

Management education and the ethical mindset:

Responsibility to whom and for what?

Fred Bird (University of Waterloo, Ontario, Canada)

Peter Case (University of the West of England, UK)

Jonathan Gosling (University of Exeter, UK)

Paper presented at the European Business Ethics Network (UK) Conference, **Ethics in Crisis: a call for alternatives**, April 7-9, Queen Mary, University of London.

ABSTRACT. This paper offers an analysis of managerial responsibility associated with differing models of the firm. Following a critique of the classical economic and conventional stakeholder theories of the firm, we propose an interactive stakeholder theory that better facilitates the kind of ethical responsibility demanded by twenty-first century challenges. Our analysis also leads us to conclude that management education and development is in need of urgent reform. The first part of the paper focuses on what it means to manage responsibly, and argues that managing is essentially the *practice of responsibility*. The second part of the paper challenges standard assumptions about the 'business of business', while the third section examines in more depth how management education might be configured as a preparation for the enactment of moral responsibility.

KEYWORDS:

Introduction: Managing Responsibly

To state that it is important for managers to act responsibly is axiomatic. As we review the problems and challenges facing businesses today, especially in relation to the recent financial crises as well as the challenges of conducting businesses in transitional economies and developing countries, we can observe how costly it is when managers are irresponsible. Whether we develop voluntary codes, enact legislation, or institute more scrupulous audits, in the end what matters most is whether we find ways of cultivating among managers a more lively practice of exercising responsibility. Moreover, business schools are looking for ways to play their part in meeting the challenges of an uncertain future dominated by the existential and moral anxieties represented by climate change and its global implications. We are faced with both the threat and image of global flooding – literally by rising sea levels, and metaphorically by tides of pollution, and a booming world population no longer constrained by the normative levees of national boundaries.

PETER'S ACADEMIC POSITIONING SECTION HERE

What does it mean for managers to exercise responsibility? We might answer: responsible managers know what their jobs are and they do them. They are reliable: They walk the talk. Responsible managers are also responsive: They know how, or they quickly learn how, to respond to unexpected contingencies. They know how to size up and sort out conflicting situations. What

especially characterizes responsible managers is not their knowledge or the particular rules they follow but their capacity to get a reasonably good sense of what is going on, to consult with and involve relevant others, and to initiate effective courses of action.

Beyond these general statements, there are several quite different sets of ideas about the scope and character of a manager's responsibilities. In the next section, we will review three different models regarding the fundamental responsibilities of managers. Each model, interestingly, also assumes a quite different set of assumptions about the basic character of firms: At the core, what are the defining features of firms? From the perspective of the larger society - which in various ways through their laws and governments grants them licenses to operate - what are the distinctive mandates of businesses? And correspondingly, what then are the basic responsibilities of managers, who operate these businesses?

The word 'responsibility' refers not just to tasks and job descriptions. Fundamentally, to exercise responsibility is to act ethically. Often we misidentify or too narrowly identify the practice of ethics with knowledge and compliance with codes, the development and use of certain kinds of philosophical arguments, and/or attempts to live personally virtuous lives. While the practice of ethics is indeed related to each of these activities, fundamentally it involves the efforts to consider and assign priority to all of these and many other normative and value-laden claims, to consider as well the interest and claims of others involved, and then, in communication with others, to exercise judgment and take action. The practice of ethics is a skill-based, emotionally informed, relational (Maak and Pless, 2006, Pless and Maak, 2005), intellectually rigorous individual, communicative, and social activity (Bird 2002).

How assumptions about the business of business shape assumptions about the responsibilities of managers

In major ways how managers think about their basic responsibilities are affected by their often taken for granted presuppositions about nature of firms and correspondingly what is expected of them as managers of firms.

The classical view of the firm

Typically, according to Neo-liberal economic assumptions, firms are regarded as legally accountable, economic organizations, variously producing and marketing goods and services, which aim in the process to generate adequate rates of return for their owners/investors. In order to prosper as businesses, firms are expected efficiently to utilize their resources (labor, supplies, finances, good will, etc) and effectively to market what they produce in order to provide a reasonable rate of return for owners/investors.

