

## Leadership in Organisations – Influences of Philosophical Practices and Social Responsibility

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### Abstract

*The paper aims to discuss how to improve the skills of a manager for the benefit of an organization and for society through its responsibility towards their members. The role of philosophical practice in the business environment, especially economic organizations that may be interested in improving performance leadership teams, where they can also call upon philosophical consultancy as a tool made available by new specialists trained in this field. An important role for leaders is social responsibility for increasing the reputation of the organization they represent. For the leaders, the philosophical counseling can be a solution for their organizations and society.*

**Key words:** leadership, management, organization, philosophical practice, social responsibility

**J.E.L. classification:** M10, M14

### 1. Introduction

The contemporary epoche, from the point of view of a manager or leader of an organization is the epoche when the results expressed in figures are more important than asking questions and seeking answers; where discourse is preferred to dialogue, or where the need for security replaces business confidence, which leads us to reflect on the need to revitalize leadership with the help of other tools now taken from philosophy and presented by well-trained specialists in philosophical consultancy for managers and teams their. The leader, called manager or general manager is the person at the top of an organization, and who must come up with solutions to any situation or problem that the company faces, which usually arise from the business environment in which the organization is acting or can be generated by some case from the inside. The need for a company strategy derives from the culture of the organization and responds to the economic environment through the company's activity, respecting the environmental norms in which it is located, generating trust and recognition as a socially responsible organization.

We will present in the paper some elements of philosophical practice that can be accessed by organizations in the form of philosophical consultancy, and that will highlight the role that philosophy can play when they are applied into the business environment. We will refer to a new counseling service, different from the already established forms, such as business consultancy or coaching; where philosophical consultancy is the one that can be addressed to managers and their teams, management councils, entrepreneurs and groups of workers from the organization, depending on the goal pursued by the practitioner.

## 2. Theoretical background: Leadership and philosophical consultancy

About this new field, we have referred in to our recent research (Hategan, 2018) on the role of philosophical practice in the business environment, especially economic organizations that may be interested in improving performance leadership teams, where they can also call upon philosophical consultancy as a tool made available by new specialists trained in this field.

From the historiography of the emergence of new specializations among the practitioners of philosophy, is the philosophical consultant for the business environment, where we find a renowned American practitioner, Peter Koestenbaum (2002), also called *the corporate philosopher* who can be considered a pioneer of philosophy for leaders, this being the author of a volume on this subject, with a suggestive subtitle: *A philosophy for leaders*.

Trying to define the role of a leader in public organizations or institutions, Marino (2008) explores from the point of view of a philosopher practitioner, outlining his profile, emphasizing some virtues such as personality, authority, persuasion, perspective, realism or idealism, experience or competence, anticipation, boldness, memorization, sensitivity, and wisdom; all of which are characteristics of a manager. These can be developed with the help of tools and practices specific to philosophy, which can be successfully applied within organizations, now with the help of a specialized practitioner's in philosophical consultancy.

Andrea Vitullo (2007), an experienced Italian financial services manager, introduces the concept of reflexive leadership to show how organizations can become a new agora, like the ancient times, where "organizations, companies , people and work seem to be in great need. "To highlight the role of the manager in the organization, the Italian specialist starts from the assertion that "management is philosophy in action" and emphasizes the help that philosophical dialogue and philosophy generally offer to a leader, in order to regain the long-lost individual and collective sense, it approaches the practical wisdom manifested by *phronesis*.

In the same sense of helping the manager, who also has now the philosophy tools to improve the life inside a company, the French philosopher Eugenie Vegleris leaves the academic area in which he activates and moves to philosophical practice, publishing in 2006 the book *Manager avec le philo*, that starts with a letter addressed to him a generic manager. The French practitioner identifies some features that can be acquired by a manager when he interferes with the applied philosophy, now with helping of a philosophy specialist who ventures to enter his organization.

