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From Critique to Action:
The Practical Ethics of the Organizational
World

Edited by

David Weir and Nabil Sultan

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P U B L I S H I N G

From Critique to Action:
The Practical Ethics of the Organizational World,
edited by David Weir and Nabil Sultan

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FOREWORD

Explicitly or implicitly, issues of ethics underpin every aspect of life, as public institutions and private individuals make decisions that will inform their own welfare and the lives of others. The ethical impulse and its determination has recently gained considerable intellectual attention, as many in the academy seek to understand the moral challenges and opportunities their own subject area presents. This series, which flows naturally from Liverpool Hope University's unique mission, is distinctive in its multi-disciplinary range and encompasses arts and humanities, social sciences, business and education. Each volume is informed by the latest research and poses important questions for academics, students and all those who wish to reflect more deeply on the values inherent within different disciplines. Bringing together international subject specialists, the series explores the complexities of ethics, its theoretical analysis and its practical applications and through the breadth of contributing subjects, demonstrates that understanding ethics is central to contemporary scholarship.

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INTRODUCTION

DAVID WEIR AND NABIL SULTAN

This book aims to fill a gap in the literature on ethics in relation to business, management and computing and is designed to illustrate the application of ethical issues in those fields. We claim no special expertise as ethicists but we can propose that as teachers, researchers and management and business practitioners based on a group active at Liverpool Hope University, we have a four-pronged handle on these topics that offers a special insight into them and will offer the book a particular approach that will appeal to pedagogic and scholarly interests as well as to a more general readership.

In particular we believe that Liverpool Hope University is a special kind of institution because the ethical dimension runs through every aspect of our corporate life; it is embodied in our corporate mission statements and gives the teaching and research at this institution a special flavour. Thus our teaching and research touches other people's lives and professional practice. Some of the authors are faculty colleagues at Liverpool Hope University, others are visiting faculty or directly connected with us in our teaching or research.

Scholarly research is a central focus in our work and it is directed towards areas that are important for practice as well as for theory. This book brings together some significant areas of leading edge research and scholarship in the context of engagement with communities of practice (defined locally, regionally and professionally), with local businesses, with international students, police, teachers, housing managers, ambulance workers. We aim to build on a strong pedagogic tradition based on classroom teaching, both real and virtual, so we have an applied focus in which scholarly research engages with real world issues.

The chapters are research-informed and based in the practical experience of the contributors but hopefully are written in a way that is accessible and suitable for a range of audiences. There is a strong intercultural and transnational flavour. The book is explicitly cross-disciplinary, and we hope it will appeal to readers from a wide background in areas such as organization analysis, computer studies and information systems as well as philosophy and ethics.

Ethics appears to be the flavour of the month in many business school curricula and is a strongly marketed brand among consultants and trainers, but we eschew such simplistic “bolt on” approaches to the subject. In this book we are not trying to recommend any proprietary approach but to illustrate how issues of ethical judgement touch the lives of professional managers at many points.

The organization of the book is simple. In the first section of the book we raise some general issues on a societal or global canvas, in the second we introduce some specific case studies of particular topics, in the third section we consider some issues related to information, knowledge and computer systems, in the final section the chapters raise questions about leadership.

“Can there be a universal ethical basis for management?” This is the question posed by **David Weir** at the beginning of this book in a chapter that bears this title. In this chapter Weir asks whether the widespread discussion of the phenomenon of “globalization” is not tied too closely to the current paradigm of “management” as it occurs in the Western world and emphasizes the values of individualistic liberal capitalism too directly. The practices of management may appear similar in the different parts of the world, but the ethical underpinnings of these practices are likely to be very different because they are rooted in different cultures. So how could any ethical basis of specific managerial practices have claims to universal applicability?

But the “multicultural” approach may be another blind alley. Undoubtedly one way out of this apparent dilemma (that has arguably seemed attractive to Western liberals especially) is the privileging of diversity in the name of “multiculturalism”, whether this is considered as the politics of difference or as that of identity where the basis of the common identity is claimed to be cultural. But such a stance can lead to even greater ethical difficulties or at best to a feeble claim that in the matter of ethics all stances rooted in claimed cultural differences may be equally valid. This would be to ignore the real advantages of equal treatment under law, equality of life-chances and claims to moral consideration based on shared human nature.

Levinas sought to redirect European philosophy away from its self-referencing preoccupation with ontological and epistemological issues and proposed a claim for the ethical dimension as “first philosophy”, a framing that implies a claim for universal reference. For Levinas, the central tasks of philosophy concern the need to comprehend the “other” who is the object of social action in ways that do not constitute attempts to own the other by objectifying. This objectification could occur at a conceptual level as by allocating the other to terms that make sense only in one’s own philosophical

framework. But for Levinas, the other already constitutes the essential characteristic of human nature: the other is necessary in order for us to comprehend our own subjectivity. If the other is the basis of the ethical requirement of relationship, our responsibility for the other is in principle infinite.

The chapter argues that this kind of responsibility is characteristic of the manager and that this is indicated by empirical studies of managers and their everyday performances and seeks also to show that the Levinasian position can be seen to be implicit in other philosophies of management especially within the Islamic traditions. Nonetheless a good deal more empirical research is needed and more openness towards the dynamic possibilities of other belief systems than those which have hitherto constituted the fields of “business ethics” and “managerial ethics” in business school curricula.

Gerald Mars’ chapter “Business Ethics and Their Cultural Bases Within Long Wave Economic Cycles” considers three questions: What are the principal variations between different ethical systems? What are their characteristics? What governs the prevalence and dominance of one as against another?

