literature. There are many leading theories of business ethics that don't frame business that way. Instead, they have a much more cynical understanding of the business enterprise. You've probably heard the phrase, business ethics, isn't that an oxymoron or isn't that a contradiction in term?

Bill Murphy: You know-

Professor Hicks: There are any number of people historically and still in our generation who believe that what it is to be successful in business and what it is to be successful morally are very different things in tension with each other or that they just run on parallel tracks to each other.

Bill Murphy: Do you know-

[00:49:00]
Professor Hicks:

[00:49:30]
One sign of that is this guilt word that if the idea is I made a million dollars last year, and if I know that I actually made a million dollars by producing goods and services that are genuinely adding value to other people's lives, then I should feel proud of what I have done. That's an amazing accomplishment for any individual to do. There are approaches to business ethics that turn the idea that you could take pride in creating value is almost invisible to them. That in some sense anybody who has acquired a million dollars must have screwed somebody over along the way. Or if you've got a million dollars that means somehow other people are out a million dollars, that your gain is their loss. They're not in a position, theoretically, from their understanding of the way the business world works to honor people who make a million dollars.

[00:50:00]

[00:50:30] There's always this tinge of suspicion associated with it. What they're then willing to say, and this is their capital C, capital S, capital R, Capital or Corporate Social Responsibility, they're idea then is if we were going to get people to be socially responsible, we should get them to be less interested in being profitable because profit is a dirty word from their perspective. Or, if they have made a lot of profit then they do need to atone for this in some sense and the way they can atone for it is by giving some of their profits away to other people and then we'll say, well I guess it's okay that they made the money because they gave it away. To me is a deeply alien ethics perspective, but it is out there and it is prominent, both in the professional business ethic literature and in the culture more broadly.

Bill Murphy:

[00:51:00] This is fascinating because I actually was wondering why are you spending so much time on ethics ... I looked at your ethics class curriculum and you have beautiful great videos who are introducing these topics and I'm like, God why is there so much time spent on this topic? Then it finally just dawned on me because I literally go to a coaching group for entrepreneurs because you're surrounded by no one as an entrepreneur, you're the top of the food chain. It's really important to surround yourself with people that are better than you.

Professor Hicks: Good.

Bill Murphy: I actually go to a couple different groups so I get exposed to people that are better and one of the big things that this particular coach works on is getting rid of entrepreneurial guilt.

Professor Hicks: Absolutely, yes.

Bill Murphy:

[00:51:30] Because entrepreneurs they sit there and you go oh my God I don't deserve this much, but you sit there and then finally you almost have to reteach yourself, no, no, no, no you're one of the two, three, four percent that's succeeded at this, but you're creating value, and you're creating jobs, and you're creating income.

Professor Hicks: Absolutely, absolutely.

Bill Murphy:

[00:52:00] You're putting their kids in school, value for the employees, value for the whole community. Finally it dawned on me about this ethics piece because I didn't realize as you were talking I'm like of course, of course, of course, but then you said ... I'm like, oh but he said he's the minority and I'm like oh, I get it now. You are a voice in the minority right now, that makes a ton of sense for me. No wonder why your message seems so obvious to me-

Professor Hicks: Yes.

Bill Murphy: But I was wondering why it was so minority, but I get it, I get it.

Professor Hicks:

[00:52:30]

[00:53:00] Right, yeah absolutely. If you take the core issues in business, the issue of productivity, the issue of trade, the issue of competition, and the issue of property, that whatever you have created is yours and ownership issues there. All of those are hotly contested. Being raised in the culture that we are raised in we're familiar with the arguments that say profit is a dirty word and if you are in the nonprofit sector then just automatically you are morally superior because you're not being motivated by profit. That's one cultural indicator. The opposite position is if you know that profit is a measure of how much value you have created. Here are all the resources that you've used, you've transformed them into a more valuable source. Someone's been willing to pay that for you. The profit calculation is a measure of how much good you had done in the world so profit is a deeply moral enterprise.

