



Ayn Rand and Business

by Donna Greiner and Theodore Kinni
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Take-Aways

- Objectivism — the philosophy of Ayn Rand — celebrates individual rights and reason.
- Rand spelled out her philosophy in novels like *The Fountainhead* and *Atlas Shrugged*.
- The name of the philosophy comes from what Rand considered objective values.
- According to Objectivism, selfishness or egotism is at the heart of all human progress.
- Selfish action is based on reason, which serves as the basis for all other values.
- The Prime Mover force, based on selfishness, drives creators to come up with the new ideas that fuel progress.
- We should all strive to achieve reason, purpose, and self-esteem.
- To achieve these goals, use the seven action virtues: rationality, independence, integrity, honesty, justice, productiveness and pride.
- To achieve success, you must think for yourself and be guided by your own beliefs.
- Each of us must have a central purpose, which allows us to integrate all aspects of our lives and can unite the members of an organization.
- Your central purpose should be productive work that uses reason to create products and services that lead to wealth generation.

Rating (10 is best)

Overall	Applicability	Innovation	Style
7	5	8	9

Relevance

What You Will Learn

In this Abstract you will learn: 1) The life and history of Ayn Rand, who developed the philosophy of Objectivism; 2) The basic principles of Objectivism, which emphasizes the values of reason, individual rights and self-interest, and 3) How to apply the tenets of Objectivism to your life and business.

Recommendation

Ayn Rand's philosophy of Objectivism celebrates the underlying principles of capitalism: reason, independence and just plain selfishness. Donna Greiner and Theodore Kinni lay out the fundamentals of Objectivism and attempt to describe how you can integrate its beliefs into your life and your business. The book is written in the spirit of Rand's own outlook: It is anchored in practicality, well organized and goal-oriented. Even so, some executives might lose patience with the philosophic nature of the work. We advise such readers to move on. However, *getAbstract.com* recommends this book to intellectually curious readers in search of a moral, ethical, or even philosophic foundation for their business life.

Abstract

Origins of Objectivism

Objectivism was developed in the writings of Ayn Rand, who expressed her philosophy through novels like her well known, *The Fountainhead* and *Atlas Shrugged*. Rand saw the study of philosophy as a quest to identify the essential beliefs needed for life. Her core principles concern concepts like rationalism, purpose, the virtues of freedom, individualism, independence and capitalism. Since 1936, her books have sold over 20 million copies, and continue to sell about 400,000 copies a year, according to the Ayn Rand Institute, which has continued her work.

Rand was born in 1905 in Russia, as Alisa Zinovievna Rosenbaum, the daughter of a shopkeeper in St. Petersburg. During the Russian Revolution in 1917, the Red Army seized her father's pharmacy, and at age 12 she developed an antipathy to communism that helped guide the development of her future beliefs in support of freedom and capitalism. When she enrolled in the University of Petrograd in 1921, she majored in history and minored in philosophy, and in 1924, she learned about screenwriting at the All-Union State Institute of Cinematography in Leningrad. In 1926, she headed to Chicago where her mother had relatives. She adopted her last name from the Remington-Rand typewriter she took with her. A few months later, she headed to Hollywood, now with the first name of Ayn. Soon after arriving, she got a job at DeMille Studios, where she worked as a junior screenwriter and reader, met and married a young struggling actor, Frank O'Connor, and began writing the first of her novels.

Rand's first novels were unsuccessful, and breakthrough came only with the publication in 1943 of *The Fountainhead*, the story of an architect who destroys a public housing complex he designed, rather than compromising his values. In taking the assignment to design the project, the architect had agreed to work without pay, provided that his final

"The degree to which people exercise their mental abilities determines how much they achieve, how successful they become, and how well they will live their lives."

"To live man must hold three things as the supreme and ruling values of his life: Reason, Purpose and Self Esteem."

“Ayn Rand set out to prove that objective reality, reason, self-interest and capitalism provided the essential elements of an integrated philosophy for living.”

“To Rand, philosophy — the study of the laws and causes of reality — provides the foundational beliefs by which you live your life.”