The chapter employs two conceptual tools. The first, following N. Kondratieff, involves a discussion of long wave economic cycles; the second, derived from Douglasian Cultural Theory, examines the place and nature of values and attitudes – the ethical systems – appropriate to different stages of each economic cycle. Ethical systems are shown as conflicting with the alternating dominance of decision-making generational cohorts having opposed values and attitudes.

What is posited in this chapter is a rotation of cycles each demonstrating an upturn roughly for half of the cycle (about 27 to 35 or more years) and a downturn for a similar period, which can be further subdivided, each characterized by a different typical ethical system.

An examination of four long wave economic cycles is offered in this chapter extending from the end of the eighteenth century to the present. Prevailing ethical systems, according to Mars, are evident at parallel stages of each cycle and are compared and contrasted in this chapter. They reveal remarkable conformity – each upturn and downturn phase is directly congruent. They illustrate how each upturn emphasizes and values optimism and boldness in economic decision making; the legitimating of widely variant rewards accruing to risk takers; the valuing of entrepreneurialism, the importance of free markets, innovation and the need for deregulation and freedom from controls.

Downturns show parallel and opposed consistency emphasizing pessimism and caution – with a denigration and stigmatizing of entrepreneurs, a

situation which calls for regulation and controls over economic affairs.

Amos Thomas, in a wide-ranging overview of the “dark side” of international trade and business, illustrates the complex interpenetration of legitimate and illegitimate activities and questions the surprising lack of interest, even indifference, of mainstream business researchers in what really lies behind the official statistics and the good news stories. He introduces some themes with which we ought in our pedagogy and analysis to be more concerned, such as people-trafficking, money-laundering and the armaments industry, drug-smuggling and the trade in human body parts. Yet these are economically significant industries, the UK ranking second only to the USA in the value of armaments it exports, at 4 billion US dollars annually. While the sale of human body parts is officially illegal in every country in the world except China and Iran, it still occurs. But perhaps this neglect is easy to understand because it lies at the intersection between “legitimate” and “illegitimate” trade and business researchers run risks to undertake their studies and uncover the truth. As Thomas points out, “It is also difficult to separate the contribution of immoral transactions to legitimate sectors of the economy such as mining and manufacture”. Blood diamonds and unwillingly removed kidneys end up in the “legitimate” economy as does laundered drug money.

In his chapter “Corporate Social Responsibility: in praise of enlightened self-interest” **Simon Lawder** relates the history of how the vocabulary of discussion about the relationship between companies and society subtly changed in the late 90s. CCI – corporate community involvement or investment – morphed into CSR – corporate social responsibility. Many companies felt that this implied that their freedom to become involved voluntarily was being taken away from them and substituted by an obligation. Drawing on his experience of working with company leaders he then argues that, particularly during tough trading times, we need to accept the inevitability that some companies’ CSR programmes will be driven by objectives which are driven by more commercial objectives and less by a sense of responsibility. Can society afford to criticize activity in the name of CSR that seeks a direct financial return on the investment?

Staying with the subject of calculating the effect of CSR programmes, Lawder postulates that most attempts to assert that there is a direct return on investment in CSR are based on weak arguments and indeed are probably futile exercises anyway.

Finally, he makes a plea for the CSR sector to raise its game. He is worried that there are too few CSR advisers with hard business experience at a senior level working alongside the academics, which limits their abil-

ity to be taken seriously and to gain access to corporate leaders and their decision-making boards. This may be one of many factors that are slowing down progress towards a future where business plays a full and active part in creating a fairer, more sustainable society.

The chapter by **Bob Doherty** looks initially at the emergence of fair trade in the UK from alternative trade movement in charities and religious institutions to mainstream market position. This is demonstrated by the recent moves of UK supermarkets and multi-national corporations such as Cadburys (now Kraft Foods) to switch their own brands to be fair trade certified. The chapter moves on to explain the definitions, principles and structure of fair trade to explain how the system works. Then comes a discussion regarding the ethical debates associated with fair trade and the role of the original fair trade pioneers (the Fair Trade Organizations) in the growth of FT. Finally, the chapter investigates one of the unique fair trade business models, Divine Chocolate Ltd, where 45% of the shares are owned by Kuapa Kokoo (KK), a cocoa farmers' cooperative based in Ghana, West Africa. Divine, along with fair trade organizations such as Cafedirect, Traidcraft and Equal Exchange, is seen as part of the social economy value chain in the fair trade sector, operating beyond the fair trade minimum standards.

Based on a case study of an organization specializing in caring for the elderly, in which the ethics of care broke down, **Hugo Letiche** examines the relevant (social-)psychology of perception, identity and responsibility in his chapter: "A Psychological (Lacanian) Ethics of Management: A Case from the Elderly Care". The denial and negation by management and at least by some professionals and staff, of any responsibility or involvement with their clients, is what motivated Letiche (according to him) to write this chapter. In the organization, referred to by Letiche as "Life Together", there was neglect, irresponsibility and even manslaughter or murder; but no effective ethical outcry ever ensued. At best, management reacted to the elderly with indifference. Those in control were interested in market share, bureaucratic control and corporate identity. Macro-moral statements were written into annual reports, but micro-moral considerations were totally ignored, with life-endangering and destructive effects.

In this chapter, Letiche explores the Lacanian distinction between the "imag(e)/inary" and the "symbolic" as root metaphor for the dilemma(s) of "care". Lacan's "imag(e)/inary" describes the child's phenomenal directness of experience which Letiche argues can lead to "care" and ethical response. Lacan calls the "mature", self-aware and rational, the "symbolic", but far too often the "symbolic" is focused on power, self-enrichment

and profit. Letiche posits that the concept of moral development across a lifetime is flawed. The childish “imag(e)/inary” is just as necessary as the mature “symbolic”. Commonly, psychological development and ethics are brought together by making use of Piaget (1948) and Kohlberg (1981). The Piaget/Kohlberg developmental tradition prizes abstraction, argumentation and theoretical statements of ethics, at the cost of participation, involvement and direct response. It assumes that direct participatory interaction is ethically less developed than social normative behaviour, which in turn is inferior to universal principles. Abstract concepts of good and bad are valued above concrete responses of sympathy.

