

## Chapter 2

# **Philosophy of Management: Concepts of Management from the Perspectives of Systems Theory, Phenomenological Hermeneutics, Corporate Religion, and Existentialism**

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- I. The Emergence of Business Ethics: Towards the Political Firm
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- III. Leadership, Judgment, and Values
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In this paper, I discuss recent approaches in the theory and philosophy of management of a complex society, namely Denmark, focusing on the concepts of leadership, corporate citizenship, public relations, corporate social responsibility (CSR), and ethics. This is a discussion of philosophy of management in a complex society. The discussion is presented in five sections: 1) the emergence of business ethics in Denmark; 2) the systems-theoretic approach to philosophy of management; 3) the phenomenological and hermeneutic approach to leadership and ethics in organizations; 4) corporate religion, existentialism, and Kierkegaard; and 5) a conclusion.

### **I. The Emergence of Business Ethics: Towards the Political Firm**

In Denmark, recent debates about philosophy of management in public and private organizations were initially limited to issues of business ethics and leadership and only later to deeper issues of epistemology and organizational ontology. Traditionally, Danish business ethics have been characterized by

Protestant ethics, which promoted the norms of integrity, respect for hard work, and trustworthy behaviour; however, more recently it became evident that better thinking on business ethics was necessary. During the 1980s and 1990s the question of whether the term “business ethics” is fundamentally oxymoronic (that is, whether it is possible to combine ethics, values, and social responsibility with profits and efficiency) became a major concern (Pruzan 1998, 10).<sup>1</sup>

Instead of traditional bureaucratic methods of management, new kinds of values-driven and ethics-based forms of leadership were proposed. Many Danish companies have realized that a focus on CSR, ethics, and sustainability may be a competitive factor internationally, but also locally as a sign of high integrity and trustworthiness. Accordingly, business ethics is proposed as an important part of leadership, management, and corporate governance.<sup>2</sup>

There are five important aspects of the focus on ethics and leadership in Denmark: 1) understanding the significance of the political consumer, 2) ethical investing, 3) the ethical and social responsibility of the corporation, 4) ethical accounting, and 5) values-driven management.<sup>3</sup>

The concept of the political consumer expresses the role that the external world plays in corporate ethics. It can be argued that external pressure by well-educated and politically conscious citizens has been a driving force in the emergence of business ethics in Denmark. Public focus on issues of

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<sup>1</sup> PETER PRUZAN: “Hvad er etik i erhvervslivet”, in: KURT BOELSGAARD: *Etik i Dansk erhvervsliv - fremtidens lederkrav*, Århus (Jyllandspostens erhvervsbogklub) 1998, pp. 10ff. See also JACOB DAHL RENDTORFF: *Virksomhedsetik*, Frederiksberg (Samfundslitteratur) 2007.

<sup>2</sup> It is arguable that Denmark is one of the most developed countries in this regard. At the Copenhagen Business School, research in management philosophy and business ethics began in 1986 with the creation of a department of system’s theory and system’s science. This department developed into the Department of Management, Politics, and Philosophy, combining management education with education in communication and philosophy. This has further developed and today we find teaching in philosophy of management in most Danish universities and business schools. See PETER PRUZAN: “Hvad er etik i erhvervslivet”, in: KURT BOELSGAARD: *Etik i Dansk erhvervsliv - fremtidens lederkrav*, Århus (Jyllandspostens erhvervsbogklub) 1998, pp. 22ff. See also JACOB DAHL RENDTORFF: *Virksomhedsetik*, Frederiksberg (Samfundslitteratur) 2007.

<sup>3</sup> PETER PRUZAN: “Hvad er etik i erhvervslivet”, in: KURT BOELSGAARD: *Etik i Dansk erhvervsliv - fremtidens lederkrav*, Århus (Jyllandspostens erhvervsbogklub) 1998. See also JACOB DAHL RENDTORFF: *Virksomhedsetik*, København (Samfundslitteratur) 2007.

ecology and human rights has doubtlessly been helping to increase the involvement of businesses in ethical and political issues.

Danish companies have become focused on ethical investing, including a focus on the general social responsibility of corporations towards their employees. Institutional investors in Denmark have increasingly been developing strong policies on business ethics and CSR; therefore, major corporations have been forced to have policies on ethics in order to be acceptable objects for investments.

Indeed, the Danish government has been promoting the voluntary ethical and social responsibility of the corporation as a means of encouraging firms to act as good corporate citizens and to become more involved in society. The importance of being open to civil society and also in relation to the political system has been important for the development of CSR, as well emphasizing how CSR provides a form of competitive advantage for firms.

This development also includes the concept of ethical accounting, which promotes the integration of values in these functions of the corporation. The efforts of Danish organizations to include general social and civil dimensions in their accounting and reporting practices have taken different forms (e.g., alternative reporting measures based on dialogue and communication with employees, “balanced score cards,” and other instruments are important in this respect). Indeed, different forms of reporting procedures have been central for ethical management and leadership. This is particularly the case regarding triple bottom line reporting, which accounts for the ecological, social, and economic dimensions of corporate performance.

The predominant Danish arguments for values-driven management and business ethics have been those emphasising the relation between good corporate citizenship and sustainable economic performance. Corporate governance is also viewed as a means to foster better management and encourage ethical demands for good governance. Thus, values-driven management is considered important for protecting the reputation, self-understanding, and identity of corporations. This includes values-driven management and business ethics as a means of focusing corporate contributions to the maintenance of sustainability, according to the triple bottom line. It is argued that corporations need to build good reputations and trusting relationships in society. In this way, there will be a closer connection between the values of the company and of society as a totality, integrating the company in the general societal conception of ethics and preserving the

“good life with and for the other in just institutions” as proposed by the French philosopher, Paul Ricœur.<sup>4</sup>

Together, these elements can be said to constitute a Danish model of CSR and business ethics that is peculiar, in the sense that it integrates CSR into social policy. Beginning in the early 1990s, it was used as a tool to silently change the track of the welfare state. The social minister of the social democratic-led government began to focus more on social responsibility, moving welfare policy from being rights based to more strongly encouraging active employment (i.e., moving from ‘welfare’ to ‘workfare’). The Scandinavian welfare state has developed a model protecting social rights while promoting a stable and well-functioning employment market. Some have characterized this model as flexicurity, whereby workers can easily be fired but at the same time they are protected by the social security of the welfare state.

The social democratic government of the 1990s had a good understanding of the role that CSR could play in this policy shift. Increasing the number of partnerships between public authorities and private companies was decisive for developing an inclusive labour market. Greater interchange between public authorities and private companies was needed in order to establish greater links between private enterprise and broader social goals. To this end, the Copenhagen Centre for Corporate Social Responsibility was created with government support. Their purpose was to support social partnerships between public institutions, NGOs, and private corporations.

