Adam Smith and Human Resources: The Moral Challenges of Modern Society

By Daniel B. Klein

Key Points

- Adam Smith helps with moral challenges, especially in work and employment. He inspires the individual to make a useful and satisfying place for himself in society by contributing.
- The crucial competence is in sympathy. Sympathetic deftness might be thought of as social intelligence. Employers are wise to look for it. Workers with sympathetic deftness are more productive. Sympathetic deftness is win-win-win.
- We have seen three seats of sympathy: sympathy with familiars, those we live with; sympathy with unfamiliars, which calls forth common decency and civility; and sympathy with the man within the breast, or soul sympathy.

In the times of Erasmus and Martin Luther and after, printing and literacy cracked interpretation wide open—interpretation of scripture, of politics, of work, of life, of life after death. Consciousness got a lot more complicated.

Man evolved for life in small cohesive bands, and our genes have not changed that much since the small band of 12,000 years ago. And then came social hierarchy. But traditional society worked to enforce social cohesion and to keep interpretation closed. Since Luther, however, many forces have tended otherwise, toward dis cohesion and moral confusion, busting interpretation open.

Some of our most influential thinkers, such as Jean-Jacques Rousseau, have accentuated dis cohesion. Others, including Adam Smith, treated it less than squarely. They did not want to raise alarm about how modern developments—in literacy, science, technology, commerce, jurisprudence, and politics—might tend to undo traditional forms of social cohesion.

But treating it less than squarely does not mean that Smith did not treat it profoundly. Here I highlight elements of Smith as relates to moral challenges of modern society, especially in work and employment. Smith inspires the individual to make a place for himself in society, a useful and satisfying place, by contributing.

Competence is key, but the crucial competence is in sympathy. The individual needs competence in sympathy to find a place to work and contribute and to find his own life satisfying. As moral counselor, Smith helps the worker and the employer.

By “sympathy” Smith meant fellow feeling or shared sentiment. Deftness in sympathizing might be thought of as social intelligence. It’s crucial to the social virtues. Sympathetic deftness is a kind of competence or ability. Employers are wise to look
for it. Workers with sympathetic deftness are more productive—lower cost, higher revenue.

And there is a pleasure in sympathy. Even when the sentiment that is shared is an unpleasant one, as at a hospital perhaps, there is a pleasure in the sharing of it. Workers with sympathetic deftness are nicer to be around. A nice workplace makes jobs there more attractive to other workers. Sympathetic deftness is win-win-win.

The Amiable Virtues and the Respectable Virtues

Take the situation of Jim working in a carwash. As cars come through the line he’s having trouble vacuuming the interior in a timely fashion. A coworker Mary needs to coordinate her activities with his. There are two sides of sympathy. In order to help Jim improve his performance, Mary must enter into Jim’s situation, because she needs to simulate his experience, in her imagination, to discover the sentiments of someone in his situation. Smith speaks of “the soft, the gentle, the amiable virtues,” shown here by Mary.¹

But if Jim seeks help from Mary, he must meet her halfway. He cannot grieve and moan. He must buck up. Smith speaks of the “respectable” virtues, the virtues of “self-command” and “self-government,” shown here by Jim.²

To find sympathy, then, Mary needs to exercise the amiable virtues, and Jim the respectable. In that way they can find enough fellow feeling so as to work an improvement: Perhaps Mary shows Jim how to vacuum more quickly or adjusts the process or joins Jim in an appeal for better equipment or someone to assist Jim.

My choice of names, “Mary” and “Jim,” to illustrate the amiable and respectable virtues coincide with some gendering in Smith’s work. Smith suggests that the amiable virtues come more naturally to women, the respectable to men, if only in terms of comparative advantages.³

But the upward path of virtue calls for both. We need to be amiable to become more respectable, and respectable to become more amiable. The path winds in an upward spiral.

