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TOWARD A NOVEL THEORY OF RATIONAL MANAGERIAL DELIBERATION: STAKEHOLDERS, ETHICAL VALUES, AND CORPORATE GOVERNANCE

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How should managers deliberate, and how do we teach them to do so? How one evaluates managerial decision making will partly depend on what conception of the corporate function one endorses. Agency Theory and its accompanying shareholder conception of the corporate function has long dominated management. Voices in management learning have called for a change, but we argue that such change has been hampered by the lack of a theory of managerial deliberation, which is compatible with the alternative stakeholder conception of the corporate function. Here, we develop a novel theory of managerial deliberation: one that is suited to stakeholder theory. We argue that if genuine ethical deliberation is to become prevalent within management, then we must conceive of managerial deliberation as a creative, yet rational, learning process, while we assure that this process is adequately constrained to allow for managerial accountability. By taking inspiration from modern philosophical theories of deliberation, we provide such a theory of rational managerial deliberation.

"*It is an old saying that you need a theory to beat a theory*"
Gary Becker (Herfeld, 2012: 78)

Does contemporary management learning teach managers proper decision making? In his article "Bad Management Theories are Destroying Good Management Practice," Ghoshal famously answered this question in the negative. He argued that it is the faulty theories of contemporary management research that are to blame for this failing. Ghoshal (2005: 86) acknowledges that management needs theory to guide practice and education. However, he thinks management needs better theories than those that are presently in vogue; theories which have arisen out of the Chicago School agenda (see also Khurana, 2007). The main perpetrator identified by Ghoshal is agency theory, as developed in the work of Friedman (1962), Jensen and Meckling (1976), and Becker (1993). Through their writings, agency theory has widely influenced management, impacting everything from theory of the firm to corporate governance and strategy.

Although criticism of agency theory and mainstream management theory is present, and has been steadily growing, Ghoshal (2005: 88) expresses the worry that management lacks viable alternative theories to place in its stead. Already at the publication of Ghoshal's article, a number of scholars backed him up and endorsed his argument (Hambrick, 2005; Pfeffer, 2005; Mintzberg, 2005). The concern has not weakened over the recent decade, with a number of publications echoing Ghoshal's message one way or the other and using it to call for alternatives, from design thinking (Martin & Dunne, 2006) or creative, exemplary behavior (Chia & Holt, 2008) and wisdom (Baden & Higgs, 2015) to critical philosophy "poking holes" in "the pretense of knowledge" (Joullié, 2016)—to mention just a few examples. However, with a few tentative exceptions (Shareef, 2007; Weick, 2008) no one has taken on the daunting task of actually providing an alternative theory. And, as Becker's quote above makes clear, the defenders of the status quo have been quick to employ this lack in favor of agency theory. In this paper, we provide such an alternative theory of managerial deliberation and, thereby, take Becker at his word. Our goal is to beat the single-purposed shareholder account of rational managerial decision making championed by agency-theorists by providing an alternative more inclusive multipurposed stakeholder theory of rational managerial choice.

The problem Ghoshal (2005: 79–80) identifies with the prevalent theories of managerial choice is the presumption that decision making for rational managerial governance is required to be solely focused on maximizing shareholder value (Jensen, 2001; Friedman, 1962; Sundaram & Inkpen, 2004; Porter & Kramer, 2011). Due to this conception of ideal choice, mainstream contemporary management has abandoned the ethical responsibility that corporations and organizations have toward further stakeholders, such as employees, local communities, and the environment (see also, Henisz, 2011; Crossan et al., 2013; Petriglieri & Petriglieri, 2015; Colby et al., 2011; Waddock & Lozano, 2013; Steyaert et al., 2016). To challenge this conception, we need a theory of rational managerial deliberation which acknowledges that corporations should strive for further aims or values beyond simple profit. Moreover, in order for this theory of deliberation to have effective influence on management practice, it must also explain how the skills required to succeed in such multipurposed ethical deliberation can be acquired by existing and future managers.

Our research question is therefore the following: *"How can we develop a theory of multipurposed managerial deliberation as a rational learning process?* On the previous two pages, we have smuggled the term *rationality* into our ideal of managerial deliberation without further explication and justification. We owe an explanation of what we mean by "rational deliberation," and why we think rationality is required for adequate managerial deliberation. The first installment of that debt will now be paid, with more to come. When we use the term "rational" to characterize a chosen action, we take this to entail two requirements on the deliberative process that led to the choice of that action. First of all, the deliberating managers must be able to provide explicit reasons that favor the choice they made. Second, these reasons must entail that one has reached what we will call "a practical must." By this we mean that the process of deliberation has reached the point where, considering known alternatives, the chosen action appears as the *only* action that can justifiably be chosen given the aims pursued by the company or organization. These requirements on managerial deliberation will later be discussed in detail when we engage critically with Jensen's conception of managerial deliberation. However, it is important to have them in play already at this stage, as they are central to understanding a dichotomy widely accepted in current management theorizing. This dichotomy, most forcefully defended by Jensen (2001) has, ironically, also haunted contemporary critical management theory, and left it unable to provide a feasible alternative to the agency-theory account of managerial deliberation.

The dichotomy in all its simplicity claims that, insofar as managerial deliberation is to remain rational, companies can only pursue a single aim at a time. With the dichotomy firmly entrenched, theories of managerial deliberation are caught between two unsatisfactory options: Either managerial deliberation is seen as a practice that should ideally be rational, but then management can only pursue a single goal. The requirement of a singular aim is then employed by agency-theorists to argue that if we can only choose a single goal to aim for, then even from society's view, maximizing shareholder value is the best goal for a company to choose (Jensen, 2001; Friedman, 1962; Sundaram & Inkpen, 2004). Alternatively, managerial decision making can also acknowledge a much-needed focus on multiple stakeholder values beyond profit, but then it must relinquish the ideal of being a rational process. Instead, decision making must give itself over to more emotional and intuitive processes (Dreyfus & Dreyfus, 2005; Hay, 2018; McKenna et al., 2013; Sonenshein, 2007; Weaver et al., 2014; Holt & Chia, 2014; Nonaka et al., 2014; Shotter & Tsoukas, 2014; Statler, 2014), or rely on aesthetic and artistic practices (Sutherland, 2012; Adler, 2006).

However, abandoning the ideal of rationality in decision making is not without costs. For, if it is impossible to provide explicit reasons as to why a certain decision was the right one to make, then we have no way of holding managers accountable for the choices they do make. Management theory has thus seen a continuing oscillation between two opposed but equally unsatisfying positions. On one side, there are agency-theory informed shareholder theories that highlight the need for accountability. On the other, there are critical management approaches that defend a multipurposed ethical conception of the corporate function, but they do so at the expense of the accountability that is enabled when you require of management that it can explicitly defend its choices as rational. However, management theory cannot progress if our only options are to give up accountability or to continue a destructive and myopic focus on shareholder profitability at the expense of the interests of everyone else.

Our paper progresses as follows: First, we provide some perspective on how our contribution is situated in relation to the issues raised by Ghoshal, and also provide an example of how the tacit acceptance of the dichotomy has hindered theoretical progress. Second, we engage with Jensen's conception of rational deliberation. We present his argument as to why rational deliberation must be singular in the sense that only a single goal can be pursued. It will become clear that his reasoning is driven by his interest in assuring managerial accountability. Underneath Jensen's views, we excavate the sensible assumption upon which his thinking draws, which is that explicit reasoning and the attainment of a practical must are needed for managerial accountability. Third, by drawing on the philosophically inspired work within stakeholder theory by Linden and Freeman (2017), we argue that the use of thick ethical concepts in deliberation can enable managers to reach an explicitly justified practical must in multipurposed deliberation. This section shows how it is indeed possible to provide the accountability that Jensen rightly seeks without adopting his single-purposed conception of managerial deliberation. However, Linden and Freeman's (2017) theory of deliberation suffers from a crucial flaw. We cannot see how managers could ever learn to engage in multipurposed rational deliberation. It shows how such deliberation can be possible for the ethical expert, but it provides no assistance to managers that aren't already perfectly rational ethical managers, nor to the management teachers hoping to improve future and present management. We begin our genuine theory-building in the fourth and final part of the paper. There, we provide an account of a rational deliberative process through which managers increase their grasp of the thick ethical concepts that Linden and Freeman (2017) have shown to function in multipurposed rational stakeholder deliberation. Our theory-building draws heavily from the contemporary philosopher Robert Brandom's (1994, 2000, 2009) pragmatist account of conceptual understanding. The core of his account is that our grasp of concepts consists of our knowledge of how the use of these concepts involves us in a series of communal commitments. We provide a theory of rational managerial deliberation where the gradual explication of ethical commitments enables managers to learn the how to use the thick ethical concepts with which their organization expresses its aims. We argue that once this grasp has been sufficiently increased, the managers can indeed provide explicit reasons as to why a single action is the only one that can justifiably be chosen given the multiple aims pursued by their company. Hence, we provide a theory that "beats" the single-purposed shareholder account of rational managerial deliberation.