As Milton Friedman famously argued, the social responsibility of businesses is to make profits for their owners so long as they operate without fraud, in keeping with legal rules, and in keeping with societal values (Friedman, 1970). For the most part business schools and faculties of management take this model for granted. While helping students to develop competencies with respect to finance, accounting, human resource management, marketing, economics, strategy, and policy, overall these educational programs aim to help students so the latter are ready to further the competitive advantage of the firms for which they work or will work (Porter, 1980). In keeping with

this model, business schools teach ethics as a way of identifying and resolving conflicts and dilemmas that arise occasioned both by cultural differences as well as personal versus organizational interests. Ethics becomes as well a means of acquainting students with legal, professional, organizational, and industry norms.

In spite or because of its pervasive influence, this model has been widely criticized. The critics invoke varied arguments. Some note the way this model too readily takes environmental resources for granted and does not adequately account for the costs of many environmental input and outputs such as water, non-renewal resources, and pollution (Daly and Cobb, 1990). Others criticize the way this model both treats workers simply as factors of production and has led to growing inequality. Still others criticize this model for the ways it seems to encourage and aggravate greed and exploitation (Bakan, 2004). Too often, other critics argue, this model encourages managers to treat ethics as ancillary to the practice of management, connected more closely to public relations or personal virtue than everyday business practices.

CSR/Stakeholder Model

Critics of the Neo-liberal model have especially rallied around an alternative stakeholder model, which especially emphasizes the social and environmental responsibilities of businesses (Freeman, 1984, 2004). The proponents of this model typically identify the basic responsibilities of firms in terms of their corporate social responsibilities (CSR) and the triple bottom line - financial, social, and environmental - in relation to which businesses' performances ought to be evaluated (Elkington, 1998). This model differs from the first in several ways. One, although firms may be primarily accountable legally to their shareholders/owners, they are also held to be accountable to their several stakeholders (sometime interpreted quite widely to include anyone affected by the firm (Freeman, 1984). Two, firms are to be evaluated in terms of their outcomes, gauged not only in financial terms but also in social and environmental terms. This model has been championed by the growing CSR movement as well as by countries like Japan and Germany in which business governance models give greater voice to representatives of workers and creditors

According to this model, managers are expected to assume a wider, not always clearly defined set of responsibilities beyond those connected directly with their specific tasks. Minimally, they are expected to know and seek to make sure that their firms are operating in keeping with relevant CSR codes, as these have been developed by their industries, firms, environmental groups, and community associations. They also expected to initiate relevant and reliable audits to gauge the extent to which their firms have acted in compliance with these standards. On another level, they are also expected not to leave their consciences at home but to allow their personal moral feelings to serve both to alert them of moral risks and hazards and to foster larger feelings as responsible organizational citizens (Jackall, 1998).

For the most part the CSR/Stakeholder model functions as a supplement to the classical neo-liberal model of the firm. It does not so much directly challenge that model as it serves as both a kind of check on its excesses and as a complement, providing a larger view of the responsibilities of businesses to the societies in which they operate. Variations of this model have been proposed and supported by groups like Businesses for Social Responsibility, the UN sponsored Global Compact, the Global Reporting Initiative, the banks championing the Equator Principles, and the wide-spread CSR movement (McIntosch et al, 2004; Webb, 2004; Webb 2005).

To a limited degree business schools and management faculties now offer courses in CSR, sustainable development, and business ethics to help students understand and develop skills to respond to these wider expectations. Many standard courses in traditional subjects include a small section devoted to ethical or CSR topics related to finance, accounting, strategy, HR management, and marketing. Some schools include service learning opportunities so that students can apply their business skills as volunteers helping community groups. Still, for the most part ethics and CSR are treated as extras.