At the same time, the government channelled social help into the labour market by giving support to employment diversification schemes, including encouraging corporations to employ people normally excluded (e.g., the elderly, people who are unable to work full time, or the disabled) by subsidizing more than half of their salaries. Under these plans, companies were encouraged to take social responsibility and contribute to an inclusive labour market, which -in an era of flexibility - has been positively received by both unions and employers. The creation of this kind of labour market can be considered as a realization of social responsibility and business ethics. The idea of social responsibility in connection with values-driven management has contributed to an integration of basic social values in the workplace, fostering work-life balance, and preventing avoidable human tragedies. This has been accomplished by creating good and secure work conditions, decreasing the incidence of illness among workers, giving families

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<sup>4</sup> In *Soi-même comme un Autre* (*One Self as Another*, translated by Katheleen Blamey, Chicago (University of Chicago Press) 1992, p. 172), PAUL RICŒUR develops this idea.

better conditions, and promoting personnel policies that prioritize personal development, diversity, integration, and good working conditions.

As private political actors, corporations use different strategies to obtain legitimacy in society. The idea of the political firm, whose emergence is a striking feature of this development regarding business ethics and corporate social responsibility, can be conceived as a search for the “reconciliation of the particular with the universal.”<sup>5</sup> A political firm is a firm that does not only act as an economic agent, but proposes a political view and takes part of policy-making. This may be formally but indeed also informally as a political actor in civil society. This is a very good way to describe the totality of the business ethics movement in Denmark. Social theorist Niels Åkerstrøm Andersen argues that political firms are correlated to the developments of private policy networks.<sup>6</sup> Andersen considers the political and socially responsible firm to be “the dream [of] civil society,” where all conflicts between the state, market, and society are mediated and solved. In this sense, he can be said to emphasize an organic dimension of the idea, because his somewhat romantic argument resuscitates an older, holistic vision of society from the nineteenth century, rather than acknowledging the functional reality of postmodern network society.

According to this latter point of view - inspired by Niklas Luhmann - postindustrial society implies functional differentiation of different closed autopoietic subsystems of society. Firms in such a functionally differentiated society are reflexive and strategic, and are aware of the importance of legitimacy in relation to their environment. A characteristic feature of these firms is polymorphic organization with many spheres and codes, with particular forms and requirements of legitimacy. Andersen mentions spiritualization, pedagogization, aesthetization, intimitization (personalization), mediatization, and moralization as expressions of this multitude of codes and forms of legitimacy in modern corporations.<sup>7</sup> Corporations are situated in different networks with different strategies of legitimacy. The role of the state is not primarily to ensure law and order and protect rights and welfare, but rather

<sup>5</sup> NIELS ÅKERSTRØM ANDERSEN: “Supervisionsstaten og den politiske virksomhed”, in: CHRISTIAN FRAENKEL (Ed.): *Virksomhedens politisering*, Frederiksberg (Samfundslitteratur) 2004, p. 235.

<sup>6</sup> NIELS ÅKERSTRØM ANDERSEN: “Supervisionsstaten og den politiske virksomhed”, in: CHRISTIAN FRAENKEL (Ed.): *Virksomhedens politisering*, Frederiksberg (Samfundslitteratur) 2004. See also SUSANNE HOLMSTRØM: *Grænser for ansvar - Den sensitive virksomhed i det reflekserive samfund*. Skriftserie, Center for værdier i virksomheder, Roskilde (RUC 5/2004).

<sup>7</sup> CHRISTIAN FRAENKEL (Ed.): *Virksomhedens politisering*, Frederiksberg (Samfundslitteratur) 2004, pp. 247-248.

to facilitate the possibility of these private firms to reflectively self-regulate with regard to ethical and social issues in these private policy networks.<sup>8</sup>

This description of the intimization and moralization of the firm as an actor in a private policy network can be argued to express an ambitious dream of harmony between state, market, and society, explaining how it is possible to conceive of the political firm as a kind of reaction to the lack of values after the decline of Protestant ethics. This is unusual because it is normally presupposed that the political firm is not primarily an ethical or socially responsible firm, but reflects a necessary response to the complex problems of modern society, in which societal requirements for legitimacy imply that the firm should take social responsibility and include different stakeholders in the formulation of its strategy, mission, and values. When dealing with the dream of harmony between state, market, and society, these efforts almost imply a new dimension of values. Social responsibility, values, and business ethics are conflated and promoted as brand and image with strong emotional content.

With regard to political firms it is therefore important not to conceive of values and business ethics as ideological concepts that lead to mythological and simplistic understandings of the world, where ethics and values are reduced to propaganda to ensure the image and branding of the firm. The vision of the political firm should not be based on irrational ethics, but rather we should try to work for the republican concept of the good corporate citizen, which implies a reflective, rational, and democratic conception of management and corporate governance.

## **II. Values-driven Management and Organizational Systems**

The Danish philosopher of management, Ole Thyssen, was very active in the ethical accounting movement. Actually, he was one of the inventors of the term in the late 1980s, when he and his colleagues Peter Pruzan and Mette Morsing introduced it at Spar Nord, a bank in northern Denmark. Their concept of ethical accounting was based on the idea of ethical reasoning about major arguments. Dialogue about values was central to this concept. In 1997, inspired by Habermas and Luhmann, Thyssen wrote his

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<sup>8</sup> *Ibid.*, p. 254.

theory of values masterpiece, *Values-driven management: About ethics in organizations*.<sup>9</sup>

Conceiving of organizations as systems that are based on fundamental values, but also in constant interaction with their environments, we can posit values-driven management as the strategic response to the situation of the corporation as an open system in society. In fact, I think it is possible to combine systems-based conceptions of organization with philosophical conceptions of ethics and practices within organization theory, in order to define the role of values-driven management as the basis for ethics in organizations. By being explicit about ethical norms and values, communication and information about the organization can be improved. In this context, we can define organizations in the light of systems theory as systems based on communication. This communication is possible because it uses different media as basis for general codes of interaction.<sup>10</sup>

Thyssen's approach to ethical communication opens the organization to the environment and contributes to making the aim of organizational development more explicit. In this context, ethics is conceived as a reflective mechanism of governance, which is an important supplement to the instruments of power and domination that are most commonly used in organizations, such as economic management and instrumental goal rationality. In fact, because of the dominance of such systemic rationality, the spheres of economics, law, and politics are often alienated from moral reflection.

Such strong distinctions between ethics, power, and economics have been criticized, because no social system can totally exclude ethics. For example, in cases where power also expresses an ethics - exactly the ethics of power - it is important from the point of view of organization theory to investigate how individuals in organizational systems are absorbed by their roles, which change into forms of forced domination and accordingly limit ethical communication. In many organizations, what is required of individual employees increases according to the general demands for growth and profits.<sup>11</sup> According to systems theory, this kind of power has consequences in mass society, where individualization and isolation make people who are outside of the functional systems and organizations in society feel even more lost. This need to belong to organizations and systems, combined with the increased pressure of the system on individuals in modern organizations, implies that

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<sup>9</sup> OLE THYSSEN: *Værdiledelse, Om organisationer og etik*, København (Gyldendal) 1997, 1999 (3rd revised edition 2004).