In Lacan, the “other” is another person, someone who is encountered, seen and made present to one via the imaginary, i.e. by means of identification, subjectivity and pre-reflective sensitivity. Managerial responsibility is (social-)psychologically possible when “self” and “other” are linked in the imaginary. Ethics begins with psychological openness to “other”; it demands relationship, concern and care.

The issue of carers (of a different kind) is further addressed by **Paresh Wankhade** and **John Brinkman**. In their chapter, “Dilemmas of Ambulance Professionals in Attending to an Emergency within Eight Minutes: The Ethics of Target Setting”, the two authors explore the ethics of target setting in public sector organizations where management by performance targets and methods has become a preferred management technique. The authors argue that while there is a substantial literature on the proliferation of performance measurement tools and methods, the literature around the evaluation of performance targets in specific organizational contexts within the public sector is sparse and still developing. Additionally, studies examining the overall impact of performance measures are even fewer.

Given the lack of evidence on the topic, the authors explore the ethical perspectives of performance measures by looking closely at the role and implementation of performance indicators and their impact within a specific public sector setting in the UK ambulance service. They highlight the simplistic nature of performance targets in the ambulance service and cite evidence from an empirical study to highlight the ethical dilemmas of target setting in improving patient care.

In their conclusion, Wankhade and Brinkman emphasize the lack of sufficient guidance for practitioners in evaluating and managing performance measurement over time. Taking a pragmatic perspective, they argue that notwithstanding the shortcomings in the current ambulance performance framework, which raises many ethical questions, no foreseeable change is contemplated in the near future in the absence of a clinically sound alterna-

tive approach to measure ambulance performance. Public sector performance management often operates in contested social realms of public policy since a faster ambulance response would confirm confidence in the service delivery of the individual ambulance trusts. Given the current popularity of performance measurement within the public sector management, performance measurement remains a contested topic of enquiry.

In their chapter “The Ethics of Place Branding: A Discussion Arising out of Liverpool as the European Capital Of Culture 2008” **Jan Brown** and **John Phillips** draw attention to a virtual vacuum in both the world of marketing and the academy when it comes to interrogating the ethics of place branding. The marketing of places has developed out of the marketing of products and services as countries and cities fall into a competitive relationship with one another, a consequence of globalization. Places seek a new identity to attract inward investment in terms of tourism and trade that will allow them to build or to revitalize their infrastructure. Entrepreneurial capitalists undertake this marketing or branding of places, speculating on profitable returns, but so do politicians, professedly in the interests of those they represent in the political system.

What few seem to consider is the ethics of this branding process; the primary ingredients or constituents of cities, for example, are people. The process, according to Brown and Phillips, is akin to branding people, imposing on them a new identity, and giving little thought as to how the people might consent to all this. Planners seek to provide an enhanced consumer experience, and politicians seek to infuse a new life blood into their city. What seems to be lacking, argue Brown and Phillips, is a moral compass which can allow these dream makers to build ethical principles into their strategies.

In boxing the moral compass, the authors start with the Western value systems for guidance. They consider Benthamite principles alongside Kantian ones. They search different fields to see if medical principles can provide a universal framework of moral guidance. Exploration of other continents offers the concept of “ubuntu” from Africa, and Zoroastrian precepts from the Parsee diaspora, alongside principles and practices from India through to China and Japan. They draw on the Caux Round Table’s attempts to embrace and marry diverse cultures and moral codes in an effort to provide a universal framework that can be of use to those who are engaging increasingly in place branding. Understandably, the world and its places present multiple opportunities but also multiple ethical frameworks to refer to in order to ensure that the process undertaken is accomplished with moral rectitude and that their peoples are not exploited or branded against their

will. What place branding calls for, according to the authors of this chapter, is the rooting out and the adoption of such principles, a task the academy can rise to.

Marian Crowley-Henry and **Paul Donnelly**'s chapter "Constructing and Disciplining the Working Body: Organizational Discourses, Globalization and the Mobile Worker" considers the ethical treatment of people working in organizations along the relativism/absolutism continuum. Work is a dominant activity in people's lives and a core part of people's identities. In it is the managerial realm of Human Resource Management where the focus on the working body primarily resides. The construction and disciplining of the working body is theoretically and empirically explored in this chapter. Do organizations construct and discipline their workforce as a means to their organizational ends (as resources), or do they treat them as means in themselves (as humans)? The authors trace organizational discourses that emphasize resources rather than humans and discuss the ethical ramifications of doing so. Working through Foucault's governmentality, enclosure, partitioning and ranking constructs, the authors present managerialist organizational discourses where compartmentalization and standardization across categories are favoured.

To investigate their conceptual review empirically, Crowley-Henry and Donnelly analyse and interpret qualitative interviews collected from a sample of self-initiated international assignees living in the South of France. The choice of this particular sample permitted the authors to isolate individuals operating on their own agency (self-initiated international assignees have, by their very nomenclature, embarked on an international working experience/career through their own agency). Their experiences illustrate how the interviewees construct themselves, and are constructed, as international working bodies. The extent to which the individuals in the sample constructed their own work/career paths within organizational boundaries in their new international context/environment is disputed, despite the apparent self-initiated and agential nature of the respondents in the sample.