PREDICAMENTS OF CURRENT THEORY-BUILDING

The fundamental issue we are considering is how we should conceive of good corporate governance. Ghoshal's (2005: 82–83) primary point of criticism is that theories of corporate governance are dominated by the assumption central to agency theory that humans act solely out of self-interest, exclusively trying to maximize their own welfare in all of their actions (See Daily, Dalton, & Cannella, 2003). Ghosal argues in favor of management theories that appreciate and incorporate the many other communal and altruistic motivational forces that also affect human decision making. This line of criticism is indeed important, and it has been taken up by alternative management approaches, such as in stewardship theory (Davis, Schoorman, & Donaldson, 1997). Our contribution challenges a distinct but related aspect of agency theory; namely, its conception of rational deliberation as inherently single-purposed. This is crucial, as even if the agency theorist grants that we aren't solely motivated by self-interest, his conception of proper managerial deliberation would remain largely unchallenged if an alternative view of rational deliberation weren't also developed.

The need for rationality in managerial deliberation arises out of the need for accountability. The problem with solely attacking the agency theorist's conception of human motivation is that, even if we acknowledge that people are sometimes motivated by, for example, obligation or compassion, it is certainly also true that this isn't always the case. The fact that we aren't *exclusively* self-interested individuals, doesn't entail that we *never* are. Hence, even though the central characterization of human nature at the core of agency theory is false, we still need to be able to hold people publicly accountable for their actions. This is especially true in management, where the consequence of a single person's choice can have positive or detrimental effects on whole communities, not to say the entire planet. So unless we have a theory that explains how multipurposed deliberation can be rational, such that it allows for managerial accountability, there is still a strong argument left untouched in favor of the single-purposed, and consequently exclusively profit-oriented, approach to management. What this means is that management theory must overcome the dichotomy we mentioned above, which conceives of managerial deliberation as caught between the unsavory options of either being rational or being multipurposed.

As an example of how the dichotomy influences current theorizing, consider a recent special issue in *AMLE* on strategic management education (Bell et al., 2018). The guest editors of the issue argue that there is an increasing call for strategy education to place a much greater emphasis on students' ability "to cope with paradoxes and ambiguity, given the complexity and contradiction now implicit in much strategy-making" (Bell et al., p. 237). There is a growing concern that the ubiquitous management models and frameworks fail to do this, given their focus "mainly on issues associated with enhancing productivity and efficiency, while firms and even industries often find themselves under increasing pressure to gain legitimacy, or wider social acceptance, among diverse groups of stakeholders" (Bell et al., p. 234). In short, the field of strategy education appears to be stuck between the (single-purposed) shareholder view (Friedman, 1962, 1970; Hayek, 1988; Jensen, 2001) and the (multipurposed) stakeholder view (Clarkson, 1995; Freeman, 1984; Freeman et al., 2010; Harrison & Wicks, 2013; Waldman & Galvin, 2008) of the corporate function. The guest editors argue that today's strategic management courses are dominated by the first paradigm and suggest that business schools "produce many technocrats" and "craftsman" but few "artists." "How can strategy courses," they pointedly ask, "integrate the artistic paradigm?" (Bell et al., p. 237).

For all its promises of creativity and diversity, this suggestion is worrying. In the attempt to move away from the myopic shareholder conception of managerial deliberation, and toward a more diverse set of stakeholder values, the suggestion appears to give up on the rational ideal of providing explicit reasons to justify decisions—replacing them instead with the idiosyncrasy of artistic production, which inherently does *not* need to be explained. The suggestion is that rational decision making should be enhanced or supplanted with something "tacit and dispositional, something which cannot be defined or contained by explicit standards or rules" (Nonaka et al., 2014: 367). The individual papers forming the special issue are governed by the same tacit acceptance of the dichotomy as exhibited in the editorial. There are papers that favor analysis and the provision of explicit reasons for action, such as Buckley (2018: 349). However, he clearly employs a shareholder conception in his elaboration of the single-purposed corporate function: "The variation in 'success' (profits, growth, market share, net worth of the firms, brand value) is entirely attributed to successful management decision-making." Whether he focuses on profits, growth, or market share, typical stakeholder issues such as sustainability and worker welfare are suspiciously absent from Buckley's list of success criteria. This conception is echoed by Barney and Mackey (2018: 359) when they talk solely of theories of corporate strategy as theories about "profit-generating mechanisms," and do not even consider other potential corporate aims. In contrast, Grant and Baden-Fuller (2018: 325) favorably quote Chester Barnard as establishing that: "[The Executive Process] transcends the capacity of merely intellectual methods of discriminating the factors of the situation. The terms pertinent to it are, *feeling*, *judgment*, *sense*, *proportion*, *balance*, and *appropriateness*. It is a matter of art and it is aesthetic rather than logical" (Barnard, 1938: 235).

The painful dilemma emerging from this way of thinking presents managerial deliberation as caught somewhere between the Scylla and Charybdis of what we believe are two equally unsatisfactory self-conceptions: *either*, management is a rational discipline, aiming for reason-based choices, but then, to steer clear of conflict, it must remain exclusively focused on a single purpose, typically shareholder value. *Or*, it allows a more diverse set of values to influence its deliberations in which case, it must relinquish the ideal of management as a rational practice and give itself over to a variety of diverse arational alternatives. The upshot appears to be that management cannot *similtaneously* retain and practically realize a diversity of values *and* remain rational about the endeavor.

The main defenders of agency theory, led by Harvard professor emeritus Michael Jensen, have planted the idea that the only important interest in any company are, not those of the employees, the managers, or the surrounding society, but solely those of the shareholders. Agency theories have made a scientific fact of the assumption that seeking the expansion of shareholder rights is the only *rational* way to manage a company (Fourcade & Khurana, 2017). We argue that the success of Jensen's theories, along with his explicit defense of the dichotomy described above, has been an extremely dominant theoretical influence, and has led to the tacit adoption of the dichotomy also among critically minded scholars (Boyatzis et al., 2006; Holt & Chia, 2014; Nonaka et al., 2014; Shotter & Tsoukas, 2014; Statler, 2014). In other words, when the guest editors of an *AMLE* special issue argue for the integration of an "artistic paradigm" in strategy education (Bell et al., 2018: 237), then it is not only an argument for more creativity and playfulness in teaching and learning, it is also a symptom that the battle for reason is tacitly accepted to have been lost to the singular shareholder conception of the corporate function. Thus, the rest of this paper will have two purposes: Challenging Jensen's argument in favor of the dichotomy and providing an alternative theory of multipurposed managerial deliberation as a rational learning process.

MICHAEL JENSEN: FROM THE NEED FOR OVERSIGHT TO THE SINGLE-PURPOSE CONCEPTION OF DELIBERATION

When it comes to making the argument within management theory that companies exist with only the single purpose of amassing wealth for their shareholders, few people have been as strongly controversial and incredibly successful as Michael Jensen. From going more or less unnoticed at its initial publication in 1976, his article "*Theory of the Firm*" (Jensen & Meckling, 1976) has become one of the most-cited papers in Economics, with its truly staggering amount of citations on Google Scholar rapidly approaching 100,000. Additionally, Jensen has at least four more articles on the list of the 150 most-influential papers in Economics (Fourcade & Khurana, 2017: 350). His theory claims that deliberation and decision making inside corporations should be considered a free-market process, where executives only make the decisions that most favor themselves personally. He thus views managerial decision making through the same free-market lens that the Chicago school had widely argued should be the sole theory applied to the macro-level of arrangements between corporations, in arranging government services, and between firms and consumers. This idea was enthusiastically endorsed by generations of aggressive corporate raiders advancing new financial practices and discourses, making Jensen's ideas impactful to an extent that other academics can only dream of (Fourcade & Khurana, 2017: 354–355). In short, as Jensen laid the theoretical foundation for the shareholder view of the corporate function, his influence on mainstream business school education and mainstream corporate governance cannot be overrated (Fourcade & Khurana, 2017; Khurana, 2007).