<sup>10</sup> OLE THYSSEN: *Værdiledelse, Om organisationer og etik*, København (Gyldendal) 1997, 1999, 2004.

<sup>11</sup> *Ibid.*

systems and structures cannot avoid challenging the humanity of modern organizations.

Accordingly, ethical actors in organizational systems search for human solutions in order to avoid compromising human autonomy, dignity, integrity, and increasing vulnerability in modern organizations. Ethics and values-driven management express efforts to deal with organizations as well-ordered systems of action producing outputs and reducing complexity.<sup>12</sup> The difficulty of values-driven management in organizational systems is dealing with situations of limited resources and choices determined by necessity. With values-driven management, we integrate ethics in the logic of organizational systems of information. As ethical problems and dilemmas in relation to the confrontation between different stakeholders in the organization emerge, the logic of systems can no longer be based on system-immanent rationality, which is limited to the norms of instrumental rationality within the economic, legal, and political systems of organizational bureaucracy.

On the contrary, ethics can be conceived as a new instrument in the communicative process that deals with the solution to different types of conflict between stakeholders in organizations. Moreover, it also helps with organizational development and it creates a strategic vision for how to create the good life with respect for employees in the organization. Ethics in values-driven management is an important instrument to improve: 1) processes of decision making, 2) argumentation (providing a broader values foundation), 3) the legitimacy of decisions (for broader groups of stakeholders), and 4) the bases of decision making (transparency about decision-making processes). With these different concerns, management can ensure a broader ethical basis for decision making.

Accordingly, values-driven management may contribute to the democratization of organizations. Management contributes by recognizing the importance of employees for the decision-making process. Referring to Habermas's views of communicative action, values-driven management must be based on the force of the better argument and dialogical communication, where one is open to different points of view.<sup>13</sup> Such democratic communication between employees and managers may be conceived as a post-conventional form of management, which limits traditional hierarchical structures of power based on the personal conceptions of managers. From this perspective, management concerns the common good and decisions should be based on common democratic deliberation.

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<sup>12</sup> *Ibid.*

<sup>13</sup> JÜRGEN HABERMAS: *Theorie des kommunikativen Handelns I-II*, Frankfurt (Suhrkamp Verlag) 1981.



Values-driven management as an instrument for ethics may be particularly necessitated by the fact that we cannot know whether the vision of the common good in society is implied in organizational decision-making. Values are multiple and expressed at different levels of the organization, both internally and externally. It is the task of values-driven management to clarify the function of values in the organization and to determine what values are important for the future. From this perspective, we can perceive values-driven management as an important instrument to ensure communication between individuals with many individual conceptions of values. Values-driven management integrates ethics in general conceptions of management, thereby assuring that ethics will be central to organizational development.

This is illustrated by the role of values-driven management in change management.<sup>14</sup> Theorists of change management consider values as very important for developing the organization. Change processes are much more likely to succeed when they are governed by a strong vision, based on efforts to change the collective consciousness and identity of the organization. A vision of change management must be honest and convincing. This is possible when it appeals to ethics and a conceptualization of the common good and aim of the organization. Moreover, change management of values implies that the world is open and indeterminate, and that no standard bureaucratic picture of the reality of the organization can communicate the new values and deal with the complexity of changing the organization. In this sense, the soft vocabulary of values has replaced the bureaucratic vocabulary of instrumental rationality of efficiency and organizational imperative. In change processes, values-driven management implies an appeal to the system transcending character, radicalism, and creativity of proposing ethics and social responsibility as an alternative to traditional organizational governance.

An important social scientist whose work is also informed by the social theory of Niklas Luhmann is Susanne Holmström.<sup>15</sup> Similarly to Thyssen, her works starts with a discussion of the relations between Habermas and Luhmann, but where Thyssen concentrates on the internal dimensions of organizations, Holmström's work relates to external dimensions, in particular public relations.<sup>16</sup> Holmström begins with a comparison between the approach

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<sup>14</sup> PETER BEYER: *Værdibaseret ledelse. Den ældste vin på nye flasker*, København (Forlaget Thomson) 2006, 2 udgave.

<sup>15</sup> SUSANNE HOLMSTRÖM: "Two basically differing roles for public relations in the corporate practice of social responsibility", in: *Journal of Communications Management*, 1997.

<sup>16</sup> *Ibid.*, p. 5.

to public relations in the work of Habermas and Luhmann. She argues that Habermas presents an ethical, communicative, and intersubjective paradigm with a post-conventional ethical legitimation of public relations, while Luhmann represents a functional, reflective, cognitive, post-traditional paradigm focusing on autopoiesis in the conceptualization of the institutionalization of public relations. She compares the utility of these two different paradigms for the understanding of public relations, considering the relation between life world and system. Habermas refers to the lifeworld rationality in understanding public relations, while Luhmann refers to the development of autopoietic systems of norms.

For Luhmann, meaning is generated in the evolution of the differentiation of biological systems. Meaning is an aspect of the development of the social system in its differentiation from the environment. Social systems have their own complexity and they are complex relations of differentiation with the environment. There is no overall theory of society, but society is the function of the effort of social systems to relate to their environments. Social responsibility, business ethics, and values-driven management are not overall theoretical constructions. They are, rather, instruments that corporations use to relate to their environments in an age of increased pressure of the environment on corporate social systems. Whereas Habermas emphasizes the importance of consent in the public sphere, Luhmann argues that dissent is the starting point for this interaction of corporate systems with their environments.<sup>17</sup> The driving force of the increasing differentiation of social systems is the creation of dissent. With their increasing complexity, social systems - according to Holmström - are becoming increasingly foreign to themselves. They need measures to interact with the environment. It is in this context that social responsibility functions as a symbolic medium in order to regulate relations between social systems.

While social responsibility, according to the Habermasian paradigm, functions as a kind of norm to relate the interaction between system and lifeworld, social responsibility, according to Luhmann, is an instrument to guide interaction between social systems.<sup>18</sup> In Luhmann's functional paradigm, companies enter the public sphere to represent their particular interests, while the communicative paradigm focuses on general public interest as the basis for legitimate public relations. Luhmann would argue that no collective perspective for society really exists.<sup>19</sup>

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<sup>17</sup> *Ibid.*, p. 17.

<sup>18</sup> *Ibid.*, p. 18.

<sup>19</sup> *Ibid.*, p. 19.

In her attempt to conceive public relations from the perspective of Luhmann's theory of social systems, Holmström goes on to argue that CSR is necessary in a society where law and market forces are not sufficient to regulate the interaction between corporations as social systems. The institutionalization of public relations has moved from a strategic phase, through a normative phase (Habermas), to a cognitive phase where we can talk about the institutionalization of a new business paradigm as the foundation of the role of business in society. We can talk about ceremonial and symbolic forces as central to the legitimation of public relations. The functional logic of the CSR movement is the corporate construction of itself in relation to the environment. CSR and public relations both are ways of creating trust and are based on reflective self-understanding in a complex modern society. The new paradigm is characterized by an isomorphic pressure where companies seek to resemble each other in order to develop strategies for public relations.

