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The important aim of the journal is to provide an international medium which is available free of charge for readers. The journal is supported by Business and Ethics Network BON, which is an officially registered non-profit organization in Finland. EJBO is published by the School of Business and Economics at the University of Jyväskylä in Finland.

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used. Figures, charts and diagrams should be kept to a minimum. They must be black and white with minimum shading and numbered consecutively using arabic numerals. They must be refereed explicitly in the text using numbers.

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Likeness to the Divinity? Virtues and Charismatic Leadership

Oskari Juurikkala

Abstract

Classical virtue theory provides a fruitful framework for understanding charismatic leadership. The article outlines the theory of virtues and demonstrates the contribution of virtues to the personality traits and behaviors that are associated with charisma. The virtue of magnanimity or high-mindedness is shown to play a special role. The virtue-based perspective to charismatic leadership clarifies disagreements concerning the definition and delineation of the concept of charisma. It also provides a novel framework for analyzing and criticizing charismatic leadership training programs. Finally, the article demonstrates that the dark side of charisma is a deformation caused by the absence of specific virtues such as prudence, justice or humility.

Keywords

Charisma, virtue, moral psychology, magnanimity, humility, level 5 leadership

1. Introduction

Charismatic leadership is a problematic concept. For one thing, the notion of charisma has ambiguous connotations. For some, charismatic leadership is a highly positive concept. Charisma is often looked for in executive recruitment, perhaps for both good and ill. There are also various kinds of training services for charismatic leadership, showing that charisma is seen as something to be aspired to (see Oppenheimer, 2008). Yet for many others, the word charisma has a negative connotation. It is taken to signify psychological manipulation of irrational crowds, and it is felt that it gives rise to the abuse of power and authority (see Khurana, 2002).

For another thing, many believe that the notion of charismatic leadership has been so overused that it has lost its original significance. According to Kellerman (2009), the word "charismatic" is too easily attached to all kinds of famous personalities, whereas real charisma is quite rare. Kellerman believes that truly charismatic leadership implies a near-religious experience: "In charismatic relationships followers think of their leaders as being near superhuman, as being endowed with qualities so special they deserve devotion and even blind faith." Yet, if charismatic leadership exists in that deeper sense of the word, then it certainly merits both practical and scholarly interest.

There is a burgeoning literature on the relationship between leadership and ethics (See for example Bass and Steidlmeier, 1999; Havard, 2007; Mendonca, 2001; Mendonca and Kanungo, 2006; Kanungo and Mendonca, 1996; Sison, 2003; Thoms, 2008). This article seeks to extend that discussion by articulating an explicit connection between the classical theory of virtues and the modern notion of charismatic leadership. I will claim that one can meaningfully talk about a phenomenon called charisma, and that the different images of charismatic leadership are rooted in something common. I will show that classical virtue theory provides an insightful perspective for understanding the phenomenon of charisma, and for analyzing its different manifestations and implications.

The first part of the article discusses different aspects of the dilemma of charismatic leadership based on Weber's original notion and subsequent scholarship. The second part outlines the classical theory of virtues and outlines the connections between charismatic leadership and virtues. The third part discusses concerns to do with the authenticity and acceptance of charismatic leaders, and shows how the theory of virtues can clarify certain tensions embedded in the concept of charismatic leadership. The conclusion indicates avenues for further research using a virtue-based perspective.

2. Charismatic Authority and Leadership: The Dilemma

The word charisma (from the Greek *χάρισμα*) originally meant some kind of divine or God-given gift (see Riggio, 2004). It acquired its place in modern discussions through Maximilian Weber's concept of charismatic authority. According to Weber (1947: 358-359), charisma is:

a certain quality of an individual personality, by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are such as are not accessible to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.

Writing as a sociologist, Weber was making a broad classification to describe a form of influence based not on tradition or formal authority but rather on follower perceptions that a leader is endowed with exceptional qualities. It is important to note that Weber's concept of charisma points to something quite special, more so than in the ordinary usage of the word today. For example, one hears some people being called "charismatic" because of their enchanting and captivating personality; in Weber's idea, something deeper is at stake.

Weber's notion of charismatic authority was not overtly normative: he did not claim it to be essentially better or worse

than other types of authority. Nor did Weber confine the concept to specific sources of charisma, because from the viewpoint of sociology, what matters is the perception of the “followers” or “disciples,” and that depends on the cultural conditions:

In primitive circumstances this peculiar kind of deference is paid to prophets, to people with a reputation for therapeutic or legal wisdom, to leaders in the hunt, and heroes in war. [...] How the quality in question would be ultimately judged from any ethical, aesthetic, or other such point of view is naturally entirely indifferent for purposes of definition. (Weber, 1947: 359)

Weber’s seminal contribution attracted a substantial amount of interest and sparked a burgeoning literature in a number of fields – sociology, social psychology, cultural anthropology, religious studies, leadership and organizational studies etc. The notion of charisma has also become part of common language, although it tends to be used in a shallower sense than in Weber’s original text.

Weber’s text does lend itself to a number of different interpretations. On the one hand, Weber talks about the exceptional qualities of the charismatic leader, and seems to assume that those qualities are, or should be, somehow true and authentic, not simply posited by the followers. On the other hand, Weber prefers to remain on the sociological level and refrain from making judgments about the origins of those qualities. In what follows, I will sketch two different strands of subsequent scholarship, one focusing on the external leader–follower relationship, the other examining the personality traits of charismatic leaders.

2.1 Demystification and the Dark Side of Charisma

In the sociological literature on charismatic authority, the emphasis has tended to be on the external description of a peculiar type of relationship. According to Willner (1984: 8), charisma is a specific type of relationship between a leader and followers: the charismatic relationship exists when the followers regard the leader as somehow superhuman and accept his or her statements without question. Charismatic leadership implies that the followers comply unconditionally with their leader’s directives, and give the leader unqualified emotional commitment. Several other authors similarly hold that charisma really denotes a relationship rather than an individual personality attribute (see Wilson, 1973, 1975; Worsley, 1970).

Weber’s original text lends some support to this interpretation. His commitment to non-normative sociology – which “must abstain from value judgments” (Weber, 1947: 359) – encourages the researcher to focus solely on clear, external facts. Now, the special gifts described by Weber are not scientifically ascertainable, so the student of charismatic relationships should limit the enquiry to the description of the phenomenon and its dynamics.

One problem with the purely relational definition of charismatic authority is that it leaves out many interesting questions. For example, the definition seems to encompass leaders ranging from Gandhi, Joan of Arc and Jesus of Nazareth to Hitler, Stalin and Mao (Magnarella, 1999: 239). But clearly it is relevant to ask whether it is appropriate to classify them all in the same category; but if we wish to differentiate between seemingly good and bad manifestations of charismatic authority, the relational definition offers little guidance.

Another difficulty is that even the external and non-normative research on charismatic authority tends to make tacit value judgments about its object. Thus, a common feature of this strand of research is the demystification of the charismatic phenomenon. This is natural, because it is difficult for the re-

searcher to remain entirely silent on the issue of the roots of the charismatic relationship, and methodological presuppositions of social science easily lead the scholar to conclude that there can be no real basis for the attribution of divine or otherwise special gifts to the leader, so what really must be happening is some kind of an illusion.

It is not clear whether Weber would have accepted these interpretations and, dying in 1920, he did not live to comment on the proper application of his theory to the political monsters of later decades. What is clear is that this portrayal of charismatic leadership has become widespread and influential. In many cultures, the word charisma has come to possess a negative connotation. In the words of one Mexican manager: “I think that charisma is one of the most dangerous things that exist, because one pays the consequences” (see Den Hartog et al., 1999: 243).

The skeptical and negative understanding of charismatic leadership is summarized in the expression “dark side of charisma” (see Conger, 1989, 1990; Sankowsky, 1995). The charismatic relationship is thus seen as lending itself to the abuse of power, and it is often suspected that there is something dubious and fraudulent about the personality of the charismatic leader. This perception of charisma has received further stimulus from powerful but problematic political leaders, and also from controversial religious leaders such as Sun Myung Moon, Jim Jones and David Koresh.

One is, however, inclined to think that this depiction is taking things too far by defining perverse instances of charismatic leader as the normal case. Moreover, Weber’s concept of charisma does not imply the no-questions-asked, unconditional-surrender type of behavior that Willner and others have associated with charismatic authority. And in any case, a purely relational definition fails to address the question of what exactly gives rise to that special type of relationship.

2.2 Personality Traits, Communication and Impression Management

In leadership and organizational studies on charisma, the emphasis has been more on the personality of the leader, and the methodology has been mostly psychological. In other words, this strand of research focuses on the other fundamental aspect of Weber’s definition, i.e. the exceptional powers or qualities of the charismatic leader. It is noteworthy that, in leadership scholarship, the notion of charisma usually carries a positive connotation, although not without qualification. Conger (1999: 151) notes that charismatic leadership “is often perceived to describe an esoteric and rarer form of leadership.”

A number of different theories of charisma have been proposed (see Conger, 1999, for a general overview). Although there are differing interpretations on specific issues, there is also convergence and mutual compatibility among the different theories.

Several authors agree that the key to charismatic leadership is the ability to effectively communicate and pursue a vision (Conger, 1999; Den Hartog et al., 1999; House, 1999; House and Howell, 1992; House and Shamir, 1993; Shea and Howell, 1999). A vision in this context means not just any kind of goal, but something that conveys hope and optimism, a better life and a better future. On the part of the leader, the communication of a vision requires courage and conviction. It means that charismatic leaders must be willing to take risks and not always play safe.

Charisma is also related to other attributes such as “encouraging, positive, motivational, confidence builder, dynamic, and foresight” (Den Hartog et al., 1999: 240). Charismatic leaders are attractive personalities, and they make others want to iden-

tify with them and emulate them; thus such characteristics as integrity, trustworthiness and moral responsibility are important for charisma. This feature of charisma closely relates to Weber's idea of exemplariness. The charismatic leader is not followed simply because others expect to obtain some external benefits by following the leader, but especially because the person awakens in others the desire to be transformed and become more like the leader.

An interesting question is the relationship between personality traits and communication. Certain qualities alone will not turn anyone into a charismatic leader, unless that person is able to communicate those traits to others. This has led some commentators to argue that what really matters is communication skills – and that charisma can therefore be learned and trained (Howell and Frost, 1989; Oppenheimer, 2008).

In terms of communication style, some have argued that a charismatic leader should be expressive, self-confident, dynamic, forceful and persuasive (see Wofford, 1999). On the other hand, many charismatic personalities have been kind and soft-spoken (see House, 1999: 568-569). Contrary to what is sometimes thought, charisma is not mere physical attractiveness; in fact, some physically unattractive persons have been highly charismatic – just think of Churchill or St Paul. Words are especially important, yet it is not so much a question of aesthetics and poetry, but of expressing ideas that stand for something that inspire other people (Emrich et al., 2001). Style does matter, though. Dry and strictly analytical language will not evoke charisma; image-based words are more powerful, because they provoke the imagination and help to generate a lively vision – Martin Luther King's I Have a Dream speech is a case in point.

Yet it might be that the most important element in charismatic communication is the most elusive element of all: non-verbal communication. According to communications expert John Neffinger, facial expressions, gestures and tone of voice are even more important than the choice of words to successful communication (see Argetsinger, 2007; see also Oppenheimer, 2008; Vedantam, 2006). A crucial factor is to possess a posture and gestures that convey both strength and warmth. The ability to smile naturally is also crucial, because it communicates warmth as well as authenticity. Fake-looking expressions, in

contrast, destroy emotional communication.

The problem with the communication approach to charisma is that it risks reducing it to superficial outward appearance, which may have little to do with the real personality. In other words, charismatic leadership ends up being based on shrewd image building or impression management (see House, 1977). Some authors have even suggested that charisma is a technical skill that can be learned and enacted (see Howell and Trust, 1989).

There is no doubt that communication is important, but that alone is not enough for genuine charisma in the Weberian sense. Weber himself thought that charismatic authority must be based on something authentic, not fake. For example, Weber (1947: 359) writes that "Joseph Smith, the founder of Mormonism, [...] cannot be classified in this way with absolute certainty since there is a possibility that he was a very sophisticated type of deliberate swindler." Many authors also remain skeptical about the extent to which charisma may be enacted (Beyer, 1999b). Note that many leaders who are frequently cited as having been highly charismatic – including Gandhi, Mandela, and Mother Teresa – cannot be easily fitted into the straitjacket of impression management, and their success and influence cannot be explained merely on the basis of their communications skills. Moreover, even if due respect is given to the communication approach to charismatic leadership, the question that remains is why certain types of communication and public image are perceived as charismatic.

Table 1 summarizes the different perspectives covered above. Two things need to be noted. First, the perspectives are complementary, not mutually exclusive. Second, there are many other perspectives to charismatic leadership not discussed here (see Conger, 1999). In what follows, I will outline the relationship between classical virtue theory and charismatic leadership, focusing on the personality trait perspective.

3. Virtues: Charisma as Perfection of Character

There are at least two reasons why ancient Greek philosophy provides a natural source for ideas in trying to understand the deeper sense of charisma. One is that the word itself comes from classical Greek. The second and more important reason

Approach	Author examples	Key concepts	Strengths	Weaknesses
<i>Classical</i>	Weber (1947)	Supernatural, superhuman or exceptional powers or qualities, regarded as of divine origin or as exemplary	Broad, encompassing definition; "value-free"	Lack of distinctions, calls for explanation; more apt for study of primitive society and religious communities
<i>Relational</i>	Sankowsky (1995), Willner (1984), Wilson (1973)	Unconditional surrender, unqualified emotional commitment, "blind faith"	Explanation of abuse of power, "dark side of charisma"	May treat perverse instances as paradigmatic; lacks explanation of the relationship
<i>Personality traits</i>	Bass (1985), Beyer (1999), Conger (1989), Conger (1989), House (1977, 1999)	Exemplariness, courage and conviction, integrity, trustworthiness; emulation	May explain the resulting relationship and perception of others	Identification and measurement difficulties apart from external behavior
<i>Communication</i>	Emrich et al. (2001), Gardner and Avolio (1998), Howell and Frost (1989), Roach (2007), Shamir et al. (1993)	Expressive, self-confident, persuasive, visionary; "impression management"	Conducive to experimental study; training methods	Risks reduction to superficial appearance and technique; unclear whether charisma can be enacted

Table 1. Different perspectives to charisma.

is that the Greeks developed a rich philosophy of character development known as the theory of virtues, which, I will argue, provides a fruitful perspective for understanding many issues related to the phenomenon of charismatic leadership. Although the theory of virtues, or virtue ethics, gained its most systematic treatment in Greek philosophy, the idea of virtues is common to most if not all civilizations, and there is a surprising convergence on the types of traits that are perceived as virtues (see Lewis, 2001: Appendix).

The argument builds on the fact that Weber's definition of charismatic authority hinges on exceptional powers and qualities that are regarded as of divine origin or as exemplary. Leaving aside the notion of divine origin, let us focus on exemplariness – in other words, excellence, perfection, or virtue in the classical sense of the word. What follows is a brief summary of the classical approach to virtue theory and its application to charismatic leadership.

3.1 An Overview of Classical Virtue Theory

In ancient Greek philosophy, virtues were seen as perfections – or excellences – of character, acquired mainly through the repetition of good acts. At least since Plato, the idea of the virtues was organized around the four cardinal virtues: prudence, justice, fortitude, and temperance (see Agathon's speech in praise of Love in Plato's *Symposium*, although the origin may be earlier: Pieper, 1966: xi). In the *Nicomachean Ethics*, Plato's student Aristotle developed a rich account of the theory of virtues, and subsequent literature has tended to take it as the fundamental point of reference (see Aristotle, 1980). In recent decades, academic philosophy has witnessed a kind of renaissance of virtue ethics (see Pieper, 1966; Geach, 1977; Foot, 1978; MacIntyre, 1984; Kruschwitz and Roberts, 1987).

The interesting question for us is not so much the ethical and normative dimension of virtues as the theory of virtues as a descriptive account of the perfection of human personality – i.e. a moral psychology. There is a rich literature of the moral psychology view of virtues that takes into account more recent work in psychology (see Peterson and Seligman, 2004). Authors such as Doris (1998, 2002) and Harman (1999, 2000) have criticized this view, claiming that situational factors are more determining of choice than moral character. The principal difficulty with their view seems to lie in a misleading reconstruction of character traits and the dubious interpretation of limited empirical data such as Milgram's experiment (see the counter-critique by Athanassoulis, 2000; Kamtekar, 2004; Kupperman, 2001; Miller, 2003; Montmarquet, 2003; Sabini and Silver, 2005; Solomon, 2003; Sreenivasan, 2002). In this article, I limit the discussion to the classical approach.

The development of virtue. According to the classical doctrine, no one is born virtuous or excellent. In each person there are passions and impulses, which militate against the right and rational exercise of one's freedom. One of the effects of virtue is to gain a greater inner unity and harmony between reason, will and passions. In the words of Aristotle (1980: I.13): "the impulses of incontinent people move in contrary directions. [Whereas] in the continent man [the soul] obeys the rational principle [logos] – and presumably in the temperate and brave man it is still more obedient; for in him it speaks, on all matters, with the same voice as the rational principle."

Another distinction is sometimes made between nature-given temperament and moral character. The first is an innate reality, whereas the latter is shaped over time by education, environment and the exercise of one's freedom. Different temperaments imply that, in order to perfect their personality and thus

become truly virtuous, people have to struggle in different ways, depending on their natural propensities. But temperaments as such are not virtues.

Virtues grow by repetition: "intellectual virtue in the main owes both its birth and its growth to teaching [...], while moral virtue comes about as a result of habit" (Aristotle, 1980: II.1). It is again clear that virtues do not arise in us by nature, but "we are adapted by nature to receive them, and are made perfect by habit" (ibid.). It may be helpful to point out that the modern English word habit does not quite convey the meaning of Greek *hexis* or Latin *habitus* (see Sachs, 2005). Rather, the concept refers to a kind of ability – an inner strength, power or skill – that is developed by the constant and repeated exercise of virtuous acts, similarly to various practical skills that are mastered by the repetition of the relevant acts. Thus, by doing just deeds one becomes an increasingly and stably just person, and so also with prudence, courage and self-control. On the other hand, the exercise of vicious acts – foolishness, injustice, cowardice, overindulgence and so on – fosters the weakening and degradation of moral character and, consequently, of the whole personality.

Implicit in the classical theory of virtue is the idea that there is certain stability about one's character, whether it be virtuous or vicious. That stability is translated into a tendency – weaker or stronger depending on the deep-rootedness of the virtue or the vice – to behave in accordance with that character in future situations too. Therefore one cannot normally change one's character overnight for better or for worse, because that implies an inner transformation that requires the development of a *habitus* which, as said, takes time and repetition.

The doctrine of virtues does not imply any specific stand on the perennial question of how much in our personality is based on innate qualities as opposed to education, the environment and other external factors. The theory is compatible with the fact that people may have all kinds of natural gifts as well as moral propensities that have an impact on later development. It does, however, underline the fact that the perfection of personality is a complex interplay of numerous factors that cannot really be separated from one another, even if we can conceptually distinguish them.

Moreover, some personality traits, which are commonly assumed to be natural or innate, may not be so in fact. It is difficult for us to know such things with any precision, because the development of character starts straight after birth if not earlier. Often, what is seen as an innate trait may really be the result of the complex interaction between the educational and environmental conditions, on the one hand, and the free responses of the person, on the other hand, going back all the way to earliest childhood. It is therefore natural that Aristotle (1980: II.1) should write: "It makes no small difference, then, whether we form habits of one kind or of another from our very youth; it makes a very great difference, or rather all the difference."

Cardinal virtues. The words that are used to signify specific virtues are not always understood correctly. Pieper (1966) repeatedly points out that contemporary language tends to significantly depart from the classical sense of the words when referring to the virtues. Therefore their traditional meaning is briefly outlined in the following.

The cardinal virtue of prudence is far from the timorous, danger-shunning, small-minded self-preservation that the word may bring to mind in modern parlance. Rather, prudence is "the perfected ability to make good choices" (Pieper, 1966: 6) – nothing more, and nothing less. The virtue of justice is not mere equity and fair play, but something much more interior to the person. In the words of Aquinas (1920: II-II, 58, 1): "Justice

is a habit [habitus], whereby a man renders to each one his due with a constant and perpetual will." The specific requirements of the virtue of justice are a much more complex question, as moral philosophy informs us; the relevance of justice as a virtue is that it concerns not so much those requirements (which can only be perceived with the virtue of prudence), but the stable and perfected volitional dispositions of a person to really want to fulfill the requirements of justice in each and every concrete situation.

Fortitude or courage is not fearlessness (which is actually a vice by way of defect), although in its classical core, it is readiness to fall in battle (Aristotle, 1980: III.6). More generally, courage is the perfected ability to stay the course and resist pressures of all kinds, whether that requires boldness and daring or endurance and patience (see Havard, 2007: 70-78; Pieper, 1966: 126-133). Temperance or self-control is neither a fear of exuberance (which again would be a vice), nor mere moderation in eating and drinking, but the ability to lead oneself, i.e. to subordinate passions (emotions and feelings) to the spirit and direct them towards that which is truly and not only superficially good (see Havard, 2007: 80-90; Pieper, 1966: 145-152).

The classical approach organizes the virtues around the four cardinal virtues, yet there are countless other virtues too, including thoughtfulness, decisiveness, kindness, gratitude, faithfulness, industriousness, cheerfulness, modesty, purity and so on. The various "minor" virtues can, however, be rooted in the cardinal virtues to which they are related by way of implication or analogy (see also Peterson and Seligman, 2004). Thus, for example, thoughtfulness and decisiveness are aspects of prudence; kindness, gratitude and faithfulness are different instances of justice; industriousness and cheerfulness flow from courage; and modesty and purity stems from self-control. The word cardinal stems from the Latin *cardines* meaning "hinges," because the other virtues move around and depend on the cardinal virtues. That is not to say that they are of less value; rather, it is precisely those more specific virtues that give depth and content to the cardinal virtues.