Jensen was not the first to make an argument in favor of the shareholder view of the corporate function. Friedman (1970) defended the same conclusion. However, where Friedman's argument is based on moral considerations about authority over company resources, Jensen's (2001) argument takes outset in what he perceives to be a requirement on managerial accountability. Jensen claims that, insofar as management is to be able to decide *rationally* and thus be held accountable for its actions, it *must* restrict its pursuits to a single purpose (see Sundaram & Inkpen, 2004 for a similar argument). Jensen's focus on the need for managerial accountability arises from his bleak conception of human motivation. Where Friedman argued that managers *ought* not pursue personal interests, Jensen (Jensen & Meckling, 1998) argues that, unless managerial accountability keeps them in line, managers *cannot help* but pursue their own preferences over the values of the corporation—such is human nature. Although Jensen allows for the possible existence of unique individuals who are able to subsume personal interest under those of their organization, at the general level where management theory operates, only accountability will align management behavior with corporate values. In this, he takes himself to have presented "a set of characteristics which captures the essence of human nature, but no more" (Jensen & Meckling, 1998: 4). Given this view of humans, as essentially and exclusively motivated by self-interest, managerial deliberation must allow for accountability and, thus, it must aspire to be a rational process of providing explicit reasons for one's decisions that can be publicly evaluated (Jensen & Meckling, 1976: 308).

The part of Jensen's theory that is pertinent to our discussion is the argumentative step that brings him from the need for accountability to the single-purposed nature of the corporate function. Jensen accomplishes this line of argument by explicitly defending the dichotomy we presented in the introduction. This dichotomy claims that if deliberation is to be rational, and thus accountable, it must be single purposed; conversely, if deliberation is multipurposed then it cannot be rational. It is important to realize that although Jensen and Meckling's (1998: 4–7) conception of human agents as resourceful, evaluative, insatiable maximizers of their own transitively ranked preferences is controversial, and often criticized, the dichotomy so central to his argumentation is often tacitly and uncritically adopted even by his most vehement opponents. The enormous amount of management literature supporting and developing Ghoshal's (2005) claim is a case in point. Typically, the motivational thesis from agency theory is critiqued, but the underlying conception of rational deliberation is tacitly conserved. This is problematic as it leaves management theory with only two options: adopt a shareholder-focused single-purpose conception of the company or give up on managerial accountability. With the dichotomy in place, a consequence of pursuing multiple stakeholder values is that management cannot provide explicit reasons that adequately justify their decision making. And, if such provision of reasons is impossible, then there is no way to hold management accountable for the way they pursue the multiple aims of a stakeholder focused organization.

As an example of the tacit assumption of the dichotomy, we can look to contemporary critical management literature. Despite the great variance in their positive theories, there is a widespread conception that if we are to overcome a singular focus on profits in management, then managers must reject the typical conception of decision making as a rational discipline (Boyatzis et al., 2006). It has been suggested that proper managerial decision making should abandon the process of giving explicit reasons (Holt & Chia, 2014; Nonaka et al., 2014; Shotter & Tsoukas, 2014), to rely instead on more emotional and intuitive properties (Dreyfus & Dreyfus, 2005; Hay, 2018; Sonenshein, 2007; Weaver et al., 2014), or on aesthetic and artistic practices (Sutherland, 2012; see also Adler, 2006).

Note that we do not deny that Jensen's conception of human nature is overly bleak. It seems empirically obvious that some managers are driven by further values than their own self-interest. However, it is equally true that not all managers are. Moreover, even the most loyal or altruistic of managers may be mistaken in their decisions as to how an ethical value is best pursued or mistaken as to which further values ought to be pursued. And the best cure against acting on mistaken conclusions is still, and has always been, the requirement that people articulate their reasons in favor of their decision, such that they can be communally evaluated. Thus, even in the absence of Jensen's stark conception of human motivation, it is still paramount that managerial reasons can be articulated, such that management can be held publicly accountable for its decision making. Our claim is that the cornerstone for good future theorizing about multipurposed management is the rejection of the dichotomy that firmly aligns the potential for explicit reason giving and accountability with the single-purpose shareholder conception of the corporate function. However, to responsibly deny the dichotomy, we need to look closer at Jensen's argument in its favor and evaluate the cogency of his reasoning.

Jensen's Alignment of Rationality With a Single Purpose

In his 2001 article, "Value Maximization, Stakeholder Theory, and the Corporate Function," Jensen takes issue with stakeholder theory, which argues that corporations ought to pursue the realization of a series of distinct values for distinct groups of stakeholders (Clarkson, 1995; Freeman, 1984; Freeman et al., 2010; Harrison & Wicks, 2013; Waldman & Galvin, 2008). Jensen argues that the problem with the pursuit of multiple values lies in the consequences it has for managerial deliberation. He claims that if a company pursues multiple values without having established a fixed rate of trade-offs between the various goods pursued, thereby realigning them on a single scale, it leaves managers with a theory that "makes it impossible for them to make purposeful decisions" (Jensen, 2001: 297). He further claims that stakeholder theory "makes managers unaccountable for their actions" (2001: 297). The question is why he thinks so, and whether his arguments are sound.

Jensen's objection to stakeholder theory is that if we aim at realizing more than one value when selecting between options, then decision making will end up being either irrational or straight up arbitrary (Jensen, 2001; Sundaram & Inkpen, 2004). It is logically impossible, he argues: ". . .to maximize in more than one dimension at one time unless the dimensions are monotone transformations of one another. Thus, telling a manager to maximize current profits, market share, future growth in profits and anything else one pleases will leave the manager with no way to make a reasoned decision" (Jensen, 2001: 301).

This line of criticism proceeds by arguing that since rational decision making is restricted to the pursuit of a single value, then, for businesses, profit maximization is the socially preferable contender for being that single value (Jensen, 2001; Friedman, 1962; Sundaram & Inkpen, 2004). Jensen's (2001: 301, 305) complaint about the multipurpose conception of managerial deliberation is, therefore, that there is no predefined measure to settle how one should choose, when two options are aligned, such that one option advances the pursuit of one value at the expense of another, and vice versa for the other option. Notice, Jensen's challenge arises even in cases where each option advances the pursuit of both values, but to an unequal degree, with one option advancing value 1 more than value 2, and the other option advancing value 2 more than value 1. For this scenario only raises the question of which of the two values one ought to pursue to the highest degree, and if that ranking is not predefined explicitly by the company, then Jensen thinks that no rational arguments can be provided in favor of either choice.

A pressing issue today might be two actions available to a company where action A advances the pursuit of ecological sustainability at the expense of profits, and action B, on the other hand, advances the pursuit of profitability at the expense of the environment. Jensen's objection is that if the company's explicit aim is to pursue both the value of ecological sustainability and the value of maximizing profits, then rational decision making becomes impossible: "Obviously, any decision criterion…must specify how to make trade-offs between these often conflicting and inconsistent demands" (Jensen, 2001: 305). In summary, this line of critique leaves management theory caught between the Scylla of accepting that only the goal of profit maximization governs managerial thought, and the Charybdis of relinquishing the conception of managerial decision making as a rational discipline, where reasons can be presented that justify the choice of one action over known alternatives.