The new business paradigm requires CSR, business ethics, and corporate citizenship as elements of legitimation of the corporation in society.<sup>20</sup> In the new paradigm, we see new norms for legitimate business behaviour, in particular the institutionalization of reflective practices and the enactment of public relations as ceremonial legitimation of the corporation. Holmström argues that we can in the so-called poly-contextual society conceive the emergence of new patterns of societal adjustment of corporations. Instead of the old Friedman paradigm of "The social responsibility of business is to increase its profits," the new business paradigm proposed by Susanne Holmström relates to the triple bottom line of sustainable development and references "people, planet, [and] profit." In the poly-centered society (as she calls it), there is a poly-contextual play of communication. With the theory of systems we can talk about a poly-contextual interplay between different social systems and public relations emerging as an attempt to reflect about these different functional systems and the relation between them. The new business paradigm of CSR refers to the poly-contextual regulation in hyper complex network society. The concepts of social responsibility and sustainable development help to increase the maintenance of society.<sup>21</sup> In this

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<sup>20</sup> SUSANNE HOLMSTRÖM: "The reflective paradigm. Turning into ceremony? Three phases of public relations – strategic, normative and cognitive – in the institutionalization of a new business paradigm leading to three scenarios". Paper presented at the 7<sup>th</sup> International Public Relations Research Symposium, Bled, Slovenia, July 7, 2000.

<sup>21</sup> *Ibid.*, p. 27.

context, we can say that we deal with the rationality of the “reflective business paradigm.”

In the new business paradigm, CSR, values-driven management, and business ethics can be interpreted as elements of a “transitional organizational legitimation”: as part of a poly-contextual, democratic regulation process.<sup>22</sup> Corporate citizenship, triple bottom-line, and stakeholder dialogue contribute to a poly-contextual self-regulation of corporations in a society that gives organizational legitimacy. This reflective paradigm of public relations refers to the global conditions of corporate functional and systemic reflectivity, and is thus framed by “cosmopolitan poly-contextualism.”<sup>23</sup>

### III. Leadership, Judgment, and Values

Ole Fogh Kirkeby who, like Ole Thyssen, works in the Department of Management, Politics, and Philosophy at Copenhagen Business School, operates within the phenomenological and hermeneutic approach to management.<sup>24</sup> This paradigm is very different from what is proposed by the system’s theory of Thyssen and Holmström. Its proponents begin with human experience rather than with different interactions between systems. In his exploration of computer intelligence, Fogh Kirkeby’s epistemological basis is a phenomenological analysis of the relation between cognition founded on the human body and the artificial intelligence of machines. His dissertation, *Begivenhed og krops-tanke: En fænomenologisk-hermeneutisk analyse (Event and body-thought: A phenomenological-hermeneutic analysis)*, examines the perspective of classic phenomenological theoreticians and proposes a comprehensive analysis of human relations to the world. Starting

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<sup>22</sup> SUSANNE HOLMSTRÖM: “The Evolution of a Reflective Paradigm: Public Relations Reconstructed As Part of Society’s Evolutionary Learning Processes”, in: B. V. DEJAN VERCIC, INGER JENSEN, DANNY MOS, JON WHITE (Eds.): *The Status of Public Relations Knowledge in Europe and Around the World*, Ljubljana (Pristop Communications) 2000, pp. 76-91.

<sup>23</sup> *Ibid.*, p. 11.

<sup>24</sup> Fogh Kirkeby has published three books, which can loosely be characterized as an existentialist approach to management: OLE FOGH KIRKEBY: *Ledelsesfilosofi. Et radikalt normativt perspektiv*, København (Samfundslitteratur) 1997; OLE FOGH KIRKEBY: *Organisationsfilosofi. En studie i liminalitet*, København (Samfundslitteratur) 2000; OLE FOGH KIRKEBY: *Det nye lederskab*, København (Børsens forlag) 2004.

from the notion of event and temporality as central for the human creation of meaning in the world, as well as from the unity of language, body, and world, Fogh Kirkeby integrates phenomenological epistemology with a synthesis of elements of the phenomenology of Husserl and Heidegger, which also includes elements of constructivism and deconstruction.

In his later work, Fogh Kirkeby has used the phenomenological method to develop a philosophy of management and theory of leadership. From a phenomenological foundation, he defines leadership as a new issue within management science and social science. Starting with the concrete responsibility of the manager, he aims to define the ethics and values that characterize good leadership. Fogh Kirkeby refers to the classical philosophical tradition, where leadership is realized through the different virtues of leadership that are realized in concrete situations. Fogh Kirkeby can be said to contribute to a phenomenology of leadership. By conceiving of management as a concrete human reality, he tries to capture the normative challenges that are required for good management and make it a normative theory of the virtues of leadership.

In his book *Organisationsfilosofi. Et studie i liminalitet (Philosophy of organization: A study in liminality)*, Fogh Kirkeby has also developed this philosophy of leadership into a phenomenological theory about organizations. He attempts to delimit the organization as a community and describe its ideal characteristics based on its social virtues, ethos, and coherence. We can indeed perceive an attempt to map the imaginary aspects of the concept of organization by founding it in the normative principles of humanistic ideals and an ethos of social and leadership virtues, which constitute what is essential for the lifeworld and existential needs of the members of the organization.

The personal values of the manager should not be forgotten in the philosophy of management. It is important to recognize that the virtues and abilities of the manager play an important role for the implementation of ethics. In this context, an argument for business ethics is that business leaders need the recognition of society, which could be garnered, for example, by integrating respect for human rights or demonstrating corporate concern for the environment. The self-understanding and character of the manager is, in this regard, central for realizing business ethics and good leadership. In other words, good judgment and integrity need to be realized within the different parts of management. According to Fogh Kirkeby, corporations in post-industrial society are judged according to ideas other than economic performance, and ethics is an important part of the trustworthiness of service management.

Fogh Kirkeby has developed a philosophy of management that focuses on subjective management abilities in a classic virtue tradition.<sup>25</sup> Here, one might refer to leadership behaviour, where a hidden normativity about good and evil influences the actions of the manager. Fogh Kirkeby has developed a phenomenological paradigm of management that is founded on notions like communication, reflectivity, wisdom, experience, trustworthiness to the subject, and the ability to follow an ultimate set of values. The experience of contingency is the central foundation of this philosophy of management, which is built on the ability of human beings to do the right thing at the right moment. The good leader differs from the traditional manager by being related to his or her employees, not in a subject-object relation, but rather as subject-to-subject. Here, the good manager is defined as a person who appears as virtuous in relation to the community. Management becomes about personal virtue and is characterized by representing ideal types of action. The manager could be said to be determined by a habitus of virtues and by a concept of integrity, which determine the ethical actions of organizational governance.<sup>26</sup> Fogh Kirkeby refers to honest and reasonable communication, which - along with virtues and charisma - make the person responsible for the actions that govern the organization. Kirkeby argues that the virtues of the great charismatic leader imply fundamental responsibility and moral insight.