We summarize briefly some of the advice that he addresses in his book to a manager, namely:

- to lead the company with simplicity by speaking in a common language, expressing ones own thoughts, laughing or saying simple 'I do not know';
- be amazed to progress, as Socrates did in antiquity; to define to clarify concepts or ideas, using the experience of Plato and Socrates, at Spinoza and Bergson;
- Dialogue to build, as Socrates did, considered to be the father of the philosophical dialogue, until find the existential dialogue and communication of Karl Jasper;
- to make a foundation to resist over time, identifying the foundations of the company and the common principles needed to build a solid foundation for the business, taking on the concept of antiquity used by the presocratic philosophies and later by Descartes, Jean-Paul Sartre and Hannah Arendt;
- to be creative, inspired by the life's thinkers, as Montigne and Bergson;
- to exist and to be able to work in a world of appearances, as presented in the discourse of the antique philosophers, who mastered the art of appearances until Plato's reaction, and continuing with the phenomenological approach of Husserl.

We observe all of these outlined features for a manager, the importance that philosophy can have in developing managerial skills, through the practice of asking questions, by addressing dialogue as a preferred communication tool, and by developing creativity in a standard-specific area, fact for which the conclusion is in line with the author's approach, which emphasizes at the end of the paper that: "Working in this way, today's manager creates the world of tomorrow!"

About Contesini's (2009) work on the need for an exercise to ask questions in an organization, in his book on philosophical sensitivity that can be developed by a leader, who can be supported by counseling, coaching or mentoring, like a form of individual of development or for the team. She

is also indicating the need to develop a code of ethics, which will influence the building of a good reputation of the organization.

One of the Danish corporations advisors, Professor Morten Paustian (2015) presents the concept of being a "*leadership development*" that to show the effectiveness of a leader's action, he tells us how he needs the following defining features: the emancipation capacity, the manifestation empathy, the ability to imagine and the power of transformation; and which lead to these conclusion: "The essence of leadership is therefore to facilitate and improve the creative forces of life by developing skills of innovative thinking and clarity in practice. Those skills subsume the ability to act efficiently in terms of developing people in your professional and / or private nexus".

In the same field of philosophical practice within organizations, we identify another concept that illustrates the needs of a company, namely "organizational thinking," expressed by two Italian practitioners, Cervari and Pollastri (2010) whose fundamental elements are: complexity, instability or change, and competition. To highlight the importance of philosophical practice within the company, the two practitioners detail the areas in which they can act, namely: the identity of the person, group, community or organization; ethics and social responsibility; communication and democracy; power through change; innovation through creativity; the field of managerial training by learning new methods of thinking; the field of knowledge in order to develop human capital.

The book of the two practitioners shows what challenges for future management are, as identified by a 2009 study by an expert group from prestigious universities, presented at a conference in Milan, which we present now schematically: creating a management system capable of serving high goals; including the community ideas in this system; reconsidering its philosophical bases; increasing confidence and eliminating fears; reconsidering control tools and redefining leadership; promotion of diversity, formulation of a clear direction and development strategy; eliminating past influences and setting new time horizons; manager perspective, optimization of the information circuit; discouraging conflicts; expanding the organization's autonomy; creating internal competitions for ideas, talents and resources; eliminating the political element in the decision-making process; making compromises; encouraging creativity and imagination; fostering community of interests and social responsibility; opening up markets and new business practices; reconsidering language and leadership of the organization.

Starting from an ancient philosophical premise, where the virtue is preferred to the vice, if we relate to the organizational or business environment, we can deduce that only virtuous organizations generate a better life. In this respect, the field of counseling can develop other forms by which instruments of philosophical practice are transferred, which are transferred to a new kind of philosophical counseling. The services offered to a company or organization can be diverse, starting from making a statement about the company's mission in its field of activity; continuing with the development of an internal code of ethics and its implementation within the firm in the sense of being known to all staff; organizing motivational or advisory programs at various levels within the organization; until settling or resolving conflicts within the organization. The mission usually involves the setting up of goals, which can be achieved if they are inspired by certain virtues, and specialized advice can help the management team make this statement to sustain a sustainable development of the organization.

Professor Lou Marinoff (2016) wrote about the importance of a specialist who can offer his services to the management team or to employees of the company, where: "The philosophical consultant helps organizations to be more virtuous. It is the highest possible call for a philosopher; and the greatest aspirations for an organization". Marinoff has introduced a new service for a company, a tool from a philosophical practice, namely the socratic short dialogue, thus adapting to business area, with specific time requirements where this type of application can be reduced from two days to several hours. Other types of services being: the motivational discourse, ethical compliance, dilemma training and its his method called generic PEACE (Marinoff, 2009), which takes place in five stages, each symbolizing a letter from its acronym: problem, emotion, analysis, contemplation and balance. Lou Marinoff is currently the president of The American Philosophical Practitioners Association -APPA, there and regularly organizes training programs for philosophical consultancy for organizations and companies.