Crowley-Henry and Donnelly's blend of theoretical concepts in organizational discourses and their internalization in the empirical sample of self-initiated international assignees furthers the discussion on the ethical nature of organizational discourses, where the "human" in human resources is largely ignored. They contribute to the ongoing debate between relativism and absolutism, arguing that equating people with material resources is to consider people as a means to an end, thereby going against the Kantian necessity to treat people as ends in themselves.

In their chapter "A Clash of Symbols? Inter-cultural Moral Frames and

Ethical Systems amongst International Students within a UK Business School”, the research team of **Donna Harper, Ilva Navarro-Bateman, Jane Simmons** and **Tony Bradley** present the fruit of a micro-study to examine the ethical frames through which graduate students in their Business School interpreted their world, especially concerning their transition between home and host cultures. Following the ethno-methodological work of Erving Goffman – and its more recent applications within the fields of social movements and organization change management – the authors consider the alternative expressions of “frame realignment” that they observed and interpreted amongst graduate students from Asia, Africa, Europe and the UK.

It became clear that standard Western measures of intercultural difference – such as that offered by Trompenaars and Hampden-Turner – were poor predictors of the ethical frame attachments that graduate business students had to their home cultures. Yet, despite their evident ability to swim within a globalized cultural pool, these nascent international business leaders retained very high levels of identification with and attachment to ethical frames that were, in general, defined by the moral systems inherited from the religious nurture they had received within their home cultures. Consequently, the tension this created between home and host ethical frames, as between highly religious and secular cultures, led to various different approaches to frame realignment.

The implications of these findings are examined by the authors. In particular they conclude that the issues raised – both within the classroom and wider culture – go far beyond the narrow confines of academic research. Instead, they have implications for the global positioning of the multimillion pound industry of higher education for business. Will future generations of business students and leaders be willing to choose cultures for learning where the ethical frames they encounter create such acute tensions and demands for frame realignment, within the daily flow of learning and life? The answer to this question lies, perhaps, in the host institution’s ability to carefully observe and respond to the very different ethical frames through which their business students look at them.

Nabil Sultan’s chapter “The Choice of Good and Evil: The Issue of Computer Ethics” takes the issue of ethics into the realms of computer science. The ability of computer technology to permeate almost every aspect of our lives has raised many ethical issues. The “malleability” (according to James Moor) of this technology is what makes it unique. This issue of computer technology’s uniqueness represents one of the main important thoughts of computer ethics. An equally important and opposing thought

sees no requirement to invent an ethics discipline for a technology which, in many respects, resembles other technologies in terms of their impact on people's lives. Proponents of this view quote the printing press as one prime example. Despite the huge impact this technology has had on people's lives we saw no requirement to have a printing press ethics. What people might regard as computer-related ethical issues, can be thought of, according to this school of thought, as new species of general or traditional moral issues since they often involve familiar moral concepts such as privacy, harm, taking responsibility for the consequences of one's action, putting people at risk and so on.

In view of the seemingly "unsettled" dispute of these two main lines of thought about computer ethics, Sultan's chapter introduces a self-proclaimed "innovative" viewpoint proposed by Floridi which advocates approaching the issue of computer ethics from an "information" perspective where "information" becomes an entity that is central to the issue of computer ethics. But rather than calling it computer ethics it should now be referred to as "information ethics". This, according to Floridi, is in line with other fields of non-standard ethics such as medical ethics, bioethics and environmental ethics. By doing so, Floridi is extending the sphere of moral consideration to include objects other than humans, just as environmental ethics extended the sphere of moral consideration to include other life forms in addition to humans. However, this so-called "innovative" view has its own set of problems, which this chapter uncovers.

Computer technology, according to Sultan, is an evolving technology. Laws and regulations that are designed to address the ethical implications of computers often fail to keep pace with the rapid advances in this field. Moreover, the ability (or rather potential ability) of computer technology to produce "thinking" machines has added another dimension to the current debate of computer ethics which could alter its future course.

This issue is further addressed by **Obinna Anya** and his co-authors, **Atulya Nagar**, **Hissam Tawfik** and **Challen Westaby** in their chapter "An Ethics-Informed Approach to the Development of Social Robotics". This chapter contributes to current discussions on the ethical concerns about the development and employment of social robots. The emergence of social robotics seeks to bridge the ontological gap between man and machine and has thus raised a number of ethical and philosophical questions as to the proper place and rights of robots in human societies, the appropriateness of substantiating moral reasoning in machines, and the possible impacts, on our society, of machines living with humans.

The authors review wide ranging ideas and concepts that help highlight

principal problem areas, and propose a new design approach for building ethical social robots based on the concept of activity-centred design. The proposed approach will provide a guiding structure for ensuring that social robots are designed to be activity-aware, a human-centred framework for achieving a fair human–robot coexistence, and a mechanism for better understanding human ethics. The authors argue that the overarching fear of how our society will change with the advent of social robots might best be allayed if we are primarily guided by the interest of humanity in the process of designing and developing robots. An ethics-informed mechanism will enable robots to understand the nature and goal of human action beyond an engineering perspective of a formally defined script and should, the authors strongly suggest, be made an integral part of the process of developing and employing social robots. Realizing the visions of social robotics depends heavily on our ethical wisdom in building robots to take full advantage of their inherent power as machines to address capabilities that we lack or would require machines to do for us as we live side by side with them in the emerging sociotechnical ecosystem.