The CSR/Stakeholder model has also been widely criticized. It has been challenged for excessively enlarging the responsibilities of businesses, so that firms are expected in not clearly delimited ways to act like social agencies in addition to businesses. Businesses thereby may well both venture into areas for which they are not especially qualified and become distracted away from basic responsibilities as businesses. Too often, it has been argued, businesses superficially comply with specific social and ethical standards for PR purposes, while neglecting basic business responsibilities. In developing areas, while focusing on particular ethical rules, a number of businesses have missed the larger opportunities to operate in ways that might genuinely foster broader economic development in these areas (Whiteman, 2004; Bird, 2004). Although this model calls for a more socially responsible vision of the firm, it tends to reduce ethics to rules and compliance with rules.

The interactive, revised stakeholder model

It is possible to identify a third model of the firm, which has been defended by a number of contemporary business people and observers (REFERENCES?). According to this model ethical responsibilities are not viewed as extra or additional expectations. They are regarded as integral to the basic understanding of business responsibilities. Correspondingly, the Caux Roundtable refers to its version of this model as 'Moral Capitalism' (Young, 2003). Like the CSR model, this model assumes that firms must be viewed always in relation to their stakeholders. However, in distinction from the CSR framework, this model assumes *not* that firms *have* stakeholders, as groups in some ways independent of firms of which they should take account, but rather that firms are constituted by their on-going interactions with their stakeholders. Correspondingly, a firm is best understood as a nexus of negotiated, risk-bearing, asset creating interactions. It is only by virtue of these interactions that firms are able to operate and do business (Bird, 2001). Firms are correspondingly expected to maximize their overall worth (assets) gauged not just in relation to the residual returns due to shareholders/owners but also in terms of assets variously brought into play by their interactions with all of their relevant stakeholders: investors, creditors, suppliers, customers, employees, managers, relevant governments, etc. Firms are expected to cultivate and maintain fair, reciprocating, mutually beneficial (albeit typically asymmetrical) relations with their diverse stakeholders and to integrate and balance these diverse relations in the interests of the firm as a whole.

From the perspective of this interactive model of the firm, economic and moral interests are inextricably interrelated. Firms maximize their economic value over time as they act in ways that create the most overall benefit for those with whom they interact. They add value to the societies in which they operate by means of the values they add to the stakeholders with whom they interact as part of their business operations. They are more likely to enhance and protect their assets by operating in sustainable ways. Workers are most likely to work effectively – with low turnover, low

absence rates, and reduced tendency to work-to-rule – when they feel empowered to adjust or determine their own approach to their tasks and can take some initiatives to advance their own careers (Mowday et al, 1982; Glisson and Durrick, 1988; Bird, 1999). Businesses become irresponsible and imbalanced and put their firms at added risk if they excessively favor or disfavor certain stakeholders in ways that are disproportionate to a reasonable assessment of their overall contributions, efforts, risks, and market values (Bird, 2006a).

From the perspective of this interactive model, it is both possible and useful to gauge the degree and ways by which firms add to or deplete the various human and natural resources they utilize as part of their operations. Accordingly, we can inquire about extent and means by which they augment and/or reduce the assets with which they interact. To what degree do they operate in ways that effectively utilize, add to, and/or waste and reduce the financial and human assets which various stakeholders invest in them? To what degree do they effectively use, build upon, or deplete the several forms of productive and social capital at their disposal? In what ways do they effectively use, conserve, and/or use up the natural resources made available to them? If firms deplete any resource (human, technological, financial, and/or natural); if they ‘mine’ any of these resources in practice, then what kinds of additional contributions do they attempt to make up for these losses?

According to this model, managers remain centrally responsible for the operations and interactions of their businesses but the interactions by which firms are constituted in turn are understood to reach into society in a number of ways. Similarly, managers are expected to work to protect and enhance the assets of their firms but these in turn are understood broadly to include not only the financial and productive resources which businesses utilize but also the human, social, and natural resources which they variously draw upon, interact with, cultivate, and employ. In so far as possible managers have a fiduciary responsibility to respect, conserve, effectively utilize, and where practicable renew, reuse, and revitalize the assets with which they are entrusted. Furthermore, in keeping with this model, in order to do business effectively, whether they are negotiating, collaborating, administrating, or inquiring, managers are expected to engage in reciprocating communications that are forthright, attentive to others, responsive, honest, reasonable and honest (Bird, 1996). Managers are, additionally, expected to be genuinely worldly (Gosling and Mintzberg, 2003); that is, they are expected to be realistic about their particular situations, their cultural contexts, current exigencies, past experiences, and future possibilities (Bird, 2009).