“Objectivism champions individual rights, celebrates reason and posits a world of unlimited opportunity to anyone who cares to work for it.”

plans would not be changed in any way. When the project was altered against his wishes and the courts failed to provide recourse, the architect blew up the complex. Though the book didn’t sell well initially, word spread and it opened the doors to Hollywood contracts and publishing contracts for more books.

In 1957, the publication of *Atlas Shrugged*, the story of a labor strike that brings mainstream society to a halt, became popular, despite negative reviews. Rand began using the media to promote her philosophy, which she dubbed Objectivism. Allowing with one of her followers, Nathaniel Brandon, she set up the Nathaniel Brandon Institute to offer a course based on her work. By 1967, 25,000 students had graduated from the school.

Meanwhile, a cult-like following developed around Rand, though a break within the group (in part due to the end of an affair between Rand and Nathaniel Brandon) led to the emergence of another group led by Leonard Peikoff, Rand’s appointed intellectual heir. Rand died in 1982, but Peikoff has continued her work through the Ayn Rand Institute, founded in 1985, with funding from a wealthy businessman.

Principles of Objectivism

Though Rand expressed her ideas through her best-selling novels, they were based on an organized philosophical system, which she called Objectivism. It is based on a practical approach to life that celebrates individual rights and reason. It suggests that there is unlimited opportunity for anyone who works hard towards his or her goals.

Rand’s philosophy for living is based on five main components, prioritized in this order:

1. Metaphysics: describes the nature of the universe and how the individual is related to it.
2. Epistemology: investigates the nature of human knowledge.
3. Ethics: examines how the individual should properly behave.
4. Politics: looks at how individuals should live together.
5. Esthetics: considers the nature of beauty or art.

Rand used the term Objectivism to refer to her approach, because these principles were based on what she considered objective values. She believed in the existence of an objective reality that we can know and understand. As a result, we can base our actions on our knowledge of reality. She summed up her first four primary principles in a 1957 sales meeting as follows: Metaphysics equals objective reality; Epistemology equals reason; Ethics equals self-interest, and Politics equals capitalism. Later, she equated Esthetics with romantic realism. More specifically, these principles assert the Rand philosophy of life:

- Metaphysics/Objective Reality — Existence, consciousness and identity. Things exist outside of our consciousness; each thing has its own identity, and we perceive what exists as conscious beings. By definition, Objectivists are rationalist. They believe that humans exist in harmony with the universe and that conflicts are unnatural errors in thinking that can be corrected.
- Epistemology/Reason — You gain knowledge through your sense perception and interpret it rightly or wrongly with your reason. Humans are goal-oriented, and the primary goal is survival. Reason is the main means of survival, and all people are free and independent beings, who can choose to use their senses and ability to reason well.

“Our main means of survival is our ability to think.”

“Rand’s epistemology proclaims that people are, first and foremost, free and independent beings.”

“Individual independence in thought and action is a prerequisite for all human progress in every field of endeavor.”

- Ethics/Self-Interest — All humans can choose their values, which are the basis of morality. Since each person’s most important goal is personal survival, rational self-interest is at the foundation of ethical thought. The three elements of this rational self-interest are reason, purpose and self-esteem. In addition, there are seven virtues or behaviors to support this approach: rationality (reason), productiveness (purpose), pride (self-esteem), independence, integrity, honesty and justice. Humans do and should act always in their own rational self-interest, as long as they don’t come into conflict with other people acting on the same principles.
- Politics/Capitalism — Any proper political system should be based on the aforementioned principles. As such, any political system should only act to protect the rights of the individual. Capitalism in its purest sense is the only doctrine that reflects these beliefs. Under laissez-faire capitalism, people live and work together for mutual benefit based on mutual consent.
- Esthetics/Romantic Realism — Great art should express humankind’s highest potential. It should express the openness of the universe to human achievement and a heroic portrayal of man.