Unlike Anya et al.'s chapter which explores the futuristic ethical consequences of computers, **Michele Ryan** and **Mark Childs**' chapter "Synthetic Societies or Pseudo Realities? Debating the Ethical Dilemmas of Second Life" examines the realities, or rather the pseudo-realities, that are being created by computer technology and their ethical consequences. This chapter looks at the different ways in which users understand the concept of the "virtual" in virtual reality. The authors observe that there are two ways in which this can be interpreted. One group of people would hold that there is one true objective physical reality and that the virtual is only a pale reflection of this; it is only a pretentious, fake place and that virtual worlds "are a mere collection of binary codes hosted on a server and projected through a software viewer". Another group would hold that we are constantly moving between different subjective realities, and that these all have their separate but authentic meanings. Virtual worlds are then just an extension of this experience. This distinction is not just an abstract philosophical point when we look at people's behaviour in virtual worlds. These two outlooks give rise to two completely different ways of interacting in a place like Second Life (the Internet-accessible virtual world). The authors refer to these different groups, respectively, as Pseudo Realists and Synthetic Sodalists.

Ryan sees herself as a Pseudo Realist. To her, what happens in Second Life is completely unreal, and it is an environment in which the normal social rules of the physical world do not apply. Mark, conversely, is a Synthetic Sodalist, and sees the virtual world as a separate space from the physical,

but one in which authentic social experiences can occur. Throughout the chapter, these two authors express and argue their own different ethical positions on a range of controversial and ethical situations. The two authors agree that accepting the validity of both viewpoints can overcome many of these issues. However, both authors also argue for the need to establish an ethical framework to protect the rights of both the Synthetic Sodalist and the Pseudo Realist in virtual worlds.

In the international business world there is great interest in rethinking—in a cross-cultural and ethical way—the paradigms of leadership. **Sylvia van de Bunt-Kokhuis** considers this issue in her chapter “Servant-leadership in a cross-cultural and ethical perspective”. This chapter originates from the Servant-Leadership Centre for Research and Education at the Vrije Universiteit Amsterdam. The author highlights the major attributes of servant-leaders across cultures and provides examples of leadership practices in African countries. A variety of inspiring role models like Nelson Mandela and Desmond Tutu are portrayed. The author also discusses African traditional ethical values such as *ubuntu*, *kuumba* and *harambee* and examines their attributes within the context of servant-leadership.

The concept of servant-leadership, according to Bunt-Kohuis, includes surprising dilemmas. Servant-leaders serve their followers with compassion. At the same time, servant-leaders are accountable for the performance of their organization, whether a company, school, church or even a nation. Each investment of the servant-leader in the well-being of the other, according to Bunt-Kokhuis, is at the same time an investment for the benefit of the common good.

The author argues that servant-leadership can help provide an answer to 21st-century organizational concerns such as economic downsizing, unemployment, and ethical conflicts due to its ability to enhance the growth and motivation of employees.

The issue of leadership and ethics is further explored by **Edward Kelly** in his chapter “Exercising Leadership Power: Warren Buffett and the Integration of Integrity, Mutuality and Sustainability”. Warren Buffett has been Chairman and CEO of Berkshire Hathaway since the early 1970s. In that time there has been a remarkably low turnover of senior management at Berkshire. Kelly explores this interesting issue and provides insights into the development in Buffett’s leadership and his integrity and ethical credentials. Kelly argues that little has been written on Buffett’s approach to leadership that can be framed by reference to an existing theory of leadership. He looks at the development in Buffett’s leadership from the perspective of Developmental Action Inquiry (DAI). Action Inquiry describes how an

individual can learn to integrate action and inquiry through developing first-person awareness and integrity, a second-person mutuality in communicating with others and a third-person sustainability in leadership tasks.

Using examples from Buffett's life, Kelly suggests that Buffett's sustainable leadership approach can be explained by the development in his first-, second- and third-person action and inquiry. His first-person action and inquiry through exploring the gaps between his planned performance and his actual performance, his second-person action and inquiry through communicating and creating a leadership culture at Berkshire and his third-person action and inquiry in the terms of leadership tasks he undertakes and the power he applies. Central to Buffett's leadership approach, according to Kelly, is his personal honesty and integrity.

These chapters in no sense aim to cover the whole field of ethics as applied to business and management topics. Nor do they follow a consistent thread of advocacy for any specific ethical position, theory or framework. Some are at a more general level than others that represent case studies of particular segments of organizational life. Nonetheless they are a fair representation of the topics that concern us in our scholarly research and in teaching and we believe that they represent opportunities for both teachers and practitioners to reflect on ethical issues and dilemmas.

CHAPTER ONE

CAN THERE BE A UNIVERSAL ETHICAL BASIS FOR MANAGEMENT?

DAVID WEIR

Introduction

The study of contemporary management is very largely framed by the discourse of globalization. While this is primarily an economic term it has come to comprise aspects of neo-liberalism, decreasing powers of sovereign states and a value-system oriented to the presumed universality of the market. Thus in much discourse in schools of business and management the values of “management” are presumed to be universal and to be based on those values that underpin the practices of Western capitalism. The discourse of globalization is presumed to implicate the spread of Western capitalism, and in some sense to justify the values underpinning these economic and political developments. But as there are in the global world diverse cultures and differing norms of behaviour, so there is likely to be more than one “culture of management”.

By “culture” we imply the Geertz definition of culture, which is “essentially a semiotic one. Believing, with Max Weber, that man is an animal suspended in webs of significance he himself has spun, I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretative one in search of meaning” (Geertz, 1973: 4–5). Systems of meaning, according to Geertz, are the “collective property of a group”.