Most importantly, in keeping with this model, managers are expected to be able to exercise good judgment in a timely and contextually fitting manner. They are expected to find effective ways of balancing diverse social, economic, organizational, cultural, and personal claims and interests.

In several ways this interactive model addresses criticisms raised with respect to the other two models. Like the neo-liberal model, it assumes that managers primarily are responsible for furthering the good of their businesses but it then identifies this good much more broadly in relation to a firm’s stakeholders. It correspondingly identifies the scope of a manager’s responsibilities both more broadly than the neo-liberal model and in more delimited ways than the typical CSR model. Unlike either of the other two models, it treats ethics as integral and not extra to the practice of business. This model also assumes that, while managers may be experts in particular disciplines, they are also expected to develop skills working with others, identifying and solving problems, exercising judgments as well as other tasks especially associated with the practice of managing.

In many ways this view of responsible management parallels ideas and assumptions held by those who view the responsibilities of managers in terms of risk management (REFERENCES NEEDED HERE). Risk management calls for a much more attentive and fuller regard for the wide-ranging risks, liabilities, as well as opportunities that businesses face. It also call for managers to exercise judgment in relation both to the on-going sustainability of firms themselves as well as the sustainability of the social, financial, and environmental systems with which they interact (Anderson, 2005). However, unlike the risk-management model, the interactive model calls upon managers to work not just to sustain assets but, in so far as possible, to work to augment and enhance these assets. The interactive model aims to promote the good of business understood in these terms.

Educating Managers to Assume Responsibility

In his book, *Managing*, Mintzberg (2009) discusses Effective Management as a normative standard – how managers ought to manage. In turn he discusses effective management in relation to the five mind sets which form the structural components of the IMPM program he helped to initiate together with others (Mintzberg and Gosling, 2002; Gosling and Mintzberg, 2003). The five mindsets Mintzberg discusses with respect to effective management are as follows: The Reflective, the Analytic, the Collaborative, the Worldly, and the Active. In this section, we outline the relation between these five mindsets and corresponding components of the practice of ethics. Our aim is to illustrate a possible way of organising an MBA directed specifically at supporting managers in their responsibilities.

Broadly defined, ethics is the practice of exercising judgments about how one ought to live, or more fully expressed, it is the practice of exercising judgments about how one (or ones) ought to live (and thereby act) at this moment in time in relation to the circumstances in which one finds oneself and in relation to others with whom one is interacting. This practice of exercising normative judgment involves ~~both~~ *reflecting* on who one is and appropriately respecting the others with whom one is interacting (and sometimes *collaborating*), *analyzing* the immediate circumstances and larger global context in which one find oneself, and developing a viable course of *action*.

Exercising judgment involves taking account of a number of considerations each of which affects how one thinks about the other considerations. This is not really a linear process that one can proceed through as the complex supporting conditions do not lend themselves to reductive representation in, for example, a well-laid out decision-making tree. Although many philosophers and others have argued that certain considerations always have priority or can be invoked as ethical trumps, in practice exercising judgment cannot be so simply enacted. It involves taking account of diverse considerations and determining in relation to particular situations and relevant others what has priority at this point in time. There are, nonetheless, several words of counsel that merit attention. Thus, one, it is important not to be blind-sided and overlook basic considerations that seem at the outset to be unimportant. As well, two, one must guard against the temptation to become overly preoccupied by considerations of moral worth (factors related to praise, blame, and reputation either communicated by others or internally considered). Three, from time to time and in spite of the most thoughtful efforts, one is bound to make mistakes in judgment. It is, therefore, important to be alert to this possibility and to be ready to learn from these occasions. Finally, four, outcomes do matter.