If Jim is to buck up so as to help Mary to be able to enter into his situation, he must understand her situation, which is the amiable one of entering into his. And if Mary is to enter into Jim’s situation, she must imagine what it’s like for him to buck up, so she must understand the respectable virtues to exercise the amiable ones. “The man who feels the most for the joys and sorrows of others, is best fitted for acquiring the most complete control of his own joys and sorrows.”⁴ The interrelation between amiable and respectable is one of many yin-yangs in Smith’s moral theory.
Habitual Sympathy in the Workplace

In a workplace, resources and activities are combined or concatenated to produce results. That concatenation of resources involves innumerable points of mutual coordination between workers like Jim and Mary. Jim and Mary need sympathy to mutually coordinate their actions so as to improve the overall coordination of the concatenation. The word for such mutual efforts is cooperation. Jim and Mary need sympathy to cooperate in the workplace. Think of that verb as co-operate, like the verb co-write as in “Lennon and McCartney cowrote many songs.” Jim and Mary are two of many co-operators in the overall concatenation of resources and activities, and they work together, by moments of sympathy, to co-operate the workings of their workplace.

Coworkers Jim and Mary would come to know each other’s charms and quirks and form a habit of sympathizing with one another: “What is called affection, is in reality nothing but habitual sympathy.” We speak of affection toward friends and family, but it also arises among familiaris in the workplace. When relations are “placed in situations which naturally create this habitual sympathy...” generally find that it actually does take place; we therefore naturally expect that it should; and we are, upon that account, more shocked when, upon any occasion, we find that it does not.”

A coworker becomes a workmate. You should get along with your coworkers; you should become workmates.

Smith speaks of habitual sympathy among colleagues:

Colleagues in office, partners in trade, call one another brothers; and frequently feel towards one another as if they really were so. Their good agreement is an advantage to all; and, if they are tolerably reasonable people, they are naturally disposed to agree. We expect that they should do so; and their disagreement is a sort of small scandal. The Romans expressed this sort of attachment by the word necessitudo, which, from the etymology, seems to denote that it was imposed by the necessity of the situation.

There may be things about your workmates that rankle, but necessitudo is part of the job. It calls on you to get along. It calls for sympathetic deftness.

In sympathy you and your workmates learn to smooth over the things that rankle. Maybe you do things that rankle your workmates and need to adjust. The adjustment process calls for sympathy, which calls for virtues amiable and respectable. Maybe you need to buck up—that is, you need to command quirky passions that rankle your workmates. By sympathy you learn to improve your conduct.

Reputation

In sympathy you realize how others perceive you—and what they may tell others about you. Sympathetic deftness isn’t only a social virtue. It’s the better part of prudence. If you rankle people, they might damage your reputation. If you delight your workmates, they will enhance it. Reputation is other people’s estimations, as expressed in their words, of your merit and trustworthiness.

Reputation starts locally but extends farther. Think how far your credit record extends, when communicated to potential employers, creditors, and landlords by Experian, TransUnion, or Equifax.

Reputation is a glue of the modern world. Smith said that a merchant “is afraid of losing his character, and is scrupulous in observing every engagement.” He explained the incentives:

When a person makes perhaps 20 contracts in a day, he cannot gain so much by endeavoring to impose on his neighbors, as the very appearance of a cheat would make him lose. . . . Wherever dealing are frequent, a man does not expect to gain so much by any one contract as by probity and punctuality in the whole, and a prudent dealer, who is sensible of his real interest, would rather choose to lose what he has a right to than give any ground for suspicion.

And Smith said that in modern society, we all are merchants: “Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.” We all live by reputation.
Our immersion in work and trade makes us honest and trustworthy even with strangers: “When the greater part of people are merchants they always bring probity and punctuality into fashion, and these therefore are the principal virtues of a commercial nation.”

“The real and effectual discipline which is exercised over a workman,” Smith said, is not so much regulatory requirements, but that of his employers: “It is the fear of losing . . . employment which restrains his frauds and corrects his negligence.”

If reputation is a glue to markets, sympathy is a glue to reputation—the glue behind the glue. Reputation is gossip about sympathetic experiences, and the communication of reputation is another scene of sympathy.

