

Innovation, Prospective & Ethics in business

Changing perceptions & Adopting new representations

ETHICAL IMAGINATION, CSR & LEADERSHIP



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Steiner

Moral
imagination is
the condition
of free deeds





1

Ethical Imagination: when managers must choose between « right » & « right »

2

Regulatory Innovation: when a multitude of actors interact to enforce CSR

3

Adaptive leadership: when leadership is required to adress conflicts in people's values

4

Practical illustration through personal experience: The get-out-of-the-way strategy

What would you do if you were Lee Pinto?



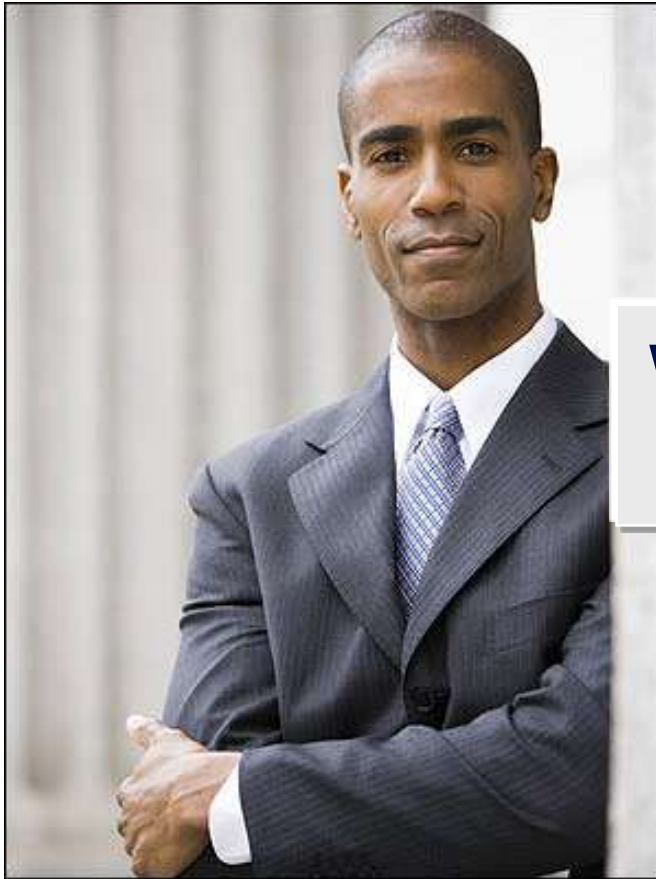
Would you retrieve the
Pinto's from the market
or not?

What did Lee Iacocca, CEO of Ford ?

What does the 1974 Ford Pinto scandal teach us about CSR?



What would you do if you were Steve Lewis?



Would you go to the meeting or not ?

Questions to think «individual» dilemmas – Steve Lewis' case

“How do my feelings and intuition define, for me, the ethical dilemma?”

(To respect oneself or to be loyal – loyal to whom?)

“Which of the values that are in conflict are most deeply rooted in my life and in my community?”

(To consider the dilemma as his parents' son)

Who am I?

“Become who you are”
(Friedrich Nietzsche)

“What combination of expediency and shrewdness, coupled with imagination & boldness, will move me closer to my personal goals?”

(To go to St Louis but to participate to the presentation)

“Looking to the future, what is my way (not the way of others)?”

(To become partner in an investment bank)

« Ethos » in Greek: custom, habit, way of behaving in an environment



*The primary meaning of «Ethos» or «Ethics» has therefore to do with:
making your way, positioning yourself in an environment*



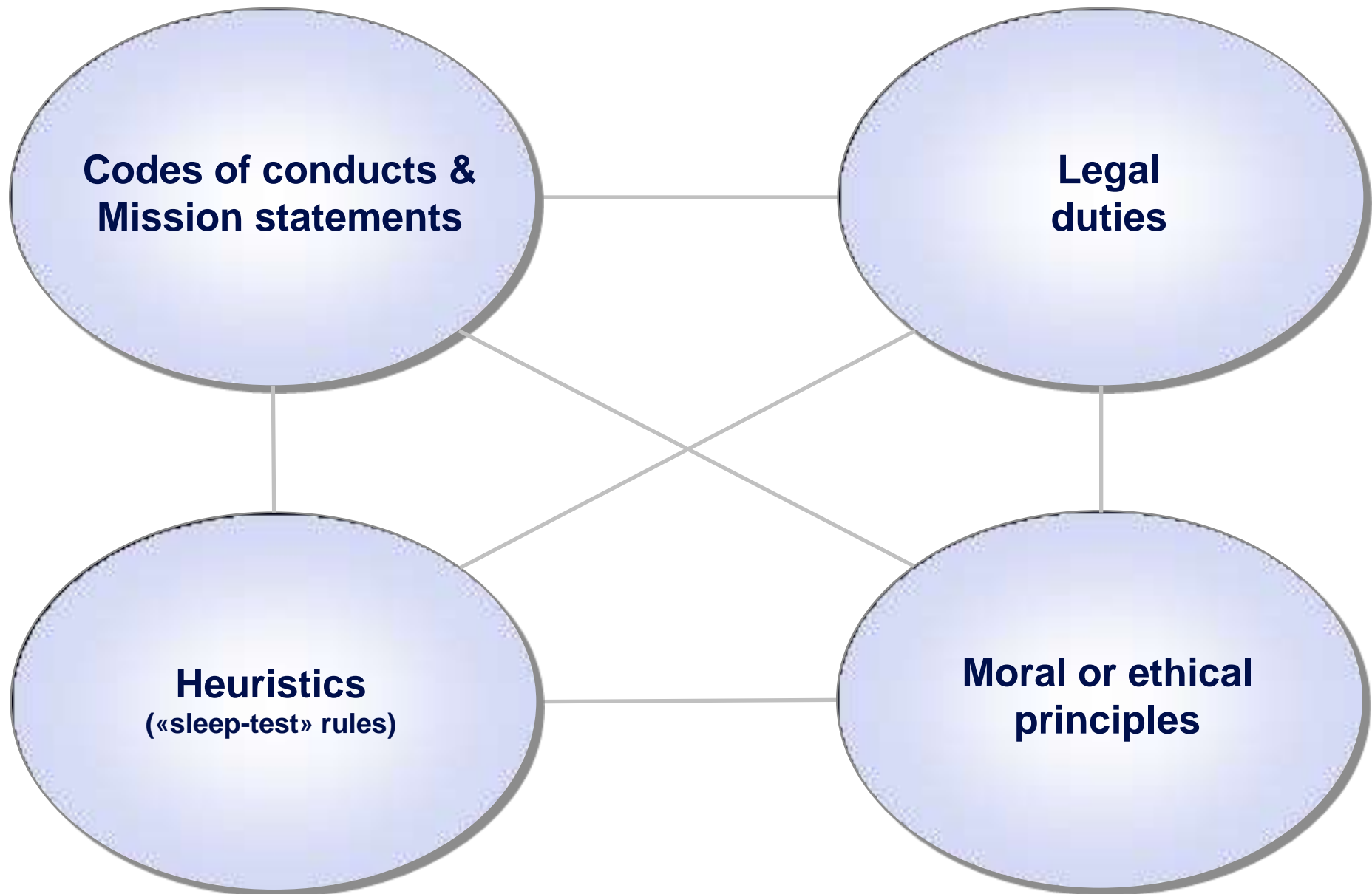
Ethics is a human activity.
The purpose of ethics is not to make people ethical; it is to help people make better decisions
(Marvin Brown, author & ethics consultant)

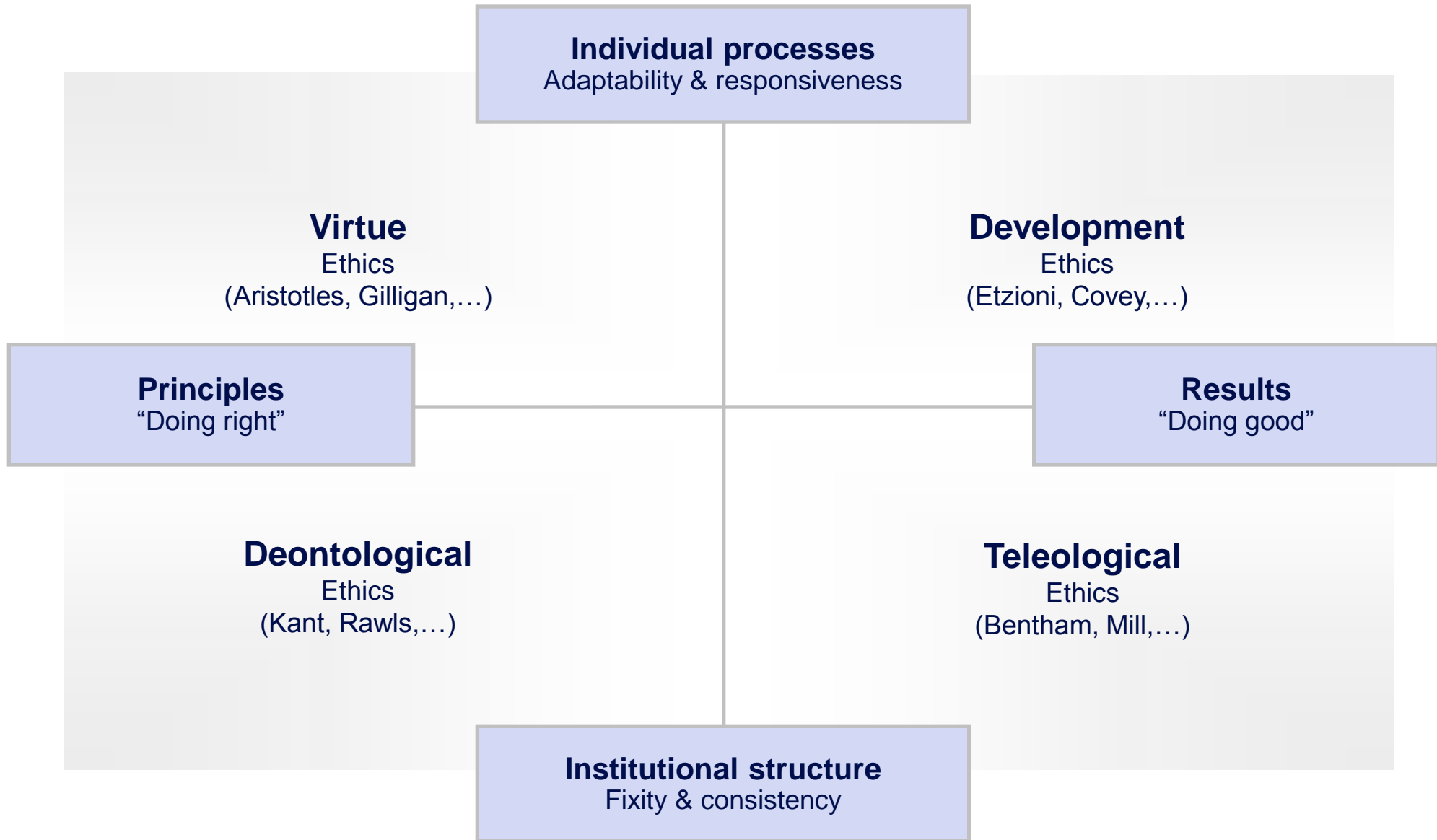


An ethos is the doctrine of a particular art of living the best possible life and the means to pursue this aim
(i.e. to live happily or to search for truth)
(Marcel Conche, philosopher)



*A morality is a set of **duties and imperatives** (positive or negatives) that a society or a community gives to itself and which enjoins its members to conform their behaviour, «**freely**» & in an «**unselfish**» way, to **certain values** enabling to **distinguish right & wrong**.*





The Texas Instrument Ethics Quick Test (2001)

- Is the action legal?
 - Does it comply with TI values?
 - If you do it, will you feel bad?
 - How will it look in the newspaper?
-
- ➡ If you know it's wrong, don't do it!
 - ➡ If you're not sure, ask.
 - ➡ Keep asking until you get an answer.