The practice of ethics and the reflective mind set

The call of conscience and the pursuit of integrity: Among other outcomes, reflection ought to make one more aware of one's own feelings, values, and sense of conscience. Reflection ought to facilitate a clearer sense of who one is, what one feels, and what one's values. As one engages in the practice of managing, one ought to act in keeping with one's conscience. One ought to act with integrity. As many ethical philosophers have argued, it is morally dangerous either to ignore one's conscience or to act in opposition to one's conscience (Bird, 2006b).

It is important to recognize that conscience does not refer to a human faculty but the activity of self-knowing. To act in keeping with one's conscience is to act with integrity and that means, minimally, to act in ways that the various dimensions of one's life are in some ways integrated. The call of conscience is the call to act in keeping with one's deepest sense of who one is and what one values. One typically becomes aware of this call as one begins to act in violation of one's convictions and sense of self. To act with integrity also correspondingly entails acting honestly, fully acknowledging one's surface and ulterior motives.

Correspondingly, it is possible to identify several typical ways in which people act without integrity or not in keeping with their conscience. These include all of the following. One, acting with hypocrisy: that is, acting one way while talking as if one were acting in a different way. Two, one acts without genuine integrity by acting in relation to a false centre that in important ways ignores or leaves out salient dimensions of one's life and being (ignoring important feelings or relationships). People often embrace various fundamentalisms because they offer certitude with regard to the sense of self which, though certain, leaves out less easily acknowledged but still basic dimensions of self. Three, people violate their consciences by acting self-deceptively. The tricky feature of self-deception is that it is very difficult by oneself to catch oneself doing it. A key aim of reflection is to facilitate this kind of self-knowledge.

If undertaken appropriately, reflection ought to foster greater self-awareness, increased capacity to acknowledge short falls, and more facility at working to integrate the various dimensions of self. One can only really find self-integration (integrity) by finding ways to establish both basic considerations which one will always respect as well as priorities with regard to these considerations which seem most important. Reflection ought to help us to acknowledge these considerations as well as the extent to which we are able to honor them.

If reflection helps us to establish and sustain some basic convictions about how to lead life, ~~the~~ challenge is how to manage situations in which one is asked or required to act in ways that violate ~~one's~~ these basic convictions. There are diverse ways of acting on these occasions. One can comply and ignore the discrepancy. One can comply aware that one is acting against one's conscience. One can refuse to comply and live with the consequences. Alternatively, one can work to redefine the situation so that the conflict between what one is asked to do and one's basic conviction become less discrepant. One can enter into negotiations in order to alter what one has been asked to do. These last two alternatives become more viable especially if one is allowed some time to work out changed definitions or to negotiate changes. Sometimes one has no time for such deliberations and negotiations, but many times one does have time. And, as we will see, depending on how one views the various moral expectations impinging on the situation, ~~many times with mortal imagination~~ one

can, [with imagination](#), sort out viable compromises. The challenge in these settings is not to be able to act with a pure conscience (as if situations were always simple and courses of action were morally unambiguous) but to be able to act with as good conscience, aware of the moral ambiguity connected with most actions.

Another way in which the reflective mind set can enhance ethical sensibility is by helping one understand and follow one's calling(s). Callings are different from occupations or tasks or roles. In callings people not only do things expected by where they are working, they are also seek to realize valued purposes in ways that also allow them to fulfil themselves ([see, for example, Macartney, 2007](#)).

The practice of ethics and the analytic mind set:

Three ways in which the analytic mind set can inform the practice of ethics are in respect of (a) discerning existing mores, (b) determining what is at stake, and (c) conducting ethical audits. We shall consider each in brief.

Before determining how one ought to act in a given situation, it is important to understand what existing normative expectations (values, laws, mores, etc) obtain in a given organizational context. In most settings people are already guided by various expectations about how they ought to act. When he studied two businesses in the 1980's Robert Jackall discovered that managers were already guided by a ethics-in-practice, quite different than the official codes and policies of their companies (Jackall, 1998). This ethics-in-practice was primarily focused on how one should act in order to advance one's career (Bird, 2002). In different countries or different industries, one is likely to find managers influenced by a number of different sets of mores, values and ethics-in-practice. Before advocating how managers or businesses ought to act, it is necessary to act like a good anthropologist and attempt to gain a good sense of the normative factors that may already influence how they act. One is well cautioned to recognize that while these normative expectations may well be influenced by standards officially endorsed by their firms, industries and professions, these expectations may also be influenced, as Jackall observed in his study, by other factors not so publicly announced (Jackall, 1998).