Applying Objectivist Values

In Rand’s view, each of us should strive to emulate Howard Roark, the hero of *The Fountainhead*, who, over the course of the novel, evolves into an independent, self-motivated individual. According to Rand, all human progress and civilization comes from egoistic or selfish behavior. Selfishness is not a human flaw, because it doesn’t prevent you from being concerned about others. But you must first concern yourself with yourself. Likewise, if you provide for your own needs, you can then serve others, such as by contributing to charity or doing good deeds.

Selfishness is essential because it is tied to the Prime Mover force. This energy drives the creators of the world who produce all human progress. Like Roark, all major achievers — such as Bill Gates today — are motivated by their own goals and their own code of behavior. They are guided by rational self-interest, which is devoted to achieving three key goals, which are also Objectivist values: reason, purpose and self-esteem. Reason leads to all other values and virtues. As a prime mover, you must adopt reason and commit yourself to reality. You must make a commitment to think with your own mind to know and understand the world.

Additionally, everyone needs a central purpose to integrate all concerns in life. To successfully achieve your goals, you need a long-term focus and the intensity of energy that comes from having a purpose. As a prime mover, your driving purpose should be productive or creative work using reason to create valuable new products and services that lead to wealth generation.

The Seven Action Virtues

Rand identifies seven action virtues that each of us should adopt in order to achieve the values:

1. Rationality: The more you use your own thinking ability, the more you can achieve in life. Recognize that your reason is your only source of knowledge and the only basis for judging values or guiding your action. To practice rationality everyday, take reality into consideration, use your mind as much as possible and take responsibility for the results of your thoughts. Accept the four supporting virtues of independence, integrity, honesty and justice.

“Individual achievements are the driving force behind the economic well-being of every other individual.”

“Prime movers, creators and money-makers are all independent beings. They have the strength of character to act alone without the comforting support of tradition and popular opinion.”

2. **Independence:** To live rationally, you must be independent in thought and action. You must be free from the influence, guidance and control of others. You are responsible to evaluate the ideas and concepts of others before you adopt them yourself. Don't just blindly accept what others tell you. Think independently to make innovations and improvements. All prime movers are independent thinkers.
3. **Integrity:** Your actions should reflect your beliefs. This doesn't imply that your beliefs should never change. Use your reason to continually improve and expand your knowledge. Adjust your philosophy and actions to conform to new information.
4. **Honesty:** Be honest in your thoughts and in your interaction with others. By lying or behaving dishonestly, you put yourself in opposition to reality. However, you have no obligation to others who are behaving dishonestly or to a government or organization that isn't honest.
5. **Justice:** Be just in your relationships with others. The ideal political and economic systems are built on justice. Essentially, justice involves rationally and objectively judging the actions and lives of others. If justice is properly pursued, individuals will receive a reaction or reward that correctly corresponds to their actions. In short, treat others fairly and give them their just due.
6. **Productiveness:** Productivity is rationality put into action. Make it your goal. Productivity turns your thoughts into tangible goods and services. Wealth is a byproduct of rationality. This process is based on selfishness, but it contributes benefits to others and to the progress of humankind.
7. **Pride:** Pride comes from self-esteem, which provides confidence and trust in yourself. When you have pride, you work on creating the best, most virtuous self you can be. This doesn't imply arrogance or conceit. Instead, pride ensures you of the value of your abilities and the results of your rational thinking. Essentially, pride is a form of moral ambitiousness through which you strive for moral protection.

By following these principles, you can become more successful in life and business. As a manager, you should encourage people to be innovative in working to develop their ultimate potential. Also, lead with a purpose, setting a clear corporate direction. Purpose will generate focus and unite effort. It provides a common vision for the company's workforce and it keeps everyone on track to achieve company goals.

About The Author

Donna Greiner and Theodore Kinni founded *The Business Reader*, a corporate bookseller. They have authored seven books exploring management, creativity, customer retention and management. Kinni was a Contributing Editor at *Industry Week*, *Quality Digest*, and *Workforce Training News*. He is a columnist at *MWorld*, the Web site of the American Management Association.

Buzz-Words

Epistemology / Metaphysics / Objectivism / Romantic realism / Self-Interest