Questions to ask yourself in front of an ethical dilemma

- Is it conform to the law ?
- Is it conform to the ethical code and values of my company ?
- Am I conscious that my decision can engage other people in the company ?
- Do I feel alright with my decision ?
- What would the colleagues think about my decision ?
- What if it would be published in a newspaper ?
- What would my family think about it ?
- What if everybody would do the same ?
- Should I question the person in charge of deontology ?

12 tests filter to validate or reject a decision

Ask yourself these questions concerning the decision you wish to take	+/-	Veto	Trigger
Legal duties			
1. Legalist test. Is my decision in accordance with the law?			
Corporate credos & mission statements			
2. Organisational test. Is my decision in accordance with my organisation's rules of conduct or ethics			
Heuristics			
3. Hedonistic or intuitive test. Does my decision correspond with my gut feeling and my values? Does it make me feel good?			
Respect of ethical principles			
Virtue ethics			
4. Light-of-day test. Would I feel good or bad if others (friends, family, colleagues) were to know of my decision and action?			
5. Virtuous mean test. Does my decision add to, or detract from, the creation of a good life by finding a balance between justice, care and other virtues?			
Deontological ethics			
6. Veil of ignorance/Golden Rule. If I were to take the place of one of those affected by my decision and plan would I regard the act positively or negatively?			
7. Universality test. Would it be a good thing or a bad thing if my decision and plan were to become a universal principle applicable to all in similar situations, even to myself?			
Development ethics			
8. The communitarian test. Would my action and plan help or hinder individuals and communities to develop ethically?			
9. Self-interest test. Do the decision and plan meet or defeat my own best interests and values?			
Teleological ethics			
10. Consequential test. Are the anticipated consequences of my decision and plan positive or negative?			
11. Utilitarian test. Are the anticipated consequences of my decision and plan positive or negative for the greatest number?			
12. The discourse test. Have the debates about my decision and plan been well or badly conducted? Have the appropriate people been involved?			

What would you do if you were Peter Adario?



What should you do
if a single parent on your staff
is falling behind
in his or her work?

“What are the other strong, persuasive, competing interpretations of the situation or problem that I hope to use as a defining moment for my org.?”

(To understand that, for Walters, the basic ethical issue was irresponsibility: McNeil's for not pulling her weight & his for not taking action)

“What is the cash value of this situation and of my ideas for the people whose support I need?”

(Refine his message and shape it to the psychological & political context in which he was working, in terms of raising productivity or improving recruiting)

Who are we ?

***“Truth happens to an idea.
Its verity is in fact
an event, an idea”***
(William James)

“Am I playing to win?”

*(To take swift actions to counter Walters:
While Adario was out of the office, she worked with one of the bosses to swiftly resolve McNeil's issue)*

“Have I orchestrated a process that can make the values I care about become the truth of my organization?”

(After hiring McNeil, to start quickly to let her & her work known to his bosses & to campaign for a more family-friendly workplace)

Questions to think «societal» ethical dilemmas – Edouard Sakiz' case

“Have I done all I can to secure my position and the strength & stability of my organization?”

(To refrain to take decisions that could expose directly The organization or to confront the BoA's president)

“Have I thought creatively & imaginatively about my organization's role in society & its relationship to its stakeholders?”

(To orchestrate a public debate among the different stakeholders)

**Who is the
organisation?**

“Ethics result from the inescapable tension between Virtue & Virtu”
(Aristote & Machiavel)

“Have you done all you can to strike a balance, both morally & practically?”

(To market the new drug without endangering the organization)

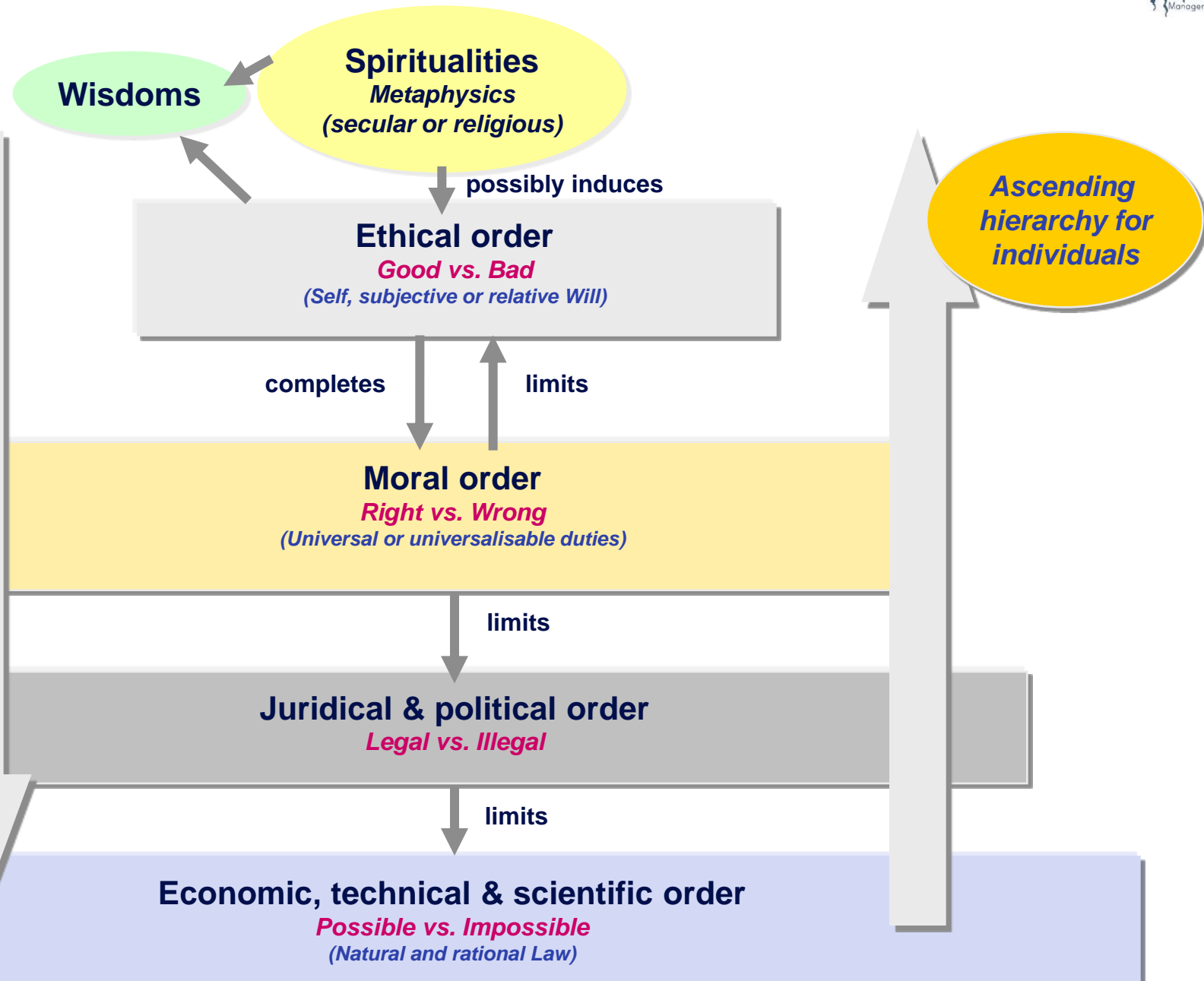
“Should I play the lion or the fox?”

(To organize and support a vote that will trigger a massive counter-reaction from other actors)

The 4 orders & the tensions between the individual and the group



* Synthesis based on the texts from André Comte-Sponville, Marcel Conche & François Jourde





Ethical dilemmas

**Reveal
Ourselves
& stimulates
creativity**

Badaracco

A close-up, slightly blurred background image of a man's face, showing his eyes, nose, and mouth. He is wearing a dark blue shirt.

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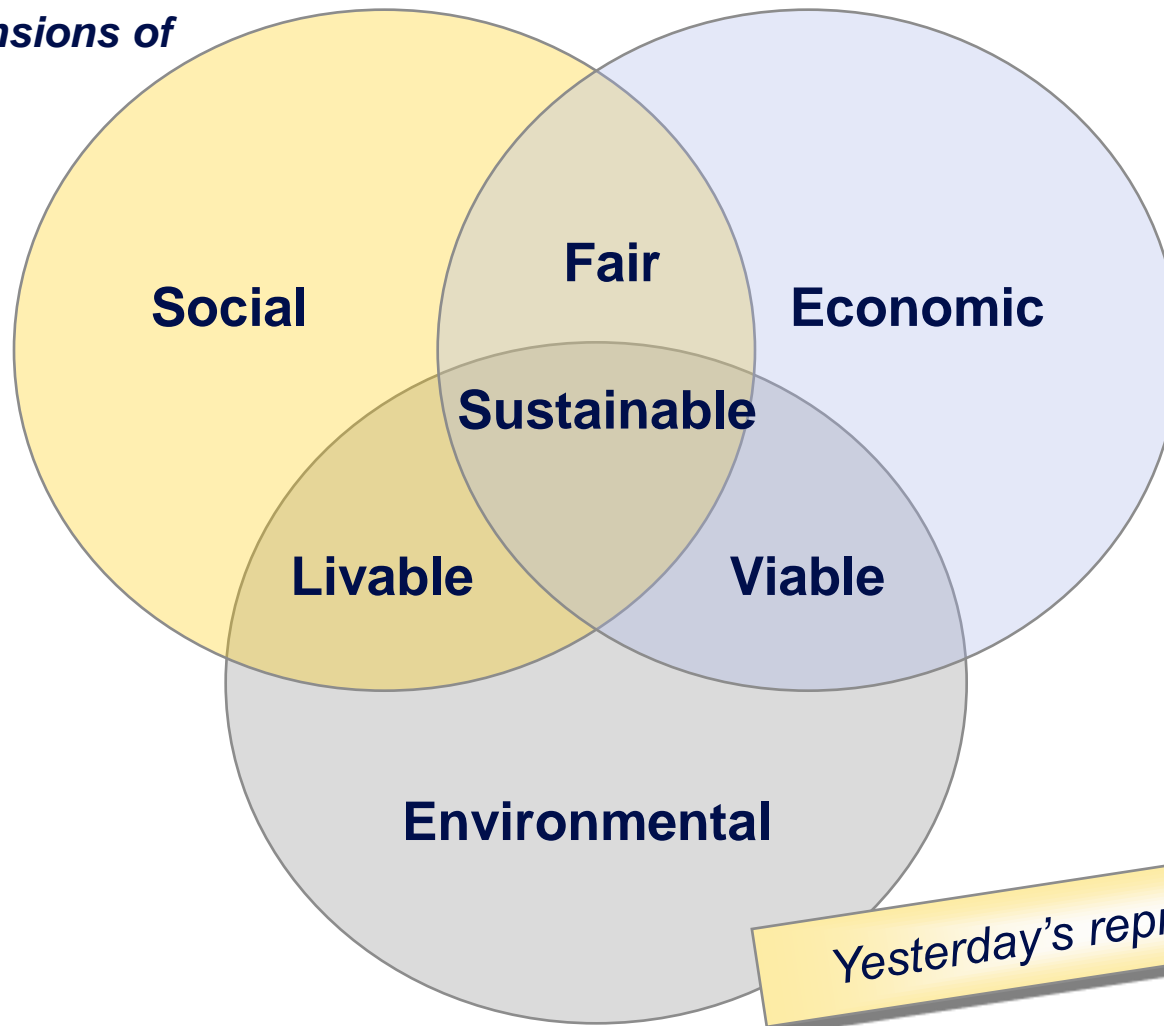
4

Practical illustration through personal experience: The get-out-of-the-way strategy

Corporate Social Responsibility

The entirety of obligations legally required or voluntarily assumed by an enterprise to pass as an imitable model of good citizenship within a given field (Jean Pasquero)