Magnanimity and humility. There are two virtues that tend to be neglected but that are fundamental for from the viewpoint of charismatic leadership. They are two "virtues of the heart": magnanimity and humility (see Pieper, 1966: 189-192). Magnanimity or high-mindedness is "the striving of the mind toward great things" (Pieper, 1966: 189). According to Aristotle (1980: IV.3), magnanimity is "a sort of crown of the virtues." That is a strong statement, but not in vain, because Aristotle holds that a magnanimous person strives for greatness in everything, including all the other virtues. Magnanimity is manifested in various ways depending on the context; it for example gives rises to visionary ability, creativity, idealism, sense of mission, and the ability to constantly challenge others and oneself (see Havard, 2007: 3-26; Aquinas, 1920: II-II, 129).

At first sight, humility seems to be directly at odds with magnanimity, but that is again a reflection of the distorted notion of humility in modern language. Humility as a classical virtue has nothing to do with small-mindedness, inferiority complexes and the disparagement of one's being and doing. "The ground of humility is man's estimation of himself according to truth. And that is almost all there is to it" (Pieper, 1966: 189). In social life, humility is mainly manifested as a constant desire to serve others and the common good; in organizations it translates into altruistic motives, preference for team-work and inclusion, ability to delegate power, concern for continuity, and ability – even a desire – to hear different opinions and receive constructive criticism (see Havard, 2008: 27-44).

It is interesting to notice that the largely neglected virtues of magnanimity and humility have recently attracted attention in leadership scholarship. Magnanimity can easily be related to leadership, but the connection between humility and leadership seems odd and unlikely to most people. However, the influential (albeit methodologically imperfect: see Niendorf and Beck, 2008, and Resnick and Smunt, 2008) study by Collins (2001a, 2001b) found that humility is a defining characteristic of some exceptional corporate leaders. Collins points out that one reason for the neglect of humility in leadership literature is that genuinely humble leaders tend to go unnoticed, precisely because they do not wish to attract attention, whereas egocentric personalities often gain fame and influence even when their true and long-term effect on their corporations turns out problematic.

Perhaps taking the cue from Collins, Havard (2007: xvii-xviii) argues that it is precisely the rare but powerful combination of magnanimity and humility that creates truly great leaders:

Leaders are defined by their magnanimity and humility. They always have a dream, which they invariably transform into a vision and a mission. It is magnanimity – the striving of the spirit towards great ends – that confers this lofty state of mind. But leadership consists of more than just "thinking big". A leader is always a servant – of those in his professional, familial, and social circle, his countrymen, and indeed the whole of humanity. And the essence of service is humility. Leaders who practice humility respect the innate dignity of other people, and especially of fellow participants in a joint mission.

Unity of virtues. The multitude of different virtues can seem perplexing, and one may wonder how it is possible to become truly virtuous if there are so many different excellences to be mastered. One might also pose a serious objection to the classical theory of virtues by pointing out that, surely, prudence and fortitude sound like nice things, but they can also be used for evil purposes, and so one might question whether they are good qualities at all. The answer to these concerns can be found from the subtle but fundamental tenet of the classical doctrine of virtues, known as the unity of virtues.

It is said that "virtues grow together like the five fingers of the hand" (see Aquinas, 1920: I-II, 66, 2). The systematic nature of classical virtue theory becomes evident if we consider the claim that no virtue stands on its own, but all are intimately related to one another. The names given to different virtues are simply means for analyzing and distinguishing, but real virtues are qualities of concrete persons, who cannot be sliced up and cut apart without ending the life of the person.

So, for example, justice and fortitude – as genuine virtues – are really different aspects of a whole. On the one hand, courage combined with the lack of justice can become a force for evil: "injustice corrupts the fruits of fortitude" (Pieper, 1966: 64-65). On the other hand, as Havard (2007: 121) graphically puts it: "Many politicians, lacking courage, make a travesty of justice. Think of Pontius Pilate and his brand of justice: 'I could find no substance in any of the charges you bring against him [Jesus of Nazareth] ... so I will scourge him...' Here is the frightening logic of a coward."

Similar connections can be found for the other virtues, too. For example, deep-seated intemperance – an uncontrolled craving for power, money and pleasures – spoils all the other virtues: it blinds the intellect, perverts the will, and makes a person cowardly (Pieper, 1966: 21-22, 203).

In the traditional system of virtues, prudence holds a special place. This may be surprising, because strictly speaking, prudence is an intellectual virtue, not a moral one. The reason for

the primacy of prudence is that, as the classical expression has it, prudence is the “measure” of justice, fortitude, temperance and all the other virtues (Pieper, 1966: 7). The meaning of this expression becomes clear when one considers the fact that the specifically moral virtues cannot guide themselves. It takes prudence – that is, the perfected ability to perceive the reality as it is and to make good choices – to see what each virtue requires in each concrete situation. Justice without prudence is mere “good intention” and “meaning well” – a good start, but still very far from perfection. Pieper (1966: 8) sums it up eloquently: “The intrinsic goodness of man [...] consists in this, that ‘reason perfected in the cognition of truth’ shall inwardly shape and imprint his volition and action.”

3.2 Virtues and Charisma: The Specific Connection

The goal of the present article is not to defend or challenge the specifics of classical virtue theory, but to show how it may account for the phenomenon that has come to be called charisma. Although there are different theories of what constitutes charisma, a closer look at the various statements and descriptions reveals that most of the qualities attributed to charismatic leaders are rooted in one or more classical virtues.

Magnanimity. Magnanimity or high-mindedness is the virtue that most clearly stands out in descriptions of charismatic leaders. There is a strong consensus that what really differentiates charismatic leaders is their ability to communicate and pursue an inspiring, compelling and credible vision. Yet, as those who have been entrusted with the task of formulating a corporate or organizational vision know well, it is not easy to be truly visionary – and it is all the more difficult to be so with conviction and consistency. In order to be genuine, that ability cannot be just a technical communication skill, but an inner disposition towards the pursuit of great things. And that is what virtue theory calls magnanimity.

Psychologist Frank Bernieri highlights an important aspect of charisma thus: “A charismatic person never plays it small” (see Flora, 2005). That could almost be a definition of magnanimity. But charisma is also revealed in many other things that flow from magnanimous personality; for example, charismatic leaders are seen as having passion for a cause, commitment and energy – all of them qualities without which a superficial magnanimity would be nothing but idle day-dreaming (Havard, 2007: 22-23). “Vanity loves the honor and prestige that comes from great things, whereas magnanimity loves the work and effort that has to be done to achieve them,” writes Garrigou-Lagrange (1989: 84).

In social and organizational settings, magnanimity is manifested among other things in the persistent desire to challenge oneself and others – and, by implication, in a hatred for and disgust of mediocrity and an attitude of resignation. This, too, is characteristic of charismatic leaders: they communicate high expectations but also express confidence in others’ capabilities in meeting those expectations (Howell and Trust, 1989; Shea and Howell, 1999).

Part of the inspiration stirred by charismatic leaders is due to their practical idealism and realistic optimism. Veteran White House reporter Helen Thomas says the following about J. F. Kennedy, whom many considered a charismatic president: “He was inspiring and magnetic. He gave us hope. [He] radiated that onward-and-upward good feeling” (see Flora, 2005). Again, the ability to instill hope and optimism is not an isolated skill, but is rooted in a magnanimous person’s capacity for seeing beyond the immediate reality and even enjoying the need to overcome various challenges.

Humility. Apart from magnanimity, the role of the other virtues for charismatic leadership is a little less clear in light of the existing literature, but some connections can be seen. The virtue of humility is especially interesting. For example, Joseph Roach (2007) says that charisma is about being both grand and approachable; and, as was mentioned earlier, John Neffinger talks about the combination of strength plus warmth (see Oppenheimer, 2008). The words used are different and have particular nuances, but they are very closely related to the classical virtues of magnanimity and humility – precisely the two virtues that have been seen by some recent authors as the essential requirements of true leadership. Indeed, when one thinks of the most famous charismatic leaders – Jesus of Nazareth, Buddha, Gandhi, Mandela, Mother Teresa and the like – the quality of humility immediately comes to mind (House, 1999). It is, in the end, not so difficult to concur with Havard (2007: xviii): “Charisma in leadership stems from visionary greatness (magnanimity) and devotion to service (humility). Magnanimity and humility are virtues of the heart par excellence, giving leaders who possess them a charismatic touch.”

Collins (2001b), however, seems to suggest that his Level 5 leaders (i.e. leaders who possess a rare combination of fierce resolve and humility) were not charismatic, implying that humility is incompatible with charismatic leadership. Yet a closer look makes one wonder whether Collins’ assertion is not too hasty. The executives in question were visionary, courageous and able to radically transform their corporations. They instilled enthusiasm and commitment in their employees, and were held in high regard by the latter. On all accounts, Collins’ description of Level 5 leaders is compatible with the usual definitions of charismatic leaders, even if it also has other elements. What Collins seems to have had in mind is the common, negative perception of charisma – psychological influence and egocentric exuberance –, and he quite rightly wanted to dissociate his cases from that image. (The same negative notion of charisma is found in Khurana, 2002, whose archetypical “charismatic leader” is Jack Welch. For a critique of Welch’s leadership, see Sison, 2003: 129-138).

There are other reasons why it is natural that humility is rarely mentioned in connection with charismatic leadership. The existing literature is based on a different theoretical framework in which humility does not feature highly; before Collins’ controversial studies, many would have felt that humility is directly at odds with effective leadership. Although empirical studies might help to draw attention to neglected factors, it does not happen automatically, because empirical research on complex phenomena does not consist in the mere collection of facts, but helps to strengthen, modify or reject specific research hypotheses.

Cardinal virtues. The importance given here to humility and magnanimity should not be taken to mean that the other virtues are of no relevance. Firstly, one characteristic of effective leaders is competence, which is rooted in the cardinal virtue of prudence. Without the competence that prudence gives, charismatic leaders cannot inspire the commitment of others.

Secondly, such qualities as integrity, trustworthiness and moral responsibility – different instances of the cardinal virtue of justice – are also cited as contributing to charisma. The image of a deeply just person stirs others to trust in, identify with, and emulate the charismatic leader.

Thirdly, courage is frequently cited as contributing to charisma: charismatic leaders are daring risk-takers. Courage in the classical sense is also closely related to magnanimity, and the interaction of these two virtues in a concrete person may be

so strong that it seems almost misleading to distinguish them from one another. For example, the realization of a bold vision requires patience and endurance, which are capabilities rooted in the virtue of fortitude.

Finally, the role of the cardinal virtue of self-control or temperance is less evident, but it is relevant in an indirect way. The virtue of temperance is mostly manifested in private acts, which one might not even consider when investigating the phenomenon of leadership. Pieper (1966: 147) helpfully points out that temperance “is distinguished from the other cardinal virtues by the fact that it refers exclusively to the active man himself.” One might say that temperance is a silent virtue: it does not attract attention to itself, and one only really notices it when it is lacking.

On the other hand, the unity of virtues implies that temperance is necessary for the perfection of all the other virtues. For example, one may lack prudence simply for want of experience, but the different forms of genuine imprudence – thoughtlessness, indecisiveness, and cunning (false prudence) – are rooted in specific moral vices such as disorderly love of money and pleasures, desperate self-preservation and an over-riding concern for confirmation and security (see Pieper, 1966: 20-21). Havard (2007: 81) maintains that intemperance “undermines courage (the capacity to stay the course) and justice: someone who craves power, money, or pleasure is hardly likely to take into account the common good or respect the dignity of those he deals with.” Lastly, temperance is a prerequisite for magnanimity and humility, because those virtues contain the stable and perfected ability to rise above petty concerns and to forget about oneself in the service of others.

Table 2 provides a sketch of the impact of different virtues and vices on leadership and charisma.

4. Authenticity and Acceptance

In Weber’s thesis on charismatic authority, there is an interesting tension between the authenticity of the charismatic leader and the necessity, for the validity of charisma, of the leader’s acceptance as such by a group of followers or disciples (see Weber, 1947: 359). On the one hand, it seems that charisma is

something that a leader either has or does not have; on the other hand, charisma is made dependent on the perception of others. This tension is important for the virtue-based perspective to charismatic leadership. Here charisma is primarily understood as a character trait, but in practice it cannot be separated from how the leader is perceived by others. The question of authenticity is especially important, and it turns out that the virtue perspective sheds new light on the so-called dark side of charisma.

4.1 Not All Is Gold That Glitters: Authenticity, Imperfections and False Charisma

Central cases and imperfections. A frequent source of confusion and pointless disagreement in this and so many other topics is that we tend to silently assume that all theoretical terms have a flatly univocal meaning. The ancient Greeks realized that it was the wrong approach, and so Aristotle (1980: VIII.4), in his famous discussion of friendship, notes that there are various types of friendship, but some of them are more genuine than others. He effectively employs what Finnis (1980) calls the central case technique, and which resembles Weber’s somewhat less clear notion of the ideal type (Weber, 1997: 88):

By exploiting the systematic multi-significance of one’s theoretical terms [...], one can differentiate the mature from the undeveloped in human affairs, the sophisticated from the primitive, the flourishing from the corrupt, the fine specimen from the deviant case [...] – but all without ignoring or banishing to another discipline the undeveloped, primitive, corrupt, deviant or other “qualified sense” or “extended sense” instances of the subject-matter. (Finnis, 1980: 10-11)

It is evident that, just as the concept of virtue cannot be applied in a simplistic yes-or-no manner, so it is also with the notion of charisma. One may possess some virtues to some extent, but very few or none of us have reached absolute perfection in any virtue. It is likewise with charisma. Remembering this helps to avoid futile debates on how strictly we should define the concept of charismatic leadership. Some authors contend that truly charismatic leadership is rare (Beyer, 1999a; House, 1999), while others use the term more liberally (see Conger, 1999). Both approaches are flawed if taken to extremes, in which either

Virtue	Definition and key concepts	Contrary vices	Impact of virtue on charisma/leadership	Impact of vices on charisma/leadership
<i>Prudence</i>	Ability to make right decisions; objectivity; competence; wisdom	Thoughtlessness, indecisiveness, incompetence, rationalizations	Ability to take responsibility; instills trust in one’s decisions; long-term success	Inability to lead; disorder, chaos; long-term failure
<i>Justice</i>	Will to give everyone their due; fairness; equity	Injustice, unfairness, dishonesty, partiality	Promotion of common good; sense of community; mutual trust	Abuse of power; feelings of betrayal; lack of trust
<i>Fortitude/ courage</i>	Ability to stay the course and resists pressures	Cowardice; (excess: recklessness)	Perseverance, endurance, facing obstacles; conviction, risk-tasking	Inhibition, fear of risks and uncertainty, inability to act; (reckless risk-taking)
<i>Temperance/ self-control</i>	Ability to subordinate passions to the spirit	Licentiousness or self-indulgence; (insensibility)	Calm, maturity, dignity; fosters confidence	Undermines trust; leads to imprudence and injustice
<i>Magnanimity/ high-mindedness</i>	Ability to strive for great things, to challenge oneself and others	Pusillanimity or small-mindedness; (undue ambition)	Sense of mission; visionary objectives; inspiration; constant improvement	Stagnation, mediocrity, pettiness; (pursuit of unrealistic goals)
<i>Humility</i>	Ability to overcome selfishness and serve others	Pride, self-importance; (false humility)	Empowerment, team-play, warmth, approachability	Abuse of others, disrespect, exploitation, selfishness

Table 2. Principal virtues and vices, and their impact on leadership and charisma.

charisma is a rare talent that one simply does or does not possess, or that charisma is relatively common and that is all there is to it. Yet they are both right and mutually compatible if it is understood that there are many shades of charismatic leaders, some being closer to, and some farther from, the central case.

The notion of the central case can be easily grasped by comparing ideal cases of charismatic personality with those that we might consider perhaps or somewhat charismatic. As to the first group, alongside some modern examples of highly charismatic individuals, it is interesting to consider Karl Jaspers' notion of "paradigmatic individuals" (Jaspers, 1962: 97-106). Jaspers explicitly refers to Socrates, Buddha, Confucius and Christ, but maintains that others might also have been chosen. Two things can be said about Jaspers' paradigmatic individuals here. The first is that they were not merely influential people, but persons who attracted devoted disciples and established entire moral traditions (among other things). The second is that, as Alderman (1987: 52) points out, "the cases of Buddha, Christ, and Confucius make it overwhelmingly obvious that character is the final line of moral appeal in diverse moral traditions." The same is true of Socrates, whose moral tradition is precisely virtue ethics.

It might be objected that perhaps not all of Jaspers' paradigmatic individuals, or the various contemporary charismatic leaders, are really ideal embodiments of charisma. That may or may not be so, but this uncertainty only vindicates the necessity of the central case approach. The consideration of various definitely-not-central cases of charismatic leader – from Bill Clinton and John Edwards to Hitler and Mao – makes to point even plainer. That consideration is also helpful for another reason: it highlights the error of imagining the different shades of charismatic leadership as a two-dimensional continuum of either more or less charismatic personality. Deviations from the central case can take multiple forms – which is probably one reason why the very concept of charisma seems so elusive.

Finnis (1980: 11) also points out that "the study of [peripheral cases] is illuminated by thinking of them as watered-down versions of the central case, or sometimes as exploitations of human attitudes shaped by reference to the central case." Both types of departure from genuine charisma can be identified, and are discussed in the following.

Learning and enacting. One of the concerns with the authenticity of charisma is whether it can be learnt or enacted. There is a rich literature on this question. Some authors claim that empirical findings support the proposal that charismatic behavior can be enacted (see Howell and Frost, 1989), while others are skeptical of the long-term effect of merely external behaviors (Bass and Steidlmeier, 1999).

As a side note, it is interesting how Jim Collins (2001a; 2001b) discusses whether one might be a Level 5 leader, and concludes that he does not know: "We would love to be able to give you a list of steps for getting to Level 5 – other than contracting cancer, going through a religious conversion, or getting different parents – but we have no solid research data that would support a credible list." (Collins, 2001b: 75-76)

If the classical theory of virtue is correct, then there is no doubt that one can, at least in principle, develop the relevant virtues that seem to give rise to charismatic leadership. Indeed, when Havard (2007: 107) proclaims that "leaders are not born, they are trained," he refers to nothing else than what Plato and Aristotle thought with regard to education generally. Note that Collins' tentative list for factors that may facilitate an inner transformation towards humility and other virtues – a serious illness, a religious conversion, or better parents – is perfectly in

line with the virtue theory of the ancients.

In contemporary usage, training has a different connotation, one that is more linked with external skills such as communication skills. It was mentioned earlier that some psychologists and communications experts have reduced the concept of charisma to particular messages and non-verbal cues. In light of the theory of virtues, this view is at once instructive and flawed.

On the one hand, it is instructive, because communication matters: we cannot see directly into the deepest inner core of any person. The various non-verbal cues that some authors associate with charisma are not isolated features; they are important, because they communicate something, and what they communicate is the personality of the speaker. Anyone can claim to be visionary, courageous, benevolent, and even humble, but such declarations would most likely be met with disdain and amusement. In contrast, non-verbals proclaim without words, and they are strongly relied on by others precisely because it is so difficult to feign some of them. Smile is the classic example of a non-verbal signal that communicates a range of positive qualities – including kindness, warmth, intelligence and honesty – yet counterfeit smiles are as easily detected as they are detested (see Ambadar, Cohn and Reed, 2009; Forgas and East, 2008; Krumhuber, Manstead and Kappas, 2007; Schmidt, Bhattacharya and Denlinger, 2009). Indeed, some communication experts believe that the most effective way of developing non-verbal communication is to learn to experience and control the relevant emotions (see Argetsinger, 2007).

On the other hand, the communication approach is flawed, because there is a fundamental distinction between truthful and false non-verbal communication. In the central case of charismatic leaders, their non-verbals reflect their true character. In contrast, the fake charismatic leader may be nothing but a product of visionary speech-writing and subtle performance-coaching, the bogus leader being just a skilful actor playing a pre-established role in the script. Such "charisma," however, is unlikely to last long (Bass and Steidlmeier, 1999: 197-198).

The dark side of charisma. The central case technique suggests that even the "dark side" instances have something to do with charisma. In short, the dark side of charismatic leadership is based on an appearance of virtues (especially magnanimity) combined with a major defect in one or more other virtues.

One manifestation of the dark side of charisma is imprudence. Visionary personalities may attract their followers down avenues that are not worth treading: "Sometimes, charismatics may destroy a company through wild and unchallenged ambitions that produce an unrealistic vision" (Sankowsky, 1995: 64). According to the doctrine of unity of virtues, superficial ambition without prudence is not a virtue at all: it becomes the vice of over-ambition. Moreover, imprudence tends to be caused by moral defects, such as an unrestrained desire for money or power.

Another type of dark side is the case of narcissistic charismatic leaders, who manipulate others into serving their egoistic goals. Narcissists may demonstrate magnanimity – "the charismatic narcissistic leader tends to promote a grandiose vision," writes Sankowsky (1995: 65) – but that vision is not for the common good, because narcissists suffer from "a grandiose sense of self-importance, a preoccupation with fantasies of unlimited success [so that they] act as if they are entitled to receive the service of others and tend toward exploitative and manipulative behavior" (Sankowsky, 1995: 64). In the language of virtues, narcissism is a pathological form of pride, the opposite of humility. The special challenge with narcissistic leaders is that they seem to be skillful at identifying others' hopes and expectations, and their

victims tend to be blinded by superficial illusions painted by the narcissists.

Perhaps the most important type of materialization of the dark side of charisma is the combination of magnanimity and injustice. Obviously injustice is also present in the case of narcissistic leaders, but it is made most manifest in the so-called Hitler-dilemma. Were Hitler, Mao and other political monsters charismatic leaders? Yes and no.

On the one hand, such leaders do exhibit at least the appearance of some virtues. They may communicate a grand vision (albeit a morally flawed one), and portray courage in pursuing that vision. They may offer hope, and here it is necessary to underline the importance of peculiar historical and psycho-social contexts. They may even possess, in the sight of a specific audience in a specific historical setting, an appearance of justice – a perverted type of justice, but of justice nonetheless: for instance, of reparation of past injustices and restoration of lost dignity.