It is arguable that the manager is captured by the context of action and his possibilities as they appear in the concrete situation and that he can understand the situation in the perspective of relations like respect, care, engagement, common values, and common visions. The search for an ideal form of cooperation is based on the concept of the ideal manager. In this context, philosophy of management implies a search for the best virtues leading to a good experience of management, which would necessarily also have a moral dimension.<sup>27</sup> In this way, Fogh Kirkeby combines the conception of the role of the manager with the notion of values-driven management, where the leader - from the perspective of radical normativity - is determined by ethical values. It is not exceptional that Fogh Kirkeby, with his radically normative perspective for management, is determined by

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<sup>25</sup> OLE FOGH KIRKEBY: *Ledelsesfilosofi et radikalt normativt perspektiv*, København (Handelshøjskolens Forlag) 1997.

<sup>26</sup> The concept of habitus which is used by classical philosophy and reintroduced by the French philosopher Pierre Bourdieu indicates how an ability or virtue are internalized as parts of the way individuals are appearing and acting in the world.

<sup>27</sup> *Ibid.*, pp. 103ff.

management as an event, since this fits with the legacy of classical Platonic and Aristotelian philosophy, where virtues become the ideal for good management.

In this philosophy of leadership, it is important to refer to the virtues of good government: temperance, courage, wisdom, and justice.<sup>28</sup> These virtues are conceived in connection with poetic senses and the ability to act with euphoria, pathos, and ethics, and in the ability to see through events to create the right destiny, which develops in relation to situation, context, continuity, history, and narrative. This can be perceived as the phenomenological interpretation of the traditional notion of process-management, where management is based on aesthetic energy, charisma, and communication. Fogh Kirkeby ultimately posits management as a form of crucifixion, since the manager must sacrifice him/herself and fight very hard for his/her project and visions.<sup>29</sup>

In my opinion, Fogh Kirkeby goes too far in his emphasis on the charismatic aspects of engagement in events, even though there are many interesting elements in his theory about the virtues of management and in his attempts to combine the *habitus* and *ethos* of the manager. While it is important to revive the virtues of the tradition of political philosophy and use them in order to conceive of good government, this should not end with conceptions of “totalitarian charismatic leadership,” which emphasize the importance of the manager without seeing him or her closely in relation to the other members of the organization and in relation to organizational power structures. It is in this context that theories of judgment and ideal leadership are very important.<sup>30</sup> Indeed, it is important that those working in the philosophy of management and organizational ethics are conducting a close analysis of ethical judgment and the connection between responsibility and engagement in relation to theories of organization, as Fogh Kirkeby’s proposed in his book, *Philosophy of Organization*.<sup>31</sup>

We can combine Kirkeby’s approach with the perspective of the Kantian philosophy of reflective judgment, inspired by the French hermeneutic philosopher Paul Ricœur. When dealing with judgment in business ethics, we can apply the model as a framework for decision making and strategy.

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<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

<sup>30</sup> As in the philosophy of Ronald Dworkin regarding “law as integrity.” JACOB DAHL RENDTORFF: *Bioetik og Ret, Kroppen mellem person og ting*, København (Gyldendal) 1999.

<sup>31</sup> OLE FOGH KIRKEBY: *Organisationsfilosofi. En studie i liminalitet*, København (Samfundslitteratur) 2000.

It is the aim of judgment to evaluate the different conflicting concerns from the perspective of the “aim of the good life with and for the other in just institutions.” Within this view of economic action, rationality is not based on the homo economicus concept of individual preference maximization, but rather on individuals who are integrated in social relations of reciprocity and exchange. This social notion of rationality places the economic actor within an ethical community of values. The firm must, therefore, be conceived from the perspective of broader institutional and social dimensions.<sup>32</sup>

We may say that it is the task of judgment in business ethics to find good and right decisions concerning action in economic affairs. Here, business ethics can learn a lot from the concept of legal and political judgment in the philosophy of law.<sup>33</sup>

In his analysis of judgment, Ricœur bases his analysis on Aristotle and Kant.<sup>34</sup> Practical reason assures the respect for the moral norms and basic procedural rules in a society, but because of the possible exceptions to the rules and the particularity of situations, practical wisdom and judgment is required as a necessary supplement. Practical wisdom is left alone in exceptional situations of difficult tragic dilemmas where universal norms are difficult to apply; however, in many cases concrete judgment is required to intervene in the application of general rules and values. Consequently, both faculties of human deliberation contribute to the work of the unfinished mediation between the ideal of the good life, and universal principles in relation to concrete situations and social traditions. Ricœur, inspired by Hannah Arendt in her book, *Lectures on Kant's political philosophy*, uses Kant's concept of judgment, which Kant put forth in his book, *Kritik der Urteilskraft*.<sup>35</sup> The Kantian understanding of judgment is an effort to apply the formalistic concept of practical reason to the situation and tradition of political community. Ricœur defines the work of judgment as a peaceful way of solving social conflict.<sup>36</sup> Here, general understandings and principles of justice are applied to concrete situations. The legal system, autonomous

<sup>32</sup> FRANÇOIS-REGIS MAHIEU: *Éthique économique, fondements anthropologiques*, Paris (Bibliothèque du développement, L'Harmattan) 2001, p. 314.

<sup>33</sup> Hannah Arendt was very important for the development of this concept of judgment. See HANNAH ARENDT: *Lectures on Kant's political philosophy*, Chicago (University of Chicago Press) 1982.

<sup>34</sup> PAUL RICŒUR: *Du texte à l'action*, Paris (Le Seuil) 1986, pp. 237ff. See also HANNAH ARENDT: *Lectures on Kant's political philosophy*, Chicago (University of Chicago Press) 1982.

<sup>35</sup> IMMANUEL KANT: *Kritik der Urteilskraft*, (1794), Frankfurt (Suhrkamp Werkausgabe) 2004.

<sup>36</sup> PAUL RICŒUR: *Juger*, Esprit 1992.



and different from, yet mediated through, public debate and political legislation implies a rational discourse about justice, where minimum mutual respect, human punishment, and recognition of basic rights - even of those to be punished - replace pure violence.

Accordingly, judgment is an important faculty to promote mediation and decision-making in the application of ethical principles in relation to concrete situations of economic decision making and action.<sup>37</sup> The Kantian concept of judgment extends the Aristotelian idea of practical reason (*phronesis*), which is the capacity of deliberation and reasoning for the good life in community according to the moral sense and *habitus* of the experienced moral actor. In this context, judgment finds the right place of action: the mean of virtue and consistency between extremes. Kant does not only consider the importance of the mean for finding the good life, but he also points to the moral sentiments and common morality of human beings (*sensus communis*).<sup>38</sup> Moral judgments find universal validity in the appeal to common sense and shared values held by human beings.