**The three
dimensions of
CSR**



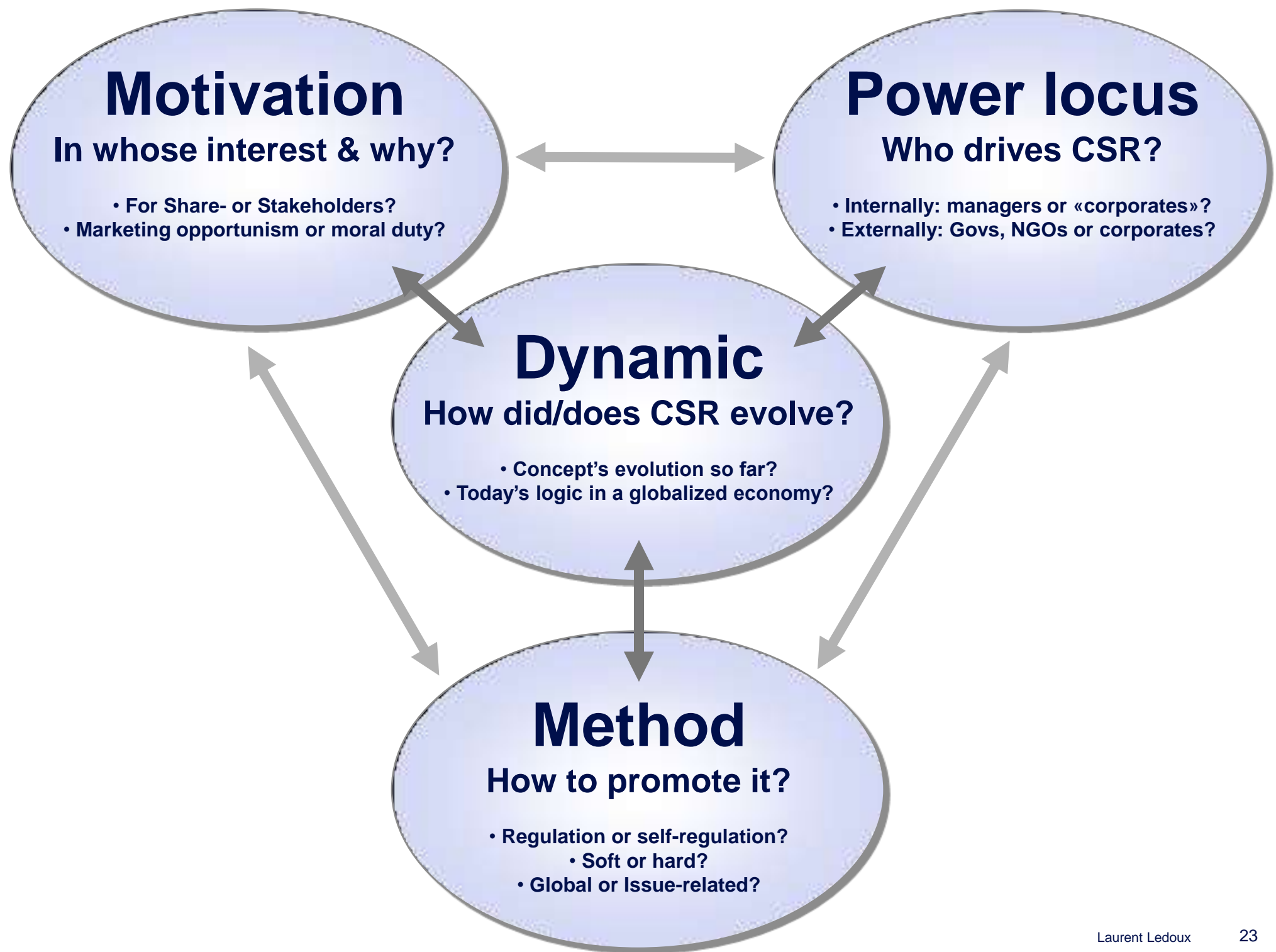


Biosphere

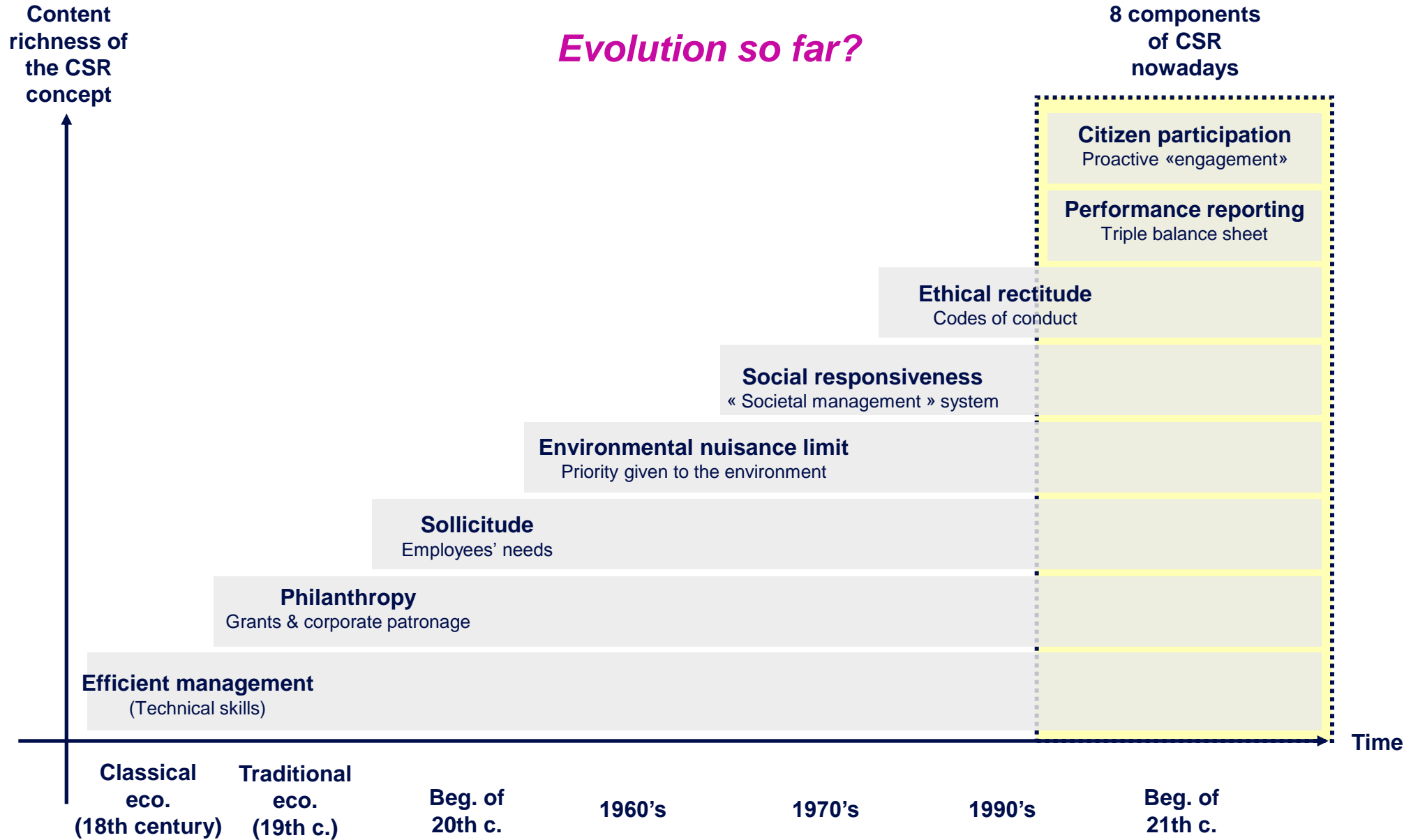
**Social
sphere**

**Economic
sphere**

Today's representation...



Dynamic – How has the CSR concept evolved so far?