Jensen's own view (2001: 298), what he calls "enlightened value maximization," is that every value of importance, beyond profit itself, should be implemented solely at the governmental level, either as legal constraint or through economic incentive, thereby creating restrictions on the options available to companies, or by increasing the profitability of certain existing choices, a view that is shared by Friedman (1962, 1970), Hayek (1988), Porter and Kramer (2011), Sundaram and Inkpen (2004), and many others. Managerial decision making itself should exclusively aim to maximize profits while choosing between the actions available within the legal framework. On this view, further values than profits are implemented, not at the level of managerial deliberation, but solely at the governmental level by determining which options are available to be chosen and by affecting what their monetary outcome will be through tariffs and subsidization. The only measure governing the propriety of managerial choice itself is whether profit is maximized. Thus, in contrast to stakeholder theory, Jensen only awards instrumental value, rather than intrinsic value, to the interests of further stakeholders (Freeman et al., 2010: 14).

Clarifying Jensen's Challenge: The Need for a Practical Must in Decision Making

Jensen's challenge needs important clarification before a response is offered. There is a prominent danger that his very setup of the issue rules out viable solutions. When Jensen (2001: 305) requires a "decision criterion" which "specifies how to make trade-offs," he assumes that rational decision making takes its outset in explicit knowledge of a generic rule for measuring which options are better and worse. His conception of rational deliberation thus implies a scalar model of choice, where choice is made by applying some form of generic predetermined measure to the options under consideration. His challenge claims that unless such a generic explicit system of measuring is already possessed by deliberators, there is no way to rationally reach a conclusion to one's deliberations about what to do. Jensen thus views rational deliberation as fundamentally an analytical discipline. We later argue that creativity plays a significant role in successful rational managerial decision making. This difference in conceptions of rational deliberation has significant consequences for what capacities we need to teach future managers.

Jensen's presentation of the challenge displays both an oversight and an insight. Jensen's oversight is that he employs too crude a conception of deliberation to capture all the ways in which we can rationally reach conclusions. We will later see Linden and Freeman (2017) challenge both the idea that measuring is involved, and the idea that an explicitly grasped criterion must be employed (See also, Freeman et al., 2010: 13). However, at this stage, we want to philosophically elaborate Jensen's insight, which does indeed point us to a central requirement on rational deliberation.

Jensen's insight is that all successful rational deliberation must reach the point where a single action appears as the only viable choice, what we could call "a practical must." If uncertainty persists after the deliberation has been completed (if, e.g., one's deliberation ends in the conclusion that looked at from one perspective A is the thing to do, but looked at from another B should be done), then the only remaining options are to keep deliberating or to choose arbitrarily. The former is the failure to reach a conclusion, and the latter is the failure in reaching one rationally. To rationally conclude that I should do A, my deliberation must have made it clear to me that, given my aims, there is really only one thing I am justified in doing. It must, given the values I pursue, seem necessary that I do A, in order for the action A to be the rational conclusion of my deliberation. It may not be necessary in a metaphysical or physical respect that we act a certain way; however, in so far as we act rationally, we must do the *single* thing, which we have realized through deliberation that we ought to do.

This conception of human rationality, which requires such a practical must for its completion, has its economic ancestry in the game-theoretic conception of rationality initially developed by the philosopher Frank Ramsey (1926) and, subsequently, elaborated by Leonard Savage (1954), who introduced it into economics in collaboration with Friedman (Friedman & Savage, 1952). These works focused on the how the utility of certain choices dominated other available options. The requirement that rational deliberation concludes with the appearance of a practical must has further philosophical support in the work of Kant (1785), Korsgaard (1996), Lear (2011), and Williams (1982), although for different reasons. And while it has been philosophically questioned that rational choice requires the appearance of a practical must (Raz, 2011: 14), it makes sense to require this of managerial deliberation if one's goal is to ensure accountability and alignment of aims. The moment controversy about which of two actions management should pursue arises, the only way to settle the dispute is if one of the actions appears as necessary given the company's aims and the other options known to one at the time of decision. If both actions for different reasons appear viable, then management is left to its own whims, with no guidance derived from the values explicitly pursued by the organization, which is precisely what Jensen (2001: 301) warns against in the quote above.

Jensen is thus right to demand that stakeholder theory supplies an account of how practical deliberation can reach the point where a single choice appears as rationally required despite the multiple values pursued. Jensen considers the option that one can predefine an explicit exchange rate, say, between profits and environmental damage. However, as Jensen is quick to point out (2001: 301), this would simply reduce multipurpose practical deliberation to an abstract version of single-purpose practical deliberation. It becomes a form of deliberation with the sole aim of maximizing the expected outcome within one's complex exchange rate formula. Taking inspiration from the philosophical tradition, this abstract hybrid value can be called "utility." John Stuart Mill's (1861) utilitarianism is famous precisely for its attempt at accounting for ethical deliberation by assuming that we transpose every distinct value into a single scale, utility, which we then ought to maximize. Jensen is arguing that this single-purposed approach is the only way in which rational decision making can reach a practical must, and that is why he defends the dichotomy as a necessary truth about rational deliberation.

THE ROLE OF THICK ETHICAL CONCEPTS IN MANAGERIAL DELIBERATION: A REJECTION OF THE DICHOTOMY

Our critique of Jensen's argument in favor of the dichotomy comes in two broad steps that occupy the rest of the paper. The first step will show how the use of thick ethical concepts enables us to reach a practical must even in multipurposed practical deliberation. It thus shows why Jensen's argument fails as it stands and, thereby, allows future management theory to combine the need for accountability and rational deliberation with the pursuit of multiple stakeholder values. Our presentation of this argument very closely follows that of Linden and Freeman (2017). However, their account of rational managerial deliberation, despite its many insights, suffers from the weakness that it only explains how ideal managers can reach a practical must in multipurpose deliberation. Hence, while holding onto the significance of thick ethical concepts in managerial deliberation, we need to develop a theory of how managers can *learn* what they ought to do through multipurposed rational deliberation, even though those self-same managers are initially struck by the intractability of the dilemmas they face. The theory we propose in the fourth and final part of the paper argues that rational multipurpose deliberation is, in part, a process of acquiring a better grasp of the thick ethical concepts that express the multiple values to which one's corporation is committed.

Meeting Jensen's Challenge: Accounting for Multipurpose Managerial Deliberation Through Thick Evaluative Concepts

In their article, "Profit and Other Values: Thick Evaluation in Decision Making," Linden and Freeman (2017) engage precisely with the task of accounting for how multipurpose deliberation can reach a practical must. Their core idea is that if managers in multipurpose companies possess competence with thick evaluative concepts, this allows their deliberation to reach a practical must despite the potentially conflicting aims of pursuing multiple values. The central notion of their argument, "thick evaluative concepts," is drawn from the philosophical literature on practical deliberation (Dancy, 1995, 2004, 2013; Putnam, 2002; Raz, 1999; Williams, 1985). *Thick evaluative concepts* are everyday evaluative concepts, such as bravery, profitability, efficiency, cruelty, deceit, shameful, humoristic, and a host of others. They are contrasted to *thin evaluative concepts*, such as fairness, injustice, the good, and the right (for a brief discussion of the "thickness" of concepts especially relevant to management, see De los Rays et al., 2017: 329).

There are two defining differences between thin and thick ethical concepts. The first is that simply by calling an action bad, unjust, or right, one has not committed oneself to any descriptive properties of the action. Thin notions, such as goodness and justice alone, do not entail any particular descriptive features of the action so described. Rather, which features of an action constitute its goodness or justice is an open philosophical matter. In contrast, thick evaluative concepts include both an evaluative and a descriptive element which are intrinsically entangled (Putnam, 2003: 396). When we describe an action as "brave," for example, it typically entails an element of positive evaluation, as well as certain descriptive requirements on the action. There are empirical limitations as to what actions can be called "brave." A manager may be *right* in avoiding a certain confrontation, but she will not be *brave* in doing so. While it remains an open question whether avoiding confrontation is the right thing to do in a certain situation, it surely isn't the brave thing to do. We know this because bravery is a thick ethical concept that places descriptive limitations on its use. Thus, to understand a thick evaluative concept, one must grasp not only its evaluative aspect, but also the *descriptive* part, which places empirical constraints on the actions to which it can reasonably be applied.