Determinate judgment is the capacity to apply already established general rules to concrete cases. Reflective judgment is the ability to find new rules for new cases where there are no pre-established rules or principles that are intuitively given or self-evident. Judgment in business ethics is only the application of ethical principles to factual cases. It should also be responsible for mediating between ethics and economics in relation to other disciplines of the social sciences, which are important for decision making and research. What is required in reflective judgment is moral imagination and the ability to integrate and weigh judgments offered by different disciplines and viewpoints regarding concrete decision making. Applied to decisions makers in the good citizen corporation, the faculty of judgment can be said to have two major finalities: 1) economic efficiency and 2) the finality of contributing to the integration and development of society towards the ideal of community as an end-in-itself.

Although Kant's reflective judgment primarily concerns aesthetics and natural teleology, one should not forget its significance for the concepts of political rationality and jurisprudence.<sup>39</sup> There is a logical and structural

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<sup>37</sup> LYNN SHARP PAINE: "Law, Ethics and Managerial Judgment", in *The Journal of Legal Studies Education*, Volume 12, No. 2 (1994).

<sup>38</sup> PAUL RICEUR: *Juger*, Esprit 1992. IMMANUEL KANT: *Kritik der Urteilskraft*, (1794), Frankfurt (Suhrkamp Werkausgabe) 2004.

<sup>39</sup> PAUL RICEUR: *Le Juste 1*, Paris (Éditions Esprit) 1995. PAUL RICEUR: *Juger*, Esprit 1992. IMMANUEL KANT: *Kritik der Urteilskraft*, (1794), Frankfurt (Suhrkamp Werkausgabe) 2004.

analogy between aesthetical, political, and judicial judgment. The characteristics of judgment are a) mediation between particularity and universality in an intersubjective space, b) public deliberation, c) communication concerning judgments of opinion, and d) taste related to particular cases and founded on the common understanding of validity and shared values. Judgment as formation of political opinion, legislative act, and concrete legal processes can be conceived as an interaction between understanding, imagination, reason, and *sensus communis*.

Ricœur emphasizes the distributive character of judgment as a peaceful way to solve conflicts of ownership through discourse rather than violence. It distributes things and goods among individuals. It decides conflicts of ownership among individuals taking part in society as a system of exchange of goods. Here, judgment contributes to the delimitation between spheres in society. Judgment contributes to social peace by presupposing a vision of society as fundamentally cooperative, undergirded by a vision of community as a fragile and vulnerable “vouloir vivre ensemble.” Still, conflicts about repartition of the good in different spheres of justice often also transcend shared understandings. Common visions of the good are often realized to be inadequate, and must be confronted with universal standards, individual autonomy, and disagreement with state policy, which can lead to civil disobedience in the name of divine law, and the corresponding “hard cases,” which, according to Ronald Dworkin’s analysis in his book, *Taking rights seriously*<sup>40</sup>, are an appeal to rights and principles, and must be seen as the foundation for innovation and reform insuring legal coherence.<sup>41</sup>

It is the task of reflective judgment to mediate between different ethical fields. It is very important to have an integrated perspective on the relations between micro- and macro-levels of ethical reflections.<sup>42</sup> Therefore, it is

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<sup>40</sup> RONALD DWORKIN: *Taking Rights Seriously*, Cambridge, Massachusetts (Harvard University Press) 1977.

<sup>41</sup> This is this concept of judgment as formulated by Paul Ricœur (with the use of Ronald Dworkin’s concept of principles) that is proposed as the foundation of decision making in business ethics. We find it also in the presentation of case examples, which can be considered as invitations to exercise practical judgment in business ethics.

<sup>42</sup> The importance of moral imagination for ethical judgment in management and business ethics should be emphasized. Moral imagination is the place where judgment confronts ethical dilemmas and is capable of conceiving the possible scenarios of action and decision making. In business ethics, Patricia Werhane and Johanna B. Ciulla have produced analysis of the function of moral imagination as important for good decision making. JOHANNA B. CUILLA: “Business Ethics as Moral Imagination”, in: R. EDWARD FREEMAN (Ed.): *Business ethics. The*

insufficient to focus exclusively on the ethics of the lonely “moral manager,” the economic market, the business system as a structural totality, or of political welfare economics (based on allocation of goods and services by democratic political authorities). To focus exclusively on one of these fields of ethics may lead to negligence of important knowledge. Even though reflections on basic ethical principles and values of business should integrate these fields, the main focus of the present discussion will, however, be situated at the level of the firm. From this viewpoint we will discuss problems of tensions between economic efficiency and ethics at the other levels of the application of reflective judgment.

The aim of business institutions is, from the perspective of business ethics, to help realize the aim and vision of the good life within just institutions and to help improve fair co-existence in the framework of human community, conceived as a kingdom of ends-in-themselves, respecting human freedom and autonomy.

#### **IV. Corporate Religion, Existentialism, and Kierkegaard**

In Denmark, an ongoing criticism of business ethics and values-driven management has been the perceived danger of so-called corporate religion and a sort of re-enchantment with the values of the corporation. Although few organizations are totally spiritual in the orthodox religious sense, we find many management change projects that integrate spirituality in their organizational development. This spiritualization of corporations is not a return to Weber’s traditional mode of legitimating, but rather an integrated part of a modern project of aesthetization and spiritualization of the discourse of management. We may say that the focus on values in the corporations (i.e., to make them be conscious of values and to refer to the vision and missions of the corporation) is made easy through the creation of collective spiritual values expressed through New Age mythology.

Spiritualized management allows for personal development and individual self-realization in corporations, rather than reducing human beings to work machines; employees are taken seriously as complex beings. From the New Age perspective of Eastern mythology, the justification for business ethics and corporate social responsibility are based in ideas of the soul. Each

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*state of the Art*, The Ruffin Series of Business Ethics, Oxford (Oxford University Press) 1992, pp. 212-221.

individual should demonstrate the capacity to take responsibility for him or herself, for their community, and for society. The anthropologist Karen Lisa Salamon argues that this position can easily be integrated into a neoliberal conception of the economy, because it is based on individualism. We see that it starts with the feelings and emotions of individuals and their spiritual understandings of themselves and their responsibility. Moreover, it is a dogma of the New Age movement in management that personal success is based on the holistic integration of spiritual, private, and professional life. This is why management has become “whole-life management.”<sup>43</sup> Spiritual management is based on a kind of the law of Karma, where the journey into the self contributes to the enrichment of organizational life. Whole-life management helps to integrate the individual in the cosmos, to bring about a closer relationship between the self and the world.<sup>44</sup> The idea is that whole-life management integrates personal desire and the sense for the community so that the journey into the self will, in the end, be better for the common good.