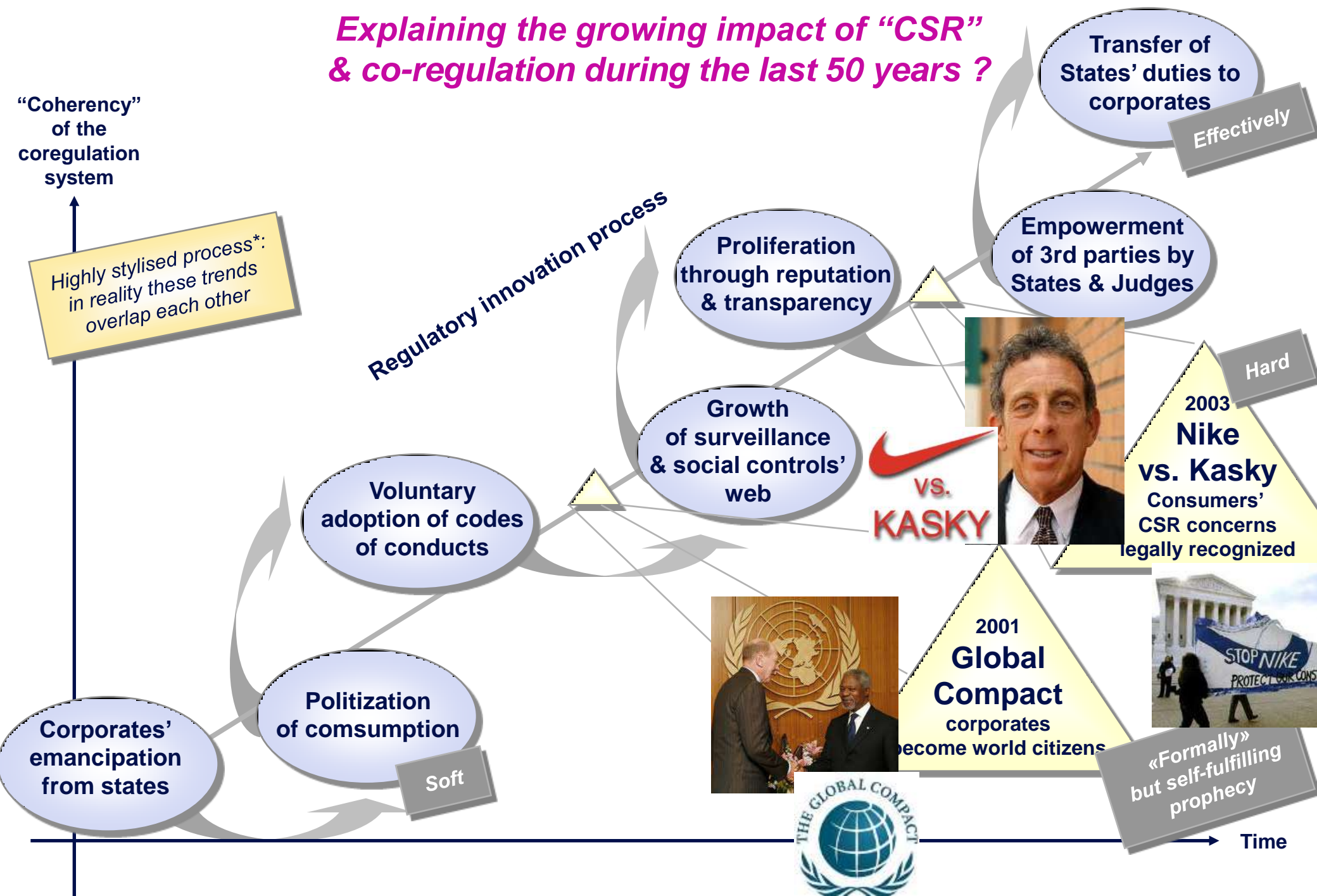


Co-regulation
based on
reputation
rather than
law

Frydman

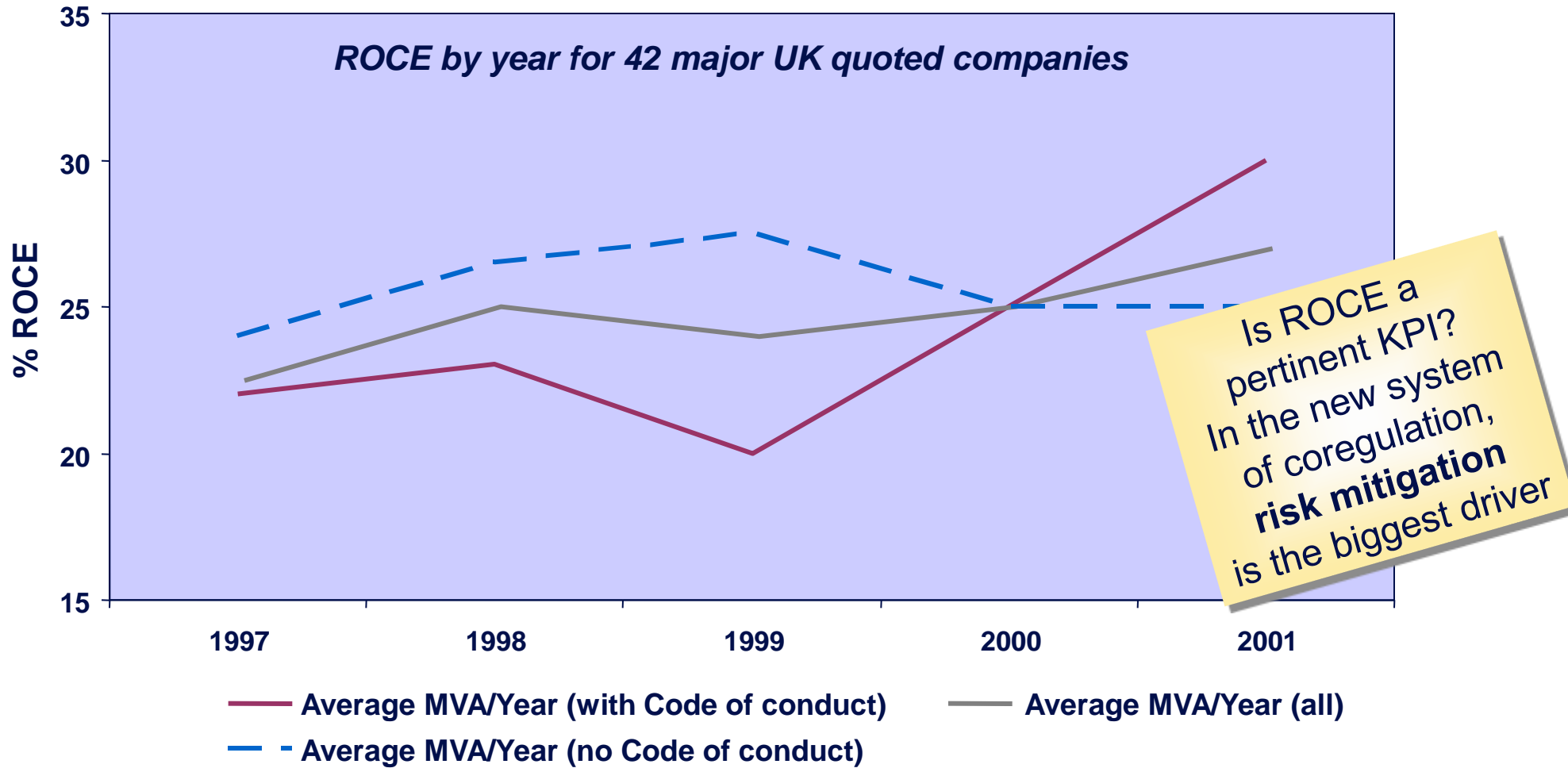


Explaining the growing impact of “CSR” & co-regulation during the last 50 years ?



* Source: “Responsabilité sociale des entreprises et co-régulation”, by Berns & al, 2007

Does Ethics pay?



Source: Webley and More, 2003

Optimize value for the
whole society
under the constraint of an
adequate return
for shareholders



Emmanuel
Faber



Maximize (without limits)
shareholder's value
under the constraint of the
respect of the law

Milton
Friedman



Profit

is the consequence
of the human
relation that we
develop daily with
our shareholders,
clients, employees,
suppliers and the
rest of society

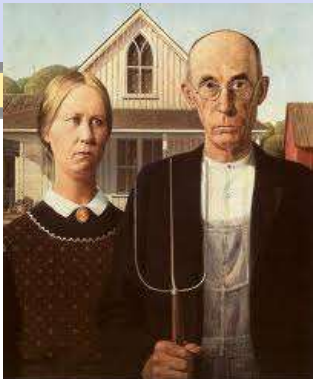
Toniutti



Evolution of the relations between capitalism & the dominant ethos

Protestant ethos

Birth of modern Capitalism



Progressist ethos

Expansion of industrial Capitalism



Post-capitalist Ethos

Rise of the post-capitalist economy



Consumerist Capitalism

Promotion of a childish ethos



Time



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Leadership – What are we talking about?

**Transactional
Vs. Transformational
Leadership**
(McGregor Burns)

**Machiavellian
Leadership**

**Servant
Leadership**
(Greenleaf)

**Situational
Leadership**
(Blanchard)

**Conscious
Leadership**
(Kofman)

**Hard / Soft / Smart
Leaders**
(Nye)

**Charismatic
Leadership**
(Weber)

Leadership?

Fifth disciplines
(Senge)

Personal power model
(Hagberg)

Force Field Analysis

**Integral
Leadership**
(Wilber)

Expectancy theory

Emotional intelligence
(Goleman)

EPIC Advisers

For more see <http://www.12manage.com>

What did Parsons do or
didn't do?

What did she achieve?

Is this a leadership case?

Why or why not?

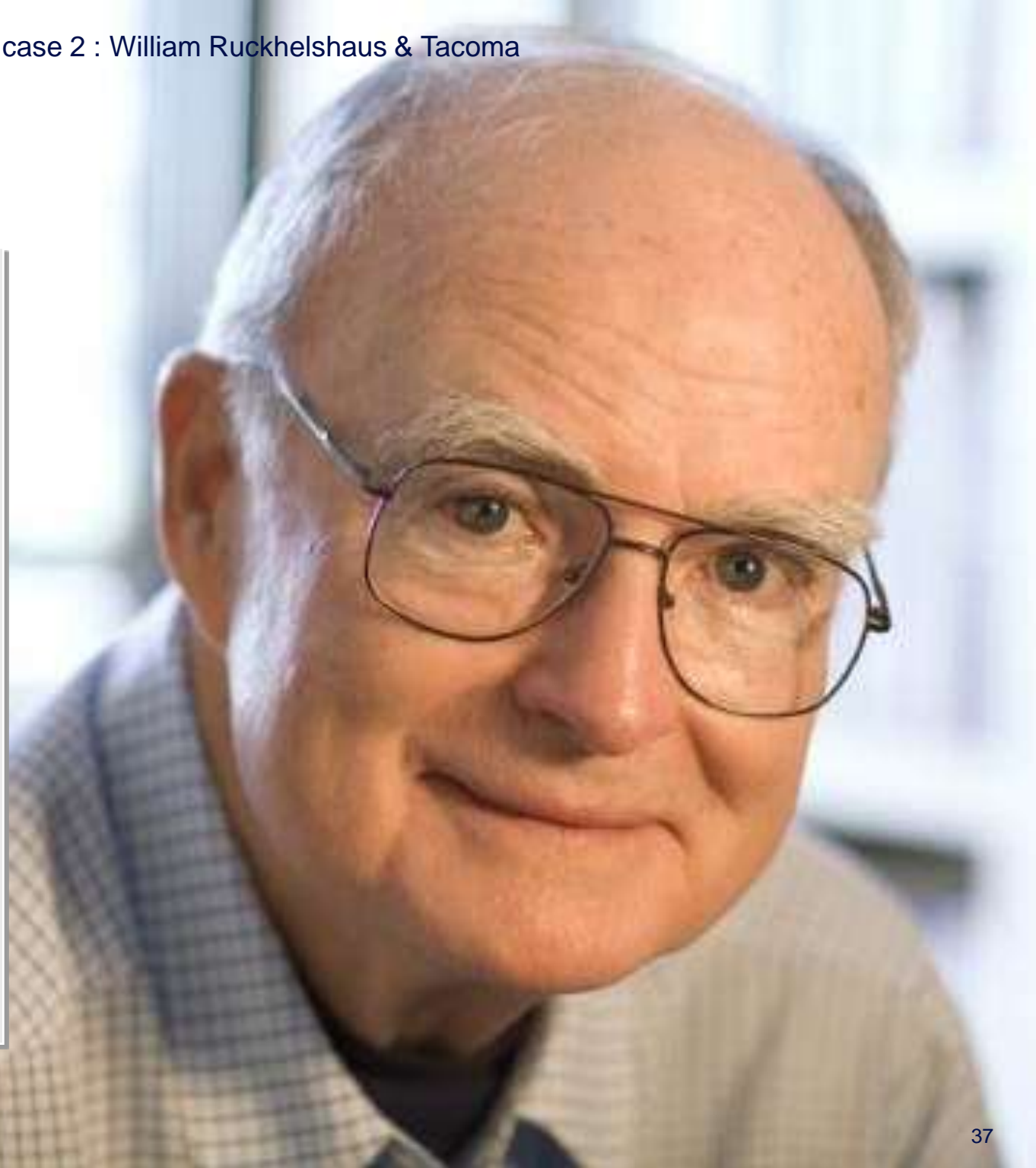


What did
Ruckhelshaus do
or didn't do?

What did he
achieve?

Is this a
leadership case?

Why or why not?





Lead India - The Tree

from **Kelsey Hayes** 3 months ago NOT YET RATED

<http://vimeo.com/59400135>

A young boy with dark hair, wearing a white short-sleeved school shirt with a circular emblem on the left chest, is leaning out of a train window. He has a concerned or urgent expression on his face. The background is blurred, showing the interior of the train and a yellow vertical pole.

Discernment

Objectivity
Deep intuition
Less driven by Ego

“Get on the balcony”

Heifetz

Courage

A man with dark hair, wearing a white short-sleeved button-down shirt, is shown from the chest up. He is looking down, his face partially obscured by shadows and water droplets. He appears to be standing in shallow, rippling water, with his hands near the surface. The background is dark and out of focus, suggesting a natural, possibly outdoor setting. The overall mood is somber and reflective.

Responsibility
Commitment
Promise

*“Dare to speak into darkness
on behalf of others”*

Strom

Conversation

Dialogue
Meaning

*“Renew the key missing
conversation”*

Strom

Care

Generosity
Brilliance

“Modulate the stress”

Heifetz

A young boy with dark, curly hair, wearing a white short-sleeved shirt and dark pants, is smiling and clapping his hands. He is in the center of a crowd of people, who are blurred in the background. The scene appears to be outdoors during the day.

Humility

Simplicity
Frugality
Obedience

*“The best leader
is the one
whose existence
the group
barely knows”*

Lao Tzu

Inner calm

Interiority

Solitude

Work upon oneself

*“We only suffer
from ignoring
what is not lacking:
inner peace”*

Castermane

Wisdom: capacity to read life patterns

Naming

to lead wisely is to pay attention to, & to become skilled in, the ways ***language shapes meaning*** and life

Influence

to lead wisely is to pay attention to, & to become skilled in, the dynamics of ***holding commitment*** to both people and to goals, particularly when meaning & even relationships begin to ***break down***

Conversation

To lead wisely is to pay attention to, & become skilled in, the ways people create ***new understanding*** in the subtle to & fro of conversation

Leadership

to lead wisely is to pay attention to, the very ordinary, yet difficult, human phenomenon of how a person ***comes to the fore*** in one context and gets ***behind*** someone else in another

Speaking into darkness

to lead wisely is to pay attention to, & to face with integrity, the ***uncertainty & fear*** that inevitably accompany ***responsibility & choice***