On the other hand, these cases confirm Ambrose's saying that "fortitude without justice is a source of evil (*iniquitatis materia*)" (cited in Pieper, 1966: 65). One might add: just as genuine magnanimity, supported by all the other virtues, is a source of the greatest goods, so the appearance of magnanimity without justice is a source of the greatest evils. For nothing inspires more powerfully to action than the promise of some great good – even if that good be ultimately an illusion.

4.2 Universality, Particularity and Acceptance

As Weber and subsequent authors point out, certain personality traits alone do not constitute charismatic leadership, because charisma in the sociological sense requires the formation of a special type of relationship. How exactly such a relationship ends up being formed and what external factors facilitate that process is a complex question. For example, it is often claimed that a crisis situation is needed for the development of the charismatic relationship, but Bass (1999) argues that the claim is not supported by empirical results. All of that is compatible with the virtue-based approach to charisma, and only complements it. Indeed, some authors deem it possible that charisma remains latent until success makes it manifest (see Beyer, 1999a; House, 1999).

Yet the notion of acceptance does have direct relevance for the proposal made here. For surely, it might be argued, the notion of virtues is a culturally and historically relative concept; it cannot give us any universally applicable criteria for analyzing and assessing the charismatic phenomenon, because people disagree on what is virtuous. This argument seems to be partly correct, partly mistaken.

It is true that people may disagree on the content of the virtues, just as they may agree on all manner of things (rightly or wrongly). But the interesting thing about disagreement on the virtues is this: it ordinarily consists of disagreement on what is virtuous, not what the virtues (in their general form) are. People may have diverging views on what is the just solution to this or that dilemma, or how a courageous or self-controlled person should react to a specific situation, but it is rare to find a person who understands the meaning of words and sincerely thinks that injustice, cowardice and intemperance are good and admirable traits of personality. The disagreement, therefore, concerns the practical application of the virtues to concrete situations, and it is only natural that there should be some variance of opinion, even within a specific culture and community. That is exactly what it means when the classical theory says that prudence is

the measure of all the virtues; and in matters of prudence, it is possible to err. A different problem arises when people do not care to act in accordance with the virtues, or do not even know that there are such things; but evil and ignorance as such do not constitute disagreement.

The claim to universality is supported by the findings of Den Hartog et al. (1999). In an extensive empirical study covering 62 different cultures, the group investigated whether the attributes of charismatic and transformational leadership were universally endorsed. They concluded that the "results support the hypothesis that specific aspects of charismatic/transformational leadership are strongly and universally endorsed across cultures" (1999: 219).

This should not be taken to mean that charismatic leaders are, therefore, always accepted by all people. In practice, quite the opposite is the case. "No prophet has ever regarded his quality as dependent on the attitudes of the masses toward him" (Weber, 1947: 359-360) – and frequently prophets, and other charismatic leaders, have met with opposition and even intense hostility. Socrates was condemned to death on artificial charges; Gandhi was imprisoned and assassinated; Mandela served 27 years in prison; Mother Teresa was accused (in an extreme display of journalistic absurdity) of being a fraudster that did it all for money. True charisma has nothing to do with the ability to please everyone. Charismatic personalities can be especially annoying, because they challenge the status quo and call others to change, including interiorly.

The criticism against the cultural-historical universality of the virtue-based approach to charisma is, however, partially correct. Magnarella (1999) wonders whether Gandhi's celibacy would have been taken as a sign of spiritual strength and exemplariness in all cultures. Den Hartog et al. (1999) similarly highlight cultural factors that influence the effectiveness of different leadership styles; for example, the ideal style of communication differs greatly between China and Latin America. Beyer (1999a) and House (1999) agree that different contexts may make different personal qualities and behaviors more or less attractive, persuasive or effective. Thus it seems that the notion of charisma must be culturally conditioned.

This, however, is compatible with virtue theory. Judgments on the concrete manifestations of virtue – or exemplariness generally – will naturally depend on culturally conditioned preconceptions about what constitutes perfection of character. A charismatic leader must, by definition, be some kind of visionary, but

there are different ways to communicate a vision ranging from the quiet, soft-spoken manner of Gandhi, Mandela, and Mother Teresa to the more "macho" oratory of J.F. Kennedy, Franklin D. Roosevelt, and Jack Welch. [A] vision in China is normally expressed in a non-aggressive manner[:] the explanation for this may lie in the influence of Confucian values (e.g. kindness, benevolence) that make people wary of leaders giving pompous talks without engaging in specific action and dislike leaders who are arrogant and distant. [In contrast,] although Indian leaders must be flexible in this regard, bold, assertive styles are generally preferred to quiet and nurturing styles. (Hartog et al., 1999: 243-244)

Note that, in this summary of cultural differences, the messages conveyed by successful communication styles in different cultures are not arbitrary: they are rooted in specific virtues that the communicator wishes to demonstrate – humility, benevolence, courage, boldness, and others.

5. Conclusion

I have argued that the classical theory of virtues provides a fruitful framework for understanding the nature of charismatic leadership. Charisma can be seen as stemming from specific virtues, especially the neglected virtue of magnanimity or high-mindedness. I have also argued that the theory of virtues helps to clarify persistent tensions embedded in the concept of charisma, especially those related to authenticity and acceptance.

The connection between virtues and charisma provides a different vocabulary and perspective with numerous possibilities for further research. On the theoretical level, the virtue perspective might be used to sort out conceptual and definitional problems related to the notions of charismatic and transformational leaders (see Yukl, 1999). One could also investigate in more detail (and perhaps also empirically) how defects in specific virtues influence the totality of the charismatic leader, including how moral vice deforms apparent magnanimity.

On the level of empirical research, a major question is how the theory of virtues could be used more explicitly in modeling and measurements instruments. There are evident difficulties in measuring virtues, but it may be possible to create useful proxy

measures. Sison (2003: chapter 7) proposes some proxies for virtue and vice in organizations (including employee turnover and misconduct), but much more work is needed.

Another approach would be to test the efficacy – both short and long-term – of different approaches to charismatic training, for example the superficial communication skills approach versus the virtue (character development) approach. The hypothesis that specific vices lead to the distortion of charismatic leadership could also be explored empirically.

On the practical level, the virtue perspective to charisma could be used to develop more detailed virtue-based training or coaching methods and programs (see Isaacs, 2001, for a sophisticated character building program for children and young people). It might also be used to develop principles for executive selection, especially to combat the tendency to hire clever celebrities with problematic moral characters (see Khurana, 2002).

Finally, going back to Weber's original definition of charisma, it is interesting to ask whether there might be a deeper connection between virtue and the notion of divine gifts, or godlikeness. An intriguing hint is provided by Gregory of Nyssa, who writes that "the goal of the virtuous life is likeness to the Divinity" (*De Beatitudinibus*, oratio 1: Gregory of Nyssa, 2000: 26).

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Professional Accountants' Ethical Intent

The Impact Of Job Role Beliefs And Professional Identity

Jan Svanberg

Abstract

Two propositions about the impact of accountants' professional self on decision-making were investigated. The first concerned the impact of job role beliefs on moral intent and the second concerned the relationship between the strength of professional identity and moral intent. Statistical analysis of survey responses from accounting consultants in Sweden revealed that job role beliefs were significantly related to moral intent but there was no relationship between identity salience and moral intent. The data in the current study indicates that accounting consultants develop their own private interpretations of their professional role. Furthermore, they have only weak identification with the profession with low levels on the salience measure of professional identity. There is indication in the data that the accounting consultants believe that they must sometimes deviate from professional obligations as a response to clients' demands.

Keywords

Accounting, accounting consultants, moral intent, guilt, decision-making, professional identity

1. Introduction

A current challenge is to find means to influence accountants and auditors in such manner that their own willingness to act in accordance with professional obligations and moral norms increases. An increased propensity to self-control would cause surveillance costs to decrease at the same time as the quality of financial information would increase. Although such improvements could be accomplished by many means, most research in accounting ethics has been devoted to how accountants' reasoning capabilities are related to behavior and how these capabilities can be increased or why they are not used. The relatively narrow focus adopted by our discipline has been criticized and the utility of studies that focus on other parameters than Kohlberg's moral capacity has been stressed (e.g. Armstrong et al, 2003).

For example, an accountant may resolve an ethical dilemma at a lower level of moral development than the highest of which he/she is capable. There is evidence that accountants do not use their highest level of problem solving skills when dealing with ethical dilemmas in accounting (Thorne 2000; Thorne et al., 2003; Massey & Thorne, 2006). Moral development is a necessary but not sufficient condition for moral behavior and other processes need to be addressed if true improvements of moral behavior should develop. The present study is concerned not with professional accountants' moral development but with their motivation for the moral decision alternatives. The study extends previous research by exploring the possibility that the way an accountant conceives his/her professional identity is related to his/her propensity to be motivated for moral decision premises. It is an attempt to verify whether there are relationships between professional self-conceptions and choice of behavior and between professional self-conceptions and moral motivation. The idea is not new. During the formation of the American professional accounting profession in the beginning of the 19th century there were discussions about the importance of mastery and development of the self (Preston et al.,

1995; Sushman, 1984). At this time self-realization required the transcending of finite individuality in the interest of larger and social forms of self-hood (Royce, 1908). In the present research this type of appeal translates into the effects of various levels of social identity on behavior. Particularly it is the purpose of this study to investigate if there are relationships between moral motivation and the self-perception of accountants as immutable regarding pressures to compromise between professional obligations and clients' needs.

2. Literature review

2.1 The four components model

Though criticism has been advanced that decision making models represent a narrow approach to accounting ethics (Young & Anisette, 2009) the Rest (1986) four components model has proven valid in many empirical tests (Scofield et al., 2004). The four components model has been the foundation for the present study as well. Therefore, the introduction to the literature review is a short description of Rest's model. The basic idea behind Rest's model is that four inner psychological processes interact or operate successively to give rise to the outwardly observable behavior (Thorne, 1998). These processes are explained as follows (Rest, 1986; Armstrong et al., 2003).

1. Moral sensitivity is a process that interprets the situation in ethically relevant aspects. A person understands that there is a moral problem. This involves the ability to role-taking and imagination of cause and effect chains.

2. Moral judgment is the process that judges which action that should be most justifiable in ethical terms.

3. Moral motivation is the degree of commitment or desire for the moral course of action. In a real situation this involves valuation of moral values over other values and taking personal responsibility for outcomes of actions.

4. Moral character is the process that makes it possible for a person to persist in a moral task although there is opposition, fatigue and temptation.

The rationale of this model lies behind

most empirical research in accounting ethics. A summary of research relating to the second and third component is presented as follows.

Most research has primarily concerned the model's second component and some of these studies also included the ethical sensitivity component. Investigating moral development among accountants (Jeffrey and Weatherholt, 1996; Lampe & Finn, 1992; Ponemon, 1990; 1992; Ponemon & Gabhart, 1993; Ponemon & Glazer, 1990; Shaub, 1994) or accounting students (Armstrong, 1987; Ponemon & Glazer, 1990; Jeffrey, 1993) and the relationship between education and moral development has been the focus of many studies (St Pierre et al., 1990; Cohen & Pant, 1989; Hildebeitel & Jones, 1992; Shaub, 1994; Armstrong et al., 2003). The possibility to increase the moral development score, most frequently measured with the DIT p-score, developed by Rest (1979), with dedicated courses in accounting ethics has been addressed recently (Dellaportas, 2006).

Empirical tests of relations between the motivation to act ethically with accounting issues and other factors are fewer. Situational factors, thus stressing the importance of context, was the focus of Leitsch (2006), who used 110 accounting students to show that moral intensity was related to ethical intentions. Her results confirmed results from a previous study in the marketing profession (Singhapakdi et al., 1996). Also among advertisers a positive relationship was demonstrated between moral intensity and behavioral intention (Robin et al., 1996).

Some tests concern behavioral intention but do not relate to accounting. Among salespeople it was found that subjective norms and attitudes were predictors of intentions to act (Dubinsky & Loken, 1989). Mayo & Marks (1990) showed that deontological and teleological evaluations have a significant influence on ethical intent, and Reidenbach & Robin (1990) found that ethical attitudes are strongly connected with ethical intentions.

The combination of ethical intent and self-conception has not been the focus of explicit studies in accounting ethics, but some research concern the area. Firstly, there is research concerning ethical virtues which are stable, and relate to the core, personal self. The virtue ethics approach is relatively new and empirical results have not yet been generated, except for some early studies. According to the virtue ethics approach virtues are core self-conceptions that affect intent and behavior (Pincoffs, 1986; Thorne, 1998; Armstrong, 2003). For example, Libby and Thorne (2007) found that ethical virtues that have been included in a professional code of ethics, such as integrity, truthful, independent, objective, tend to be viewed as very important virtues among accountants, while other potentially important virtues were regarded as less important by accountants. Although not proven, it may be that accountants tend to internalize their code of ethics in their professional self-description.

Secondly, there are results that indirectly addressed self-conception but still are relevant for a discussion of the impact of the more dynamic and context-related aspects of the self on ethical intent. Jeffrey and Weatherholt (1996) found a strong relationship between professional commitment and rule observance attitudes among accountants. Professional commitment is related to the importance, or salience, of the professional identity (Van Knippenberg et al., 2004) and therefore Jeffrey and Weatherholt's result is an indication that more systematic research about the impact on ethical intent of various social identities such as the professional identity or the societal identity could be fruitful. Elias (2002) used the concept 'personal moral philosophies' as an individual personality trait that can be viewed as a self-concept component and demonstrated a relationship between it

and ethical attitudes to earnings management among accountants and students. However, Elias did not adopt a measure of ethical intent as dependent variable.

Finally, the most relevant previous studies have explicitly adopted the self-concept approach to the study of how auditors are affected by the conflict between organizational and professional identification. The most notable study is Bamber & Iyer (2007) that reported a positive relationship between the degree of identification with a client company and the auditors' acquiescence to the client preferred position concerning accounting issues. The study contributed to a more general branch of research which has studied the organization-profession conflict in several professions. For example, the same effect has been demonstrated recently for corporate lawyers (Gunz & Gunz, 2007). These studies have measured the extent that the auditor or lawyer perceives him/her-self to be a member of an organization and thus identifies with the organization. Organizational identification has been demonstrated as generating a tendency towards pro-organizational judgment and professional identification has been conceptualized as a counteracting force. As will be further discussed in a section below, the professional can have several competing identities simultaneously and the outcome in terms of ethical judgment, motivation and action can be described as a competition between more or less salient social identities. The relevance of these previous studies for the present study lies primarily in that they have demonstrated the applicability of the self-concept approach to the study of ethics in accounting, and in that they indirectly or directly have investigated the relationship between professional identity and ethical intent.

The current study extends the previous research by (1) addressing explicitly the relationship between self-conception and moral intent and (2) by its focus on accounting consultants and not professional auditors. As noted above, previous research has predominantly concerned ethical judgment and has seldom included ethical intent or actual behavior as outcome variable. The lack of research on moral intent has been noted by several scholars (c.f. Armstrong et al., 2003). However, the current study relates to previous research because it builds on the Rest (1986) model and thus contributes to a large amount of studies that has adopted the four components model as explanation of ethical reasoning. It extends Bamber & Iyer (2007) by explicitly relating professional identity and ethical intent and by relating the privately held perception (as different from the profession's official version) of professional identity and ethical intent. Furthermore, previous research, including Bamber & Iyer (2007), has frequently studied professional auditors and the current sample of accounting consultants are organized in a different professional organization than the professional auditors. The accounting consultants are subjected to less strict and ethical rules and have lower professional status than the auditors. It is likely that professional obligations, as communicated by the professional organization, are less influential on ethical behavior for the accounting consultants in the present study than is the case with professional auditors. These differences are described in more detail below.

2.2 Psychological and social psychological underpinnings of the study

The present study is concerned with the dependence of ethical judgments and motivation relating to accounting consultants self-concepts. In particular, two aspects are focused – firstly whether the subjects' ethicality depends on how salient their professional identities are, and secondly whether the extent that

subjects feel an obligation to compromise with professional ethics in order to satisfy clients' needs affects the subjects' ethicality. The two issues will be discussed using a self-concept approach. The conceptual apparatus for this approach will be developed first, and the social psychological foundation for the propositions to be explored in the empirical study will be discussed, following the conceptual presentation.

In this article, the self-concept is referred to as a construct that organizes the person's perceptions, beliefs, and attitudes regarding his or her-self as an object. Often literature cites identity or self-identity in the same meaning. A central building block for the development of propositions in the current article is social identity theory (Tajfel & Turner, 1985; Turner, 1987), which was applied by Bamber & Iyer (2007) in their related study on auditors' identification with client companies. It is a social psychological blend of a more general approach that claims the importance of the self for social or psychic processes. Social identity theory holds that an individual can simultaneously possess several identities, of which some have a clearly social origin. The social identities originate from self-categorization through which a person learns to describe him/her-self in terms of membership in groups, the family, organizations, professions, and societies. The identities are compatible or competing with one another but one identity tends to be activated in the person's mind at the time (Markus & Wurf, 1987). A more general approach to the self-concept would consider self-conceptions at various levels of inclusiveness, and would take the personal self as starting point. The personal self refers to unique individuating characteristics that distinguish the person from others. The social dimension of the self extends to include others (Hogg, 2003; Markus & Kitayama, 1991; Sedikides & Brewer, 2001; Tajfel & Turner, 1985; Turner, 1987). In particular, social identity theory refers to the collective level of self, and this level is termed social identity (Hogg & Abrams, 1988; Tajfel & Turner, 1985) or collective self (Brewer & Gardner, 1996; Hogg & Williams, 2000; Sedikides & Brewer, 2001). The concept 'social identification' is also used to refer to the extent that the self is defined in social terms and means a psychological merging of self and group that implies a person to see the self as similar to other members of the collective and to take the collective's interests to heart (Hogg, 2003; Sedikides & Brewer, 2001; Turner, 1987).

Social identity in the form of professional accountant identity is what the profession attempts to instill in their members and the professional community may influence ethical judgment and intent of their members if professional values are 'taken to heart' by members. Auditors tend to identify with their profession and with the organization in which they are employed (Bamber & Iyer, 2002; 2007). A professional community can strengthen its leadership influence over its members for example through authorization and claims about the need for and utility of professional membership. The audit profession appears successful in this respect but accounting consultants likely have much weaker professional identities. Leadership research has adopted this framework, not limited to professional identity, as one of its leading paradigms and has found relationships between social identity and motivation for behaviors (Shamir et al., 1993), for example motivation for collective task performance (van Knippenberg, 2000) or motivation for cooperation towards collective goals (De Cremer & Van Vugt, 1999; also see Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994; Hogg & Terry, 2001). Lord & Brown (2004) conceptualized leadership as influence on follower self identity and provided an overview of much research that connects identities and behavior, poten-

tially relevant for accounting ethics research.

In the same manner as this version of leadership research has described how leaders influence followers, the accounting profession may impact on its members through the self-conceptions the members have as professionals. The attractiveness of the profession to the individual member determines how salient the professional self is in comparison with other identities, and, given the salience of the professional identity, the content of the professional self in terms of rules, norms, values and attitudes may then impact on the member's thinking and behavioral intent. In particular, it is likely to be relationships between the salience of professional identity and the level of motivation for moral behavior among professional accountants.

The above overview refers to the existence and salience of a self-conception but does not deal with how the self-concept is organized and whether there may be inconsistency or incoherency within a salient identity.

Psychology and social psychology offer several conceptualizations of this theme. The difference between the pragmatic self and the ethical self can be thought of in terms of incoherency or inconsistency. Incoherency refers to the self-related differences between for example parts of the self or between self-views and action while inconsistency, as in Festinger (1957), may refer to a difference between attitudes that do not refer to an identity and the subject's action. Festinger's consistency theory has been used to explain how the psychological costs of a mismatch between an attitude and behavior can cause the attitude to change. In this article, however, inconsistency is treated as synonymously with incoherency.

Incoherent or inconsistent self-views are at odds with how self-verification theory suggests an identity is organized. Self-verification theory (Swann, 1983; 1987; 1990; 1999) holds that coherence is a basic motivation that can be derived from cybernetic ideas of order and organization. It appears as though people prefer self-verifying feedback even if their identities happen to be negative (Hixon & Swann, 1993; Robinson & Smith-Lovin, 1992) and for those with a negative identity a positive evaluation would be unpleasant. In this perspective there is apparent support for the claim that too disparate self-views are difficult to combine in one identity because of the incoherence that would be perceived.

This line of thought can be further established by referring to the literature on stress and work motivation. Burke (1991) showed that distress results from a mismatch between the content of a person's identity and input from the social environment. For an accounting consultant this could be the difference between the ethical duties of the profession and the requests on the accountant from clients to make flexible interpretations of accounting standards. In leadership studies the idea that consistency between follower self identity (Lord & Brown, 2004) and social environment is well established (c.f. Shamir et al., 1993) and the need to enhance a sense of self-consistency, self-worth and self-esteem has been regarded as motivators (Shamir, 1991). Consistency between self and work activities are also identified as a foundation for motivation by self-concordance theory (Sheldon & Elliot, 1999). In the current study there is not a difference between social input and professional identity, but a difference between (1) a perceived necessity to compromise with professional obligations and give in to clients' pressures, and (2) the obligations that come with professional membership. Although dissimilar to the situations described in the cited previous research the effects studied in the current article are such that analogous interpretations are motivated. The origin of the attitude towards adapting to clients' needs may be

a social learning process in which accountants have encountered situations where they felt proximal to the clients and possibly even identified with them. Regardless of origin, many accounting consultants feel a need to be more flexible with accounting rules than professional obligations allow. The inconsistency between the two sides of professional identity is between the attitude to, or expectation of, the need to compromise between professional obligations and clients' needs for aggressive accounting. This difference between the privately held attitudes towards compromises with professional obligations and the official version of the professional role is paradoxical from a social psychological viewpoint. Individuals need coherent identities, and attempt to maintain continuity over time and across situations (Dirks et al., 1996; Fiske & Taylor, 1991; Swann et al., 2003). Stable self-views provide people with a crucial source of coherence, invaluable means of defining their existence, and guiding social interaction (Cooley, 1902; Mead, 1934; Lecky, 1945; Swann et al., 2003). Coherence is not simply stability over time because logically incompatible combinations of self-views would make it difficult for the individual to distinguish between self-congruent feedback and self-incongruent feedback. It would also be difficult for the environment to predict the individual's behavior. An incoherent identity would produce stress because the incoherency is a threat to the self-concept (Ashforth & Mael, 1998) analogous with Burke's (1991) 'identity interruptions' notion.