The second difference is that for thin evaluative concepts, the weight and direction of their guiding normative force is uniform. It always counts in favor of an action that it is good or just, and always against one that it is bad or unjust. For thick evaluative concepts, on the other hand, there can both be cases where saying that something falls under a given thick evaluative concept speaks in its favor, and others where falling under that same thick evaluative concept counts against performing the action (Dancy, 2004). One can question whether doing something in a humorous way is appropriate in a certain case. This can be questioned even while one acknowledges that doing something in a humorous way is typically a good feature of an action. Firing an employee would be an instance where a humorous delivery of the news would count against its propriety, rather than in its favor. Hence, to fully grasp thick evaluative concepts, one must not only grasp the descriptive conditions required for them to apply, but also the way in which they count in favor or against the actions or situations they describe. One must thus, not only understand why an act was cruel, brave, or efficient, but also appreciate whether and why that counts for or against doing it.

Of equal importance is that one cannot grasp the guiding role of a single thick evaluative concept in isolation from one's grasp of the others. It is only by grasping several thick concepts that one can separate, for example, bravery from foolhardiness or recklessness, as one needs to know some further evaluative properties of what was pursued in such a risky manner to decide this. Moreover, both the weight of the influence of thick evaluative concepts and whether they contribute positively or negatively to the worth of an action is irrevocably situation specific (Dancy, 2004, 2013; McDowell, 1979; Williams, 1985). For example, efficiency is commonly seen as a virtue in an action, a feature counting in favor of its performance. However, efficiency in proposing marriage or declaring love is generally not laudable. However, there may be specific situations where such efficiency is appropriate, say, when one needs to convince someone already at the alter that they are making the wrong choice.

As a response to Jensen's challenge toward the attainment of a practical must in multipurpose deliberation, the crucial point made by Linden and Freeman (2017) is that the use of thick evaluative concepts enables one to rationally reach the conclusion that a single action is the one to perform, despite the fact that one's deliberation doesn't operate with an explicit single-purpose ranking of goals. This can be accomplished by realizing that certain values may be "enabled," "disabled," "intensified," and "diminished" by other values in the specific situation" (Linden & Freeman, 2017: 365). For example, the manager competent with the use of thick evaluative concepts may know that acquiring cheap labor to reduce production costs is overall a positive feature of an action, but that the positive value of cheapness will be disabled if the labor conditions are dangerous. Such competent deliberation will be guided by the value of profit maximization, as well as by the value of safety for one's employees. Both values are attributed normative significance in the managerial deliberations. In contrast, Jensen's (2001: 298) "enlightened value maximization" would never give independent deliberative importance to employee safety. At most, the safety of employees would figure into the deliberation due to considerations of legality, of safety regulations, or in the simple instrumental role as a means for maximizing long-term profits through the wish to retain a competent workforce. Note that, according to Linden and Freeman (2017: 367), even the very value of profit itself is a thick evaluative concept. The positive value that is commonly associated with making a profit can be diminished, as in cases of war profiteering, or even disabled, as when one tries to earn money on things that ought not be commodified, say, by selling one's vote in a democratic election.

It is important to understand why Linden and Freeman's suggestion that we rationally deliberate by drawing on thick evaluative concepts does not collapse into a simple ranking of employee safety over profits. Imagine that the company in question is engaged in inherently dangerous activities, such as deep-sea drilling. The manager with an adequate grasp of thick evaluative concepts will know that when it comes to the office staff, one cannot pursue profits over safety. Yet, when it comes to the deep-sea mining crews, the pursuit of profits over safety is eligible. The inherently dangerous nature of the mining operation means that one would have to shut the entire company down if one applied the same conservative risk profile to the divers as the one applied to the office staff. Yet, it would equally be a mistake if the office staff were exposed to risks similar to those imposed on the mining crews, simply because acceptance of that risk profile was required by a part of the company's essential operations. What is crucial here is that the values of employee safety and profitability potentially affect *all* of the managerial deliberations about what is the right action to perform. Still, no stable ranking, nor generic exchange rate, between the multiple values in question can account for the rational decision making of the competent manager. How these values affect what the rationally required choice will be is irrevocably situation bound in a way that cannot be made explicit in terms of the predetermined generic rules required by Jensen. These relations can, however, be made explicit in terms of situation-bound contextualization, where one draws attention to the various features of the situation that explain why in this case the influence of certain values are enabled, disabled, intensified, or diminished.

From this perspective, a managerial decision is the establishment of a practical response to the values in a situation, and the rightness of a decision depends on whether this response is appropriate given the reasons that these values contribute in the context as a whole. The idea of thick evaluation shows that establishing an appropriate response to the values in the situation neither requires a single value to be maximized, nor does it require reverting to a theoretical normative core such as stakeholder theorists sometimes suggest (Linden & Freeman, 2017: 364).

By explaining how a grasp of thick evaluative concepts allows the practical must to appear in decision making, we are able to satisfy Jensen's challenge in its reasonable interpretation. If Jensen simply presupposed that all rational deliberation had to proceed by way of employing explicitly grasped generic measures for ranking, then he would simply be begging the question against the stakeholder theorist by, as a definitional matter, writing his preferred picture of rational evaluation into the very idea of a practical must.

Moreover, it is clear that the role of thick evaluative concepts in our deliberative process is not some obscure solution concocted by stakeholder theorists. Rather, it is an ordinary feature of how we rationally reach decisions in the normal practical decision-making processes of everyday life. When we balance the values of, say, being a caring parent and a loyal employee, we neither employ a sharp ranking of values, nor a firm exchange rate. Rather, we appreciate that in certain situations the importance of attentive parenting is trumped by the requirements of work, whereas in other situations the reverse is absolutely the case. The difference is implicitly understood by those who adequately grasp the thick evaluative concepts "caring parent" and "loyal employee." Both values are fully relevant to each case of deliberation, the available options each favor the pursuit of one value at the expense of the other, yet a practical must is still reached in the deliberative process. The grasp of the relevant thick evaluative concepts enables the deliberator to determine which value should be awarded the greatest consideration in the specific case, thus permitting a single action to be the one that one is rationally required to perform.

A Contrast to the Single-Purpose Reasoning of the "Creating Shared Value" Approach

To see how fundamentally the multipurposed approach to managerial deliberation differs from the single-purposed approach rooted in agency theory, we can compare it to the approach to ethical managerial deliberation proposed by Porter and Kramer (2011) in their often-quoted article "Creating Shared Value." There Porter and Kramer (2011: 6) claim that the way in which business should contribute to the creation of value for multiple stakeholders is to search for win-win situations where their singular focus on profit generation will simultaneously advance the pursuit of further values for various stakeholders. They endorse Friedman's claim that the sole purpose of business is to create profit (2011: 6). What they propose as the business side of the solution to the ills of society is simply the banal suggestion that it would be great if business found ways to maximize profits while simultaneously doing further good. However, they are adamant that in conflicts between wealth maximization and pursuing a further value, wealth maximization takes priority. "Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success" (Porter & Kramer, 2011:4). Hence, what Porter and Kramer do is effectively to provide a generic ranking of aims with the maximization of profits as the highest aim. The further aim of creating societal goods is then something that can be pursued to the degree that is doesn't conflict with wealth-maximization. This approach of providing a sharp, explicit generic monotonic ranking of the importance of goals is precisely what Jensen (2001: 301) suggests as the right way to approach managerial deliberation. In the terminology of Linden and Freeman, Porter and Kramer argue that the deliberative importance of profit can never be diminished or disabled in managerial deliberation. It will always, and in all cases, occupy the highest degree of importance in settling the practical must for the manager. We can see this subordination of other values to profit in their treatment of outsourcing. It is clear that when they praise companies such as Nestlé and Wal-Mart for their commitment to local communities, this is solely because this commitment is a result of the company's realization that this course of action is, while being beneficiary to stakeholders, simultaneously a way to maximize profits (Porter & Kramer, 2011: 9–11).