Discernment

Conversation

Story

Brilliance

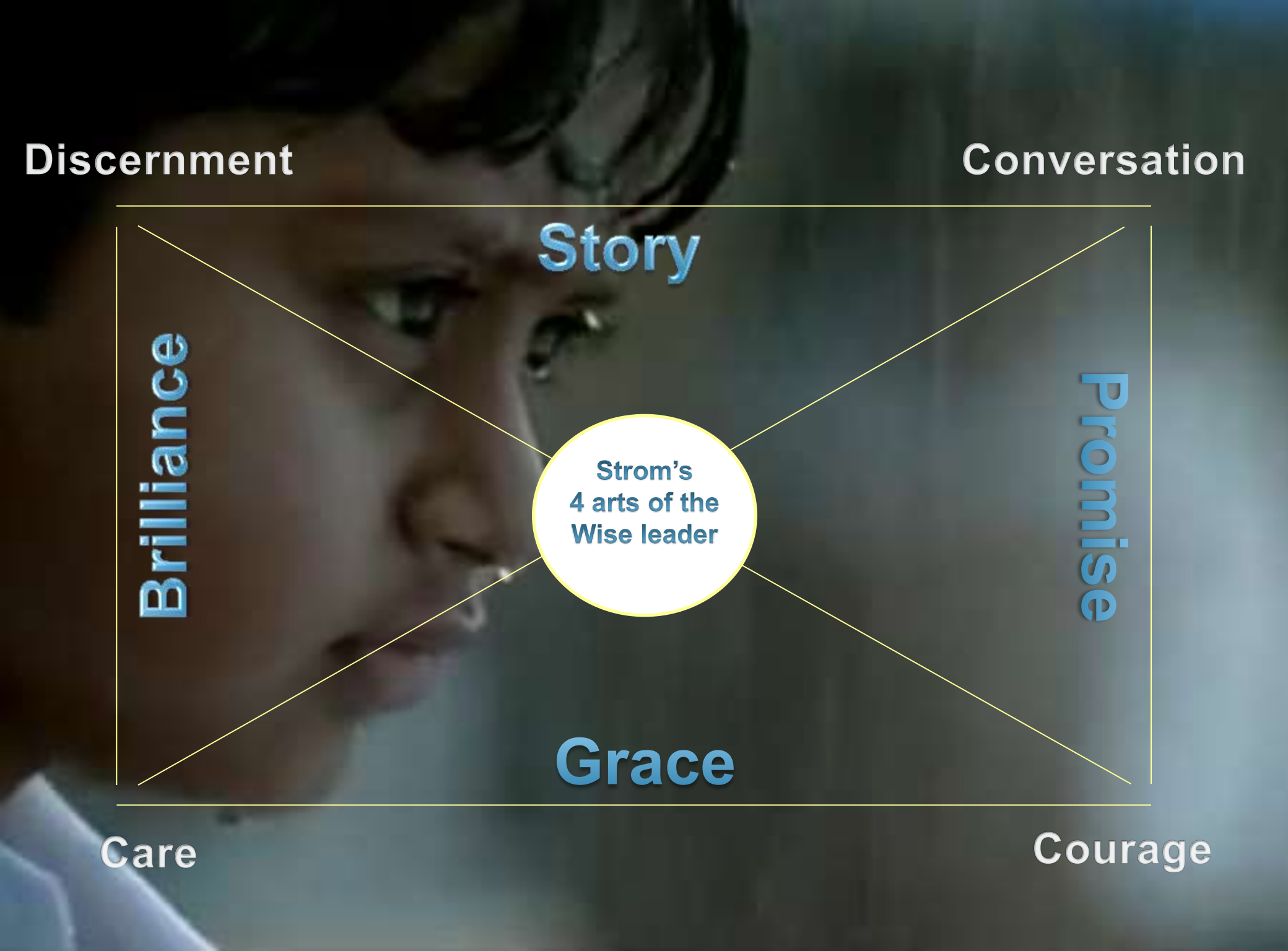
Promise

**Strom's
4 arts of the
Wise leader**

Grace

Care

Courage



Leadership

A person with dark hair, wearing a white long-sleeved shirt and a tan backpack, is walking away from the camera on a city street. In the background, a large, dark, fallen tree trunk lies across the road, partially blocking a white car. The scene is set in an urban environment with buildings and other vehicles visible in the distance.

*“Mobilizing the group
for the adaptive work”*

Heifetz



**Technical
challenge**



**Adaptive
challenge**

Problem definition

Clear

Clear

**Requires
learning**

**Solution and
implementation**

Clear

**Requires
learning**

**Requires
learning**

**Primary locus of resp. for
the work**

Physician

**Physician
&patient**

**Patient >
physician**

Kind of work

Technical

**Technical
&adaptive**

Adaptive

Adaptive work



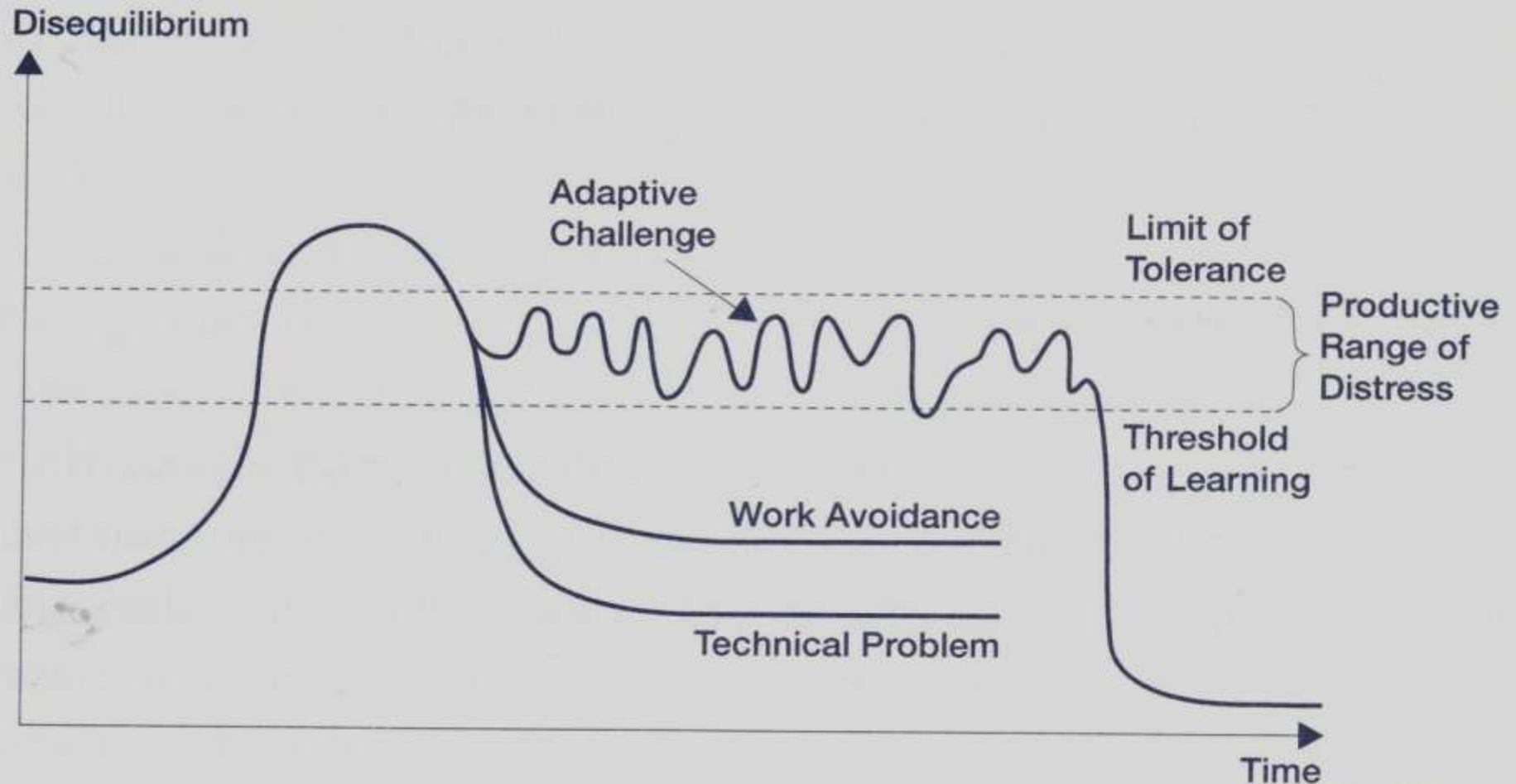
“To diminish the gap between the values people stand for and the reality they face”

Heifetz

A photograph of a group of people, including children, working together in a community setting. A woman in the upper left is reaching out towards a child. In the center, a young girl is seen from the back, looking towards a man on the right who is working with a large object. Other people are visible in the background, suggesting a busy, collaborative environment.

**Adaptive work
enables action**

Modulate the stress



Leader's Social function	Challenge	
	Technical	Adaptive
Direction	Authority provides problem definition and solution	Authority defines adaptive challenge, provides diagnosis & questions about problem definitions & solutions
Protection	Authority protects from external threat	Authority discloses external threat
Role Orientation	Authority orients	Authority disorients current roles, and resists pressure to orient people in new roles too quickly
Controlling conflict	Authority restores order	Authority exposes conflict, or lets it emerge
Norm maintenance	Authority maintains norms	Authority challenges norms, or allows them to be challenged

**Identify the adaptive
challenge**
(Unbundle the issues)

**Protect leadership
voices w/out
authority**

(Cover who raises questions
authorities can't raise)

**5
strategic
principles of
Leadership**

**Give the work
back to people**
(Put pressure on
people with the
problem)

**Keep the distress level
tolerable**
(Control the pressure cooker)

Focus on ripening issues
(Counteract work avoidance
mechanisms)

Adaptive leader's activities

1

Diagnose the system

2

Mobilize the system

3

See yourself as a system

4

Deploy yourself



I

Diagnose the system

- Be ready to observe & interpret before intervening
- Diagnose the system itself
- Diagnose the adaptive challenge
- Diagnose the political landscape
- Understand the qualities that makes an organization adaptive



II

Mobilize the system

- Make interpretations
- Design effective interventions
- Act politically
- Orchestrate the conflict
- Build an adaptive culture



III

See yourself as a system

- Identify who you are
- Know your tuning
- “Broaden your bandwidth”
- Understand your roles
- Articulate your purposes

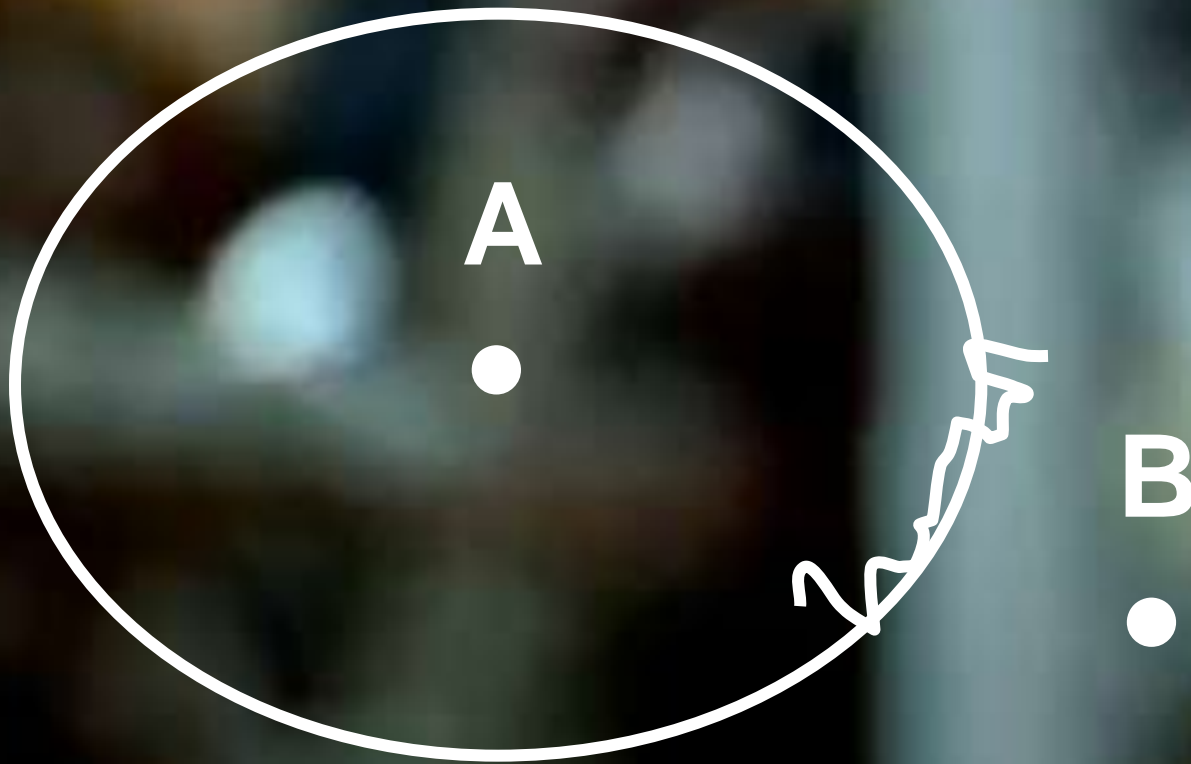


IV

Deploy yourself

- Stay connected to your purposes
- “Engage courageously”
- Inspire people
- Run experiments
- “Thrive”

Dare to go beyond your scope of authority





To lead wisely

is to pay attention to,
the very ordinary, yet difficult,
human phenomenon of how a person

comes to the fore

in one context &

gets behind

someone else in another

Strom

What did or did not do
Lyndon Johnson in the Black
Civil Rights case and in the
Vietnam War case
respectively?