One is often called not merely to understand these prevailing mores but also to be able appreciatively to evaluate and to criticize them. For any particular moral issue it is important to determine what really is at stake. This analysis calls upon one thoughtfully to (i) determine what really is the issue to which one needs to attend; (ii) distinguish basic issues from superficial ones; and (iii) determine which issues have priority. None of these tasks are simple. Each calls for both analytic skill and imagination. Identifying issues effectively involves attention to relevant norms, relevant points of view, relevant exigencies, and possible alternative courses of action. Because they are often initially aroused by symptoms, people often take aim at dealing with these symptoms rather than focusing on the underlying issues. Identifying the real character of ethical issues calls for both thoughtful analysis and imaginative exploration of alternatives. Determining which particular issues have priority calls for a balancing of three different considerations; namely: (i) the weightiness or importance of the issue itself; (ii) the competency that one (or one's organization) has to respond effectively; and (iii) the urgency or timing associated with the issues at hand.

Every effort to determine what is at stake must begin with the recognition that as humans, and as managers, we are undertaking these assessments as residents of one world that is now at risk in a number of different ways. As we determine what is at stake, we must undertake relevant and rigorous social, environmental, and economic risk assessments of the situations we are facing.

In order to foster ethically responsible conduct by managers and businesses, it is important to find effective ways of ethically auditing these operations. There are number of different ways of engaging in ethical auditing, including the use of objective external audits by public agencies, the use of standardized auditing schedules like that prepared by the Global Reporting Initiative, and the use of more opened-ended developmental evaluations (Bird, 2006b).

The practice of ethics and the collaborative mindset

Whether public, private, or voluntary, organizations often fail to act effectively in response to moral issues because people are morally mute and do not speak out forcibly about moral issues (they either remain quiet or whisper their concerns) and/or they fail to pay attention when others speak (they are morally deaf)(Bird, 2002) .

As businesses interact with their various stakeholders, they are well counselled to engage in these exchanges in ways that seem fair to all concerned. Correspondingly, managers are well counselled to act in keeping with standards associated with commutative justice, that is, justice with respect to exchanges. These exchanges are more likely to be experienced as fair in so far communications remain open and reciprocal and there is some rough correspondence between resulting benefits and the efforts, risk, and contributions of those involved (Bird, 2006c).

The implications of a collaborative mindset extend beyond personal practices of openness (speaking out) and just exchanges in two important ways. Firstly, the modified interactive stakeholder model that we advocate in the opening sections brings collaboration into the heart of business and management – in fact, it is radically collaborative, embodying what we might call an ethic of collaboration.

Secondly, a collaborative mindset alerts us to significant differences in the way in which agency and responsibility are experienced. Often characterised as communitarian versus individualistic societies (Hofstede, 19??), this distinction has profound implications for a manager’s sense of accountability as well as the ways in which he or she goes about the task of negotiating an securing agreement to any course of action. Although Gosling and Mintzberg’s original (2003) formulation of the collaborative mindset explicitly aimed to strengthen communitarian sensibilities, this need not be the only focus – the point is that managerial forms of ethical practice are inherently collaborative, and that collaboration has existential significance at personal and cultural levels, underlying the diverse forms, styles and structures by which it is effected.

The practice of ethics and the worldly mindset

Worldliness is a term replete with meanings. At one level it implies a kind of street-smart pragmatism, facing the world as it really is, in practice rather than as one might model it in theory or wish it to be in fantasy. It is to approach life without blinkers, neither cynical nor romantic. To be worldly in this sense is to be worldly-wise, or wise to the ways of the world, and it implies a realistic assessment of motives, power and means-ends relationships in oneself and others; importantly, it implies an awareness of the vast diversity of motives, powers and purposes; how these are persistent in some ways, emergent or pliable in others. Being worldly is to be actively engaged in a

universe of emergent possibilities. This observation leads us to another very important meaning of the term: as an alternative to 'global'.