Porter and Kramer's approach to managerial deliberation has received precisely the critique that it attempts to subsume ethical deliberation under: the single-purposed form of deliberation typical of mainstream management theory (Beschorner, 2013; Crane et al., 2014). Crane et al. (2014: 142) write: "It is fair to argue then that the most fundamental problem of CSV [the creating shared value approach] is indeed its view of the firm as an entity *whose only legitimate purpose is the generation of economic value for the firm and its owners*" [emphasis added]. Far from shying from this single-purpose characterization of their view of deliberation, Porter and Kramer explicitly embrace it in their response to Crane: "CSV, however, is about solving societal problems in order to create economic value, not about blending or balancing different types of value" (Porter & Kramer in Crane et al., 2014: 149). They go on to claim that it is mere wishful thinking to insist that business expand their purposes beyond mere profit maximization (Porter & Kramer in Crane et al., 2014: 150). However, the pressing question is why this is mere wishful thinking, rather than a reasonable demand. Our suggestion is that defenders of agency theory are quick to dismiss alternative conceptions of managerial deliberation precisely because no viable theory of accountable multipurposed managerial deliberation has been developed. Crane et al. (2014) express agreement in this sentiment when they end their scathing critique of Porter and Kramer's single-purpose conception of the corporate function by claiming that:

"CSV and its shortcomings are, if anything, a stark reminder that this task of understanding the firm as a multi-purpose venture is still an unresolved issue, not just in CSR research but in the management discipline in general" (Crane et al., 2014: 145).

The remainder of this paper answers this call by providing a theory of how we can rationally engage in multipurposed deliberation, *and* of how the capacities required for this form of decision making can be taught to existing and future managers.

A NOVEL THEORY OF MANAGERIAL DELIBERATION AS A MULTIPURPOSED LEARNING PROCESS

By drawing attention to how thick ethical concepts function in deliberation, Linden and Freeman explain how we can rationally reach a practical must even in multipurposed deliberation. We can thus reject the prevalent dichotomy: a dichotomy accepted by both Jensen and the critical voices that argue in favor of stakeholder theory at the expense of rationality and accountability. Reliance on a manager's grasp of thick ethical concepts allows multipurposed managerial decision making to reach a practical must when the appropriate deliberate weight is assigned to the thick ethical concepts in play. Moreover, public accountability is retained, as the process of deliberation retains its rational character because explicit reasons can be provided. Thus far so good. However, the theory provided by Linden and Freeman suffers from a crucial lack of special relevance to management learning and education: It fails to account for how we can engage in a rational learning practice that teaches us how to use thick ethical concepts in deliberation.

The Lack of Learning As a Shortcoming in Linden and Freeman's Account

Linden and Freeman explain how the fully competent manager can simply see how various values have their deliberative weight influenced by the concrete situation at hand. Thus, to such ideal managers, no dilemmas arise. They always know how to proceed. However, this picture is clearly too idealized. Uncertainty about what to do faces all of us when the pursuits of our various goals are in conflict. What this shows is that we do not fully grasp the deliberative role of the thick ethical concepts we use to express our aims. In other words, we do not fully understand the value concepts we employ in our deliberation. Although good managers will have a rough grasp of central thick ethical concepts, such as profit, efficiency, sustainability, and loyalty, they will not fully grasp these to the point where in every concrete instance they know how their deliberative importance is enabled, disabled, intensified, and diminished.

To overcome this challenge, we need an account of how rational deliberation can provide us with an increased understanding of our thick ethical concepts. We need an account of how multipurpose rational deliberation can also be a learning process for the deliberating managers.

In the final part of this essay, we draw on the philosophical work on concept possession by Robert Brandom (1994, 2000, 2009). Brandom has developed a theory of concept possession which, on the one hand, holds that we always have a less than complete grasp of our concepts, and which, on the other hand, claims that we increase our grasp of these concepts by providing explicit reasons for their use in concrete situations. His philosophical theory is thus ideally suited to provide a framework that explains how the rational provision of reasons in practical deliberation can be part of a learning process whereby we increase our grasp of thick ethical concepts.

A Guiding Example for the Coming Discussion

Given that our goal is to provide a general theory of managerial deliberation, we frame the rest of this paper around a generic case of a managerial dilemma. We want to avoid relying on specific case stories, as we fear that the details of these might obscure the general applicability of the approach to deliberation we present. Focusing the rest of the discussion around a single generic case will allow us to more vividly display the shortcomings of Linden and Freeman's theory, while also providing an instructive example of how we suggest that managerial multipurpose deliberation should proceed as a learning process. Finally, it will allow us to display how accountability is sustained throughout the process of deliberation and learning, such that Jensen's reasonable demand to managerial decision making is shown to be met. We employ a generic case concerning outsourcing and labor costs, as it should make vivid how different our approach to deliberation is from the single-purpose deliberation defended by Porter and Kramer (2011).

Consider a situation in which management is deliberating about whether the company should retain its production facility in the company's town of origin, or whether it should be moved to another country with lower labor costs. According to the stakeholder view endorsed by the board of directors, the company is committed to pursuing both the value of profit *and* the value of loyalty toward its current employees and town of origin. The dilemma facing the management is obvious. The value of maximizing profits is best pursued by moving the production facility. However, this action will blatantly be an act of disloyalty to the current employees at the facility, as well as to the town of origin that has grown with the company as its central means of employment. Conversely, to keep the production facility running in the local community, with higher labor costs, will be an act of great loyalty to the current employees and the town, but will obviously be at the expense of the pursuit of the value of profitability. We are thus in one of the very ordinary win–lose cases conveniently ignored by Porter and Kramer (2011). In a case like this, Jensen would argue that no practical must can be reached in the process of deliberation. Once both values are acknowledged as having importance, while no generic ranking or exchange rate is defined, Jensen thinks deliberators are forced to make an arbitrary choice favoring one value over another. Alternatively, they are left in an impotent vacillation. In contrast, Linden and Freeman's argument is that if one is fully competent with the thick evaluative concepts of loyalty and profitability, then one will know how the deliberative influence of these values is enabled, disabled, intensified, or diminished in the specific situation, such that it will be clear what the only rational thing to do is. However, to many, the answer to such a dilemma will not be immediately apparent. According to Linden and Freeman's model, the problem is that we are not fully competent with the involved thick evaluative concepts.

TOWARD A THEORY OF RATIONAL DELIBERATIVE LEARNING

Part 1: Reaching the Practical Must by Making Commitments Explicit

Our concern is that managers will often be uncertain as to how a set of thick evaluative concepts should be employed in a specific case. The managers in our example will surely have some grasp of the notions of profit and loyalty as thick evaluative concepts that commonly signify a positive feature of a course of action. They will also be able to delineate a series of exemplars of previously performed loyal and profitable actions, yet such clarity about former cases will not immediately solve their current dilemma. The problem for the managers is that these prior decisions about what constitutes loyalty and profitability do not clearly demarcate for every future case what actions count as loyal and profitable. Nor do these previous uses demarcate precisely in which situations the deliberative importance of the values of profitability and loyalty are enabled, disabled, intensified, or diminished. In other words, the managers only incompletely grasp the concepts of loyalty and profitability to which their company is committed.

The central idea that we want to import from Brandom is that the reflective process of increasing one's understanding of a concept is constituted by a rational game of giving and asking for reasons; a game in which one makes explicit what one commits oneself and others to in one's employment of a concept (1994: 586–587; 2000: 81; 2009: 117). When I provide reasons for or against an action, I make explicit commitments that were implicitly inherent in my previous concept use (Brandom, 1994: 199–204; 2000: 11). In our case what is made explicit are the various commitments inherent to the use of thick ethical concepts. More precisely what needs to be made explicit is both the commitments that set the empirical limitations on the application of the thick ethical concepts, as well as those that govern the enabling, disabling, intensification, and diminution of the deliberative weight of those concepts.

To exemplify Brandom's point, we return to our guiding managerial case. According to Brandom, when we aim to increase our grasp of a concept, we should start by reflecting on less-problematic cases. In doing so, our managers should make explicit what they take to be the reasons for calling certain actions "loyal" or "profitable." Moreover, they need to make explicit what they took to be the reasons why in a certain case, the value of loyalty had its deliberative importance diminished or enabled, and so forth. By engaging in this reflection on less controversial cases, the managers will gradually make explicit what their current commitments are in their employment of "loyalty" and "profitability." They will articulate the adequate reasons for calling something "loyal," while simultaneously making explicit the conditions under which the loyalty of an action is a sufficient or insufficient reason for pursuing it. If a manager argues that because case X had feature F, then the deliberative importance of loyalty was diminished, then that manager is also required to acknowledge that if our present case has feature F, then the importance of loyalty is equally diminished. Unless, of course, the manager can draw our attention to some further important difference between case X and our current case, which then explains why them both being F does not have identical consequences for our deliberation. By continued reflection on such cases, and by acknowledging the continued requirement that one provides explicit reasons for why a concept has application and deliberative weight in one case, but not in another, the increasingly complex network of commitments, which constitutes our understanding of concepts, is gradually made explicit.