Did he act as a leaders?

Why or why not?

Are there other leaders in
these cases?

How do they differ?



A background image showing several people in mid-air, appearing to be falling or jumping against a bright, white sky. One person in a red shirt is on the left, and another in a white shirt is on the right. The image is oriented horizontally but the people are positioned vertically.

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...to one of the most dynamic teams
(with basically the same people)



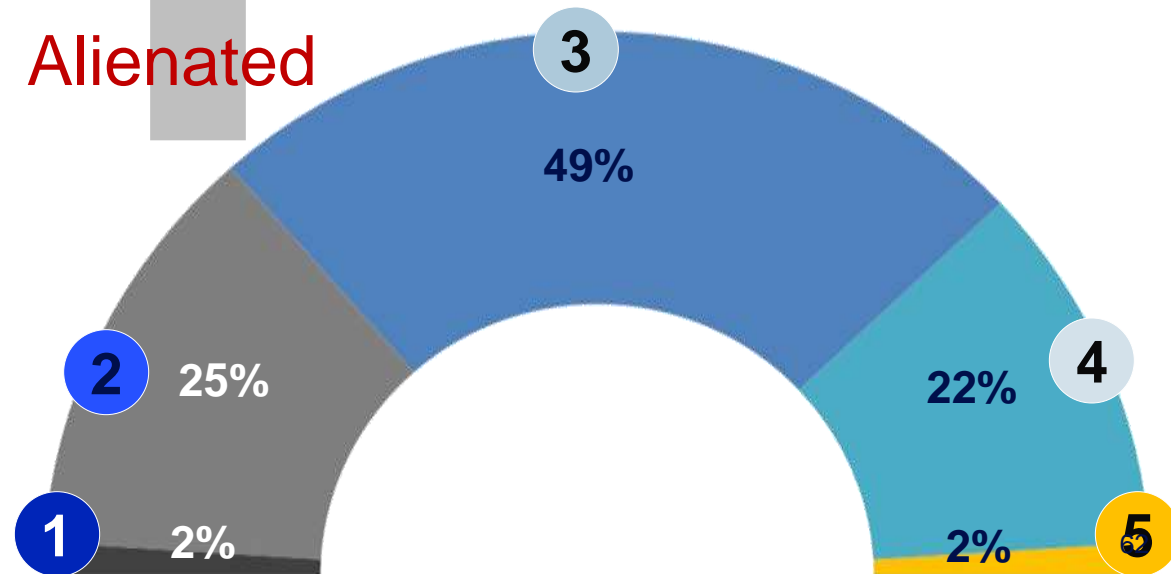
From the “cour des miracles”...

The 5 stages of culture

Language



Relationship to People



Team management principles



Intrinsic
equality



Personal
growth



Capacity to
self-direct

Intrinsic equality

1

Whyway

- Open communication
- Participation
- Diversity

2

Humility

- Ignorance's strength
- Transparency
- No titles

3

Fairness

- Wage gap reduction
- Bonus sharing
- Open space for all

Everybody **wants** to take initiatives



Personal
growth

1

Exploration

- Open trainings
- Collective intelligence
- Godfathers

2

Trust

- Risky appointments
- Tolerance for errors
- Resilience faith

3

Benevolence

- Craftsmanship
- Dignity
- Coherence

Everybody **is able** to take initiatives



Capacity to
self-direct

1

Adults

- No rules
- No credos
- No monkeys

2

Engagement

- Common good
- Team practices
- Societal projects

3

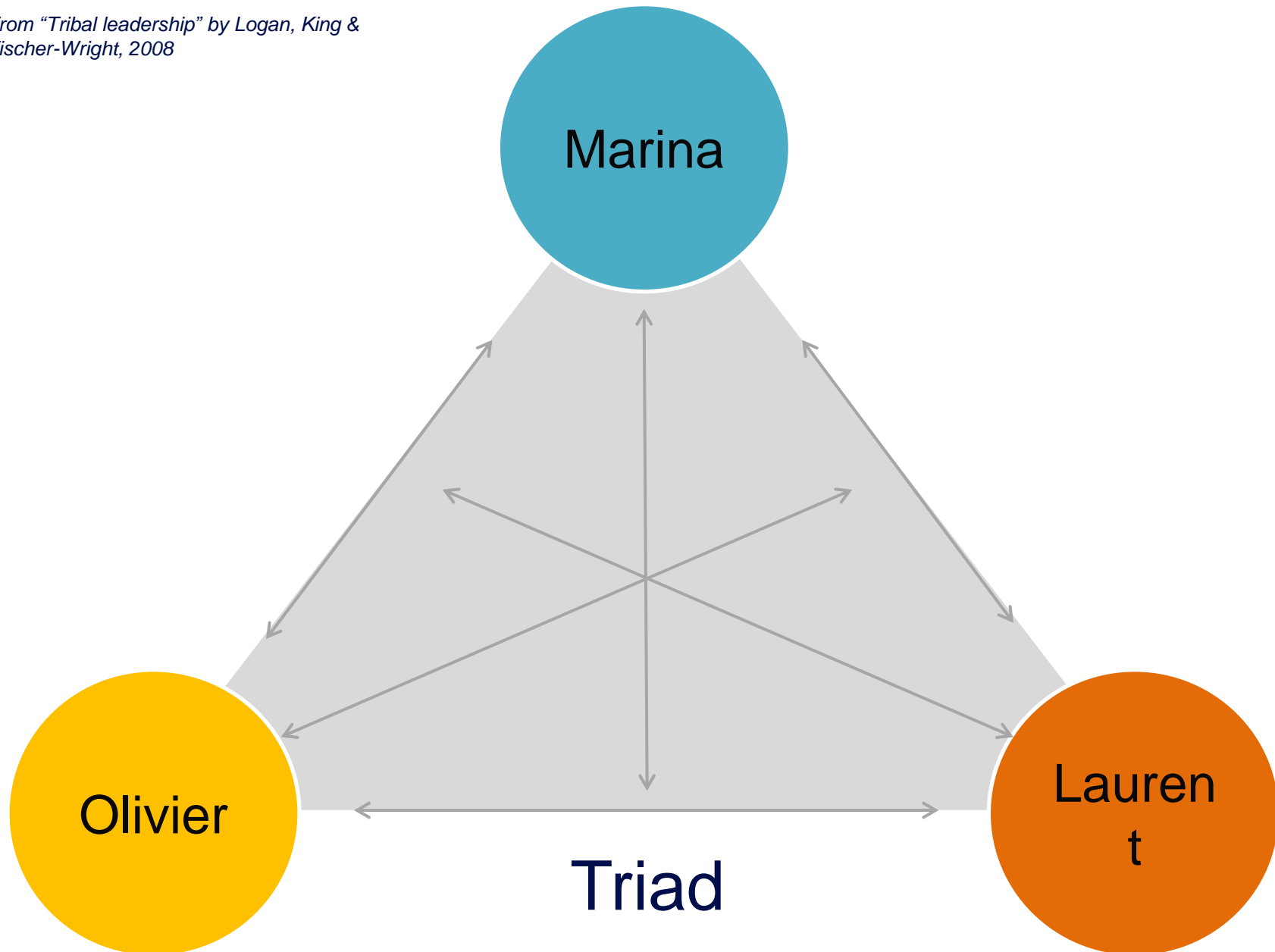
Let go

- Loosening follow ups
- Distance
- Improvisation

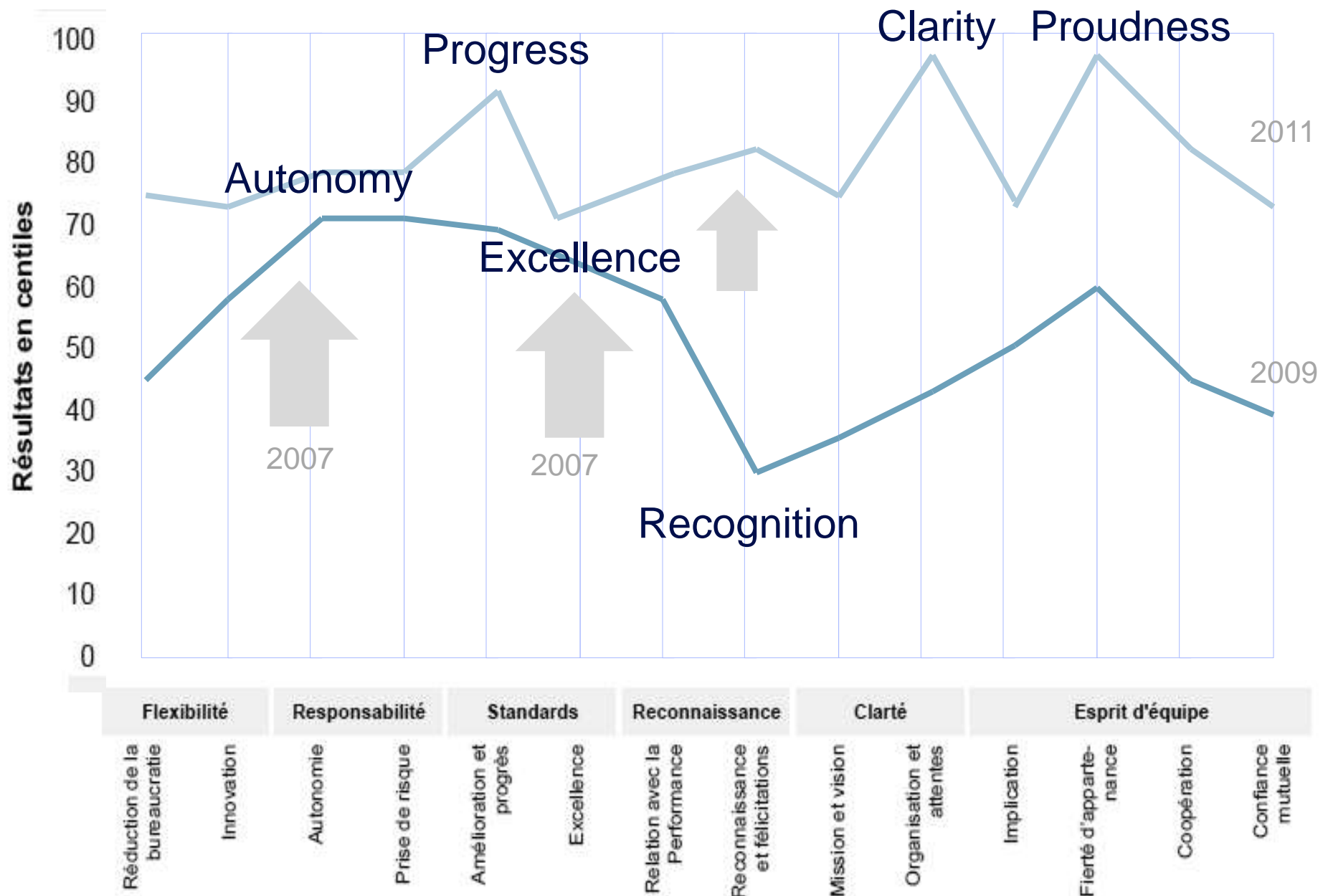
Everybody **has the liberty** to take initiatives