While the term 'global' connotes all-inclusiveness and universality, 'worldly' is more 'feet on the ground', referring to the uncountable variations of particular lives. Thus a worldly mindset differs from a global awareness in its attention to the differences that make for difference; being alert to the human voice, suspicious of abstraction and massification, noticing and valuing the personal choices that moment by moment constitute ethical practice.

Societies give businesses a mandate to operate in so far as businesses add genuine economic value: that is, they operate in ways to utilize natural and human resources in order to provide goods and services that have utility and overall augment human possibilities in ways that respect (and sustain) the human and earthly resources which they utilize. In a sense businesses operate within an implicit social contract. Their license to operate is based upon an implicit assumption that they can and will add value. Managers and businesses have a fiduciary responsibility in relation the world and its inhabitants, which provide the resources and fields in which they operate.

As they manage, managers interact with and utilize diverse assets or forms of capital. We can analytically distinguish these as, one, financial assets (incomes, credit, investments, etc); two, human assets (the skills and dispositions of the people who work); three, social assets (the networks, trust or the lack thereof as in states of conflict and security); four, productive assets (whether technological and organizational, and/or infrastructural – whether, again these be physical, social, legal, or economic); and, five, natural assets.

The practice of ethics and the action mindset

Whenever a person attempts to make up her or his mind about a moral issue, that person inevitably must consider at least five different but related moral questions. These are each important. Depending upon the issue, some of these questions may become more important than others. Some philosophers and thinkers argue that particular questions always have priority (REFERENCES). The answers to some questions can, many think, function like trumps (REFERENCES). Nonetheless, all of these questions are important. The practice of making judgments calls for a thoughtful consideration about the weightiness of each question and the thoughtful attempt to assign priority as seems fitting in particular settings and points in time.

These questions are as follows: (i) What is the good (outcome) I am hoping to realize? (ii) What are the ethical right ways of acting (either or both defined as minimal obligations – duties, laws, etc – or as standards of excellence – ideals, etc)? (iii) How as a person can I act in ways that are morally worthy – in ways that merit praise and not blame (from others, my own superego, God, the law of karma, etc)? (iv) What ways of acting are expected by local conventions and to what extent do these conventions merit respect? (v) How can we effectively realize our objectives in a world structured by power, resistance, fear, and boredom?

Actions always take place within particular topographies of power. Managers are well counselled to explore ways of enhancing the effectiveness of their own project and neutralizing or defending against the power exercised by those who are likely to oppose these projects.

Building ethical practice into an MBA

In the foregoing sections we have argued that managerial work is intrinsically ethical in that every act that can be called 'managerial' implies the enactment of ethics. To manage is to practice ethics. One of the implications of an interactive model of business – the emerging model we have outlined above – is that it intensifies the ethical component of managing because it requires constant negotiation and reassessment of responsibility across a wide range of interested parties. We have approached the ethical practice of managing through the device of five mindsets, suggesting that these allow us to characterise specific forms of ethical practice; and to devise educational pathways appropriate to each of these mindsets. This is the focus for the final section of the paper, in which we take as an example – a straw man, perhaps – a current project of the authors: a One Planet MBA.