By running through this line of reasoning, the managers have made explicit some of the previously implicit commitments that guided their company in its historical use of the thick evaluative concept of loyalty. For example, they may have alighted on an important role that the concept of personal responsibility plays in heightening or diminishing the importance of employee loyalty in their managerial deliberation. Or they might have come to appreciate that loyalty requires that one gives people a chance to better themselves before passing negative judgment on them. By making commitments like this and others explicit, they have acquired a clearer conception of the value of loyalty that they pursue as a company. By learning this, they have thus moved closer to the idealized manager portrayed by Linden and Freeman.

Crucially, by becoming reflectively conscious of their tacit commitments, the involved managers might now be able to solve their initial dilemma. For example, they may agree that the values of profitability and loyalty have both been given proper importance in their strategic deliberation, when they conclude that the company will provide the local community with a 5-year grace period and a development plan, after which the competencies of the local work force must have been increased to the degree that they can justify their higher pay-check. If that cannot be accomplished, the production facility will be moved. What has happened is that through the very process of deliberation, our managers have reached a practical must in their deliberative process. This has been reached through the process of making explicit their commitments in their uses of thick evaluative concepts. Simultaneously, their understanding of the involved concepts has increased. Hence, the deliberative process has itself been a managerial learning process that resulted in a practical must.

Contrast this type of reasoning with the CSV approach to deliberation defended by Porter and Kramer (2011). According to the CSV approach, it is only if the company can predict that it will maximize profits by staying that they should retain the facility in the present location and assist the local workforce in improving their skills. In contrast, according to our multipurposed model of deliberation, both loyalty and profits are pursued as ends in themselves. However, by making the commitments involved in their use of "loyalty" and "profit" explicit, our deliberators have realized that until the current employees have had a chance for improvement, the deliberative importance of profit is disabled. Yet, subsequent to the workers having had both assistance and an opportunity for improving their skills, the deliberative importance of the value of loyalty is diminished. Wherefore, the company would be justified in moving their production if the local workers had failed in making use of this opportunity to increase their productivity relative to their pay. According to the present theory of deliberation, both loyalty and profit are pursued as independent values, while their relative deliberative importance is non-generically determined by the situation-specific features of the dilemma under consideration.

Part 2: The Creative Nature of the Explication of Commitments

At first glance the deliberative process of increasing our grasp of concepts exemplified above may seem trivial. By reflecting on previous cases, we *discover* what is involved in being loyal and, thereby, we *discover* what is rationally required by our pursuit of loyalty. On this conception, the deliberation on previous uncontroversial cases functions as a form of analytical tool that enables us to grasp a pregiven definitive meaning of our ethical concepts. On this view, by pursuing the value of loyalty one commits oneself to a hidden, yet precise, standard. What happens when we learn more about loyalty is that we gradually uncover part of that pre-existing standard; as when objective truth about the past can be discovered by archaeological expeditions.

However, the model we propose, inspired by Brandom (2009: Chapter 7), takes issue with the idea that our concepts come with a pregiven sharply defined meaning, where learning the meaning of a concept is akin to a process of uncovering. In contrast, in Brandom's view, what happens when we make our commitments explicit is not that we uncover a pregiven commitment. Rather, we engage in the pragmatic endeavor of actually committing our current and past selves to inferences, where it was previously indeterminate what those further commitments might look like. In other words, we are engaged in a creative interpretation of the past, where we try to set directions for the future by sorting out what we, by our current standards, conceive as insights and blind spots in our past engagements with those very same values (Kaplan & Orlikowski, 2013). In Brandom's view, the rational activity of making reasons explicit is thus a creative intellectual enterprise.

What this idea of concept learning means is that, rather than *discovering* a way in which we should adequately pursue multiple values in a given dilemma, we *develop* one through rational, managerial deliberation. We explicitly adopt inferential commitments through reflecting on past cases from our present standpoint, and those commitments then restrict us in the deliberative importance we attribute to the values important in our current dilemma. Because we have to find a way of progressing as a company that values both loyalty and profitability, we have to creatively determine what commitments allow us to both make sense of our past successes and failures *and* enables us to overcome our current dilemma. Our approach to managerial deliberation thus highlights the creative side, but without relinquishing the analytical aspect completely. We creatively look to a way forward, while being analytically constrained by the requirement that our future direction is consistent with how we make explicit the commitments that guided past cases of success. On the issue of creativity versus analysis in managerial deliberation, we are thus aligned with thinkers such as Montgomery (2008), who defends a mixture. We are opposed both to the uniformly analytic approach of Porter (1996) and Barney (1991) and the unconstrained creativity implied by the Weick's (1995) sense-making theory (see also, Sonenshein, 2007).

Part 3: Retaining Accountability Despite the Creativity of Multipurposed Deliberation

The previous section highlighted the creativity we suggest should be involved in multipurposed rational deliberation. The claim was that we rationally increase our grasp of concepts when we make explicit a series of commitments that are involved in the use of those concepts. What these commitments look like is not discovered, but rather developed while the deliberating managers keep in mind that the developed commitments should furnish a way out of their current dilemma. In our guiding case about the deliberative weight of 'loyalty' and 'profitability,' the managers might have focused on their commitment to the influence of personal responsibility and the importance of second chances, precisely because they could see that this would enable them to solve their dilemma by the provision of a grace period to the local community with a hard deadline, at which time profitability had to be met. When framed like this, there is overwhelming danger that the creativity of the process of deliberation we propose comes at the expense of accountability. After all, if it is simply because a series of commitments align with a preferred future action that they are highlighted as central to one's ethical concepts, then the process looks more like the deceptive process of rationalization than the rational process of justification. Recall, previously we granted Jensen the insight that an adequate theory of managerial deliberation must function under the constraint that it allows for accountability of managerial decision making. Crucially, the possibility of accountability requires the possibility of justifying, and not just rationalizing, one's decisions, as it is precisely the standards of justification that sets the standard to which one is held accountable. It is thus incumbent on us that we explain how a given creative explication of commitments can be justified, and concomitantly unjustified, according to our suggested process of multipurposed deliberation.

In providing a theory of accountability in managerial deliberation, we can once again draw inspiration from Brandom's more general account of our grasp of concepts. His idea is that when we develop our grasp of concepts by making explicit the commitments inherent in their use, then it isn't simply the case that anything goes. Rather, any commitment which is proposed as part of the meaning of a concept is constrained by two justificatory standards: It needs to be justified with regard to the intellectual history the concept has played in our community as well as in relation to the prevalent understanding of the concept in our present intellectual community.

When we use thick ethical concepts to describe the values of a company, we are not only engaged in the prospective enterprise of setting guides for future action. We also use those same concepts in the project of self-understanding that enables us to make sense of the company's past (Brandom, 2009: 102, 112). Moreover, these ethical concepts are also employed as a petition for recognition from contemporaries, when we aim to be respected or acknowledged, as we proclaim what our guiding values are (Brandom, 1994: 52–55; 2000: 185–204; 2009: 103). The understanding we have of our thick ethical concepts must allow them to fulfill all these roles. This means that any proposed interpretation of the commitments involved in, for example, being loyal can be criticized if it fails to satisfy all three purposes.

We can exemplify by returning to our example. If for various reasons our managers were tempted by the prospect of simply abandoning the city immediately, they might propose an interpretation of loyalty where loyalty involved a commitment to being tough on people, so they can acquire self-reliance in a harsh world. This would allow the managers to argue in favor of moving the facility immediately as the both profitable and loyal thing to do. Although this interpretation of loyalty is certainly creative, there need to be standards of critique if we are to be able to hold these managers accountable as having failed to pursue the company's value of loyalty. By considering the trifold role of value concepts in the company's reasoning, we can provide those standards.