Structure of stable relationships

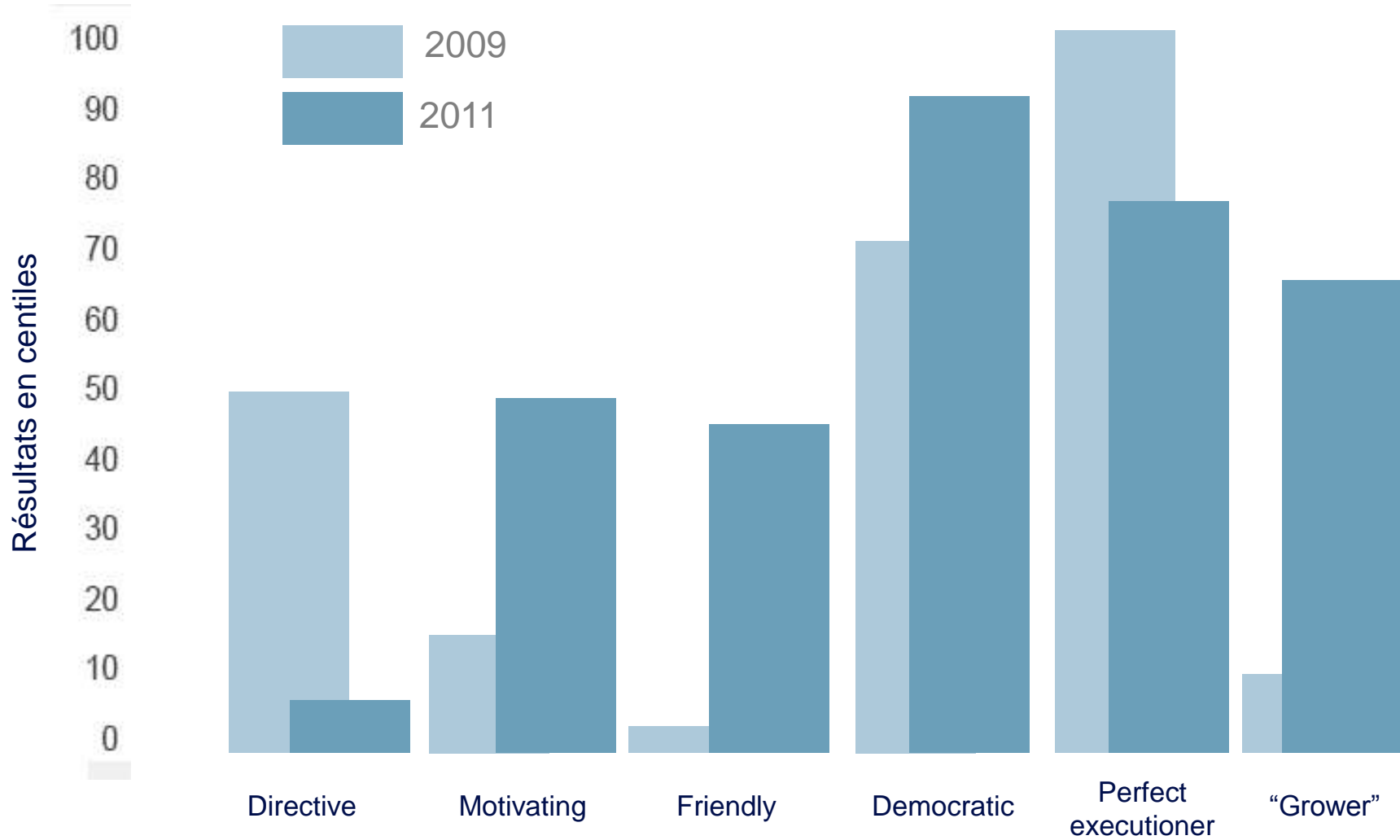
From "Tribal leadership" by Logan, King & Fischer-Wright, 2008



My former BU's work climate (Hay)



My leadership style (Hay)