References

- Anderson, Dan R. (2005) *Corporate Survival: The Critical Importance of Sustainability Risk Management* (New York: iUniverse, Inc.)
- Baker, Joel (2004) *the Corporation: The Pathological Pursuit of Profit and Power* (Penguin Canada)
- Bird, Frederick (1996) *The Muted Conscience: Moral Silence and the Practice of Ethics in Business* (Quorum Books)
- Bird, Frederick (1999) "Empowerment and Justice" *The Ethics of Empowerment*, eds John Quinn and Peter Davies (England: MacMillan Press) Chp 2., 41-89
- eds Frederick Bird and Manuel Velasquez (Houndmills, U.K.: Palgrave-Macmillan), chapter 2.
- Bird, Frederick (2001) "Good Governnance: A Philosophical Discussion of the Responsibilities and Practices of Organizational Governors": *Canadian Journal of Administrative Studies*, Vol 18 (4), pp 298-312.
- Bird, Frederick (2002) *The Muted Conscience: Moral Silence and the Practice of Ethics in Business* (Quorum Books).
- Bird, Frederick (2004) "Wealth and Poverty in the Niger Delta: A Study of the Experiences of Shell in Nigeria" *International Businesses and the Challenges of Poverty in Developing Areas*, eds Frederick Bird and Stewart Herman (Palgrave-Macmillan)
- Bird, Frederick (2004) "Dilemmas of Development" *International Business and the Dilemmas of Development*, eds. Frederick Bird, Emmanuel Raufflet, and Joseph Smucker (Palgrave-Macmillan), Chapter One.
- Bird, Frederick (2006a) "Just Business Practices" *Just Business Practices in a Diverse and Developing World*
- Bird, Frederick (2006b) "Fostering Social Responsibility: The Role of Ethical Audits" *Just Business Practices in Diverse and Developing World*, eds Frederick Bird and Manuel Velasquez (Palgrave-Macmillan)
- Bird, Frederick (2006c) "Justice in International Business" *Just Business Practices in a Diverse and Developing World*, eds Frederick Bird and Manuel Velasquez (Palgrave-Macmillan).
- Frederick Bird (2006d) "Justice in International Business" *Just Business Practices in a Diverse and Developing World*, eds Frederick Bird and Manuel Velasquez (Palgrave-Macmillan),
- Bird, Frederick (2009) "Why the Responsible Practice of Business Ethics Calls for a Due Regard for History" (submitted as part of a special issue to the Journal of Business Ethics)
- Daly, Herman and John Cobb (1990) *For the Common Good*
- Freeman, Edward (1984) *Corporate Strategy: A Stakeholder Model*

Friedman, Milton (1970) "the Social Responsibility of Business is to Make Profit" *New York Times Magazine*.

Glisson C. and Durrick, M. (1988) "Predictions of Job Satisfaction and Organizational Commitment in Human Service Organizations" *Administrative Science Quarterly*. Vol 37, pp 161 – 81.

Gosling, Jonathan and Mintzberg, Henry (2003) 'The Five Minds of a Manager', *Harvard Business Review*, November, 81(11): 54-63.

Jackall, Robert (1988) *Moral Mazes*, Oxford: OUP

[Macartney, Tim \(2007\) *Finding Earth, Finding Soul* \(Higher Ashton: Mona Books\)](#)

McIntosh, Malcolm; Woodcock, Sandra; and Kell, George eds.(2004) *Learning to Talk: Corporate Citizenship and the Development of the UN Global Compact*. Sheffield: Greenleaf Publishing

[Mintzberg, Henry and Gosling, Jonathan \(2002\) "Management Education Beyond Borders" *Academy of Management Learning and Education* 1\(1\)](#)

Mintzberg, Henry (2009) *Managing*, London: FT Prentice Hall.

Mowday, R., Parker, W., and Steers (1982) *Employee-Organizational Linkages: The Psychology of Commitment, Absenteeism, and Turnover* (New York: Academic Press)

Niebuhr, H. Richard (1962) *The Responsible Self*

Porter, Michael (1980) *The Competitive Advantage of Business*

Webb, Kernaghan (2004) *Voluntary Codes: Private Governance, Public Interest, and Innovation* (Ottawa: Carleton University Press)

Webb, Kernaghan (2005) "The ISO 26000 Social Responsibility Guidance Standard – Progress So Far" *Depot Legal – Bibliotheque nationale du Quebec*.

Weber, Max (1946) *Essays in Sociology: From Max Weber*, eds by H.H. Gerth and C. Wright Mills (New York: Oxford University Press)

Whiteman, Gail (2004) "Forestry, Gold Mining, and Amerindians: The Troubling Example of Samling in Guyana" *International Businesses and the Challenges of Poverty in Developing Areas*, eds Frederick Bird and Stewart Herman (Palgrave-Macmillan)

Young, Stephen (2003) *Moral Capitalism: Reconciling Private Interest with Public Good* (San Francisco: Barrett Kohler, Inc.)