**Character**

Jim’s virtues are exhibited in his conduct. In working with Jim, Mary sees his conduct and discerns patterns of conduct; she begins to see what motivates Jim, what constitutes his purposes, what he finds meaningful, and what he is after. She forms a sense of Jim’s character. Jim’s conduct is a reflection of his character. Mary’s sympathetic deftness helps her to learn Jim’s character.

Employers are interested to learn the character of an employee. What motivates Jim? Is he trustworthy? Does he strive to improve his abilities? Does he show concern for coworkers and customers? Does he understand *necessitudo*, the need to get on with coworkers?

Employers and coworkers use sympathetic imagination to get a sense of something deep and obscure about Jim. The question of Jim’s character relates to that of his conscience.

**The Man Within the Breast**

In treating the conscience, Smith developed a metaphor: the man within the breast. Jim’s conscience is like a man within Jim’s breast, continually monitoring Jim’s conduct and calling Jim out when he can’t go along with Jim’s sentiments. When Jim acts in a way that is objectionable to the man within, the man within finds a sentiment that differs from the sentiment that motivated Jim’s action. The difference constitutes disapproval. If the conscience is strong and if Jim is responsive, Jim suffers that disapproval; he comes to regret his action, to feel remorse; and he may learn to correct his habits and improve his conduct.

Jim’s conscience is the source of the most important sort of reputation: the reputation he enjoys with his own man with the breast—his self-estimation.

The man within the breast, Smith says, is a representative of a being who either is merely like God in at least some respects or simply is God Himself. Whichever way that being is understood, the man within the breast is a representative of that being. Smith uses “impartial spectator” to signify various kinds of spectators, but one is a benevolent being of super knowledge and supreme moral judgment, like God. Although Smith says that the man within the breast, or conscience, is a representative of such impartial spectator, he makes clear that the man within the breast is not necessarily a good representative of the impartial spectator. Our chief job in life is to make a better representative. Smith encourages us to improve the man within the breast.

The man within the breast approves of Jim when he shares the sentiments that Jim had in taking the action. Jim wants such approval, the pleasure of the sympathy of the man within the breast. Again, there is a pleasure in shared sentiment.

Thus, Smith turns sympathy inward: Jim’s sympathy with himself. By reflecting now on his own conduct of yesterday, Jim of right now sees whether he can sympathize with Jim of yesterday. Smith writes: “I divide myself, as it were, into two persons; . . . I, the examiner and judge, represent a different character from that other I, the person whose conduct is examined into and judged of.”

When we reflect on our conduct of yesterday, we must be prepared to tell ourselves: “Yeah, I was kind of a jerk.” Smith tells us that it is unpleasant to disapprove of our past conduct, but doing so is part of the respectable virtues: Admit that you can be a jerk. Admit it! Buck up! Respectable virtues work to improve our workplace conduct. Respectable virtues work to improve our amiable virtues.
Those We Live with

Jim asks himself: “Was I a jerk to Mary yesterday?” Maybe he’s not sure. Maybe Mary was a jerk and deserved the sharp words.

Smith writes:

In solitude, we are apt to feel too strongly whatever relates to ourselves: we are apt to overrate the good offices we may have done, and the injuries we may have suffered. The conversation of a friend brings us to a better, that of a stranger to a still better temper. The man within the breast requires often to be awakened and put in mind of his duty, by the presence of the real spectator.

Still unsure about whether he had been a jerk, Jim may seek some counsel. Smith would tell Jim: Talk to those you live with. Share your experience with a friend or family member—a familiar who shows the amiable virtues toward you. Report the matter candidly, thinking, “I know I can be a jerk.” Let the friend imagine the situation and discover her own sentiment in the simulated situation. If her sentiment corresponds with yours, she will tend to approve of your conduct. And if not, she will tend to disapprove. Listen to your friend.

Friends and family are counselors. They have habits of sympathizing with us: They feel affection for us. They know us better than others do. They know our character, what we’re “about.” We depend on our friends.