In summary, the above discussion has concluded that there is social psychological support for the argument that a more salient professional identity would be more motivating for an accounting consultant's ethicality. Besides the salience aspect on moral motivation the above discussion lends support to claims about how the content of a salient professional identity would affect ethicality among accounting consultants.

2.3 Motivation relating to self-conception

Self-conception may interact with motivation in at least two separable ways. One concerns the impact of the relatively stable core personality traits and the other the more volatile and context-relevant features of the self. The first alternative has been the focus of studies concerned with virtue ethics and the so called ethical identity. Several studies on moral motivation in accounting have adopted the virtue ethics framework (c.f. Minz, 1995; Thorne, 1998; Armstrong et al., 2003, Libby & Thorne, 2004; 2007). According to this framework the character traits of a person are treated as stable determinants of moral motivation over time and across contexts. The cited research has followed the description of virtue ethics as presented by Pincoffs (1986). Other research has dominion in applied psychology, of which some studies have developed and tested a similar concept 'ethical identity' as a definition of various virtues that the individual level identity may adopt as self-descriptive. Moral identity has been defined as the moral aspect of one's self (Bergman, 2002). The moral identity is a self-regulatory mechanism that motivates moral behavior (Blasi, 1984; Damon and Hart, 1992). The impact of the moral identity on motivation is explained by the self-consistency motive according to which a strong ethical identity compels the individual to act morally (Colby and Damon, 1992; Oliner and Oliner, 1988). Aquino and Reed (2002) have demonstrated relationships between ethical identity and several moral behaviors such as self-reported volunteering and willingness to minimize harm.

These relatively stable core personality traits differ quite from the situation-driven, context-sensitive, and highly dynamic social identities that are associated with group member-

ship and other social entities, such as the profession, to which the attention of the present study is directed. According to the discussion above about the context-driven activation of fractions of the self, identities or working self-concepts (WSC), the self-concept approach offers a conceptualization that takes into account context variation and other dynamics (Kihlstrom & Klein, 1994). In this context a professional accountant would typically be under the influence of a professional identity during his/her work. An attempt to improve the accountant's ethicality through improvements of cognitive structures would thus primarily concern the professional identity that the particular individual holds.

The general discussion of the self-concept approach to motivation leads to the following two statements: The propensity to be motivated for moral action in accounting would depend on (1) the chance of activating a professional identity and (2) the content of this identity. The first point relates to the salience order of identities (Stryker, 1980). The second point concerns, as follows from the self-concept discussion above, several aspects of the content of the professional self, for example the accountant's perception of the importance of moral standards in the professional identity which may in turn be dependent on a self-enhancement or self-verification motive. The content may also depend on the sense of autonomy the identity provides, and the coherency between various aspects of professional identity or the consistency between the identity and actual or anticipated behavior of the accountant.

The chance of activating the accountant's professional identity in a situation would depend on the salience of his/her professional identity, which is the relative importance or attractiveness of the professional identity compared with other identities that the person has. The salience may vary across time, situations, group memberships, and relationships (Aron, 2003; Brewer, 2003; Turner, 1987).

2.4 Research propositions

The discussion above lead to the following two propositions:

Proposition 1: The salience of professional identity is positively related to moral intent.

Proposition 2: The fragility of accountants' professional identity is positively related to moral intent.

3. Methodology

3.1 Data collection

An e-mail survey consisting of two separate parts was distributed to 3762 members of the Swedish association of accounting consultants, SRF, (Sveriges Redovisningskonsulters Förbund). The population of the study was all accounting consultants in Sweden, and the sample consisted of all members of the professional organization, SRF, that authorizes accounting consultants in Sweden. This sample of respondents is likely to be distributed across the country in accordance with the population of accounting consultants and is also likely to represent the population of accounting consultants in terms of age, professional experience, gender etc. The accounting consultants are external consultants who deliver accounting, tax, and other administrative services to mostly small clients. They are mostly employed in small accounting firms that are distributed across the country. The consultants have varying education, but frequently lack the academic background typical for auditors. Their tasks are frequently book keeping, and preparation of annual reports, and tax reports. As members of the professional organization the consultants are required to follow ten ethical

rules. The fourth rule concerns their relationship to clients and the first paragraph of this rule says: "An accounting consultant shall, within the law and other norms, carry out his/her tasks in a way that is in the best interest of his/her client." As consultant the task is to serve clients, but breaching law, accounting standards, or other norms is always unacceptable for the professional. Compared with professional auditors the accounting consultants enjoy considerable lower status and their commitment to their professional organization is likely lower as well.

The accounting consultants were asked to respond to a questionnaire. The first part of the questionnaire provided the material for the present study and the second part contained items which were used for a different study reported elsewhere. Participation in the study was voluntary and respondents were assured that their responses would be treated with confidentiality. The surveys were distributed in May 2008 during a period of three weeks. Responses were delivered by 1178 accountants giving a response rate of 31 percent. The complete responses to all questions were fewer and represented a 20 percent response rate, which compares well with other research.

The possibility of a bias in the data was dealt with in the following way. Non-respondents' answers were represented with late respondents' answers and the possible difference between late respondents and early respondents was treated as a measure of non-response bias. An ANOVA was computed in order to assure that late respondents did not answer the questions in a different way than early respondents. Results for late respondents, as surrogate for non-respondents (Larson & Catton, 1959), were statistically indistinguishable from early respondents. Accordingly, there is some assurance against bias in the sample.

3.2 Survey and Questionnaire

The survey developed for this study consists of an accounting ethical scenario and related questions. The scenario was adopted from Thorne (2000), who has developed an accounting specific variant of Rest's (1979) Defining Issues Test, to measure accountants' moral reasoning. Thorne's questionnaire consisted of either four or six ethical vignettes of which the present study used one, 'Alice and the ABC Company'. Ideally there should be several vignettes, different from each other, in the survey. The effects studied may depend on the situation, as is the case with moral intensity (Leitsch, 2006), and it is desirable to establish the impact of the situation on the effects measured in the test. However, in order to decrease the total number of questions in the questionnaire, one of Thorne (2000) vignettes was chosen. The dependence of the fragility effect on the situation was postponed to future research. In this vignette the auditor Alice is about to write a letter to the manager of her auditing client. The letter was going to direct the manager's attention to problems with a software used by this firm for the purpose of internal control. Alice's accounting firm has developed the software, therefore Alice's manager is trying to persuade her to modify her letter. The choice of this vignette is motivated by its relatively vague contours in terms of moral intensity dimensions, leaving room for various interpretations. Apparently an auditor has a professional obligation to report the deficient software, but it is less clear what the consequences could be if she does not. Also present in the case is a problematic relationship to peers. There is room for speculation concerning the magnitude of consequences and the attitude of the manager encourages some doubt about the level of social consensus about the unethical nature of Alice's neglect if she decided not to write the letter. The probability of the harmful effects of neglecting

to write the letter and the temporal immediacy of the harmful effects are both open for respondents' speculation. The case does not inform whether Alice has a close relationship with her client. Finally, it is not clear exactly who will be affected by the problematic software, and how large the client company is, therefore the case leaves room for judgment regarding the concentration of effect.

The Thorne (2000) test for accounting ethical reasoning, here called AEDI, is a variant of the DIT. The AEDI examines prescriptive and deliberative moral reasoning that the respondents apply to realistic accounting ethical dilemmas. The prescriptive and deliberative reasoning are versions of the instrument that refer to different levels of involvement of motivation processes that the respondent applies when resolving the dilemmas. According to Rest (1979; 1983; 1994) prescriptive reasoning is the considerations of what should ideally be done to resolve an ethical dilemma. Deliberative reasoning concerns instead what a person would realistically do about an ethical dilemma. Deliberative reasoning involves an intention to act in a particular way in the situation described in the moral dilemma. It tends to involve motivation to a greater extent than does the prescriptive moral reasoning (Svanberg, 2008). In the present study both versions of the AEDI was used. The 3762 respondents were randomly assigned either the prescriptive or the deliberative version of the one case version of the AEDI. The number of responses to either version of the instrument split relatively evenly. In addition to the AEDI a module about self-constructs, questions about motivation and perceived guilt were added.

Demographic variables

Demographic variables were age, sex, and accounting work experience.

Salience of professional identity

The salience of professional identity was measured with one item similar to the items used by Bamber & Iyer (2007) and can be found in the organizational identification scale (Mael & Ashforth, 1992). The item was: Is this a description of you? When I read or hear about criticism of accounting or auditing I take it as personal criticism. Respondents were asked to either agree or disagree along a 5 point Likert-type scale.

Fragility of professional identity

The accountants' belief that there is a necessity to compromise between professional obligations and clients' needs were estimated with two items. Accountants were asked to agree or disagree along a 5 point Likert-type scale to the statement "In order to do a good job as accounting consultant I have the opinion that the consultant in practice must find compromises between rules, moral and clients' interests." The other statement was "My work requires that I make reasonable compromises between accounting recommendations and my client's needs." A compound variable, reaching from (2) low fragility to (10) high fragility was calculated as the sum of the responses to the two questions. This variable was used as measure of fragility. It would have been desirable to construct a more multidimensional measure of fragility, but it was conceived as the attitude about compromising between norms and clients' interests. This attitude may be measured with the adopted technique. An alternative approach would be to apply the Ethics Position Questionnaire (EPC), which measures personal moral philosophies along the idealism-relativism scale (Forsyth, 1980). However, the present study defines fragility as an attitude specifically con-

cerned with professional obligations, but the EPC is a psychologically global moral philosophy. The adopted measure may capture a different phenomenon than the personal philosophy of the respondent. At least, fragility is more narrowly defined than the concept 'personal philosophy'.

Ethical intent

A part of the AEDI is that respondents are asked to choose between two alternative actions that the described auditor could take. Respondents were asked to choose whether the auditor Alice in the vignette should alter her letter to the management. There were three alternative answers "yes", "unable to choose", and "no" to the item "Should Alice modify her letter to the management?" In the prescriptive version the response to this question is a representation of what the respondent thinks is the morally most correct answer. This version measures little or no ethical intent.

In the deliberative version the response represents what the accountant thinks is the most realistic course of action given the pressures and limitations that affect the described auditor in the situation. If the motivation to choose the moral alternative is stronger than the motivation to choose the immoral alternative the moral will be chosen. The choice signals that there is an involvement of motivation, ethical intent, to act.

The respondents' indication of their preferred action alternative was combined with their judgment of how difficult they thought it was to make their choice. The combination of these two issues made of a variable from -5 to +5, where responses from -5 to -1 represented answers from "certainty of the yes" to "uncertainty of the yes" alternative. The 0 represented "unable to choose" and +1 to +5 represented "uncertainty of the no" to "certainty of the no".

The deliberative version of the instrument activates motivation, but the prescriptive version asks for an intellectual moral judgment that minimizes the involvement of motivation (Thorne, 2000). This difference between versions of the instrument makes comparison possible and effects that depend solely on motivation structures can be distinguished from immoral

responses that depend on lack of knowledge or false conviction that the immoral alternative is moral. The prescriptive version of the answer was called prescriptive ethical decision (PED) and the deliberative was called deliberative ethical decision (DED).

The indication of preferred action and certainty of the choice was supplemented with two other measures. The moral motivation was assessed with a direct question. "Imagine that you were the described auditor in the case. How motivated would you be to execute the course of action that you have judged that the auditor would take?" The respondent was asked to judge the question along a 5-point Likert-scale from no motivation to strong motivation. This question captures perceived motivation for the chosen alternative, regardless whether the choice is the most morally acceptable behavior. Finally, the perceived guilt was measured with the following item: If the auditor chose the unethical alternative, how would the auditor feel after that his/her colleagues have learnt about his/her action? The respondent was asked to judge the question along a 5-point Likert-scale from strong guilt to no guilt.

4. Results

Table 1 presents descriptive statistics. It shows demographic measures of the respondents as well as other variables. Mean values and standard deviations are displayed.

The deliberative version of the test was conducted in order to investigate the level of ethical intent and relationships between ethical intent and perceived attitude to compromises between professional obligations and clients' needs. Pearson product moment correlations were computed and presented in table 2 for the relevant variables. The correlations between the independent variables of this study were at expected levels and do not exhibit any signs of multicollinearity or singularity. No correlation between the independent variables exceeded 0.45 which is below any recommendation for multicollinearity.

Respondents agreed to some extent to the statements about necessary compromises between clients' interests and professional obligations. In the deliberative version a t-test with

Variable name	Scale	Frequency	Mean	SD
Male	0	451		
Female	1	579		
Age	Numerical		41.8	10.060
Acc. Experience (years)	Numerical		14.092	6.3830
PED	From -5 to +5		3.6244	2.3367
Fragility/PED	From 2 to 10		4.0776	1.9879
Age/PED	Numerical		47.484	10.1848
Salience/PED	From 1 to 5		1.4053	0.74115
DED	From -5 to +5		2.5034	2.9122
Fragility/DED	2-10		4.0193	1.9035
Age/DED	Numerical		48.322	10.2332
Salience/DED	From 1 to 5		1.4206	0.76189

Table 1. Descriptive Statistics: Acc. experience is the number of years worked in accounting. PED is Prescriptive Ethical Decision which is the resolution, including the perceived certainty of the resolution, of the ethical dilemma in the prescriptive mode of the questionnaire and DED is the corresponding resolution of the dilemma in the deliberative mode of the questionnaire, the latter which is indicating ethical intent. PED and DED vary between -5 and +5. Fragility varies between 2, which is low fragility and 10, which is high fragility. Fragility/DED is the measure of fragility among the respondents taking the deliberative version of the test and Fragility/PED is the measure of fragility among the respondents taking the prescriptive version. Salience is the salience of professional identity in the respective versions of the test.

99 percent confidence interval suggested that the mean fragility was in the interval between 3.82 to 4.21 which is clearly above the lowest level of fragility (2) that would have been a rejection of the desirability of compromises. The prescriptive version contained responses with similar mean fragility value. The accounting consultants tend to cautiously accept the claim that compromises between professional obligations and clients' needs is a necessary part of their job role.

In the prescriptive version of the instrument, table 3, there were less or no significant correlations with perceived motivation, as could be expected from previous usage of this measure (c.f. Thorne, 2000). The involvement of cognitive structures that govern motivation is apparently minimized in the prescriptive mode of the questionnaire, and only age significantly correlated with the prescriptive ethical choice measure (PED). As noted regarding the deliberative version above, there were no signs of singularity or multicollinearity in the data.

Prior to the multiple regression analysis the suitability of this technique for the available data was assessed. No correlations between independent variables were alarmingly high. On the contrary, the correlations were low. Also the $1-R^2$ values were in the vicinity of 1, therefore multicollinearity was not the case. Furthermore, conventional checks for outliers, normality, linearity, homoscedasticity and independence of residuals were performed.

4.1 Test of proposition 1

As a first step a regression was performed, for the deliberative version of the instrument, with ethical intent as dependent variable and professional identity salience as independent variable. The results of this analysis revealed that identity salience did not predict the respondent's ethical intent. The regression did not produce any significant coefficients and the R^2 -value was 0.009. Then a regression was computed with moral motivation as dependent variable and identity salience as independent variable with the same result. This analysis was concluded by repeating the regressions on the prescriptive version of the instrument, and the results were the same. No support could be found in the present data for proposition 1. There was no positive relationship between the salience of professional identity and the intent to behave according to the ethical alternative action in the Alice and ABC-company case.

Measures	DED	Fragility	Age	Identity salience	Perceived motivation
DED					
Fragility	-0.215**				
Age	0.187**	-0.129**			
Identity salience	-0.094	0.116**	0.012		
Perceived motivation	0.443**	-0.145**	0.129*	-0.001	
Perceived guilt	0.259**	-0.144*	0.040	0.083	-0.001

Table 2: Correlations between DED (ethical intent in the deliberative mode), fragility, age, perceived motivation, perceived guilt and professional identity salience.

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

4.2 Test of proposition 2

In order to test the relationship between ethical intent and fragility the measure of fragility and age were primarily chosen as independent variables. Also perceived guilt was included in the model as a representation of the moral importance of the issue and therefore as a representation of the moral driving force perceived while resolving the dilemma.

The regression model may be understood as a representation of three sources of motives and motivations for the moral choice. Fragility is the attitude towards the pragmatic, and possibly even immoral aspect of dilemma resolution; age is the moderating force of pragmatically originating pressures such as fear of competition or peer pressure, assuming that fragility is related to self-construct as proposed by this paper; perceived guilt is the emotional response that would result if the immoral outcome would be realized.

The regression for the deliberative version of the instrument is presented in table 4. In this regression the ethical intent was constructed from the deliberative reasoning choice, as described above. The regression model could predict the variations in ethical intent with a moderate R^2 -value. The coefficients were all significant, though, and their signs were as expected. The negative contribution to ethicality from the perceived need to compromise between professional obligations and clients' interests is counteracted by the impact on ethical intent from perceived guilt and age. It appears as though the ethical intent is the outcome of a trade off between the fear of guilt and the pragmatic side – the attitude towards compromising with professional obligations, with age as a general contributor to ethical intent.

Measures	PED	Fragility	Age	Identity salience	Perceived motivation
PED					
Fragility	-0.10				
Age	-0.114*	-0.091			
Identity salience	-0.024	0.086	-0.005		
Perceived motivation	-0.049	-0.061	0.092	0.001	
Perceived guilt	-0.010	0.176**	-0.126*	-0.110	-0.088

Table 3: Correlations between PED (ethical intent in the prescriptive mode), fragility, age, perceived motivation, perceived guilt and professional identity salience.

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Variables	Ethical intent (DED)	Ethical choice (PED)
Constant	3.082***	1.845
Fragility	-0.225*	-0.014
Age	0.436**	0.108
Perceived guilt	0.544***	-0.018
R2	0.115	0.006
F	12.990	0.569

Table 4. Multiple regression: Fragility, age, perceived guilt and ethical intent (DED).

*. Significant at the 0.05 level.
 **. Significant at the 0.01 level.
 ***. Significant at the 0.0005 level.

The same regression was repeated for the prescriptive version of the instrument. The result is reported in table 4. In the prescriptive version it is more relevant to conceptualize the outcome of the ethical dilemma resolution as ethical choice, due to the non-involvement of motivation. Thus, PED is designated as ethical choice. There were no significant predictions in the model as expected, due to the nature of prescriptive reasoning as a purely intellectual response.

5. Discussion

Building on the work of Bamber and Iyer (2002; 2007) who examined the possible conflicting motivations of auditors' professional and client identifications, the present study researched the possible conflict between the official demands of the professional role and the accountants' private attitudes about the necessity to make compromises between professional obligations and clients' interests. Bamber and Iyer (2007) demonstrated that auditors who were more strongly identified with their profession and had weaker identification with clients could withstand client pressure better than could auditors who had the opposite combination of identifications. Although there is mixed evidence about the organizational-professional conflict (OPC) it appears that the existence of such a conflict is established (cf. Gunz and Gunz, 2007). The present study is a parallel to the OPC literature in one sense. The current article deals with a conflict between the official version of professional obligations and privately held beliefs about the professional role concerning the extent that the accounting consultant must sometimes serve clients' interests even if it means that the consultant does not comply with professional obligations.

The data in the current study indicates that accounting consultants develop their own private interpretations of their professional role. Furthermore, they have only weak identification with the profession with low levels on the salience measure of professional identity. There is indication in the data that the accounting consultants believe that they must sometimes deviate from professional obligations as a response to clients' demands.

It is likely that a more salient professional identity would increase the impact of the official interpretation of the professional role on accountants' ethical intent. An accountant who believes that he/she must sometimes depart from professional obligations for the sake of serving clients' interest and simultaneously believes that circumventing rules is 'a part of doing a good job' displays a weak link between his/her view of professional ethical behavior and the view of the profession projected by the professional organization. This pragmatic view of the professional role may be the effect of competitive pressures, the power of clients, or the culture of the employer organization. The attitude serves to weaken the effect of the official version of the professional identity. Therefore it is here called the 'fragility' of the individual's professional identity.

Intuition coincides with psychology in the explanation of the fragility effect. Intuition has it that an attitude that client adaptation is a necessary part of doing a good job translates to action. Psychology either in the inconsistency theory version (Festinger 1957), or incoherence theory (Dirks et al., 1996; Fiske & Taylor, 1991; Swann, 2003), suggests that attitudes cannot differ from behavior without incurring cognitive problems, and therefore that ethical intent would decrease with such a mental state. An accountant who holds the 'fragility' attitude would thus intend to behave less ethically due to the lack of internal consistency/coherence. In terms of incoherence the incompatible views of the professional role would lead to concrete problems. The col-

lision between pragmatism and idealism would introduce incompatible combinations of self-views that make it difficult for the consultant to distinguish between self-congruent feedback and self-incongruent feedback. A less coherent identity is less motivating (c.f. Shamir, 1991) and incoherence is a threat to the professional identity (Ashforth and Mael, 1989). Ethical intent should decrease as a consequence. Thus, from psychological perspective it is in the self-interest of the individual to interpret his/her professional role in coherence with the actions that employers and clients demand.