Raymond Williams elaborates this definition when he explains that “culture is ordinary” and that

Every human society has its own shape, its own purposes, its own meanings. Every human society expresses these, in institutions, and in arts and learning. The making of a society is the finding of

common meanings and directions, and its growth is an active debate and amendment under the pressures of experience, contact, and discovery, writing themselves into the land. . . . Culture is ordinary, in every society and in every mind.” (Williams, 1958: 6)

The clear implication is that as every society has evolved differently with a specific socio-political and economic and cultural history, so not merely the practices of management may differ but the ethical implications of management will be different also from one society to another. Yet little attention has been paid to the ethical and philosophical bases of other paradigms than those with which we in Western business schools are familiar. Where other philosophical and ethical systems are encountered by management researchers, they are apt to be dismissed with the demeaning discourse of “traditionalism” or “underdevelopment” or stigmatized as inconsistent with the requirements of contemporary business efficiency. Nonetheless many of these systems of ethics are embodied in cultural traditions which are historically older than those of Western capitalism, and some of them in contemporary global society are evolving and transmuting even more radically. It is unhelpful to see these cultural practices and the patterns of belief embodied in them as merely deviant cases or as primitive attempts to reproduce Western modalities. For instance all societies have concepts of selfhood and all have some concepts of “otherness” but these are differently balanced and the ethical implications of an emphasis on one or the other have different implications in different societies. Schutz characterizes the whole process of learning in society in terms of the requirement to resolve the tension between Self and Other (Schutz, 1943; Barber, 1989; Wagner, 1983).

But the conventional wisdom about management appears to imply that it is the product of a peculiar and historically unique set of conditions that have occurred first or most significantly in the Western tradition and marked by such moments as the Renaissance, the Enlightenment and the Industrial Revolution. Thus “management” seems to be appropriated by the set of circumstances that have privileged its inheritors, the western individualistic-centred, liberal capitalist democracies. But if other societies, other cultures can manage organizations effectively, does that mean that they must have learned how to do so only from the West? That would be an absurdly hubristic notion, put as bluntly as that.

One apparent way out of this dilemma that has seemed attractive to Western liberals especially is the privileging of diversity in the name of “multiculturalism”, what Barry characterizes as “the politics of difference,

the politics of recognition or, most popularly, multiculturalism” leading to “views that support the politicization of group identities, where the basis of the common identity is claimed to be cultural”(Barry, 2001: 5). But Barry shows clearly that such a stance can lead to even greater ethical difficulties or at best to a feeble claim that in the matter of ethics all stances rooted in claimed cultural differences may be equally valid. This would be to ignore the real advantages of equal treatment under law, equality of life-chances and claims to moral consideration based on shared human nature.

Management and organizational practice in the Arab Middle East is not much referred to in the Western discourses of business schools and management academies and the ethical foundations of these practices are not much reviewed. This is surprising given the immense economic and geopolitical significance of this region and the intrinsic compatibility of some Arab management practices with emerging models of networked organizations.

In this chapter we look especially at the possible foundations of a universal approach to the ethical issues encountered in the business of managing others in complex organizations, considering especially some aspects of management and organizational practice in the Arab Middle East. In dealing with these issues we shall try to both engage with the bases for a philosophical approach to management in organizations and to try to go beyond our established Western ways of considering what aspects of philosophy could be practically useful to managers in a global context.

Levinas as Promoted by Derrida

We shall start our quest by considering the position of Levinas as a possible basis for another version of universalism in relation to the ethical underpinnings of management. Levinas is one philosopher who has sought to redirect European philosophy away from its self-referencing preoccupation with ontological and epistemological issues and proposed a claim for the ethical dimension as “first philosophy”. This framing implies a claim for universal reference. For Levinas, the central tasks of philosophy concern the need to comprehend the “other” who is the object of social action in ways that do not constitute attempts to own the other by objectifying, as by allocating the other to terms that make sense only in one’s own philosophical framework, what Levinas calls “ontology”. For Levinas, the other is already constituted by the essential characteristics of human nature:

the other is necessary in order for us to comprehend our own subjectivity. If the other is the basis of the ethical requirement of relationship, our responsibility for the other is “in principle infinite”. Nonetheless it may constitute a difficulty that Levinas himself sits squarely and quite explicitly in the Judaeo-Christian traditions. A way of dealing with Levinas’ claims for universalism may be represented by the essay by Derrida on “Violence and Metaphysics” (Derrida, 1964; Derrida, 1978), which is introduced by a quotation from Matthew Arnold:

“Hebraism and Hellenism – between these two points of influence moves our world. At one time it feels more powerfully the attraction of one of them, at another time of the other; and it ought to be, though it never is, evenly and happily balanced between them”. [But in fact Derrida solves Arnold’s dilemma by the assertion that]The entirety of philosophy is conceived on the basis of its Greek source . . . simply that the founding concepts of philosophy are primarily Greek. (Derrida, 1978: 100)

But let us stay with Derrida for a while because his way of introducing Levinas may unhelpfully restrict the full potential of Levinas’ approach. For the minute let us agree to escape the domination of ontology and even confirm Derrida’s over-strident claim that “it is a laughably self-evident but criminal truism, which places ethics under the heel of ontology” (Derrida, 1978: 169). So let us accept the notion of ethics as first philosophy for the present and agree that among the prime influences on Levinas’ own framing of this agenda are his own Jewish identity, his personal wartime experiences and his subsequent felt need to reconcile in a non-theological way the traditions of Judaism and of Christianity without necessarily embracing either. The interest for us here lies in what Derrida makes of it all and from where he proposes that philosophy will go to find the materials for a fresh resolution and on what this may indicate for the philosophical foundations of management.