As for a historical justification, the above presentation of the commitments involved in loyalty can be critiqued if it renders us unable to make sense of the company's existing narrative of when they failed and succeeded in being loyal. If the company has prided itself on its history of loyally taking care of its employees during a harsh recession years ago, then the managers cannot now present the company's commitment to loyalty as a commitment to tough loving. To a certain degree, one can of course come to realize that one was wrong in one's prior judgments, but there are limits to the degree of revision available. Contemporary managerial deliberation cannot account for loyalty such that a consequence is that, up onto this point, the company has never, or hardly, been guided by the value of loyalty. Such a radical insight can only come from a reflection upon past behavior, not simply from a reflection upon the nature of loyalty itself.

Likewise, our use of value concepts in petition for contemporary recognition sets limits to the degree of managerial freedom in deliberating. When we express a company's commitment to certain values, this is also partly to elicit recognition from various contemporary stakeholders. This is so even in the limited case where the only stakeholders one is interested in are those that hold shares. What this means is that when a company presents itself as committed to the values of loyalty and profitability, then it also addresses an external contemporary audience. But in doing so, the company automatically invests the authority to correct its explication to those contemporaries it is addressing. This means that any reason-giving explanation provided by the company's management must be publicly recognizable as a way of pursuing the values to which the company is explicitly committed. If no one besides the company's own management can recognize leaving the town to fend for itself as a form of loyalty, then that way of creatively making explicit the commitments involved in loyalty fails. And the management can consequently be held accountable for failing to pursue the values that the board of directors has set as guiding for the company.

The trifold role of thick evaluative concepts as the aims of a company thus allows us to hold management accountable despite the creativity involved in the rational deliberative learning process. This deliberative process is strung out between a future, a past, and a present constraint.

a. With regard to the future, we need to make the commitments inherent in the concepts involved explicit in such a way that the rules for the use of the concepts, and the demands that stem from using them can effectively help us reach a practical must in our present dilemma.
b. With regard to the past, those commitments made explicit must enable us to preserve a continuity with the past uses of the concepts, even though some room is left for correction of past understandings.
c. With regard to the present, our process of making explicit is aimed at providing reasons for actions to contemporary communities and stakeholders. To do so, we are required to provide an elucidation of our commitments that they will acknowledge as indeed being a way of capturing the nature of the thick evaluative concepts in question.

A failure to satisfy all three constraints in one's deliberation will make one liable to criticism. Thus, despite the lack of Jensen's single measure for success in managerial decision making, our model of multipurposed rational deliberation still allows for managerial accountability.

Also important, the triangulation of requirements involved in the justification of managerial deliberation entails that for any given management dilemma, one cannot be a priori assured that there is a way of reaching a justified practical must. It may be that there is no systematic way of presenting the deliberative importance of the values of loyalty and profitability in one's situation, such that this explication will at once live up to the three requirements: that one can make sense of one's past evaluations in light of it, that the addressed community will acknowledge the interpretation, and that it will determine a singular action as the one rationally required. This means that true unresolvable practical dilemmas are possible. One can indeed be placed in situations where there is no option beyond choosing whether one is most committed to loyalty or profitability. However, that such deep dilemmas are possible does not entail that the multipurposed approach to managerial deliberation is not the most fruitful in most cases. Jensen's challenge claimed that a practical must was *impossible* to reach in multipurpose managerial deliberation. What we claim here is simply that its possibility *isn't ensured*. This possibility of genuine dilemmas shows that there are indeed objective constraints on one's deliberative process. Hence, the creativity we introduce in process of rationally deliberating about what to do does not deflate into the unconstrained freedom of allowing people to do whatever they are inclined to, and then simply justifying those actions by post-facto rationalizations. Therefore, our theory satisfies Jensen's reasonable requirement that a theory of managerial deliberation must enable accountability and the possibility of communal criticism. Moreover, our account improves upon Linden and Freeman's theory by explaining how a rational deliberative process allows us to *learn* how to be good managers of multipurposed companies, rather than simply informing us of how an ideal manager would go about making decisions.

SUMMARY AND CALL FOR ACTION

It is no wonder that Ghoshal's (2005) paper has received such enormous attention. It came as a timely and needed call to action toward a change in how management learning both thought and taught about management. However, that Porter and Kramer's (2011) limping theory of corporate social responsibility gained traction at all, displays how little progress has been made in undermining the influence of agency theory within management thought. As Crane et al. (2014: 145) themselves diagnose, the "task of understanding the firm as a multi-purpose venture is still an unresolved issue." Ghoshal (2005:

87) provides an explanation of why few might be tempted to embark on this theory-building project: "The currently dominant theories have so much commitment vested in them that the temptation of most scholars would be to incrementally adapt these theories, if and as necessary, rather than to start afresh on the more positive agenda." We have here identified a further intellectual obstacle working in tandem with the motivational obstacle Ghoshal mentions: The prevalent acceptance of the dichotomy which leaves management forced to choose between a picture of deliberation as multipurposed *or* as rational and accountable. Overcoming this dichotomy, we argue, is required for management learning to guide managers toward the practice of ethical managerial deliberation. Ghoshal (2005: 87) urges that "If we really wish to reinstitute ethical or moral concerns in the practice of management, we have to first reinstitute them in our mainstream theory." We have attempted here to do so by providing a theory of rational, accountable, and multipurposed managerial deliberation.

First, we presented Jensen as the most prominent defender of the single-purposed shareholder ideal for management. His text also provided a lucid and clear argumentation in favor of the dichotomy. A dichotomy acknowledged both by Jensen and by those critical voices who see a flight into artistic or inarticulate practices as the sole alternative to agency theory's myopic focus on shareholder value. We acknowledged that Jensen had a point in claiming that managerial deliberation requires accountability and that accountability requires that one can reach a practical must, which one can explicitly defend as being such.

In the second stage, we introduced Linden and Freeman to show how reliance on thick ethical concepts in our deliberation allows us to explicitly provide reasons that lead us to a practical must even in multipurposed practical deliberation. Their core idea was that our grasp of thick ethical concepts partly consists in the ability to determine how their deliberative importance is affected in specific practical dilemmas. However, their theory had the shortcoming that it only presented the deliberative practice of ideal managers, thus their account is deficient as a tool for management learning, whose task it is to assist ordinary managers for whom uncertainty is a part of everyday life.

In the third stage, we presented a theory of how managers can learn through rational deliberation by increasing their incomplete grasp of the thick ethical concepts that guide their deliberation. We used Brandom's idea that the learning of concepts consists of making commitments explicit and the idea that any account of a concept is restricted by a future, a past, and a contemporary justificatory requirement. Thus, we have provided a theory of how the managers of a multipurposed company can engage in a rational-deliberative learning process that concludes in a practical must, all while they can be held accountable for the decisions they make. Hence, we have provided a theory that aims to beat agency theory's account of the ideals for managerial deliberation. Of course, these have just been the first steps on the way to fully fledged challenge of mainstream theory. We encourage further critical scrutiny of our theory, as well as the development of alternative theories that likewise reject the dichotomy.

If management learning is to start improving management practice, rather than deteriorate it, then management theory cannot remain at the stage where we simply criticize the prevalent modes of managerial thought. The type of self-interested conception of human and organizational agency, which according to Ghoshal is the perpetrator, is so widespread and infused in contemporary management thought that it affects practically every field from theories of the firm to corporate governance and strategy. To dethrone agency theory, we need a new theory to put in its place. A mere repetition of the fact that people sometimes act for communal or altruistic reasons won't do the job. It will require theorizing within many areas of management and will most likely alter the face of management learning substantially. If the theory we have contributed to this larger project is correct, teaching managerial deliberation will at the very least require that managers should become familiar with a form of unstructured creative ethical deliberation very alien to the prevalent forms of cost–benefit analysis. Teaching this deliberative skill to managers will be very different from how, say, a strategy course, is currently structured. Typically, the main debate is between differing accounts of *how* to maximize profits. If we are right, a strategy course should also include a debate about *when* one should maximize profits and *when* the deliberative importance of profit has been diminished or disabled, such that other aims should be pursued at the expense of shareholder gains. Teaching managers to deliberate in this way will require that they are taught to consider what type of future they want to live in, what type of values their contemporary community respects, and also how various ethical ideals have historically been interpreted. Teaching such a course will require a radical expansion of curriculum and teaching formats compared to contemporary strategy courses at major business schools. And maybe, just maybe, it will enable management learning to teach managers how to manage well, rather than the opposite.

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