An example of this kind of whole-life management can be found in the book *Corporate Religion* by the Danish marketing expert, Jesper Kunde. Kunde is a very good example of the New Age approach in his dissatisfaction with the secularization of business and with the demotivation of those working under increasing bureaucratization.<sup>45</sup> His work can be conceived as an effort to reckon with the dissolution of Protestant ethics in modern business. Kunde argues that clearly focused strategies, which are based on strong values, are conditions for corporate survival in a society of fragmenting values. Both employees and customers have to be bonded emotionally to the corporation, if the corporation is going to have a chance for survival and growth in a competitive world economy.<sup>46</sup>

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<sup>43</sup> KAREN LISA SALOMON: “Nyliberal kosmologi”, in: JOEL HAVIV: *Medarbejder eller modarbejder*, Århus (KLIM) 2007, p. 110.

<sup>44</sup> *Ibid.*, p. 121.

<sup>45</sup> JESPER KUNDE: *Corporate Religion*, København (Børsens forlag) 1997. English Edition: JESPER KUNDE: *Corporate Religion. Building a Strong Company Through Personality and Corporate Soul*, London (Prentice Hall, Pearson Education) 2000.

<sup>46</sup> Jesper Kunde argues that corporate religion is nothing but a metaphor for the idea that the company should have a meaning, a direction, and an idea. Employees should learn about this idea through communication from the leadership, and this idea sets limits for those who do not want to be a part of the corporation. Companies with strong cultures are characterized by a relation to common values, as though they were a religion. Kunde argues that these companies are sometimes regarded by their environments as religious sects, and that this

Kunde argues for a return to a religiously based corporation and a strategy of corporate religion that is not only based in rational and economic bottom-line values, but that also grounds strategy and management holistically in the qualitative and emotional values of the corporation. According to this conception, “religion” (conceived as common visions, ideals, and ideology) is necessary for creating a well-functioning modern corporation. In a number of case studies of corporations such as Microsoft, Coca Cola, Walt Disney and The Body Shop, Kunde shows how these corporations can be said to operate according to a concept of corporate or brand religion, where the corporation is organized around strong common values and where the consumer is strongly emotionally related to the products.

This idea of corporate religiosity can be considered as a response to the lack of spirituality in modern management strategies - from scientific to total quality management. It is also a reaction toward the growing fragmentation and dissolution of work life in times where the Protestant ethos has been weakened. Without corporate religion it is not possible to tie together a corporation, which encounters many secular and multicultural challenges, to its corporate identity and unified culture. In order to cope with the loss of meaning in modern society, Kunde presents strong and very well-formulated values and values-driven management as responses to the problems of leadership in corporations. The firm should work with immaterial values in values-driven management by formulating its vision and mission in order to ensure commitment and action from its employees. The conscious religious strategy of values-driven management is about belief, community, strong management, and commitment and engagement in work. The product of the firm should be branded as something very special so that it is not just some other thing to buy: It should be endorsed by consumers as something vital for their identities and existence.

A very classical example is the American motorbike corporation Harley Davidson, which can be characterized as a corporation with a strong brand that understands the necessity to cultivate immaterial corporate values.<sup>47</sup>

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should be viewed as a good thing. It shows that a company has a clear idea and that this brand has been communicated efficiently to the environments. Kunde's concept of corporate religion is not designed to be cynical or nihilistic, but a rather loose concept, in the sense that “religion” means to have values and believe them. I think that this concept of corporate religion is, however, still problematic because the metaphor changes the corporation into a kind of religious sect with all the implications of manipulation, domination, and ideology that such a characterization entails.

<sup>47</sup> Kunde's work take on corporate religion is first of all about corporate marketing and branding through the establishment of a strong value-based

Even though they are not necessarily better than other motorbike products, a Harley Davidson motorcycle is considered as much more than a simple motorbike. It is rather a lifestyle signifier, a form of identification, and possessing one is even viewed by many as the key to freedom and a part of achieving the American dream. At a time when the corporation was about to go bankrupt, Harley Davidson invented a new strategy whereby the firm focused on brand value, which, in this context, we might call the religious and emotional image of the corporation. They actively worked to create a community where customers and employees became emotionally linked to the firm. We might even say that they were encouraged to become disciples of the congregation of Harley Davidson.

Kunde draws our attention to the branding and strategy of the cosmetics company The Body Shop. The Body Shop operates as a political company, which has been able to combine the political and the religious content in the image of its products. Their brand is not only about selling cosmetics but they are perceived as a knowledge-based company, which uses its product to encourage an environmental consciousness and lifestyle among its customers.<sup>48</sup> With the concept of “caring cosmetics,” The Body Shop has produced cosmetics as a specific brand value for customers. The firm uses its products to signal larger political values and ideals and to connect them with strong emotional content. In this sense, The Body Shop has turned its green profile into a religion.

We can mention many other examples of companies that have worked to foster immaterial values, who have increased the emotional significance of their brand and their products for customers, and that also have intensified employee motivation. As mentioned previously, it is the task of corporate

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culture, creating a company with a religious soul or spirit. The internal personality of the corporation is conceived as important for creating a good image from the outside, as Tom Peters, who uses the work of Jesper Kunde, has said. From the marketing perspective, corporate religion is first of all about creating the illusion that the company has a soul so that the company can appear as a good corporate citizen in the public. The issue of corporate responsibility is important, but this concept of corporate religion seems to address emotions and appearance instead of focusing on the real ethical and political issues regarding the reputation and appearance of the corporation in society. Looking at this creation of the soul of the company as a branding instrument, it is tempting to agree with Gilles Deleuze that “si l’entreprise a une âme, ce serait la plus pire des choses,” implying that it would be an impossible situation to have corporate consciousness without corporate morality. However, it should be emphasized that there is a close link between collective action and ethical responsibility.

<sup>48</sup> JESPER KUNDE: *Corporate Religion*, København (Børsens Forlag) 1997, p. 46.

religion to link the customers to the firm by emphasizing that the products of the firm are expressions of attitudes and values. In this context, corporations organize events and other initiatives (e.g., making slogans that contribute to the promotion of a lifestyle through the image of the firm) in order to ensure the loyalty and emotional binding of individuals to the firm.

This ideological and strategic concept of corporate religion as the basis for promoting the legitimacy of corporations in modern society is based on a number of simple values and statements, which are imbued through all levels of the organization through its mission statement. This mission statement should function like a Bible for the corporation.<sup>49</sup> In the fight to establish an emotional engagement among employees and customers in the firm, it is important to work with simple and strong formulations of values in order to give the vision and mission of the firm strategic power and weight. Moreover, it is important to emphasize that corporate religion, based on a powerful and charismatic style of leadership, is an important condition for realizing the values of the firm. As a strong leader, the manager and CEO must present him- or herself as an incarnation and symbol of the values and personality of the totality of the corporation.