The fact that no relationship between fragility and ethical intent could be detected in the prescriptive version of the test indicated that there was no false conviction of professional obligations. No cognitive mistake regarding what an accounting consultant ought to do according to his/her professional organization could explain the 'fragility effect'. Instead the negative relationship between fragility and ethical intent revealed a trade-off between ethical convictions and various selfish interests. The difference between the two versions of the instrument is that only the deliberative version activates the trade-off between ethical and non-ethical considerations (Thorne, 2000). Apparently the respondents were able to react differently to the prescriptive version, which is purely intellectual, and the deliberative, which involves ethical intent versus selfish motivations.

The proposition that ethical intent has a positive relationship with the salience of professional identity was not supported in this research. There were no significant correlations between identity salience and ethical intent, and the lack of relationship was confirmed by the fact that there was no significant correlation between identity salience and motivation for the chosen action alternative. This is in conflict with the well established previous research in leadership that has documented the relationship between the salience of organizational identity and work motivation. Much leadership research looks for means to increase the salience of organizational identities among employees in order to increase organizational commitment. For example, Shamir et al. (1993) builds on the relationship between work motivation and the salience of organizational identity and provides an overview of empirical research. Van Knippenberg et al. (2004) provide an overview of empirical results of studies of self-construal and organizational commitment in a special issue of the *Leadership Quarterly*.

In the accounting ethics discipline the relationship between professional identity salience and ethical intent has not been explicitly addressed by previous research. Still it is unlikely that there would be no relationship between the salience of professional identity and ethical intent among various groups of accountants or auditors. The result found in the present study is a slight indication that identity salience of the professional identity is not a factor that contributes to determine the motivation for ethical behavior among accounting consultants in the Swedish sample. One explanation may be that the accounting consultants have a weaker relationship with their professional organization than auditors. Another possible cause of the absent salience effect on motivation is that only one item was used to measure identity salience in this study, which is less than the frequently adopted five items (c.f. Bamber and Iyer, 2007). Therefore the lack of relationship between identity salience and ethical intent is uncertain.

Other limitations associated with the study, such as response rate and non-response rate, social desirability bias, using a constructed scenario to measure ethical intent and motivation, all demand caution in the interpretation of the study's results. Furthermore, the fragility effect is weak, but in comparison with

the explanatory power of the factors in Bamber and Iyer (2007) the effect is relevant. The fragility effect may be quite different for a different sample of respondents. Auditors would likely differ from accounting consultants regarding how identities and attitudes affect ethical intent. Further investigation can determine how these professional groups differ and the relationships between pragmatic and official versions of professional identity and moral intent.

6. Conclusions

Specifically this study concerned the attitude that it is a necessary part of doing a good job as an accounting consultant to compromise between professional obligations and clients' interests. The attitude was interpreted in this study as a weakness of the professional identity that sensitizes the professional role for client pressures. The weakness, the fragility of the professional identity, was measured using a scale between 2 and 10. The average fragility was about 4.0, which was significantly more than the zero-level fragility, thus indicating that the consultants in the sample experienced fragile professional identities. They thought that finding compromises between professional obligations and clients' needs was part of doing a good job as account-

ing consultant or a practical necessity.

A significant fragility effect was detected with linear regression analysis on the level of ethical intent expressed during resolution of a constructed ethical dilemma. Higher levels of fragility were related to lower levels of ethical intent. The pragmatic attitude about the necessity of compromises between professional obligations and clients' interests translated into motivation for less ethical behaviors. Accounting consultants who believe that they should compromise between official obligations and clients' interests apparently tend to be less motivated for ethical accounting solutions.

No effect of professional identity salience on ethical intent was found, which was contrary to expectations. One explanation is that the accounting consultants do not identify sufficiently with their professional organization, and some support for this statement was derived from the fact that the mean value of the measure of professional identity salience in the deliberative version of the test was 1.42, which corresponds with the responses "not at all" or "partly". This is some indication that professional identity is not very salient in accounting consultants. If this is true, it explains why identity salience was not related to ethical intent in this study.

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The Moral of Functional Differentiation

A New Horizon for Descriptive Innovation Ethics

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Abstract

Although ethics is commonly defined as the science of the moral, the present paper shows that the larger part of contributions to the emerging innovation ethics discourse rather does than studies moral communication. Instead of descriptively analyzing how moral dilemmas are solved and decision-making refers to moral communication, contemporary innovation ethicists try to solve moral dilemmas by moral communication. In doing so, the larger part of innovation ethics is subject to a self-confusion with its own research field. As a result, ethics subordinates its own code of truth to the codes of power, health, law, money, and further function systems of society. Challenging this trend, the paper argues for a shift from an ethics as a moral science to an ethics as the science of the moral, which also allows for observing rather than following trends in moral preferences for specific function systems and (their) innovations.

Keywords

Innovation Ethics; Functional Differentiation; Social Systems; Moral Communication; Decision-Making

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1. Innovation and Ethics: An Introduction

Dealing with ethics means doing geometry in the alluvial sands of the moral. Acting as the science of the ever-changing judgments of what is good or bad (Moore, 1903), the only Archimedean point left to the discipline is its surprisingly broad-consensual self-definition as the science of the moral. The general consent on viewing ethics as the science of the good and the bad automatically refers to functional differentiation. Even before calling for any specific definition of the moral, the idea of ethics as a branch of science recalls that ethics is not sport, politics, religion, arts or health. Because of this maybe self-evident thought, we find that the problem of determining the quality of ethics is inevitably connected to the question of how ethics as a science refers to both itself and the non-scientific realms of society. If we take a closer look at these relationships, we find that these are biased themselves insofar as ethics tends to rather look for a second sun instead of drawing its energy from its own resources. Today, ethic board meetings consisting of politicians, businessmen, teachers, lawyers, priests and (maybe even also) scientists are thought to produce higher quality of ethics than ethics itself. The problem with this fact is not even the narcissistic slight that a science is confronted when non-scientists slowly but surely take over the sovereignty of its space. The real problem is that ethicists themselves explicitly support this undermining of ethics, which is furthermore flanked by the more general trend of asking science for more social robustness (Nowotny, 1999; Nowotny, Scott and Gibbons, 2001; 2006). Regardless of the particular form this Mode-II-revival of the ancient critique of the ivory tower may take, the idea that science alone cannot properly produce (or even define the quality of) scientific knowledge is always present in or in between the lines. Here again, the strange thing is that nowadays science seems unable to do its job itself.

Without any doubt, scientists have a hard job these days, especially in the shallows of ethics. Nonetheless, the difficulties involved in science in general and

ethics in particular do not justify ethics' inherent disposition to permanently being on the quest for just another external Archimedean point instead of relying on its internal one(s). Just to give an example: One classical test of ethics is the fact that sometimes there is medical research that does not cure but rather produce illness. One classical answer from the textbooks of ethics is that medical research is ethical if it supports health.

Most scholars in ethics and further majorities would agree on the idea that the quality of health-related research should be finally determined by the impact this research has on health. Undoubtedly, however, the quality of a science is commonly not determined by its helpfulness, but only by the truth (validity) of its statement: Truth is neither always useful, nor the useful always true. We therefore argue that some of the most common common senses on ethics might be conducive for an individual career in ethics, but not for the career of ethics itself. Hence, if we are concerned about ethics as the science of the moral, then we cannot subordinate the logic of science to the logics of other function systems of society for two reasons:

1) We might indeed wonder what worth is a scientific discipline that subordinates the scientific code of truth to the codes of health, payment or power? Why should the health system, the economy or the political system trust in such a science? How could medical, economic, or political decisions be justified by a science that does not trust in the code of science?

2) It does not make sense to assume that research is well done only if it is good for its research field. Accordingly, the statement that the quality of medical research depends on its impact on health can indeed be a result of a descriptive analysis of the present moral conditions of medical research. However, it can by no means be a prescriptive conclusion drawn from such research, because there is no scientifically tenable way of arguing that health is more relevant than science, especially not in the context of the assessment of the quality of a science.

We thus argue that neither health nor religion, neither politics nor the econo-

my, neither education nor art can justify ethical statements in a way that is reasonably more relevant than sports has to tell about law. Accordingly, we claim that there is no ethics without science, and that without science 'the ethical' is only moral communication.

The present considerations start from such a scientific perspective on ethics. The following paragraph is therefore devoted to the definition of the concepts of ethics, moral and innovation. The subsequent paragraphs will focus on evidence from the emerging innovation ethics discourse and show that contemporary innovation ethics is indeed fundamentally irritated by the demands and expectations of non-scientific function systems of society. We will then discuss how ethics as a science can get a more comprehensive perspective on its relationship to non-scientific function systems. Based on this perspective, we finally argue that ethics can move from a prescriptive moral science to a descriptive science of the moral. Such a science of the moral can be free from value judgments¹ and, therefore, able to reflect the fashionable changes of moral communication triggered by innovation not in terms of the participation in, but rather in terms of the unbiased description of moral communication.

2. Ethics and systems theory: An indecent proposal

The following considerations act on the assumption that ethics is the science of moral communication, and that neither moral communication nor the compilation of codes of ethics (Stevens, 2009) is ethics yet. The question thus is: What is moral communication?

Moral communication is quite different from normal interaction. While interaction is simply about the communication of presence or absence of persons, moral communication is based on the communication of values and esteem (Luhmann, 1993a, p. 999; 2008, p. 102f). Dis-/esteem communication not only communicates that two or more persons notice each other, but also that in doing so they correctly assess each other. Dis-/esteem communication therefore is about the adequacy of the mutual considerations of both self-concepts and worldviews of persons involved in interaction, while value communication refers to the adequacy of considerations of non-personal objects or events². Esteem communication and value communication are the basis of moral communication. Moral communication is hence the communication of whether the esteemed persons or valued objects are regarded as positive or negative (Luhmann, 2008, pp. 104, 115)³. Finally, ethics in plural are "reflexive theories of morals" (Dallmann, 1998, p. 90) and in singular the science of the moral, respectively. Ethics is hence not a form of the moral, but rather the science of the moral. It follows that doing ethics is neither about legitimizing moral judgments nor even about finding solutions for moral dilemmas. The only truth ethics can offer is that moral communication cannot advise on how to decide on moral dilemmas: Let peace or freedom both be values, there is no logical way of preferring the one to the other without referring to a third value. As a guiding value, this third value is then contingently preferred to both to the conflicting values and alternative guiding values. The contingency involved in the choice of a guiding value thus calls for yet another guiding value, in the end.

"From this it follows that values are not able to regulate decisions. They may demand a consideration of the relevant values, but a conclusion does not follow from this as to which values are decisive in cases of conflict and as to which are set aside. All values may count as necessary, but all decisions remain, nevertheless, and for that very reason, contingent" (Luhmann, 1999,

p. 66).

In a situation like this, there is hence no moral Archimedean point for a science of the moral. Moral judgment and the solving of moral problems simply are research objects, not research techniques of ethics. Far from being a moral science, the science of the moral is therefore defined by an inherent 'amorality'.

3. Innovation and Functional Differentiation: Archimedes descending

The fact that decisions on value conflicts cannot be logically deduced from values will become more comprehensible, if we reconsider value conflicts from the perspective of functional differentiation.

"In many fields, society has involved itself in its function systems in the mode of second-order observation, and has made itself dependent on this mode for achieving integration. The use of second-order observation has decisive consequences for moral communication. It now serves as a vehicle for observing morally oriented communication and destroys, with or without intention, the immediacy of moral evidence" (Luhmann, 1993a, p. 1006).

Moral communication can hence be observed in terms of its different relevance for the function systems of society, i.e. politics, the economy, science, art, religion, law, sport, health, education, and the mass media. What is more, unlike in the Medieval, "(n)owadays, morals have no specific reference to a subsystem, e.g. knowledge (sciences), faith (religion) or power (politics). Therefore morals belong to the environment of all subsystems of the society, morals are equidistant to every subsystem. The code of morals and the code of the subsystems are not congruent" (Dallmann, 1998, p. 89), which is evident if we exemplarily consider that there is no sense in applying moral to payments per se, for there is no reason for defining payments as always good or non-payments as always bad, or vice versa. This higher amorality (Luhmann, 1990, p. 24) of the function systems and their codes will become more plausible if we subsequently regard value conflicts not only within but also between the function systems and, in doing so, approach an even higher level of amorality.

If we consider it hard to decide on whether peace or freedom is the higher good, we still find that solving this puzzle means dealing with an inherently political problem. But, how about the decision between peace and liquidity? Between lawfulness and belief? What if science makes ill? Inter-functional dilemmas like these clearly demonstrate that, nowadays, neither science nor any other function system has the ultimate authority to solve moral dilemmas because, evidently, there is no logical way of prescriptively preferring one function system to another.

The fundamental theoretical equivalence of the incommensurable function systems and their binary code values, however, does not prevent us from descriptively observing imbalances between the function systems in particular areas and eras of society. Even more seriously, it is only because of the assumption of the higher amorality of the function systems that we can empirically observe how moral communication produces both temporal and local biases to particular function systems. Such a descriptive approach to the moral then might start at the common place of the decline of religion in the dawn of Modernity. Since then, "the old hierarchical order is being dismantled – the order that had presupposed that the positive values of all codes converge at the peak of the hierarchy, in the ruler, or ultimately in God" (Luhmann, 1993a, p. 999).

Meanwhile, however, there is a research gap in the middle of

the common place of the dethroning of the medieval primacy of religion, which is indicated by the fact that there is much implicit moral debate and little tangible research on whether or what specific function system inherited religion as the largest force of attraction, today (cf. figure 1).

Has the 20th century seen the peak of politics or the age of the economy? Is it all about 'Profit over People' (Chomsky, 1999a), 'The Rule of Force in World Affairs' (2000) or the age of 'Media Control' (1999b), in the end? Whatever concrete constellations of values and function systems we observe, we might find that they do not call for moral judgments, but rather for the idea that both are constantly switching and hence represent only temporal and local forms, which are challenged whenever innovation enters the stage.

The term innovation can refer to aspects as different as (cf. Roth, 2009, pp. 234, 237)

- Products, services or methods (object dimension of innovation),
- Transformations, changes and diffusions (time dimension of innovation),
- Advances, advantages and addresses (social dimension of innovation).

The thing all these dimensions of innovation have in common is that they call for the distinction between the old and the new (Johannessen, Olsen and Lumpkin, 2001, p. 20) with regard to objects, processes or social constellations (Roth, 2009, pp. 233ff).

Against this background, we find that the old and the new are most often immediately moralized as soon as the distinction is drawn. In the following two chapters, we will show that contemporary discourses on innovation ethics not only take ethics for a moral science rather than the science of the moral, but also base their moral judgments preferably on non-scientific values. Due to this particular form of self-irritation, it is double true to claim that ethics has expelled itself from its own homeland. We will therefore show that this circumstance leads to a situation where homeless ethics aim at fruitless alliances with non-scientific functions systems as benchmarks of moral judgments in order to fulfill missions that are not theirs.

4. Irritated Ethics: On Fruitless Marriages

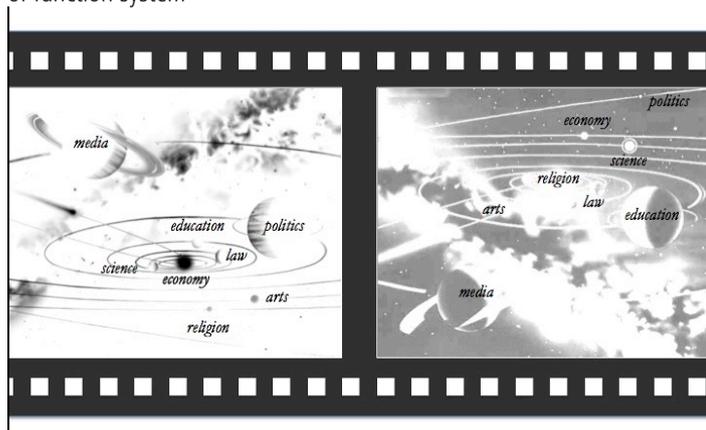
If we reconsider the basic idea of the higher amorality of the function systems and their equidistance to moral communication, then any empirical deviance from this truth is a research problem that calls not for further moral communication, but

for further research. In this sense, we have presented maybe not good, but surely true reasons for claiming that any ethics that tries and solves moral problems in terms of moral communication confuses itself with its own research field and hence is not science anymore. Doing moral communication, however, still seems to be the daily business of larger parts of what is commonly perceived to be ethics, i.e. a partisan 'science' that "engages itself for the good, opts against the bad, and hence views itself as licensed to hold the moral to be something good" (Luhmann, 1993a, p. 1008).

At least, this fundamental self-confusion leads to a situation where ethics (as science of the moral) can use ethics (as the prevailing forms of moral science) as an indicator for contingent preferences for certain values or function systems. In other words, it is exactly due to the claim that a science of the moral cannot give scientific reasons for value preferences that our approach allows for the description and reflection of the fact that such preferences are temporarily and regionally evolving. Although theology and the moral had a church wedding, today everybody knows that this marriage has been unfortunate and fruitless (cf. Luhmann, 1993b, p. 146). The bad experience however never really resulted in the idea that marriages between the moral and function systems inevitably stay platonic and thus fruitless long-distance relationships. On the contrary, we find that the moral has ever since had any kind of relationship with any kind function systems. In fact, moral scientists still promote the most unheterogeneous and unequal pairings: As already mentioned, one of the exemplary dilemmas of innovation ethics is the fact that there is medical research that makes ill. We are indeed very well trained to perfectly agree with the idea that ethical medical research is ethical research only if it helps to heal people (Agich, 2001; Bower, 2003). Although this conclusion is just as logical as the claim that good art history imperatively needs to support the production of artworks, we find that, of all people, a considerable number of ethicists are actively promoting this idea of the subordination of their own code of science to the code of the health system. Of course, this ideology of submission is challenged, however, it is challenged only insofar as different scientists seem to prefer different forms of subordination. Good medical research then might also be research that respects the primacy of political or legal principles like equality, fairness, or inclusion (Rhodes, 2010; Lysterly, Little and Faden, 2011).

Looking into the reasons for this trend of subordination of scientific quality standards to those of other function systems would indeed call for a research project of its own. However, the supposedly logical self-subordination of science is only one form of hierarchies between function systems among others. Interestingly, moral claims for the submission of medial research to the primacy of economic values are rare. Quite the contrary, economic organizations are said to feature moral or ethical corporate behavior whenever they "abandon purely economic considerations" (Hanekamp, 2005, p. 310)⁴. Just like in the case of science, the economy seems to be good only if its realms are ruled by foreign lords, and just like in its own case, the moral science is not innocent in this. However, the case of business ethics is slightly different. While (moral) science suggests to (medical) science to simply surrender to legal or political values for the sake of these noble values themselves, in business ethics it "has become commonplace to note that ethical, socially responsible corporations do well economically, perhaps better than the average firm in an industry" (Tsalikis, 2011, p. 519). In this sense, in the 'business case' moral scientists do not simply refer to political, legal and further 'social' values in order

Figure 1: Snapshots of the changing gravitational forces in the universe of function system



to justify moral claims, but also literally sell these values to the economy.

Business innovation ethics is still about to develop this particular form of ethical service orientation. While “ethics’ should be of interest to innovation studies” (Hull, 2000, p. 349), too, there is still little research on innovation-related research in business ethics, even if we include in this claim terms like corporate social responsible and have it tested against 30 years of research in business ethics (Calabretta, Durisin and Ogliengo 2011, p. 513): “In this sense, CSR research still presents several unexplored dimensions where classics – and subsequent empirical research – could emerge (i.e., CSR and innovation performance)”.

What is more, the few published contributions to the business ethics of innovation remain within a dilemmatic square of political, legal, medical, and economic rationalities, which is finally veiled by political correct harmony (Eaton, 2007; Matten, Crane and Moon, 2007; Seiter, 2007; Steinmann, 2007). Even if sometimes the point is made that rule breaking is a constitutive aspect of entrepreneurship and innovation (and hence cannot per se be morally condemned by a society that is interested in a culture of entrepreneurship and innovation), then the discussion contents itself with the mere stating of the of the moral problem “that entrepreneurs may break various moral rules, thereby doing what is morally wrong, even though from a broader, ethical perspective what they do may be acceptable”. This “dilemma” is of course solved by more moral, in the end: “Finally, such moral transgressions are restrained within both moral and ethical constraints and ideals. When entrepreneurs face instances of moral rule breaking, both moral imagination and moral wisdom are required” (Brenkert, 2009, p. 450). Read: economic innovations are good economic innovations only if they are not too much of an (immoral) economic innovation.

Hence, not only the marriage between the moral science and religion was fruitless in the end. Rather, any kind of relationship the moral ever since had with any other function system was short and unkind. This is true even if

“(I)t is not sufficient to refer to the systemic differentiation of modern societies and from there to point out that business has to do what the business system is there for, i.e. to maximize profits in the given framework. Special care has to be taken if this set-up is used to reject responsibilities beyond this ‘fair distribution of labor’ in society. A distribution of labor must not be determined by particular (implicit) presuppositions of systemic differentiation, i.e. by a specific description of social life. Rather, this description serves certain ends that are available for ethical reflection” (Hanekamp, 2005, p. 313).

While we are – by ‘virtue’ of our approach – far from helping anybody to reject or assign responsibilities, we would nonetheless like to remake our claim that it is not up to a science of the moral to define what is good or bad. Rather, research in the moral should watch, learn, and describe how moral communication evolves as a specific aspect of social life.

5. Homeless Ethics: On the Prize for Missing the Point

“What is ethics if not the practice of freedom”? There have been many intellectually stimulating answers before and after Michel Foucault (1996, p. 434) once asked this question. However, the only true among them is as unpopular as simple: Ethics is science. Ethics is the science of the moral (and not a moral science). If ethics actually stops doing and starts analyzing moral communication, then we soon find that contemporary business ethics has a problem with its business concept. Recently, the

team headed by Tseung Hsing-Chau (2010, pp. 590/594) presented their research on citation data in the field of business ethics studies over the period of 1997-2006: “A factor analysis of the co-citations proposed that the field includes three different concentrations of interest within the 10 years: (1) ethical/unethical decision making, (2) corporate governance and firm performance, and (3) ethical principles and code of conduct”. The most popular individual papers also were on ethics and decision⁵.