Counsel is part of friendship, but its soul is affection. More important than fame, wealth, or glory is the “confidence, the esteem, and love of those with whom we live.” They are the ones who know us best.

The Problem of Partiality

We develop and maintain friendships with people who tend to take our side. The problem with the counsel of friends is the pleasure of shared sentiment and the unpleasantness of disapproval. We like people like us. Those who are most kind to us are those of our own kind. Our friends are partial toward us.

A certain partiality is, no doubt, part of friendship, but nonetheless friends are often too partial. It is good that they enter into our situation, but it is not good if they neglect the situation of the other party to a dispute. They don’t get to hear her side of the story.

Notice in the previous block quotation that Smith said that the conversation of a stranger brings us to an even better temper. Smith writes: “We can venture to express more emotion in the presence of a friend than in that of a stranger, because we expect more indulgence from the one than from the other.”

So even the feedback of our friends needs review. Once again things come back to the man within the breast, the conscience.

The Bustle and Business of the World

The conscience is a work in progress; it is a job that lasts the days of our life. Life should be balanced with hours of cool reflection or sympathy with the man within the breast; hours of sympathy with friends and family; and, finally, hours of sympathy with others: strangers, trading partners, shop clerks, coworkers, people of the world—unfamilias. We need to sympathize with unfamilias as well as familiares.

Smith tells us that virtue develops over the lifetime. The development brings forth, we hope, the “just man who has been thoroughly bred in the great school of self-command, in the bustle and business of the world.”

Bustle and business draw us into moments of sympathy with unfamilias. Although brief and shallow, those moments of sympathy put us in mind of someone who has no special partiality toward us. The world’s bustle and business teach us to see ourselves at a distance, as but a small part of a greater whole. As we realize our dependence on the institutions and market relations of that greater whole, we learn to care for its well-being and to ponder how our own small part contributes to such well-being. To help us appreciate our part in the worldwide economy, Smith wrote The Wealth of Nations.

Sympathy in Modern Society

Smith saw human beings as creatures who yearn for sentiment that is shared by all, that encompasses “we, the people”; it is as though Smith knew that we had evolved from small bands.
The dream is a utopia “[w]here the necessary assistance is reciprocally afforded from love, from gratitude, from friendship, and esteem. . . . All the different members of [society] are bound together by the agreeable bands of love and affection, and are, as it were, drawn to one common centre of mutual good offices.”

But modern society has no “common centre of mutual good offices,” and it is horribly misguided to aim to recreate the encompassing sentiment of the small, closed, simple society. The modern world is here, a morally confusing society, with interpretation busted wide open. And there is no going back.

We have seen some of Smith’s teaching about how to cope in the modern world. We have seen three seats of sympathy:

1. Sympathy with familiaris, those we live with;

2. Sympathy with unfamiliars, which calls forth common decency and civility; and

3. Sympathy with the man within the breast, or soul sympathy.

Notice how in the small, closed, simple society—like the ancestral band that produced our genes—all three would coincide (with no place for unfamiliars). But that is no longer the world we live in. We have to get used to that, and Smith helps us.

The three seats of sympathy—familiaris, unfamiliaris, and the soul—are crucial to one’s well-being in modern society. They won’t recreate the strong social cohesion of the small band, but they are what we have to work with.

All three call for sympathetic deftness. By improving the amiable and respectable virtues we can enhance our reputation with employers, customers, and trading partners. We can enhance affection among friends, family, and workmates. And we can secure greater tranquility within our own breast.

About the Author

Daniel B. Klein is professor of economics and JIN Chair in Economics at the Mercatus Center at George Mason University, where he leads a program in Adam Smith. He is author of Knowledge and Coordination: A Liberal Interpretation (Oxford University Press, 2012) and editor of Econ Journal Watch.

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Recommended Readings


Notes

20. For elaboration, see Fonna Forman-Barzilai, Adam Smith and the Circles of Sympathy: Cosmopolitanism and Moral Theory (Cambridge, UK: Cambridge University Press, 2010).

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