In strong opposition to the idea of corporate religion we find the existentialist approach to management, which considers corporate religion as purely manipulative. This existentialist approach to business ethics has been proposed recently by a number of authors, including the provocative young consultant Kirstine Andersen, in her book *Kierkegaard and management*.<sup>50</sup> These authors are trying to apply existentialist thinking to the relations of management and work life. An existentialist approach to management can, at the same time, be considered as continuing to search for a deeper meaning to business life. Existentialism in management refuses to reestablish a mystical new spirituality, but rather the aim is to make the existentialist search for individual meaning the basis for the social legitimacy of the firm.

From a critical view of capitalism we can, however, ask whether there is an existentialist philosophy of management. Critical authors would state that existentialism and management cannot be combined and that this approach is an indication of an ideological use of existentialism to justify management. They would say that there is no room for singular existence

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<sup>49</sup> *Ibid.*, p. 122.

<sup>50</sup> Here, it is useful to refer to the work of psychologist Karen Schultz. KAREN SCHULTZ: *Eksistens i arbejdslivet. At skabe mening for virksomhed og medarbejder*, København (Hans Reitzels forlag) 2000. And finally a book applying the philosophy of Søren Kierkegaard to management: KIRSTINE ANDERSEN: *Kierkegaard og ledelse*, København (Frydenlund) 2005.

and search for meaning in the large contemporary economic organizations and social systems. It looks very difficult to reestablish the individual meaning of life within the modern organization of work and it seems impossible to unite the private search for existential and religious meaning with specific work requirements in large organizations. This existentialist approach can be seen as a response to a Protestant ethics based on the search for meaning in organizations with the recognition of the conditions of economic life in modernity.

Inspiration for basing corporate legitimacy on the existentialist calling can be found in the work of Søren Kierkegaard.<sup>51</sup> Kirstine Andersen argues that Kierkegaard contributes to understanding management and governance by providing a poetic language of the working life.<sup>52</sup> In existentialist philosophy, the search for dialogue and communication implies confidence and engagement with other human beings. Existentialism takes seriously the original signification of being a director, namely to search for a direction in existential terms. The manager is somebody who points to the direction of life and the experiences of life in organizations are concrete and existential. Existentialism can help us to perceive this concrete life in organizations. In the existential sense, managers are confronted with something larger than themselves when they have to make important decisions. Managers are choosing themselves and the situation when they make large decisions. They would have to deal with their professional life from the point of view of their existential engagement. Because it is impossible to ignore personal life and existence in professional life, its legitimacy is dependent on a harmonious relation between the personal and private convictions of individuals.<sup>53</sup> Moreover, existential management is about recognizing the importance of human dignity and respect for employees and other stakeholders as human beings with infinite value.

Applying existentialist philosophy to management we can resume the existentialist challenge of management: The task of the manager is to come to terms with the fact that his/her role is a condition of life that he cannot escape, which is also a fact for the other human beings who are subordinate. Given this condition of his existence, the manager cannot avoid being forced to become him- or herself with a certain character, set of values, and particular conceptions of life. Indeed, it is an existentialist requirement not to forget to respect other human beings as “goals in themselves,” persons

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<sup>51</sup> SØREN, KIERKEGAARD: *Samlede Værker 1-20.*, København (Gyldendal) 1994.

<sup>52</sup> KIRSTINE, ANDERSEN: *Kierkegaard og ledelse*, København (Frydenlund) 2004, p. 7.

<sup>53</sup> *Ibid.*



with dignity and humanity. This fundamental responsibility expresses the fact that the ethical challenge is greater than the individual. There is a requirement of the ideality of the infinite in the ethics of existentialism, which assumes that moral and ethical choice involves existential engagement for the individual. As such, the strategy of legitimacy in existentialism implies a return to the personal conscience and engagement of the individual behind the mask of professional life as the basis for real professional commitment and responsibility.

As a modern version of Protestant ethics, existentialism puts the value of personal responsibility for one's action in the center of corporate legitimacy. But at the same time, the kind of existentialism that is proposed is in danger of losing its roots in the critical attitude towards corporate life and becoming a new philosophy of meaning in the corporation, which after all is based on New Age philosophy. This would be the end of existentialism, which means that the approach can indeed be criticized. Can we really build professional life on personal values? Isn't it better to work with strict separation of spheres of values, of ethics, law, economics, and religion?<sup>54</sup> In this sense an existentialist turn in business ethics is dangerous because it moves from formal rules of professional life towards individual emotions and conceptions that are outside the objectivity of professionalism. However, the counter argument is that you cannot separate personal responsibility from public functions and that government and management is a kind of decision making, which implies great personal responsibility, accountability, and integrity.

The question arises whether this reintroduction of the individual and his or her responsibility to the center of management in the existentialist approach inspired by Kierkegaard, does not hide some new forms of subjugation and domination that pose the danger of becoming a new kind of corporate religion. This may require analyzing these new kinds of management as forms of power. As Michel Foucault has shown, power is not always coercive. It has to be more subtle to remain strong. Governmental power can, in this sense, include responsibility and spirituality by manipulating the liberty of the employees. There is not, as such, a contradiction between power and liberty. On the contrary, power becomes more intense and efficient if it is not limited to individual initiative (i.e., the possibility to decide and to resist) but rather is based on individual freedom, action, and the search for meaning in life. The placement of the individual in the center of management in corporate religion and in the existentialist search for meaning can, therefore, still imply powerful discipline and coercion. Thus, modern technologies of

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<sup>54</sup> ANDRE COMTE SPONVILLE: *Le capitalisme est-il moral ? Sur quelques ridicules de notre temps*, Paris (Albin Michel) 2004.

management have understood that it is important to insist on spiritualization and individualization of management. As the sociologist Richard Sennett - a close friend of Michel Foucault - has shown, the organization of work leaves a hierarchical structure of traditional government in order to substitute this power with a more subtle, personalized, and polycentric form of management. Without opposing the importance of an existentialist criticism of the concept of corporate religion, these contemporary approaches are very powerful as expressions of the hidden discipline of management technologies.

## **V. Conclusion**

In conclusion, three approaches to organizations and ethics in Denmark have been emphasized. Indeed, it may be argued that these conceptions are mutually reinforcing and tell a story of the key elements in a philosophy of management. Accordingly, we can emphasize three important dimensions: 1) A general theory of organization, which is built on systems theory and poly-contextual understandings of the relation between firms and their environments. 2) Conceptualization of a concept of leadership as opposed to management, which implies a discussion of the role of the good leader and how the virtues of integrity, dignity, and judgment can be determinants for the right development of organizations. 3) Understanding how the strength and power of discipline are hidden in the management technologies of corporate religion and existentialism. The general conclusion is, therefore, that these elements of theories and conceptions of the philosophy of management can help contextualize the importance of the emergence of corporate citizenship, CSR, business ethics, and values-driven management in the Danish context.