The basic problem with this preference for decision-making is that ethics is the science of moral communication, but not the science of decision communication. Though moral communication and decision communication meet in cases of value conflicts, they do not mix. If we want to solve a value conflict in terms of moral communication, then we need to chain moral communication to moral communication all along the value pyramid until we finally find an uncontested master value from which we can deduce how to deal with the specific conflict. However long the way and complicated the process, the final solution to the problem is always the same: value consensus. It is decided, hence no need for decision. In the end, all moral communication is about the avoidance of value conflicts (Luhmann, 2008, pp. 241ff), which moral communication itself naturally takes for good.

However, since the divorce from religion and due to a series of unhappy relationships with other function systems, even moral communication itself suspects that there are always ample and contingent alternatives to individual value preferences, and that keeping them together calls for organization. In this regard, moral communication is in exactly the same situation as its natural ally: the person.

Persons emerge as results of interactions between individuals (Luhmann, 1987, p. 155). A few centuries ago, the concept of person almost perfectly matched the concept of role: Whether kings or a peasants, the one and only role assigned to them by the grace of God was the one they took the largest part of their entire life. Modernity changed patterns insofar as factual, temporal and social flexibility made persons an intersection between more and more interactions, in which they took increasingly different roles. This process divided the consequentially invented individual by turning it into an actor and triggered the concept of individuality as the problem of staying the same while making so many forms (Bauman, 2000).

This is the scene when organization entered the stage. Organizations are defined as systems of the communication of decisions (Luhmann, 1997, p. 830): If a person could potentially play a number of roles, then the actual taking of a specific role can be interpreted as the communication of a decision (cf. Id., 2006, p. 67). Decisions are therefore not perceived as mental or individual acts, but as specific forms of communication. Accordingly, organizations are made up of neither humans nor persons; rather they emerge when communications of decision connect to and, in doing so, define the shape of further communications of decision.

We therefore argue that decision communication and moral communication are to be perceived as independent levels of analysis, each providing us with fundamentally different starting points for the analysis. Both perspectives coexist, but never mix: While moral communication is all about ending conflicts between value preferences by means of the communication of the preference for ultimate values, that is ultimately unquestioned meta values without a visual alternative, organizations only makes sense if moral communication does not make sense anymore: “(D)ecisions can only be made regarding the undecid-

able, in the sense that you cannot really know what the better alternative is, because otherwise you would not have to decide at all" (Mayr and Siri, 2010, p. 36)⁶.

Moral communication and decision-communication therefore systematically talk at cross-purposes. Accordingly, an influence of moral communication on decision-making can neither be taken for granted nor talked up as necessary⁷. Rather, if we move from the moral science to a science of the moral, then we find might find that the mutual irritation of moral and decision communication is a special case of communication that transcends both forms of communication.

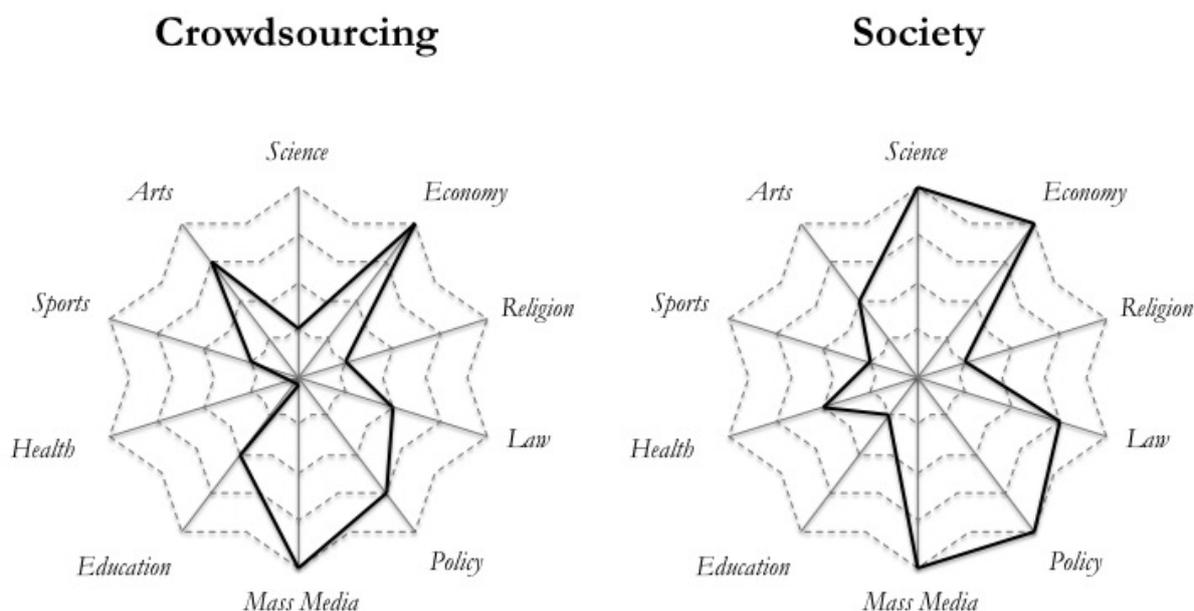
Normally, communication only works if the partners involved can be perceived as sufficiently similar: Persons romance other persons rather than stones. Nevertheless, both literature and fiction are full of the most personal testimonies of ironic to Kafkaesque attempts to 'romance' bureaucracies and other forms of organizations. Persons, and first of all those who approach organizations from a moral perspective, always personalize organizations. However, moral communication cannot be the link between personal values and decision-making, at all, for the basis of all moral communication is the communication of dis-/esteem and thus does neither work nor even come to existence if the parties involved do not properly assess each other (Luhmann, 1993a, p. 999; 2008, pp. 102f). However, organizations simply are not the corporate citizens (Matten, Crane and Moon, 2007; Seiter, 2007) and hence never really behaved like the literal *personnes morales* (French for legal persons or corporate bodies) that moral communication traditionally refers to. Just the other way round, organizations also prefer peer-to-peer communication, and thus treat persons, which they anyway know only from limited guest roles as topic in decision-making, as if they were organized (Luhmann, 1997, p. 834). Whatever influence we observe between moral communication and decision-making therefore works not although, but because both sides misunderstand each other. For organizations, moral communication's lack of organization always is reason for further decision-making, while as to moral communication organizations' amorality stimulates ever more moral-communication. Here again, ethics is not about siding any of the two perspec-

tives⁸, but about getting in view both sides of the story. A non-partisan ethic then could find that the co-existence and mutual irritation of both forms of communication seems to somehow call for the observation of a third form of communication yet to be explored. If nothing else, management, whose task has always been the bridge between personal value preferences and the purpose of organization, would benefit much from a deeper understanding of the principles that drive this specific form of communication. This is true not least whenever the both value-consensually suggested and decision-led balances between the moral and organization are challenged, which most often is the case when innovation enters the stage. Research in innovation ethics therefore means keeping a morally unbiased eye on this particular constellation that is otherwise smoothed and disguised by contingent moral claims.

If we practice ethics as a moral science, virtually any innovation can be discussed controversially. This is even true for objects that are as manifestly beneficial as handkerchiefs. While being considered a blessing for the hygienic and esthetical development of mankind, the innovation handkerchief was also used to more or less subtly mark the distinctions of nobility, bourgeoisies and the common people (Elias, 1978, p. 149) and hence to maintain power relations we take for morally debatable today.

The same is true not only for individual product, service, or lifestyle innovations, but also for innovations of innovation processes themselves. While mainstream innovation management still is clearly focused on shareholder value, concepts of stakeholder integration in the innovation process are sometimes discussed as strategies of sustaining innovation in terms of the pursuit of happiness of and by the larger number. The participation of users (Franke and Piller, 2004; Franke, von Hippel and Schreier, 2006), communities (Bartl, Ernst, and Füller, 2004; Füller, Bartl, Ernst and Mühlbacher, 2006) or even crowds (Howe, 2006; 2008; Lobre, 2007; Roth, 2010) in the innovation processes is said to produce positive effects in all dimensions of innovation, i.e. novelties, change processes and competitive advantages that are accepted by bigger parts of costumers, members and the society. However, as they nonethe-

Figure 2: The chicken and fox problem: Can non-compliant innovations be ethical innovations?



less produce or even increase economic profit, ironically, user integration and crowdsourcing are also discussed as the exact opposite of ethical innovation management strategies, i.e. as a way of making masses of customers into poorly or even unpaid ultra-short-term employees who finally have to pay for products that they themselves have helped to develop (Kleemann, Voss, & Rieder, 2008). Again, we find that the answer to the question of whether or not crowdsourcing is considered good (consumer empowerment, marketing tool, out-of-the-box knowledge, mental exercise, etc.) or bad (exploitation 2.0, IPR issues, crowd stupidity, etc.) depends much on what function system serves as starting point or blind spot in the assessment of an innovation's moral quality.

Again, we will hardly find any logical anchor point for taking any of the criteria and the corresponding function system for more important than another and there will find it hard to decide on whether or not crowdsourcing is a rather positive or rather negative innovation. It all depends ... maybe on the particular society that is witnessing the crowdsourcing trend. We could then go on and argue that good crowdsourcing is crowdsourcing that serves society, just like we sometimes assume that societies' need for robust innovations (Nowotny, 1999; Nowotny, Scott, & Gibbons, 2004) calls for a democratized science (Nowotny, 2003) focused on applied rather than on basic research, i.e. a form of science that is strongly oriented to codes other than its own code of truth. In this sense we could find that if crowdsourcing had outcomes as indicated in the left part of Figure 2, then it would be rather bad for a society that features preferences as presented in the right part (cf. Figure 2).

The problem with calling (only) an innovation that meets the needs of a given society a good or desirable innovation, however, is that such claim tends to discriminate radical or disruptive innovations and therefore could be considered bad for its own part, in turn. Again we find that taking part always means taking sides in the moral communication of innovation. If ethicists nonetheless engage themselves in moral communication, they must be aware of the fact that they changed the code of science for the code of the moral and therefore do not do science anymore. Accordingly, innovation ethics is well advised to clearly distinguish between moral communication and its ethical reflection, simply because there is no compelling reason for getting part of a problem it actually wants to study. Rather, innovation ethics could focus on the difference innovations make in moral communication, which also allowed for replacing the quest for eternal ultimate values by the analysis of the essentially contingent nature of moral judgments and the social trends it is subject to.

6. Homecoming Ethics: An Outlook

The justification of moral communication in general and its particular forms in particular still is the daily business of ethicists. In doing so, ethicists confuse their discipline with their research field. In contrast to this approach to ethics as a moral science, the present contribution argued for understanding ethics as the science of the moral. Starting from this inherent Archimedean point, any such ethics will find that research in the moral is a matter of keeping ones distance not only in terms of the relationship between science and the moral, but also with regard to the relationship between the moral and none-scientific function systems of the society: Moral communication is incommensurable with the logic of functional differentiation and therefore equidistant to all function systems. If ethics nonetheless finds that the moral, or even its entire discipline, is closer to specific

function systems than to others, then the respective fraternizations can be taken for elective affinities, not mistaken for communities of fate or natural laws. In fact, our paper illustrated that moral and ethical preferences for specific function systems both exist and are taken for either granted or justified. In this sense, contemporary moral science is not as far away from medieval moral theology as it might seem: The unhappy and fruitless marriage of the moral and religion has so far rather seldom been a reason for ethics to question the possibility of sensible marriages between the moral and the function systems. Rather, ethics continuously talked the moral science into forced marriages with ever-new function systems.

Today, moral scientists preferably sell moral communication rife with political and legal norms to the health system or the economy. The question, however, is not even the one of what worth is a science whose reasoning is based on political or legal values and is measured against its impact on the health system and the economy? Rather, we wonder whether and when ethics itself became just another moral discourse that cannot reflect fashionable fluctuations of its own preferences for alliances with one or another function system.

If we understand ethics as the science of the moral, then ethics is by no means generally closer to politics or the legal system than to art and sport, simply because there is no logical way of arguing that one of the function systems is better or worse than another. Without any doubt, descriptive ethics can nonetheless empirically detect imbalances within this logical balance of powers. However, also without any doubt, there is no sense in morally judging an empirical finding that is necessarily not subject to change only because who ever might consider it as bad or good.

Since the divorce from religion and after a series of unhappy relationships, today, even the greenest moral communication can have learned that there is always alternative. Alternatives, however, call for decision. In this sense, even the most moral science can hardly measure decision-making against values without admitting that its value preferences can be interpreted as decisions.

Accordingly, ethics is fine as long as it prefers moral communication and its all too natural allies, i.e. humans, individuals, persons, as research objects (only). At the same time, however, ethics as the science of the moral has to renounce from using the moral codes of its research field as research method, or else face that it is not ethics anymore: There is absolutely no sense in a so-called science that either through action or omission is morally biased to particular groups or functions. As soon as we find that science is used to support even the noblest non-scientific ideals, then what we find might be fair, emancipative, godly or simply beautiful, but surely is not science anymore.

In this sense, we did not offer an approach to innovation ethics that immediately pays for management. Rather, what we suggest is a take off to an unpartisan innovation ethics that moves from a prescriptive moral science to a descriptive science of the moral of innovation. This will be a science that does not care for whether or not it will be of use for politics, religion or the economy. Such ethics exclusively committed the code of science are very likely to be irritating, which is neither accident nor intention, but already a remarkable finding, itself.

As to management, however, we cannot totally exclude that the irritation produced by a strong science of the moral pays for agents of the economy and the other function systems, in the long run. While the social robustness of ethics actually is not the business of ethics anymore, we can nonetheless speculate that this venture could indeed start with the exploration of the

third type of communication that evolves from the mutual irritation of moral communication and decision communication. As far as we know, management has a certain interest in bridging this particular systematic gap between individual values and the logic of decisions. As soon as ethics stop with prescriptively forcing organizations into moral communication, they could start to find out why and how organizations are nonetheless irritated by it and, in doing so, neither accidentally nor intentionally build something that from a management perspective works as a bridge of gold. Till then, innovation management

could find it interesting to consider that it is innovation that seems to somehow spark this invisible third form of communication, which we cannot see whenever the still younger field of research in innovation ethics follows the trodden paths of the moral sciences called ethics, with the most delusive of them being the moral fraternization of innovation ethics with its own research object. The moralization of innovation thus is a form of moral communication that researchers in the moral dimension of innovation can do perfectly well without.

¹ Quite properly in keeping with the concept of freedom-of-value-judgments as already defined by Max Weber (1949, p. 143).

² "Values are general, individually symbolized perspectives which allow one to prefer certain states or events" (Luhmann, 1995, p. 317).

³ In fact, we might regard somebody as our enemy, i.e. as a person who is worth to be assessed but who is assessed negatively.

⁴ Indeed, it would be hard to find a business ethicist who would agree with Peter F. Drucker (2001, pp. 11f) definition of what an ethical business is: "But only business has economic performance as its specific mission; it is the definition of a business that it exists for the sake of economic performance. In all other institutions – hospital, church, university, or armed services – economic considerations are restraint. In business enterprise, economic performance is the rationale and purpose. Business management must always, in every decision and action, put economic performance first. It can justify its existence and its authority only by the economic results it produces. A business management has failed if it does not produce economic results. It has failed if it does not supply goods and services desired by the consumer at a price the consumer is willing to pay. It has failed if it does not improve, or at least maintain, the wealth-producing capacity of the economic resources entrusted to it. And this, whatever the economic or political structure or ideology of a society, means responsibility for profitability".

⁵ "Among all the cited journal articles, the most cited business ethics article titles between 1997 and 2006 are: Trevino's (1986) "Ethical decision making in organizations: A person-situation interactionist model," followed by Ferrell and Gresham's (1985) "A contingency framework for understanding ethical decision making in marketing," Jones's (1991) "Ethical decision making by individuals in organizations: An issue-contingent model," and Donaldson and Preston's (1995) "The stakeholder theory of the corporation: concepts, evidence, and implications" (Hsing-Chau et al., 2010, p. 590).

⁶ With reference to Heinz von Foerster (1992, p. 14): "Only those questions that are in principle undecidable, we can decide".

⁷ It is therefore hard to "understand how this certain form of communication stabilises itself in organisations" (Groddeck, 2011, p. 70, our emphasis), as by virtue of logic and definition there is no moral communication in decision communication other than as a topic (among others). Business organizations therefore do not "express moral or social values" (Id., p. 81), they only refer to them, maybe in order to make invisible the basic paradox of decision making (cf. Mayr and Siri, 2010, p. 36) and, in doing so, to present decision-making in a way that is more consonant with the logics of moral communication.

⁸ Preferably moral scientists assume that "(o)rganizations consist of members with different value systems" (Ren, 2010, p. 94; cf. also Ruuska and Teigland, 2009, p. 323f; Buren, Buljs and Telsman, 2010, p. 674, where "organizations consist of members", as well), and therefore take persons and their moral preferences for more relevant than organizational communication. However, such an approach overlooks its own original moral sin: If organizations really consisted of persons, and if we accept that organizations can be rightfully owned by persons, then the moral talk implicitly supports a modern form of slavery. Again, this moral dilemma is homemade.

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Can we organize courage?

Implications of Foucault's parrhesia

Wim Vandekerckhove
Suzan Langenberg

Abstract

Ethics in organizations, raising concerns, and whistleblowing have been previously theorized through Foucault's work on the power/knowledge bond. However, approaching these issues through the work from Foucault's third period on parrhesia, or fearless speech remains an underdeveloped route. This paper contributes to this emerging research stream. Based on Foucault's work on parrhesia, and the importance of courage for fearless speech to occur, we theorize the possibility of critique within organizations as a moment of disorganizing, which requires a chain of parrhesia where not only the speaker but also the hearer requires courage. The paper examines the possibility and risks of organizing courage through three illustrations of ethical guidelines, whistleblowing, and open dialogue.

Keywords

Parrhesia, whistleblowing, business ethics, courage

1. Introduction

As the financial crisis unfolded, it became clear that many people inside the financial sector were aware of the risks they were taking. We also heard of the rare individual who tried to raise his concerns with the SEC about Madoff. But it was amazing how many people wilfully played along, and how the few individuals who raised concerns were blocked or overlooked.

Obviously, this is not the only cause of the crisis. Moreover, it is not an exclusive characteristic of the latest crisis. But the organizational dynamic which appears to silence internal strategic dissent, despite internal policies encouraging critique, is quite worrisome in terms of redesigning internal risk management procedures.

Why does it seem like employees do not stand up even when they have the formal power to do so? Why is it that attempts to raise concern frequently remain unheard? Is it possible to design procedures that lift the empowerment to stand up and raise concern beyond formal power?

A vast stream of research has developed that approaches these questions from the perspective of the organization as a site where the foucauldian knowledge/power bind operates (Burrell et al 1995 Calas and Smircich 1999; Carter et al 2002; Clegg 1990, 1994; Knights 2002; McKinlay and Starkey 1997). Foucault's analysis of the concept of critique, first in a lecture in 1978, followed by two in-depth analyses in 1984, moves away from the concept of the power/knowledge bind. In his so-called third period, Foucault moves to his original philosophical area of attention, namely the critical relation of truth with the subject and speech. The power/knowledge bind did not leave any room for the judging and speaking subject. However, Foucault re-acknowledged the subject in his work on parrhesia. There, the subject is the active rather than the passive element in an event. A first indication of such re-acknowledgement can be noted in his concept of pastoral power (Foucault 1994: 134-161), where Foucault describes pastoral power as a power that can only work when the shepherd risks his own life in

order to manage the cattle. A shepherd without self-criticism is not able to take care of his cattle. The strength of the cattle depends on the shepherd's attention for the smallest detail.

In this paper we approach the issue of 'standing up' and raising concerns from Foucault's third period – his writings on parrhesia, a concept of critique from ancient Greece which denotes the courage of speaking frankly and where the truth lies not necessarily in what is being said, but rather in the fact that someone is taking the courage to speak and express critique.

Whilst some authors argue that there is a clear consistency throughout Foucault's three periods, during the years before his sudden death in 1984, Foucault refocused his research away from the analysis of power towards what he saw as the kingpin of western culture, namely the obligation towards truth (Foucault 1984). We seem to care more about truth than about the self, and we seem to care about the self only as a concern about truth. Foucault clarified his position towards modern, western analyses of truth through an elaboration of the concept of critique. In practicing resistance towards a dominating truth, a personal truth emerges. Any utterance of critique is speaking a personal truth (hence the acknowledgement of the subject) but this is done in an organizational context which is a relational and communicative reality. Thus critique in organizations appears as an interactive truth. It will be heard or overheard, accepted or retaliated against, taken seriously or used against the person who spoke critique. In foucauldian parlance, an interactive truth appears through the critical judgements which are part of a power game embedded in the organizational praxis.

In this paper, we analyse the topic of raising a concern within organizations. Our focus is on the relational quality of interactions, rather than mere actions. Moreover, the aim of our analysis in this paper is to gain insight into the organizational structuring of those interactions.

The contribution of this paper is two-fold. First, previous research on 'raising concerns' has mainly focused on actions rather than interactions. Research on

whistleblowing has focused on the person blowing the whistle (who blows the whistle and about what), rather than interactions between those who raise a concern and those with whom a concern is raised (Vandekerckhove 2010; Vandekerckhove and Lewis 2012).

Second, although ethics in organizations, raising concerns, and whistleblowing have been previously theorized through Foucault's work on the power/knowledge bond (Alford 2001, Perry 1998, Teo and Caspersz 2011, Vandekerckhove 2006), this paper aims at creating an understanding of these issues through Foucault's work on parrhesia, an as yet rarely taken route into this issue (Barratt 2004, French 2007, Mansbach 2011, Skinner 2011). As Foucault has left his work on parrhesia underdeveloped, the analysis offered in this paper through conceptual work and illustrated by document analysis and interview-based research, points at a route to further develop Foucault's concept of parrhesia as a framework for research in the field of organization studies.