Why leave?
to get out
of the way

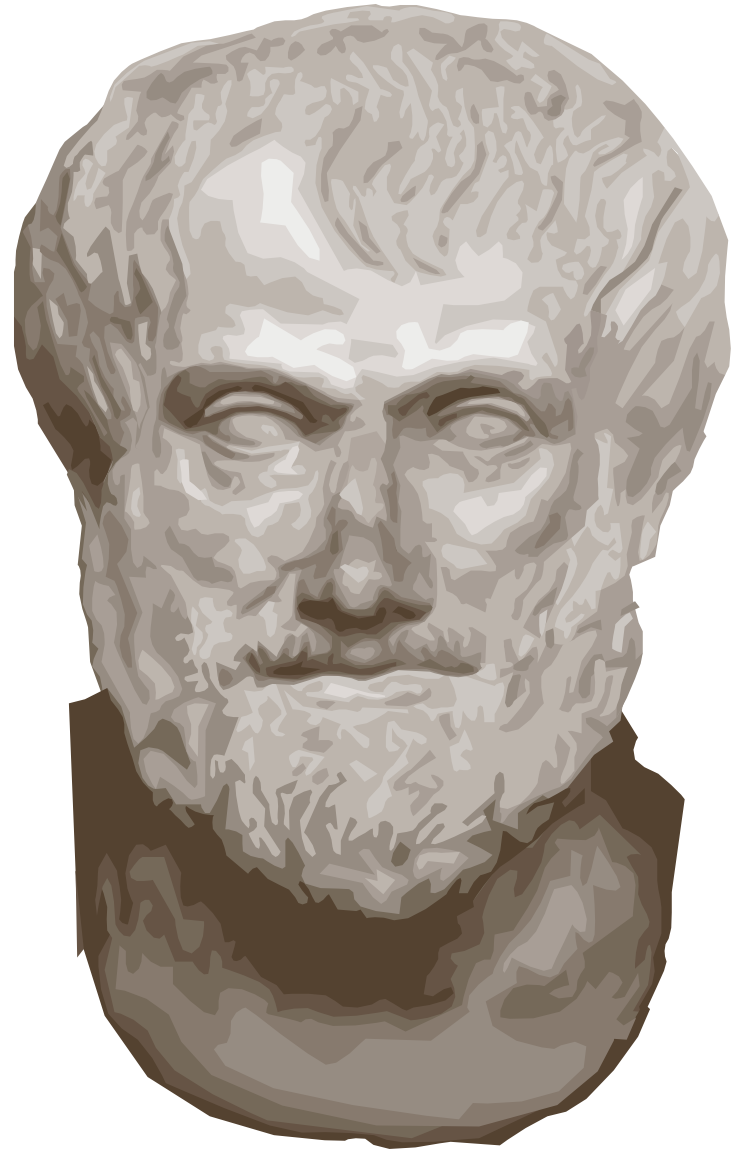
*Quand tu aimes,
il faut partir.*

Cendrars



Freeing yourself...
from **what?**

**Freedom is
to choose
what you are
the slave of**

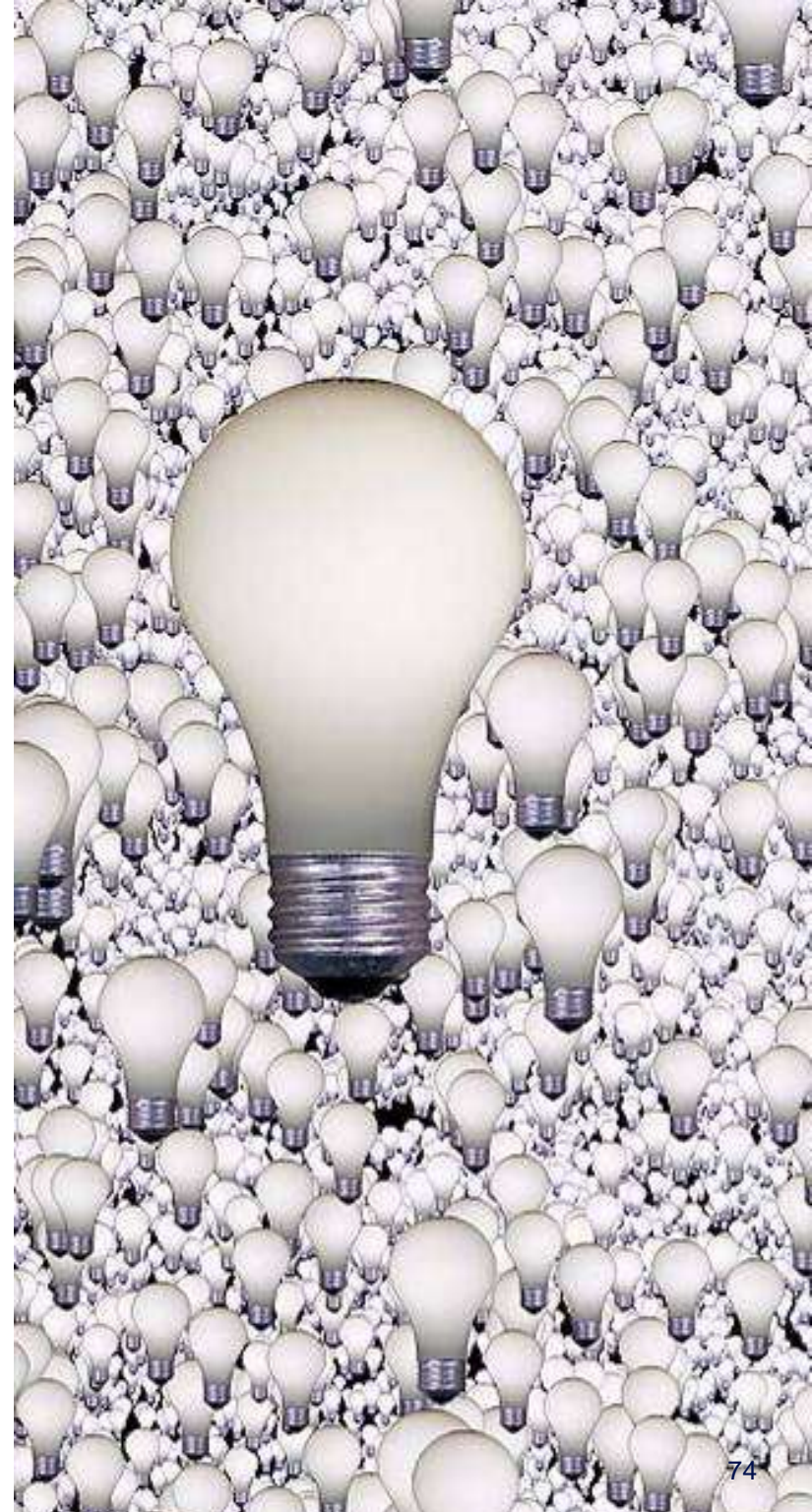


Aristotle



The limit is what a
generation owes
to the next one

Legendre



1

Listen to your
liberating
question

2

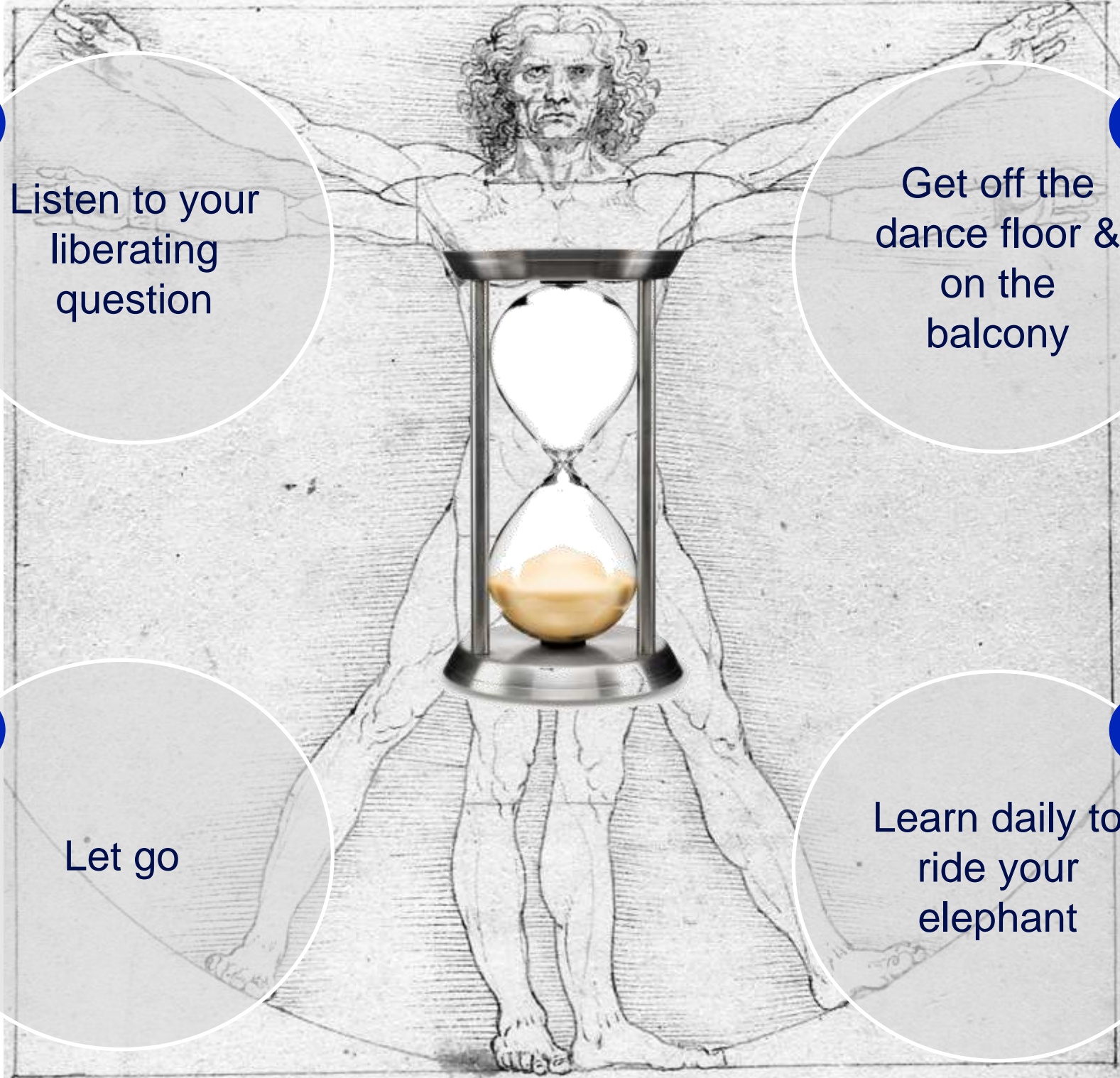
Get off the
dance floor &
on the
balcony

3

Learn daily to
ride your
elephant

4

Let go



1

Listen to your
liberating
question





What
am I
responsible
for?



Jankélévitch
&

the prism of virtues

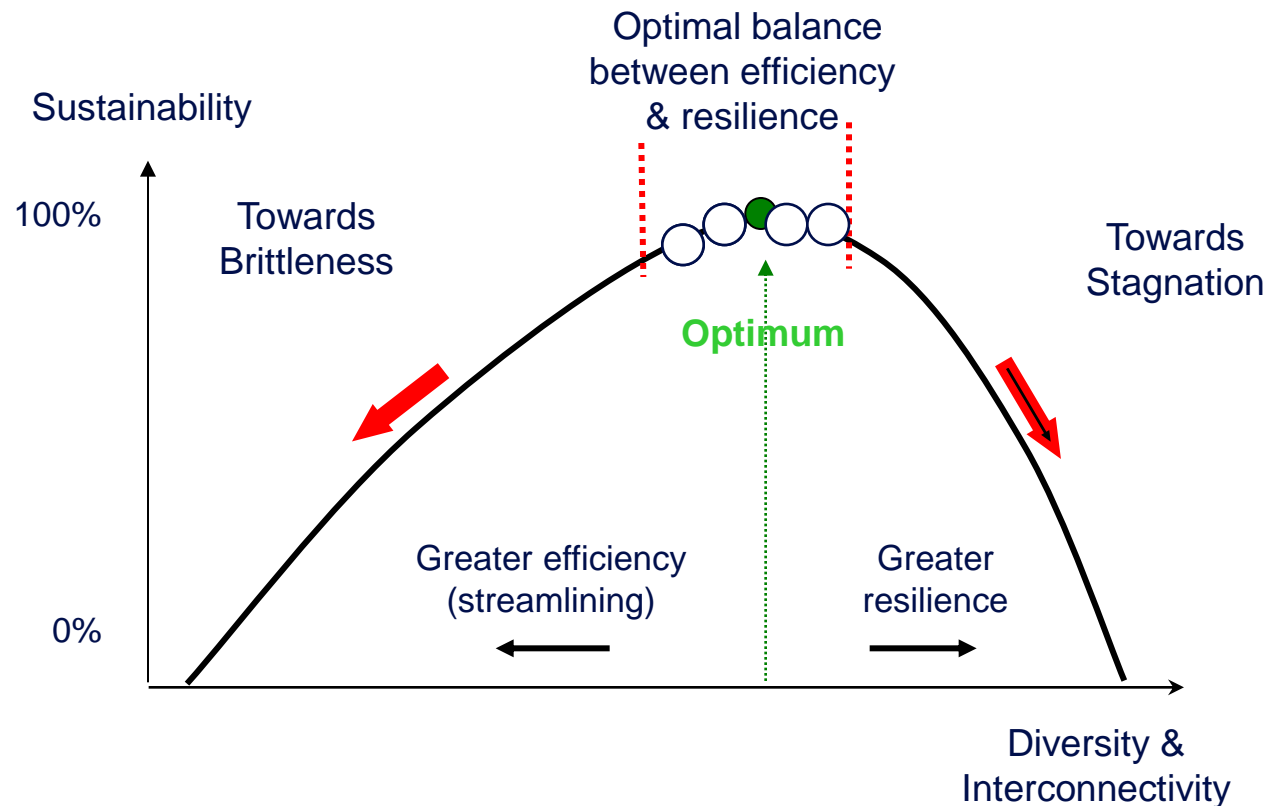
2

Get off the dance floor &
on the balcony





Efficiency - resilience Diversity & interconnectivity



Learn daily
to ride
your elephant



Spiritual exercises

Philosophy as a way of being



Hadot



Photo: Robin Zebrowsk

The Whyway

Semler





Courageous conversations & daring to speak into darkness

Strom

Respect for craftmanship

Sennett



Daily physical exercises & eating habits





Give time

Teach & Learn

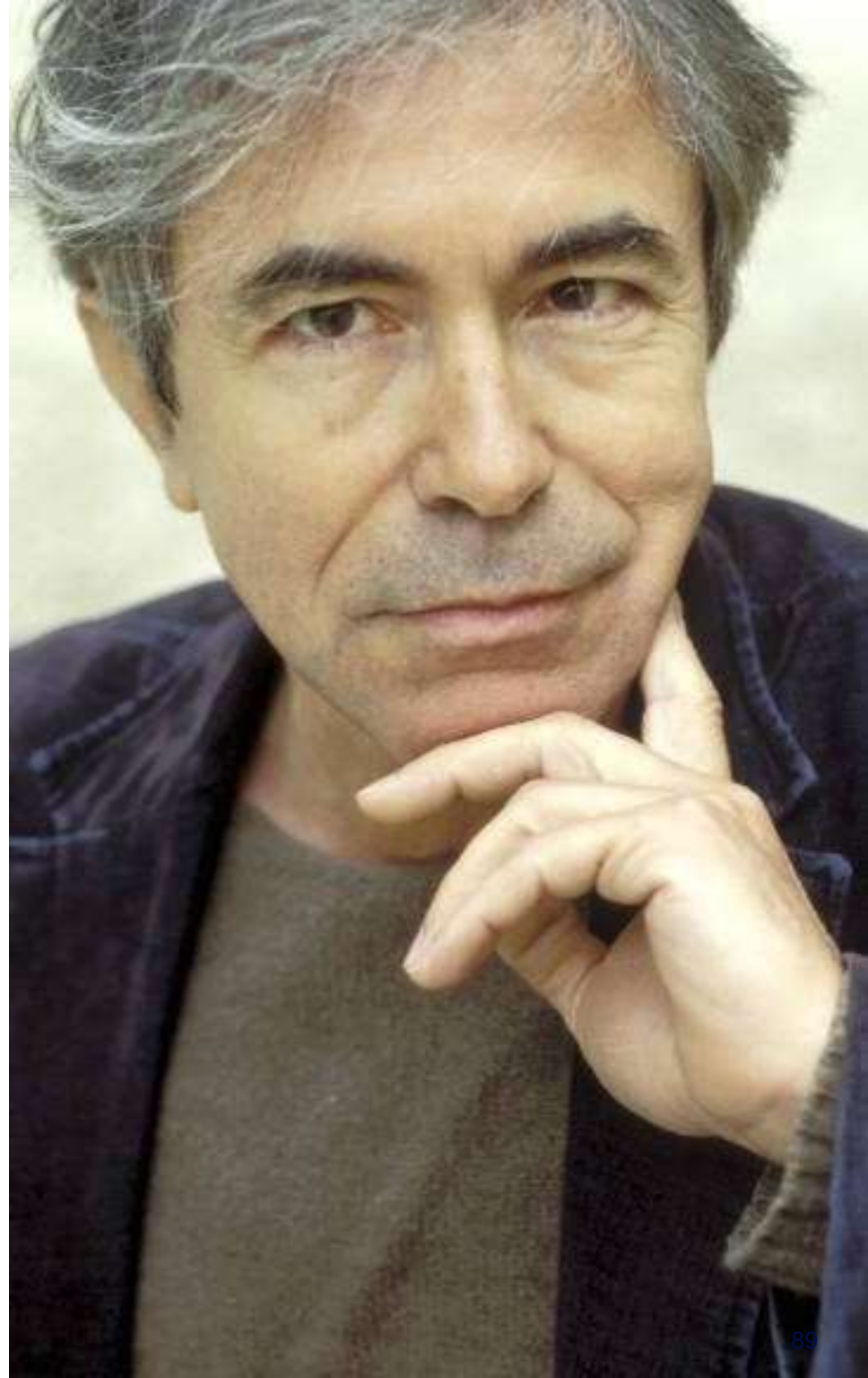
A high-action photograph of a surfer with long blonde hair, wearing a dark wetsuit, riding a massive, curling blue wave. The surfer is positioned in the lower center of the frame, crouching low on a white surfboard as they navigate the base of the wave's barrel. The water is a vibrant turquoise blue, and the wave's face is steep and textured with white foam. The overall scene conveys a sense of power and movement.

Let go

EFFICIENCY

Let the
effect
impose
itself

Julien





Nature is infinite in time and space

Conche

Extend ethics to **nature**

Callicott



A bright sun shining through a blue sky with white clouds.

All is one

Everything is connected

*“Wisdom is knowing
that all is one”*

Hawley



Wise leadership...

*...mobilizes the group
to become conscious
that all is one ?*

“It” shoots

A man in traditional Japanese attire, including a dark brown kimono and a light grey hakama, is captured in the middle of a kyudo (archery) practice. He is holding a long, curved bow (yumi) with both hands, and an arrow is visible in the air, having just been released. The background is a blurred forest with trees and foliage, suggesting an outdoor setting.

*“Be one with
the bow, the
arrow, the target &
everything,
everyone else”*

Anzawa

*“My capacity as a
leader comes from
my choice to allow
life to unfold
through me”*

Senge

***Our time is the best to
live in because
everything we thought
we knew appears to be
untrue***

Tom Stoppard





***To escape their predators,
the first men had to grow
their intelligence;
To escape from mankind,
we will grow our
conscience***

Patrick Viveret

Another world
is possible





To the memory of
François Vassart
(1925 – 2001)

who was my first spiritual master and
made me copy a thousand time:

“If you can meet with Triumph and Disaster
And treat those two impostors just the same...”
*(Si tu peux rencontrer triomphe après défaite
Et recevoir ces deux menteurs d’un même front)*
(Rudyard Kipling – “If”)

“Gagner pour vous,
Pour moi perdant,
Avoir été peut-être utile
C’était un rêve modeste et fou
Vous me mettez avec, en terre
Comme une étoile au fond d’un trou”
*(To win for you, losing for me
To have been, perhaps, useful
That was a modest and crazy dream
You’ll bury me with it
As a star in a deep hole)*
(Aragon – “J’entends, J’entends”)

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