At the conclusion of his review Derrida muses on the call in Levinas for “an empiricism which is in no sense a positivism” and on the alternatives to this resolution only occurring in death or in “this experience of the infinitely other Judaism” that can “reawaken the Greek in the autistic syntax of his own dream”(Derrida, 1978: 190–1). He states “such a site of encounter cannot only offer occasional hospitality to a thought which would remain foreign to it. And still less may the Greek absent himself, having loaned his house and his language, while the Jew and the Christian meet in his home.” But whose home is this house of theory actually? And where – geographically as well as metaphysically – may such an encounter take place? Which lands are

being overflowed by this creative Icarus? And whose wings may get singed? Derrida asks “Are we Jews? Are we Greeks?” and proceeds immediately to the claim that “We live in the difference between the Jew and the Greek, which is perhaps the unity of what is called history. . . . Are we first Jews or first Greeks?” (Derrida, 1978: 192). This is much more than a grandiose rhetorical question and something very precise is implied both for the understanding of Levinas’ position and the implications of his work for the study of management and for a positioning of the arguments for considering a general ethical basis for management. Maybe what has made us what we are has flowed through other, currently hidden channels?

Textbook referencing of the origins of “management” often contents itself with an apparently accepted great tradition in management theory that comprises the Wharton Business School, Frederick Taylor and Scientific Management, Elton Mayo and the Hawthorne experiments, with side-references for the technically-minded to Gilbreth and Gantt. HR people implore us not to forget Follett from this canon of the great and the good. In France we privilege Fayol and in the sociological tradition we trace our organizational theories to the bureaucratic type identified by Max Weber as a phase in the cycle of leadership from traditionalism and charisma. If really pressed we nod back to the Industrial Revolution, the factory system, even, to the Reformation, the Protestant Ethic and to a burgeoning of Modernism in the Renaissance. All of this accepted “true history” encapsulates an implicit sense of historical inevitability about the roots of management in a specifically western historical experience, even if we are not quite as likely now as we seemed to be a few years ago to embrace with Fukuyama the end of history, a phrase which implies to many Western readers the end of other peoples’ histories (Fukuyama, 1992).

If the word “management” defines our trade (and it is so widely understood) it is tempting to think that it has been around for ever. Etymology provides some clues to an alternative possible history of “management”. The first recorded use of it in its modern sense seems to come from the Renaissance Italian notion of *managgiere* connoting the schooling and training of horses. This usage is still alive in the words “manège” or “ménage” but its primary denotation relates to horse-training and running riding stables. Lancashire’s lexicographical study shows that the first English usages of *management* in this sense occur just a generation after the appearance of the Italian *managgiere* (Lancashire, 1996). The *managgiere* were members of the servant class, well-paid professionals who looked after the horses of the Italian nobility. Then as now the most prized bloodstock came from Arabia and their trainers, skilled in the technology

of the manège, came with them. The first “managers” were very probably Arabs teaching Arab disciplines in which they were the experts.

If we accept the conventional wisdom that the origins of our *disciplines* of management lie in factory organization, again there are comforting “true histories” to rely on. The “factories” of Robert Owen, Samuel Arkwright and the Manchester heroes immortalized by Engels can be traced plausibly back to the Pepys-built naval shipyards of Greenwich, the model for Peter the Great’s St Petersburg, and before all that to the dockyards of Genoa and Venice. However Braudel indicates that the basis of Venetian prosperity was the Eastern Mediterranean trade and the ship types preferred were those that had proved their worth over centuries of coastal commerce between Antakia and Constantinople, Alexandria and Tripoli, Byblos and Tyre. Arab traders and *their* mercantile needs created the demand for the mass production of Mediterranean ships (Braudel, 1949).

The point is not who was first. It is which links in the story we have selected to discard out of our own “true history” of how and where what we call the knowledge-base of management developed. Western Europe and the civilization and its representations that we privilege are in part a product of a *joint* history shared inextricably with the civilizations of the Arab Middle East.

When Derrida polarizes our very own Western European philosophical tradition between “the Jew” and “the Greek” he therefore omits the channel through which these ideas were in real chronological effluxion transmuted. Levinas, Russell, Derrida himself have all selectively obliterated that whole middle period that infused knowledge with the attributes that most characteristically denote “modernity”. Arguably the most significant conduits for the transmission of knowledge of paper, printing, firearms, circulation of the blood and also for theories of organization has been the Silk Road and the geographically most intellectually fertile terrains have been the frontiers between East and West inhabited for the last two thousand years by the Arabs (Hutchings and Weir, 2006).

Many writers have described the wide range of impacts of the Arabs on European history and their central influence on the most salient aspects of the modern world, the magnetic compass, the numeral zero and the alphabet and algebra are evidence enough of this history and we do not need to rehearse it here (see for example Hayes, 1975 and Landau 2000: see also Arnold, 1968 and Hitti, 1970). For nearly two hundred years, Leo Africanus (an Arab Jew) who produced the definitive map of north-west Africa was read as the most authoritative source on the geography and folkways of the continent. Vasco da Gama, exploring the east coast of Africa, was guided

by an Arab pilot, Ahmed ibn Majid, who used maps never before seen by Europeans (American-Arab Anti-Discrimination Committee, 2005). Amin Maalouf created one of the great novels of the last quarter of the twentieth century out of this “true history” (Maalouf, 1988). In *The Crusades seen through Arab Eyes* (Maalouf, 1984) it is the “Franj” who are characterized as genocidal baby-slaughterers and defilers of the holy places.

The point is even better taken in the realms of philosophy itself. It is not criminal to be ignorant of the contributions of such Arab philosophers as Al Kindi, Al Farabi, Al Ghazzali, Ibn Sina, Ibn Khaldun and the rest. What is almost criminally negligent is to claim postmodern primacy for an orientation to the *philosophical* project that these scholars had exemplified at a period when Western Europe had been out of the Hellenic loop pretty much altogether. It was through Byzantium and the Arab empires’ conservation and building on Hellenic knowledge that the Greek tradition came into European thought, not through some self-igniting spontaneous combustion in small towns in Italy.