The paper develops these contributions as follows. The next section sets out our reading of Foucault on parrhesia. Section three presents our conceptual expansion of parrhesia. We argue that parrhesia (frankly speaking truth) not only requires courage from the parrhesiastes, but also from the hearer, who in turn becomes parrhesiastes. Section four offers three illustrations of our expanded parrhesia framework. We use the framework to discuss a document analysis of guidelines for the implementation of whistle-blowing policies (example 1), how the organization of free speech went on at a steel company (example 2), and the analysis of a case of sexual harassment (example 3). Section five concludes by returning to our main question, is it possible to design procedures so that the empowerment to stand up and raise concern goes beyond formal power? Drawing from previous sections and our expanded parrhesia framework, we conclude that organizing courage involves the courage to disorganize.

2. Foucault's take on parrhesia

Foucault is known mostly for his work on the knowledge/power bind, tracing how the locus of power came to be the organized cognitive boundaries of what qualifies as knowledge. Following that analysis, many scholars have analysed the organization as a site where the knowledge/power bind operates to neglect personal criticism. Less known is the foucauldian analysis of the parrhesiastic act that breaks up the power/knowledge bind. The parrhesiastes generates a critical dynamic when she 'speaks truth', but only when there is a public receptive for it. Hence, the parrhesiastes is the instance that exposes the knowledge/power bind. Her 'frankly speaking truth' takes the form of 'not this, without principle, without alternative'.

Foucault's work on power has been widely used in the field of organization studies. However, during the years before his sudden death in 1984 he returned to his original research questions, the question of truth relating to speech-acts and the techniques of the self. This third period in the work of Foucault is perhaps the one where his philosophical views on ethics are most clear.

Foucault points out that the whole of western culture turns around an obligation towards truth, but this 'truth' takes many forms. Foucault clarified his position with the concept of critique. The personal truth emerging from the resistance towards a dominating truth, is always embedded in the play of the discourses (Foucault 1984: 723). Hence, in an organizational context, critique must be analyzed as an interactional truth, embedded in the power play of organizational praxis.

Practicing critique is transgressive. It questions the primacy of objective truth. Critique has an unbounding effect on existing limits to knowledge. Hence critique connects power and truth to the subject. To the extent that power-knowledge binds shape the subject, the truth of those power-knowledge binds (objective truth) are inaccessible to that subject. Where the subject distances itself (de-subjectification or *désassujettissement*) from proclaimed personal truths-as-shaped-by-power-knowledge, power and objective truth become accessible. These moments are moments of critique. They are moments in which the subject gives itself the right to question knowledge through its power effects, and to question power through its knowledge discourses. In this sense, Foucault inserts critique as a moral attitude to acknowledge the subtle and vulnerable practices of power between truth and the subject (Foucault 1978).

The etymology of critique leads us back to the Greek between 200 B.C. and 400 A.D. *Krinein* means to separate, to distinguish and to decide. From *krinein* the word *krisis* was derived, which means in ancient Greek: decision, judgment, research, outcome. In the history of philosophy the concept of critique evolved along two separate lines: (1) the power of judgment and discernment of the human mind has been used by the Stoa in text-research and the allegorical explanation of text, and (2) a dialectic (opposed to rhetoric) doctrine of judgment or truth. Foucault's work on parrhesia tries to dig up a radical conceptualization of critique, undoing the alterations of the meaning of critique throughout history (for a more thorough historical analysis see Langenberg 2008). One such derivation might be the appearance of contractual parrhesia. For example, under the Hellenic monarchs, the king's advisor was required to use parrhesia not only to help the king make decisions, but also as a means of tempering his power (Mansbach 2011). The examples we provide of our notion of the parrhesiastic chain in organizations, which we develop in this paper, illustrate the risk contractual parrhesia entails with regard to the meaning of critique.

After more than a thousand years the word 'parrhesia' as directly related to the concept of critique, had disappeared. In the late Middle Ages it appeared again as text critique with the rise of humanism and its critical position towards the domination of Christianity and the origination of reason, science, discovery of new land, etc. The humanists wrestled themselves from the grasp of scholasticism and aimed at liberating the human being from traditional boundaries.

Giovanni Pico della Mirandola was one of the first humanists who wrote about the dignity of the human being (*De hominis dignitate* in 1486). Critique against ecclesiastical dogmas was inspired by a rediscovery of Aristotle's work and led to a revaluation of individual experiences: the human being perceived as the center of the world took the place of the divine *logos*. However this critique expressed itself mainly in text-critique. In the 16th-17th century the humanists were especially known for their text-critique as well as critique of historical sources (the writings of Aristotle). Apart from text-critique we know Kant for his (re-)discovery of the place of reason in relation to critique. There is the Kantian doctrine of judgment and critique set out in his three critiques. But the contextual interpretation of the place of critique can be found in his later political statements. In Modernity, since the Enlightenment at the end of the 18th century, we see the concept of critique is used as a purifying dialectic through distinction of opposites, competing theories, controversy, and parliamentary debate. Furthermore we see a revival of critique as self-critique in a highly developed sense in the questioning of the reasonableness of reason. It is here that

the development of the human sciences takes off.

Hence in the evolution of the meaning of critique three directions can be distinguished: (1) a negative one aimed towards improvement (Kant / 18th – 19th century), (2) critique of ideology aimed towards the analysis of explanatory worldviews (Frankfurter Schule / 19th – 20th century), and (3) a positive one aimed at the experience of ‘not that way... without principle, without alternative’. This third direction of critique entails a rupture with the prevailing order and leads to practices of freedom – Foucault’s parrhesia.

Parrhesia means ‘frankly speaking the truth’, and stems from a moral motivation of the speaker. In this specific act, the meaning of ethics is reduced to critique as an attitude. In this sense parrhesia is the localized manifestation of critique as an attitude. We can summarize Foucault’s analysis of the political meaning of parrhesia developed in his lectures 1981-1984 as follows (Foucault 2001, 2009; van Raalte 2004):

- Parrhesia is a necessary condition for democracy: ‘Frankly speaking truth’ is a necessity and is elicited by the dynamic of the agora;

- Parrhesia is done by someone who is inferior to those for whom the critical and moral motivated truth is intended;

- Parrhesia is a democratic right: as a citizen of Athens, citizens had the right and some even had a moral obligation to use parrhesia;

- Parrhesia is a necessary condition for care because caring for the self as a matter of telling yourself the truth is presupposed in order to be able to take care of others, of the polis;

- Parrhesia implies both having and displaying courage, because speaking truth in public presupposes the courage to contradict the prevailing discourse, the public, the sovereign. This could mean that the parrhesiastes might risk his/her life;

- Parrhesia presupposes self-critique as a precondition for a moral attitude.

In ‘frankly speaking the truth’ the connection between issue and person is found in the act itself. This act is described by Foucault as a practice of freedom. It is free from analysis, free from proof. It does not need any of that because the issue is ‘me saying this’ rather than ‘me’ or ‘this’. And once I have said it, there is no way back. However, from the moment that this personal moral activity is explained by means of a greater narrative (political, ethical, Christian), the effect of the act is formalized and removed from its original moral intention. The issue then ceases to be ‘me saying this’ and becomes either ‘this’ (and proof can be brought against it) or ‘me’ (was I saying this in the right forum, using the right procedure, and who am I to say this anyway).

In his last lectures at the Collège de France (1982-1984) Foucault frequently refers to the Kantian interpretation of Enlightenment (*sapere aude*) and connects this to the original, ancient relationship between attitude (*ethos*), critique, truth and speech. Foucault calls the Enlightenment a self-perpetuating, ever-changing critical activity which generates and surpasses its own context dependent norms. The positive significance of critique leads to practices of freedom: ‘not that way, without principle, without alternative’. The dynamic of critique, an attitude of de-framing and re-framing, creates practices of freedom in its transgressive act.

Thus critique becomes the ground itself in the name of which it works. There is no agenda or justifying principle. Critique becomes sovereign and the final agency without foundation. Nevertheless, critique can only exist through local events, topics, subjects in actuality. It has no fixed content yet is specific in its presentation. Critique can turn up everywhere; every indi-

vidual or group can use it unannounced and unprepared. In this sense critique is incomplete, restless and endless (Sonderegger 2006). Another characteristic of the presentation of critique is its radicalism towards the subject that is criticized. Critique as such is inescapable and at the same time it disrupts existing limits, conventions, norms and has a transgressive effect: parrhesia unbounds the existing but at the same time it starts creating new boundaries.

This insight brought Foucault to enlarge upon the relationship between critique, courage and the question of governability. With regard to the agent of critique (parrhesiastes) and the moral attitude that is required for the dynamic of critique to be discerned, the question is what activates the decisive will and what is the underlying engagement?

In the next paragraph we have a closer look at the working element in parrhesia: courage. Without a certain amount of courage there will be no frankly spoken words, no critique, no personal judgment. How is courage related to obligation, to the subject, to the context?

3. Courageous parrhesia – for whom?

The relationship between (the display of) courage and the effect on the context has been the topic of highly diverse explanations throughout history. The fact that it is essential in order to bring about change, to prevent injustice, to be self-critical, to recognise conflict, etc is emphasised by the authors we will briefly discuss here. However, in the analysis of the role courage can and must play in organizations (Harris 2003) we generally miss a focus on the relational and communicative context in which the courageous act takes place and receives its meaning. Foucault points out that the use of parrhesia requires courage. Whereas for Foucault this means that it is the parrhesiastes who shows courage, we assert that from an interactional perspective parrhesia can only occur when all interacting parties show courage. It does not only require courage to speak frankly, it also requires courage from the hearer for speech to be frank.

‘Me saying this’ is not about me or about this; the act itself is an event. But it is only an event when it is also acknowledged as such by the other participants. ‘Me saying this’ is an event when there has been frankly spoken and people have been listening to it, when participants acknowledge the fact that (cf. Foucault *que*) there has been frankly spoken and that they have listened. In the acknowledging act participants take place in the act, in the event of frankly and courageously spoken words. The importance is not in the name, or the person that has spoken his or her truth but in the fact that there has been spoken and what (Foucault *quoi*) has been said.

Our closer look at the various roles the subject can play in courageous acts, leads us to submit here that courage, namely the determined will to say ‘not this, without principle, without alternative’ is associated with both the speaking and listening instance. This brings us to the event itself, which is characterised on the one hand by an obligation to submit oneself to the fact that (*que*) there is an event, that someone has the courage and feels the obligation to speak, and on the other hand by a de-subjectification (the distancing of the subject objectifying power-knowledge bond through the critical capacity for judgment), to have the courage to want to hear what (*quoi*) is spoken. The context is the finite framework in which the boundaries are dissolved and re-constituted.

The ancient Greeks made a distinction between three different interpretations of courage: (1) the expression of courage exclusively by males in a militaristic way, (2) courage as an ex-

ample of heroism in a political sense, (3) courage as an example of craftsmanship to control personal feelings of anxiety and uncertainty. Every single level on which courage can take place still exists today. However, the cultural and societal meaning of each has changed under the influence of the ideological spirit of the age.

In the militaristic and heroic meanings of courage, intention can be defined as sticking to our deepest selves until the end. In the context of French resistance fighters during WWII, Mayer (1992) notes that were we asked whether we would stick to the truth even when this would have grave consequences for ourselves, we might not be so sure if we would have enough courage. However, in concrete situations, it is only after we know what needs to be done and once we have abandoned our behaviour that would leave undone what needs to be done, that we realise we have been courageous. Mayer inquires on what 'being courageous' means in the context of politics. He does so by examining a number of situations set within the partial giving-in of France to Hitler in 1940, led by Petain. Even though we would want to hold on to our ideals and our deepest beliefs, we are not quite sure as to how well we would be able to do so under torture.

But, asks Mayer, is courage synonymous to 'going to the end'? What about the soldier who is fully armed and ready to attack, but just as he is about to lash out, starts having doubts? Is he lacking courage? Or has he just come to realise that his deepest self is not his country but rather his love for life? We can make abstraction of the war context in which Mayer interrogates the notion of courage, in the following way. If courage is remaining steadfast in the face of difficulties, the statement becomes problematic on two accounts. The first relates to the difficulties a manager faces when hearing a critique by an employee. Is the difficulty the employee who is uttering critique, or is it the fact that there is a critique which must be looked in to? The second regards the requirement to be steadfast. To what? To the career? To the ongoing project? To the sunken costs? To the plan? Or rather to the purpose of the organization? Or is the object of our steadfastness the limitedness of any human undertaking, always carrying within itself the possibility of being misconceived?

Mayer (1992: 117) notes that becoming complicit in a crime was often caused by little more than a mistake in reasoning or in courage, rather than a firm conviction. But whatever the nature of the causes of one's crimes, to say that one can be courageous in crime seems to suggest that one is relieved from ethical considerations. Mayer vehemently opposes disconnecting courage from ethics. In politics, Mayer (1992: 119) writes that the expression of sincerity is part of one's conception of ethics. To act upon that might have unintended effects. For instance, it might imply going against the majority and even against one's own friends and party members. So what with politicians who adapt their stances to whichever consensus is growing? They stick to the mandate, which is important because they have been elected to represent people. Is that what we mean with 'it takes courage'? The answer is yes, if we regard obtaining an elected mandate as the result or the crowning of a career. The answer is a firm 'no' if we take it that the mandate has to be carried out in the benefit of the general interest and within the framework of engagements made earlier, where the election amounts to a contract between voters and the elected.

We can draw a parallel between Mayer's analysis of political mandates and Weber's account of *Kontor* (or 'holding office'). For Weber, a kind of vocation or 'calling' (*Beruf*) underlies the idealtype of *Kontor* (Weber 1968: 958). Holding *Kontor* is not to be regarded as ownership of a source of income, to be ex-

ploited in return for delivering services. Rather, taking up *Kontor* implies accepting a specific duty of loyalty to the goal of the *Kontor* (*Amtstreue*). Weber's analysis of office was written at the level of the organization as an institution, and it is possible to make abstraction of whether the organization is a governmental or a business organization. The pivotal point implicated by Weber's as well as Mayer's writings is that the distinction between one's organizational mandate and one's personal benefits from that mandate is at the core of what showing courage in an organizational setting means. In other words, it takes courage to keep the two separated. Mayer (1992: 119) writes: 'C'est la rareté du geste, plus que sa nature ou sa qualité, qui fait apparaître "courageuse", en politique, la reconnaissance d'une erreur.' More than the nature or the quality, it is the rareness of the act of acknowledging a mistake, which makes it appear as courageous. In other words, if the goal of one's organizational mandate requires you to do something, then you must, even if that implies personal suffering like losing face, foregoing a bonus, or getting yourself into any kind of trouble with your superior. Precisely this is often the case when ethical issues pop up in organizational settings. In these instances, the act of courage is an unexpected act.

Our account of Foucault's analysis of the citizen's right to use *parrhesia* and its effect on the polis, the sovereign and the position of the *parrhesiastes* offered some insight into the possibilities and limits of such a political, non-institutionalised right. After Socrates' *parrhesiastic* performance the political meaning and aim of *parrhesia* disappears. The political engagement of *parrhesia* becomes uncontrollable as the result of abuses of the right to use *parrhesia*. Consequently, the use of *parrhesia* was restricted and submitted to a number of general conditions. This 'institutionalisation' of individual moral courage to speak the truth leads to its individualisation and disappearance from the public vocabulary. In its individual meaning, *parrhesia* appears as 'L'art de n'être pas tellement gouverné' (Foucault 1978: 38), the art of not being governed that way. Critique then is equivalent to the art of knowing the governing power-knowledge game and the ability to question its power implications, as well as to reflect upon one's own position (self critique). *Parrhesia* becomes craftsmanship, or the art of navigation in being your own moral lawmaker on the other.

During the emergence of Christianity, Augustine deepened the meaning of courage as craftsmanship. He described courage as fighting evil in two different practices. First, the passive practice of martyrdom, showing patience and courage to sacrifice according to the will of God and second, courage as an impulsive act without hesitation breaking through a momentary blindness, like closing the eyes in order to effectively cross the Rubicon of the act (Berns et al 2010: 119).

The Machiavellistic interpretation of courage is opposed to the Augustinian idea of prudence and martyrdom. Machiavelli (and also Cicero) is focused on the courage that is needed to recognise the (political) conflicts (in those days in the city Rome). Here courage means to face the tense contemporary situation in order to act upon it instead of the Aristotelian ethical principle of courage looking for the right balance (*kairos*) between good and evil. We must not forget that courage in the Middle Ages was disconnected from the speech act itself. Courage both in the Augustinian and Machiavellistic sense was directly associated with the political and societal circumstances. Interesting however is the fact that courage as a virtue has remained in its two meanings: as a collective and political resistance towards the conflicts between states, and as an individual and philosophical maxim presupposed in balancing between good and evil in the

community.

In his article *What is enlightenment?* Kant (Kant 1984) brings voluntary obedience into the reflection on the meaning of courage. We need to break free from a self-caused immaturity, the incapacity to think autonomously, without the guidance of another. Kant hereby reduces courage to the courage to think, to know, to understand in the midst of the risks that are involved. At the same time it is both an exercise in liberation from voluntary obedience, and an experiment of reflexively judging oneself in relation to the maxim of reason and public opinion. Still, Kant, Augustine, and Machiavel do not involve communication (speech) as the medium through which taking courage can be translated into an event.

In the Greek version of courage (frankly speaking the truth) the connection between issue and person is found in the act of speaking itself. Truth is understood as a linguistic act driven by a moral impulse, elicited by a critical perception and formed into a personal judgment. The spoken truth opens up space for exchange, negotiation, and debate. It is an event that in and of itself constitutes information upon which action has to be taken. The act initially takes place self-sufficiently and independently. It is this meaning that Foucault refers to when he describes speaking the truth as a moment of freedom.

From the moment that the direct connection with the acting agent is interrupted, the coded use of parrhesia and the institutionalised immanent critique takes on a technical-instrumental role. It is important to note the difference between parrhesia on the one hand and institutionalised critique on the other. That difference lies in unintended effects of critique and the unexpected source of critique, which come with parrhesia but not with institutionalised critique. The parrhesiastes has no agenda. Her critique is sudden and is one of 'not this way, without alternatives, without foundation'.

We submit here that parrhesia not only implies courage to speak, but also to hear. In an organizational context, a critique or dissent can imply that an organizational plan, procedure, strategy, or even structure is 'off track' with regard to what is acceptable for direct and indirect stakeholders, and that speaking such a critique is not without risk and hence takes courage. From the notions of courage discussed in the previous paragraphs, we infer that not only speaking but also hearing is not without risk and hence requires courage. We see two reasons for this. The first is that because most organizations are layered hierarchically, critique might have to travel upwards. This implies that the disorganizing impact of parrhesia can require a number of steps in a speaker-hearer/speaker chain, where a middle management hearer will need to become a speaker to top management. The CEO or the president of the board might be the last hearer in that chain, but for the disorganization to lead to re-organization, that CEO or president must in turn become a speaker. Hence, with the exception of the first speaker, none of the others can become a parrhesiastes, a courageous speaker, unless they are able to hear the speaker. Now, every single cog in that parrhesiastic chain is a person with an organizational mandate. Disorganization requires every cog in the chain to become parrhesiastes themselves towards the next cog. The person lacking courage to become parrhesiastes will not risk whatever is clouding the goal of their mandate (Langenberg 2011: 104; Weick 1984: 109-110), and hence will not hear the call to become parrhesiastes. In the next section we will illustrate how this deafness is present in ethics management.

The second reason why parrhesia requires courage to hear apart from speaking, revolves around the notion argued earlier in this paper that parrhesia is 'me saying this' rather than 'me'

or 'this'. We wrote that a focus on 'this' tends to reduce the critique or truth to factual claims that can be right or wrong, or position statements that can be either in line or out of step with official policy. On the other hand, a focus on the person speaking – 'me' – leads to a total disregard of what has been critiqued and makes it either neglectable ('who are you to say this') or authoritarian ('the boss is always right'). Parrhesia, we wrote, is 'me saying this', where the truth value lies in the irreversible fact that someone has said this. There is no way to go back to the moment where nobody had spoken the critique.

Hence, whichever way a hearer takes up a spoken critique, someone has spoken the critique. One might argue that in order to take up a critique, surely the content (the factual claims) of the critique must be examined. That seems correct to us, but the point we make is that even when none of the factual claims in the critique hold, there remains the fact that someone has said it. This saying makes the critique irreversible (Beyers and Langenberg 2010: 41-42).

In that sense the parrhesiastes is a courageous truth speaker precisely because his speaking is risky. Her parrhesiastic speaking can be heard or not. However, the parrhesiastic speaking is not meant as a call upon the hearer to be courageous in turn facing the irreversible fact that critique has been spoken. Even when it is not heard, it remains spoken. That constitutes its irreversibility. For the hearer, to act as if the critique was not irreversible and could be totally neglected is to deny the event caused by the use of parrhesia, the fact that someone has spoken at risk.

Institutionalised critique is made present through organizational procedures. These expect critique to be channelled through procedures stipulating the circumstances in which critique may be uttered. Often these procedures (speak-up procedures, whistleblowing channels, grievance procedures, etc) will include stipulations with regard to aim and intent of critique (or grievances or concerns). Our submission that courage is also needed from the hearer of the critique in order for critique to exist, presupposes that the unexpected and unintentional character of critique is acknowledged. We will argue this presupposition later in this paper. Having elaborated on the connection between parrhesia, courage, and risk, we turn to the question of governability in the next section.

4. Can we organize courage?

We introduced this paper with three questions: Why does it seem like employees do not stand up even when they have the formal power to do so? Why is it that attempts to raise concern frequently remain unheard? And is it possible to design procedures so that the empowerment to stand up and raise concern goes beyond formal power?

A common response to the first question is that employees simply lack the courage to speak up due to organizationally induced fear. An obvious correction to that would be the design and implementation of speak-up or whistle blowing procedures, so that employees require less courage to raise concerns or express critique (Tsahuridu and Vandekerckhove 2008). However, it might also be that employees do raise concerns but that those hearing those concerns fail to act on them. In the previous sections we have used Foucault's notion of parrhesia to develop an explanation for this. Namely, not only is courage required from the speaker, but also from the hearer. We further inferred that having a procedure makes critique expected and intended, whereas courage is required for the unexpected and unintended.