### 3. Leadership and social responsibility

The virtues necessary to achieve the mission of an organization are likely to increase the performance, the competitiveness and the cooperation of its staff or the management team. When the mission statement of an organization is carried out, we consider it important to include elements of its policy in the field of social responsibility by anticipating some potential risks but also opportunities for framing the general and zonal conditions in which it operates.

We can talk about the concept of corporate governance, where the leadership team of the organization will have an overriding role, who is concerned with the achievement of Corporate Social Responsibility (CSR). CSR can be a framework of the organization's ethical code as a holistic and integrated way of thinking (Girolamo and D'Anselmi, 2017) that includes goals and strategies over longer terms, and their observance leads to the definition of the organization as being responsible for society, with the effect of increasing the reputation, with indirect implications in the market in which it operates, by obtaining additional facilities, from financing and human resources, to market access and other government facilities.

The importance of CSR reporting is writing by Italian economist Silvio De Girolamo (2017), which makes this link to the so-called "reputational capital", explains the reputation benefits when there is transparency of communication about the organization's social responsibility program, and which will have the effect of creating a better life for the entire community in which the company operates. The communication of CSR actions are made by sustainability reports, which can be mandatory or voluntary. The leaders need to be aware that voluntary reporting brings benefits on long terms and the application of ethical principles leads to sustainability of their organizations. The sustainability reports contain non-financial information about CSR activities, but the value of the investments in these activities is provided by the accounting information. Leadership styles determine how managers use accounting information (Hopwood 1974) and the styles changes with the accounting changes (Jansen, 2008).

Returning to corporative philosopher Koestenbaum (2003), he uses a leadership advisory model, generically called Leadership Diamond, which includes four lines of action: vision, ethics, courage and reality; all this leading the leader towards achieving excellence. For each of these proposed working directions, the American practitioner recommends a certain tactic, detailed in his book, translated into Romanian (Koestenbaum, 2006). When he refers to the ethics of a leader, it shows that "Rather than helping people evolve for the sake of service, it is wiser to develop jobs for the sake of the people" after which the practitioner relates to the organization's requirement to make a profit, with the fact that "profit comes when people find sense in their work".

The elements of the proposed tactics develop the leader's team on moral and loyalty principles to the organization in which they operate, having as a result the development of a group awareness of the social responsibility of both the organization and the people working in it. Koestenbaum correlates in his work with the concept of responsibility with other concepts, such as responsibility, efficiency and initiative; specifying that achieving excellence and achieving a new leadership consciousness requires the overcoming of resistances, meaning proposing a seminar for the management team that includes several stages considered as applications of its method. He ending his book with numerous tips, suggestions and recommendations for all who work in the business environment and who want to achieve performance.

In this context, Fatic (2017) argues: „The primary mission and measure of corporate success today is the capacity of the company to influence society in ways that will enhance it economically, culturally, and morally. Profit and transactional efficiency are no longer the primary focus; they are, rather, the expected and logical effect of social engagement.” In this sense, can be resumed that the corporate growth needed an external guidance and the humanistic corporate consultant can have here a good role to facilitate the development of leadership.

#### 4. Conclusions

The purpose of the paper was to discuss how to improve the skills of a manager for the benefit of an organization and for society through its responsibility towards their members. We believe that for the leaders, the philosophical counseling can be a solution for their organizations and society.

Based on the presented models applied in other countries in 2016 in Romania was established *Asociația profesională a consilierilor filosofici și de etică*, that acts for recognition and regulatory these new occupations, for professionals become practitioners of philosophy and applied ethics, that can activate both the benefit of the person, as well as within companies, economic organizations and public institutions.

One of the future directions of this association is the implementation in Romania of a program of training of specialists in organizational consulting based on philosophical practice and specific instruments, so that the leaders of our country will realize the necessity to apply ethical principles in the functioning of the organizations and to be socially responsible.

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