[00:53:30]

[00:54:00] We're familiar with the arguments about competition that competition is healthy, it leads people to strive to be better than they otherwise would. It brings out the best in us, that we all want a good competitor out there to keep us honest and push us harder than we otherwise might go. The other side of the debate saying no, no, no, competition is something that sets human beings against each other. It brings out our worst, our basest insights and in the name of competition we're all going to turn into savages, the more competitive we are. There's that debate and that's a deep debate in our culture. Debates over property rights, if you have earned something, should you get to keep it with no strings attached, or do we see property as some sort of a concession from other people. If other people have various needs then various sorts of agencies can come in and redistribute your property to other people for various collectivistic or other kinds of social purposes.

[00:54:30] Our deep debates over property and its status are ethical right at root. The idea of trade, that we should see trading partners as honoring each other. This is one of the things that we're having on the global level right now. Is trade between countries or it's something that ultimately is zero sum and what counts as a fair trade or not a fair trade. Right now of course with president Trump heating up the trade wars with China and various other places, those deep arguments over the nature of trade and whether free trade is mutually beneficial and should be honored or whether some sort of controlled and restricted trade in the name of a different conception of fairness is necessary. Everything is hotly contested, but I would say you're right. Entrepreneurs, I think naturally and in their bones feel a certain way about productivity, about profit, about trade and competition.

[00:55:00] I think implicitly they are the healthy ones, but they do need to step out and be aware that in the broader culture everything that they stand for is hotly contested and there are a lot of people who are just in principle hostile to the idea of entrepreneurs. This is not an overstatement, but every day among the people I read, my fellow professors and so forth, I read people for whom entrepreneur is a dirty word. They think entrepreneurs are a kind of cancer on society, and again that's not rhetorical overstatement.

[00:55:30]
Bill Murphy:

[00:56:00]
I think the big point here is broader culture and the broader culture that we as the folks listening and myself, the hirers, we're the one hiring the talent. It's super fascinating to me because you essentially are one of the teachers of the next generation and are aware of that cultural movement. More so than I would be, or folks that are in the business world like this. I find this completely fascinating to me to feel like that there's a whole movement against the entrepreneurial side because I'm of the ... I think we can solve so many problems by having productive citizens, by having jobs. We just can solve so much of the problem.

Professor Hicks: Absolutely, yeah. It's all part of the division of labor. As you were saying for you to be good at being an entrepreneur, you have to focus on building your company. The same thing for me on the other side of the division of labor-

Bill Murphy: Yeah.

Professor Hicks:
[00:56:30] I'm educating the people who are going to work for you, and I have to do my job well if they're going to be the kinds of people who can flourish in your entrepreneurial environment.

Bill Murphy: Completely.

Professor Hicks: I need to my job and you need to do your job. We both get pushback.

Bill Murphy: Completely. First of all I want to thank you for your time today, this is as fascinating as I thought this conversation was going to be.

Professor Hicks: My pleasure, Bill.

Bill Murphy: It was.

Professor Hicks: Thanks for having me on. Really interesting questions too.

Bill Murphy:

[00:57:00] Professor Stephen Hicks, this has been a great ... And I will put links up to you and to your site and you have just this incredible amount of resources on your website. If people want to reach out to you would you recommend they go there?

Professor Hicks: StephenHicks.org would be the best place to go, or my Center For Ethics and Entrepreneurship, we have a site for our university based center as well and there's some resources there, although a lot of it is at YouTube as I'm sure you know.

Bill Murphy: Yeah, so we're going to link to your YouTube and we'll link up on all of your sources, but-

Professor Hicks: Great.

Bill Murphy: This was fantastic, thank you professor.

Professor Hicks: All right, the best to you in your business and your podcast. Sounds like you've got a good show going.

Bill Murphy: I appreciate that, thank you. Thanks again.

[00:57:30]
Professor Hicks:
Bye for now.

Bill Murphy:

[00:58:00] There you have it, this wraps another episode of Bill Murphy's RedZone Podcast. To get all the relevant show notes please go to our blog at www.redzonetech.net/podcast. Additionally, make sure you go to iTunes and leave your comments in iTunes about the show. This helps our show rankings enormously and it helps support the show. Until next time, I appreciate you very much for listening. Thank you.