Ethics programs aim at articulating the ethical dimension of behaviour in organizations. In that sense they create a space for problematizing, questioning, and discussing behaviours. However, ethics programs do not necessarily leave an opening for parrhesia. On the contrary, ethics programs tend to fill up the space they create. Let us back up that assertion.

Quite often, the design and implementation of ethics programs are located in the compliance function. It is not so rare to find that the person in charge has the title of 'Ethics & Compliance Officer', and where that is the case we will find the ethics program to be compliance driven (Roberts 2009). Monitoring and correcting behaviour take priority, not the disagreement with rules, procedures, or positions which characterises parrhesia.

Another well-known way to manage ethics is through codes of conduct. These too are directive and leave ample opening for unfounded critique. But codes of conduct generally go hand in hand with ethics and dilemma training sessions. These will generally have the code of conduct as an agenda. This limits what one can discuss to what is covered by the code of conduct. Also, a side effect of ethics training sessions is that they allocate every critique or concern to a specific time and place – twice a year on a Friday afternoon.

A further point of critique is that ethics training sessions aim at a behavioural closure. Parrhesia is 'me saying this', not 'me', not 'this'. As we pointed out earlier in the paper, parrhesia is a practice of freedom rather than analysis or providing proof. An ethics or dilemma training on the other hand is geared at resolving dilemmas and not necessarily at taking note that there is a fundamental discontent. Explaining one's discontent, generating good reasons, blending it on principles, etc is encapsulating the discontent within a larger narrative. The dilemma is resolved when we can rationalise it into just requiring piecemeal change. The point we are trying to make here is that too much organizing of ethics can lead to remaining deaf to what really needs to be heard. It consolidates managements' isolation rather than tearing it down. The parrhesia chain we mentioned earlier in this section is broken right after the first speaker cog. The request that a courageous speaker, raising an issue or expressing an opinion which is not on the agenda of the

meeting or the training session, must turn it into an abstract principle serving the agenda of the session indicates the hearer's lack of courage who decides to stick with the agenda set out. This raises the issue of what the ethical profile of the human resources departments or the compliance departments who are in charge of organizing ethics training programs? Under which organizational pressure do they have to bring these programs to a success? Furthermore, does the HR or compliance manager have the courage to transfer a critical message, coming from dilemma-analysis on the work floor, to the board or the CEO? Implementing ethics is nothing less than making moral considerations on various levels in the organization explicit. As such it is a highly critical, risky and unpredictable process, both for those who speak up on the work floor as well as for those taking it further up the ladder.

In the remainder of this section, we offer three examples of where critique can only exist when both speaker and hearer, in their interaction, have the courage to acknowledge the unexpected and unintended of that interaction. These examples stem from research where at least one of the authors was involved.

To facilitate the illustration of the point we make in this paper, we present the parrhesiastic chain in figure 1. It indicates our reasoning that parrhesiastic truth-speaking is always unexpected in the sense that it is truth-speaking which falls outside of the receptive determinants or organizational deafness organized through procedures. For anything these procedures are able to capture, a planned response exists. For any truth-speaking outside of this procedural receptiveness, there is no planned response. Hence, parrhesia in organizations leads to a disorganization of the organizational dynamic, on the condition that others in the organization are prepared to hear the parrhesiastic truth-speaking

A final element is that if the organization is to continue to exist, disorganization is succeeded by a re-organization. Such a re-organizing involves creating new procedures, which in turn establish a receptive determinacy.

Figure 1 also indicates what the three anecdotal examples we offer here illustrate from the model.

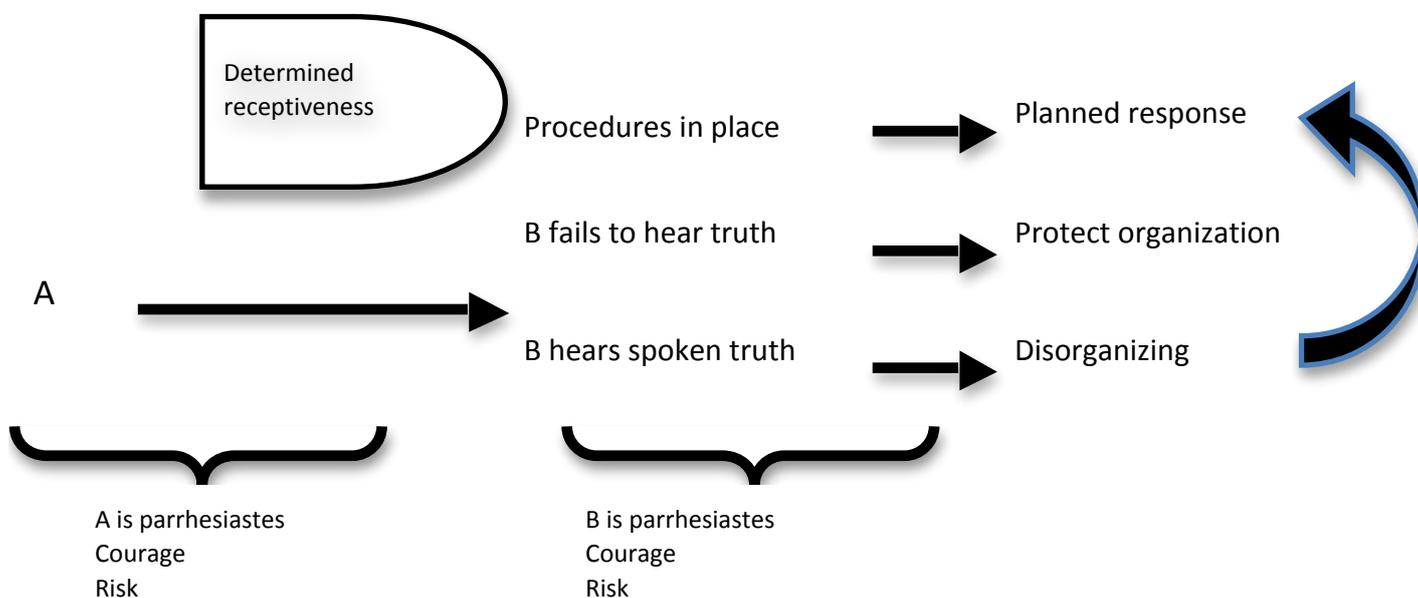


Figure 1. Parrhesia in organizations

Example 1 – whistleblowing policies

One could argue that surely it must be possible to organize for ethics in a less directive way than what we perhaps in a caricature described in the previous section. Yes it is. Take whistleblowing for example. Whistleblowing is 'the disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to affect action' (Near and Miceli 1985: 4). Following the increased amount of legislation protecting whistleblowers (Vandekerckhove 2006) as well as research showing whistleblowers tend to raise concerns inside their organization before they disclose to an external agency (Miceli and Near 1992), a growing number of organizations are implementing internal whistleblowing schemes. Such policies specify who can raise a concern and how they should do that. In return, whistleblowing policies promise to keep the whistleblower free from retaliation.

The fact that these policies make these specifications makes it worthwhile to critically assess whether or not they fill the space they create for parrhesia. Of course, one might argue that they jeopardise the occurrence of parrhesia merely by specifying how concern or critique should be raised. We prefer to take a less rigid approach and take a closer look. The reason is that there are many ways to design and implement an internal whistleblowing scheme: in-house or outsourced, in writing or verbally, anonymous or confidential, number and level of possible recipients, availability of independent advice, etc. Because there are so many ways to design a scheme, and because more and more organizations are implementing such an internal scheme, a number of guidelines have been published by authoritative bodies such as Transparency International (TI), the International Chamber of Commerce (ICC), the British Standards Institute (BSI), and the European Article 29 Data Protection Working Group (EU Art 29). These guidelines on how to design and implement an internal whistleblowing scheme are quite inconsistent. Hence depending on which guideline organizations use, they will end up with very different whistleblowing schemes (for a thorough comparison of these guidelines, see Vandekerckhove and Lewis 2012). Thus, having a whistleblowing policy is not a guarantee that there is enough opening for parrhesia to occur. So when does it get risky? Let us give some examples.

Whereas the BSI, TI, and ICC guidelines advise to keep the categories of who can use the internal whistleblowing procedure and of what kind of concerns can be raised through them as wide as possible – including former employees and 'company policy' – the EU Art 29 guideline advises to be very restrictive with regard to who can blow the whistle, and also advises to limit the subject of the concern to financial wrongdoing. Within the framework of our parrhesia chain, this amounts to actively discouraging the speaking of truth.

Another example concerns the required motive of the whistleblower. All four guidelines agree that knowingly false reports should be met with disciplinary action. But they differ in terms of how they describe the 'good faith' requirement for whistle-blowers to be protected. ICC requires a whistle-blower to be bona fide while TI explicitly limits good faith to the honest belief that the information is true at the time of disclosure, regardless of the whistleblower's motive. EU Art 29 states the whistleblower's identity may be disclosed when a report is both false and maliciously made. Introducing these conditions make it impossible for the whistleblowing to be parrhesiastic because the 'me saying this' of parrhesia is broken up into either 'me' (malicious or not) or 'this' (false report). This is not mere analytical zealotry from our side. It is typical for whistleblowers

who claim to be retaliated against that the focus is drawn to whether or not the whistleblower followed the right procedure. It is this procedural rigour – an effect of institutionalising the expression of personal moral motives – that destroys the occurrence of parrhesia. In our parrhesia chain framework, this also amounts to actively discouraging the speaking of truth.

And what with anonymous hotlines? Those are the most basic and simplest whistleblowing procedures around. A telephone number is provided which anyone can dial, 24/7, free of charge. You do not have to say your name, and you can just say anything you want. No questions afterwards. Of course, it tells you parrhesia is now to be acted out on the phone, but why would that not qualify as an open space? Perhaps it is in theory, but what is the reality?

On the question whether or not whistleblowing ought to be confidential (you have to say your name but the recipient will then keep it confidential) rather than anonymous (no one knows your name), TI and ICC take no position and offer both options, with TI stating both must be available. BSI advises that concerns are best raised openly (hence not confidential or anonymous) however acknowledges that circumstances might not make that a feasible option. Therefore confidential channels must also be in place. Anonymous routes are not advised against, but policies should not actively encourage employees to do so. The EU Art 29 guideline is similar to BSI. Schemes should not advertise or encourage anonymous reports but these may be accepted. Even though BSI and EU Art 29 are against promoting anonymous whistleblowing, many corporations (especially big ones) operate anonymous hotlines and promote them to their employees. So can we conclude from this that big companies tend to leave opening for parrhesia? Not at all. Anonymous hotlines are the easiest and cheapest way for a big company to operate. All reports are immediately centralised and every call is allocated to a category. Hence the important question is which categories the organization applies for screening the incoming calls? What is passed on to management, and what is filtered out? We are quite sure that there is a category 'other', but we seriously doubt it whether anyone takes time to go back and see what these were saying. Thus, the same agenda setting is at play even with anonymous hotline whistleblowing schemes. In our parrhesia chain framework, anonymous hotlines facilitate the speaking of truth, but obstruction might occur where the hearer must become speaker. That is, when those screening and administrating the criticisms and concerns raised through the anonymous hotline need to pass on the critiques or concerns to management.

Example 2 – strong values in a steel company

In the course of 2007, one of the authors undertook qualitative research in a steel company, as part of a research project on disorganizing effects of critique (for a full account see Langenberg 2008: 161-204). She talked to eight employees in semi-structured interviews lasting one to one and a half hours: two blue color workers, one secretary, one factory director, one human resource director, one legal officer, one business development director and one corporate communication director.

In response to the risky context of steel production the management of this steel company had developed a model where speaking up openly was explicitly rewarded. This model had been in place for more than two decades. Under the model, every employee had the explicit responsibility to use what was called a 'rule free space'. Employees could take the courage to discuss issues, concerns, and questions with their foreman when necessary and had the opportunity to involve higher management

levels. Rather than an industrial relations agenda, the content of these discussions ranged from organizational purpose, planned investments, risk issues, function allocation, stakeholder management, holiday planning, car park usage, recycling policies, diversity, etc.

It struck the researcher that the structure of the organization seemed to contradict its culture. The structure resonated with what one would expect from a traditional, old-fashioned industry. After all, this was a steel company. At the heart the production process was a clear divide between blue- and white-collar workers. The work floor had very rigorous regulation on safety and environmental issues, and production output was meticulously measured.

Despite this, respondents emphasized that events on the work floor as well as on corporate level continuously required employees (from leader to foreman, from management to worker) to autonomously interpret what was happening. They saw their organization as having an open organizational dynamic, in which individual deviant or erratic behaviour both threatens the organization as well as offers new opportunities to the system. Because of the strict security measures that had to be obeyed these behaviours were a threat. Because deviancy or errors are in most cases an alarm, a rupture, a signal for change, they were also opportunities for improvement.

Respondents acknowledged that interruptions of the production process were seen as indispensable learning points in the survival strategy of the corporation. The 'rule-free space' was seen as facilitating such interruptions on every organizational level. According to the employees this 'free space' developed and maintained relational trust and shared responsibility.

Respondents talked proudly about 'their' organization. They said to be happy to work there and to contribute to the success of the company. Respondents also talked strikingly positive about critique. They associated critique with: feedback, self-determination, following one's own will, guts, transparency, initiative, and being a good neighbor. Most respondents said that giving critique was part of their culture, using the phrase 'it is our DNA, it is in our genes'.

The employees placed great value on the formal lines of communication, and there seemed to be very little circumvention of rules. Moreover, this organization had a rather difficult position in the public opinion due to the traditional image of heavy industry as being a highly polluting industry. That is why it is remarkable that at the corporate level, the will of the management to organize 'critique' even at the level of the business units remained functional.

There was a great sense of confidence in its effect as well. The point we want to make by bringing in this example relates to that sense of confidence. Perhaps they held too much confidence. The participants have read the transcripts of their interviews. The anonymized results have been presented to them so they could react and give their feedback. The researcher also presented her findings to the board, who initially reacted positively to the summary of the results. They saw their philosophy regarding the added value of critique from work floor to boardroom confirmed.

Remarkably, just one single critical feedback from one of the interviewed employees could not count on approval and was almost directly wiped from the table. The critique this employee had expressed to the researcher consisted of a concern about the absence of a free exchange of information between divisions and the delay this caused on the primary processes. The company board immediately wanted the name of that employee, something the researcher obviously refused to give.

Hence this example shows that an organizational policy for tolerating open critique can stifle such critique. The board did not have the courage to acknowledge that their 'rule-free space' could miss out on a concern of one of its employees. We do not know the reason why the employee chose to express their critique to the researcher rather than using their 'rule-free space' for speaking up against the board, but the point is that the board's attention immediately focused on the identity of the speaker rather than on the fact that someone had spoken critique. Obviously the employee lacked courage to speak their critique openly within the organization. Hence this was not an example of a parrhesiastic chain event. It was the researcher who was the hearer/speaker, raising the concern with the board. In the end, only the independence of the researcher could correct the board's lack of courage to acknowledge the critique rather than singling out the identity of the speaker. Related to our scheme (figure 1) we can conclude that regardless the implementation of 'rule-free space', our example 2 only accidentally reaches the level of using parrhesia as speaker (almost as a formalized procedure) but seemingly never gets to the level of the parrhesiastic hearer when the unexpected happens.

Example 3 – dealing with harassment

Early 2011, one of the authors of this paper was conducting exploratory non-structured interviews with managers in the context of managing whistleblowing policies. During an interview with an HR-manager of the London headquarters of a communication technology firm, the interviewee talked about her experiences surrounding a case of sexual harassment.

The interviewee was the sole HR person in the London office, and reported to the CFO. One of the employees had tried to talk to the CFO about the CEO sexually harassing her. The CFO had advised this employee to 'talk to HR'. When the employee talked to our interviewee (the HR person), she advised the employee to make a formal complaint through the grievance procedure. However, in following up this complaint our interviewee did the unexpected and destabilized the organization.

'certainly when we get lawyers involved, and more senior staff involved in determining what happened, they all questioned her credibility – to a large extent. I think my position was slightly different because right from the start I didn't need to do that, because what she was saying to me, I'd heard myself.

...

I understand HR needs to remain independent and also supportive of the business. But actually you are supporting the business ... This kind of behaviour is actually so fundamentally damaging to the business. Even though I was ... and it was very difficult for me because I didn't know how it was going to fall. Because we could have just paid her off and let her leave, and that is a common option. It's the normal option. I didn't know how it was going to play out. I did push the hand of what happened by speaking privately to the lawyers myself, repeating some of what he had said to me in public, which included ... I mean they are quite graphically sexual comments but ... you know, he talked about vibrators at a company dinner, you know, me and rabbits. What he said was really quite crude ... uhm I repeated it to the lawyers and said this wasn't the only situation, there's been these other times, and if you're not taking her seriously and you're not doing something about this problem, then I would push it ... and I'm actually going to ... uhm ... do something about this.'

She decides to take her colleague's issue up, partly because dealing with employee issues is part of her role as HR. Still, she goes beyond her role and becomes an advocate of the employee

vis-à-vis company lawyers and the usual way of dealing with these issues. In doing so, she takes a risk, as she does not know how this is going to turn out.

'And for me, that was a bit falling on my sword because if the company decided to pay her off, they were probably going to sack me as well. And I kinda took the gamble. But I also took the gamble that if the company was the kind of company that was going to just pay her off, and I was going to continue to tolerate his behaviour, then actually I didn't want to be there anyway.'

The HR person taking this issue further against the CEO was not something that was expected. Hence, the chairman and the small group of shareholders got involved. This shows that her taking this issue further – becoming parrhesiastes herself – amounted to a disorganizing. Nobody knew how to handle this.

'The people involved, it was quite a difficult situation. Because the chairman is pretty stern. And they were asked by me to come in and do an interview, as part of the process, which was done at our lawyer's offices. And yeah it was me asking but it was potentially the chairman asking because it supported him in what he wanted to happen? So they realised they were sort of trapped in a way. If they said the wrong thing, if they supported the CEO in any way ... that would be an issue. They weren't sure whether or not he was coming back, they weren't sure how much of what they'd say he would get to see. It was a really difficult time for all of them. So they kept quiet. I think they talked to each other but not outside of that.'

'... [the shareholders] were like 'one of them goes', and they said that right at the start. I was completely aware of that, so that made it very difficult –with me – with my discussion with her ... uhm ... and at one stage I said 'I will put in my complaint'. I said to the chairman 'look I'm going to complain about this, what happened to me, I think it's important, if it'll go to court it'll come out anyway.' You know, I can't be the independent HR.' 'Unfortunately the chairman sent a text about that to the CEO and said 'we have someone else that has raised a complaint against you for dadadada', so ... and that text was produced as part of their response, so ... and that didn't help. Because legal said '... that didn't help, you getting involved like this'. It would just ... I mean ... I can understand them saying that because they are protecting the company? It would have just doubled the amount of processes involved and so on. And I wasn't looking to get anything out of it. I was wanting to continue here at this company.'

This crisis at the CT firm eventually led to the CEO having to leave and the chairman now acting as interim CEO. Our interviewee is still the HR-person and continues to report to the CFO. An important change however is that the organization now seems to be committed to implementing a stronger formalization in the field of HR.

'Legal really wants us to [introduce these procedures]. We have changed our approach hugely in this organization, and bit by bit, drip feet by drip feet, we're introducing really good things ... Right now today, we're looking at a salary review process that is actually slightly transparent? (laughter)'

Referring back to our model (figure 1), parrhesia occurring at this CT firm led to a disorganization, which in turn seems to result in a re-organization. At the time of the interview, this

was still in its early stages. However, if the re-organization is successful, the CT firm might find itself in a couple of years in the same position as the steel company in example 2. Hence the point is that any re-organization risks becoming deaf to parrhesiastic events, even if the re-organization evolved from a disorganizing parrhesia.

5. Conclusions

In this paper we have tried to find answers on the following questions: why does it seem like employees do not stand up even when they have the formal power to do so? Why is it that attempts to raise concern frequently remain unheard? And is it possible to design procedures so that the empowerment to stand up and raise concern goes beyond formal power?

To start answering these questions we introduced the foucauldian analysis of the concepts parrhesia and critique, as two transformations of ethical praxis. Based on that reading we have made an attempt to critically analyse the meaning of courage in relation to truth telling and its role in organizations, more specific in ethics management. We developed a framework of a parrhesiastic chain to model the interactional truth-speaking which requires courage from both speaker and hearer (who then becomes a courageous speaker). Did we find an answer on our main question? Is it possible to design procedures so that the empowerment to stand up and raise concern goes beyond formal power? We think we did.

Drawing from previous sections and our expanded parrhesia framework, we conclude that organizing courage involves the courage to disorganize. Disorganization refers to the idea that the human being is a boundary and as such also shapes making the organization. Disorganization originates through this principle and goes far beyond formal power, procedures and rules. Any boundary becomes explicit in using parrhesia and practicing critique, both as speaker as well as hearer. Critique as such is inescapable and at the same time it disrupts existing limits, conventions, norms and has a transgressive effect: using parrhesia unbounds the existing but at the same time it starts creating new boundaries. This specific dynamic implicates the groundlessness of the organization, 'the very condition for the richly textured and interdependent world of human experience [...] The organization is not pre-given but continually shaped by the types of actions in which we engage' (Weick 2001). This thesis implies that we are the organization and the construction of reality. People involved in any kind of interaction whatsoever organize and disorganize sense, meaning and reality.

To make this dynamic happen in the benefit of organizations courage is required from the participants regardless their status in the organizational hierarchy. Having procedures in line makes critique expected and intended, whereas courage is required for the unexpected and unintended, anticipating the groundlessness of the organization.

Our three examples show that in every case where there is a rupture with the ongoing as a consequence of using parrhesia (showing courage in frankly telling truth and/or hearing the spoken truth) a disorganizing dynamic appears which goes far beyond formal power, institutionalised critique (rule-free space) or ethics policies (whistle blowing procedures).

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