The Arabic tradition in philosophy is summarized by Adamson and Taylor (2005) and one quotation from their introduction may stand for many more specific examples:

The history of philosophy in Arabic goes back almost as far as Islam itself. . . . Debates and contests on logic, grammar, theology and philosophy by Muslims, Jews and Christians, and Jews took place at the caliphal court. The structure and foundation of the cosmos, the natures of entities in the physical world, the relation of human beings to the transcendent divine, the principles of metaphysics, the nature of logic and ethics – in sum, the traditional issues of philosophy, old wine albeit in new skins – were debated with intensity, originality and penetrating insight. (Adamson and Taylor, 2005: 1)

We argue therefore contra Derrida that in order to more correctly position the arguments of Levinas and indeed of many other contributors to the post-Cartesian philosophical corpus identified characteristically by Russell as “Western philosophy” and in particular to comprehend the immensity of what might be available in undertaking an agenda of “ethics as first philosophy” we need to explore other headwaters of our thinking about management not just in the Judaeo-Christian tradition but as what is characterized in Islamic management as the third culture of “the book”(Russell, 1945). Thus in order to create a more universal ethical foundation for management as it originated and as it has evolved we need to widen our scope of enquiry beyond the Western paradigm.

The prevailing pattern of belief and the near-universal matrix of explanation within the Middle East region evidently derives from the religion of Islam; itself a diverse phenomenon with as many sub-categories as Christianity, but with distinctive central features. Within contemporary Islam we distinguish *ijtihad* or individual interpretation and *taqlid*, the reliance on the interpretation of authorities. The notion of “fundamentalism” that comes originally from the Christian eschatological tradition does not really define any trend in contemporary Islam especially well. There is a sense in which all Muslims or none are “fundamentalist” in this sense, but all Muslims are thought of as the *ummah*, “brothers”. The Islamic cultural matrix infuses management patterns in countries that are Islamic but not Arab, like Indonesia, Malaysia, Pakistan and Bangladesh. Not everyone even in the core Middle Eastern region is a Muslim and other cultural traditions have created diversity. Many countries including Lebanon, Palestine, and Iran present multi-stranded histories of religious practice including varieties of Christianity relatively insignificant in the West that have co-existed cheek-by-jowl with Islam. Nonetheless Islam is a religion which claims universal applicability. Muslims in principle have no issues about ethical universalism.

Islam may be characterized briefly and summarily as a religion of practice and observance rather than of dogma. The basic principles are simple and easily codified: an obligation to pray five times daily, to undertake the pilgrimage to the Holy places, the Hajj once at least in a lifetime, to claim publicly that there is one God and that his prophet is Muhammad, to undertake *Zakat*, sharing worldly riches with the poor and following the way of life understood to be that of Islam. The word *islam* itself means “submission”. It is in its universality and simplicity that the behavioural and conceptual power of Islam lies and it infuses the practices of management as all other aspects of culture. This is not necessarily to imply that Islamic principles compel tightly structured and intractable obligations to manage in a specific way but rather that the diversity of behaviours and practices which do exist have to be explicable within this framework rather than as exemplars of a pre-modern or undeveloped managerial praxis.

Science, law, interpersonal behaviours and obligations to others are all understood to be aspects of a fundamental reality. Knowledge and the bearers of knowledge, the scholars, are themselves highly regarded for knowledge is an obligation. And the realities of social and political obligation are to be respected. Rulers are to be obeyed and duties to be undertaken. The effective ruler is the just ruler. Trust is central to all relations including those of business and trade. The prophet Muhammad

was a successful businessman renowned for his integrity and held the title *al-Amin*, the trustworthy one.

In principle there is in Islam no inevitable conflict between religion and science as exists currently in the Western tradition between creationists and Darwinists. Islam positions itself as a final revelation of a continuous tradition that embraces the other religions of “the book”, that is, the Judaic and Christian revelations. The followers of these faiths are to be respected as “people of the book” and Moses and Jesus are alike respected as prophets in Islam.

The master social structures that support Islam are those of the web of family and kin obligations. These are networked societies (Hutchings and Weir, 2006) and these structures frame life in city and town alike and are equally powerful elements in family, business and political experience. Works of fiction like the Cairo trilogy of the Egyptian novelist Naguib Mahfouz trace the interpenetration of family and kin obligations through periods of radical political change, the end of colonialism and the upheavals of nationalism (Mahfouz, 1992). In this region political boundaries and the managerial philosophies of governments can be regarded in some respects as surface phenomena compared to the deeper infrastructures of belief, family, kin and obligation.

There is in this system of philosophy no fundamental polarization of the economic and ethical realms for as Tariq Ramadan has elegantly remarked “the particularity of Islamic directives in economic matters is the total, permanent and inclusive link that exists between this sphere and the moral point of reference”(Ramadan, 2001: 130).

The moral comprises the existential in this philosophy, for

commercial and financial transactions amongst men are . . . encompassed and nourished by the foundation of *tawhid*, the principle of the unicity of God. . . . It is impossible here to conceive of man as resembling part of a machine and defined, outside of any ethical quality . . . and whose norm of action is solely quantitative. . . . In fact, the most frequent, simple and natural economic fact is always identifiable by its moral quality . . . it is from the moral quality that man derives his value and not, in the first place, from his performance in terms of productivity, profitability or profit in the broader sense. (Ramadan, 2001: 130)

These practical obligations contain the structural foundations of the ethical basis of all behaviour for a believer including the beliefs and practices of management and business life. While they may be detailed and