

Laszlo Zsolnai
Professor and Director
Business Ethics Center
Corvinus University Budapest

Ethics Needs Spirituality

In this article I argue that *ethics* needs *spirituality* as an underlying background and as a major motivational force. Ethical initiatives in business fail if they are not based on genuine ethical commitments. Serving the well-being of communities, nature and future generations requires *authentic care*, which may develop from experiential oneness with others and with the universal source of creation.

1. *Ethical Motivation and Spirituality*

Western ethics suggests that ethical action is a *cognitive enterprise*. Western ethical theories provide *abstract models* to be applied or followed by moral agents (deontology, consequentialism, virtue ethics). But we know from practice that the main problem to behave ethically is not knowledge but motivation. We should focus on the *exercise of moral agency* stressed by Stanford psychologist *Albert Bandura*.

In Bandura's social cognitive theory of moral agency personal factors in the form of moral thought and self-evaluative reactions, moral conduct and environmental influences operate as interacting determinants of each other. Within this triadic reciprocal causation, moral agency is exercised through self-regulatory mechanisms. Moral conduct is regulated by two sets of sanctions, social and personal. Social sanctions are rooted in the fear of external punishment; self-sanctions operate through self-condemning reactions to one's misconduct. After people adopt moral standards, self-sanctions serve as the main guides and deterrents that keep behaviour in line with moral standards. [1]

This is the point where *spirituality* and *transpersonal psychology* can enter into the picture. If we want to improve the ethicality of our decisions and actions we should enhance the development of our self toward a more inclusive, holistic and peaceful

state of consciousness. Empirical evidence suggests that *spiritual experiences* help the person to transcend his or her narrow self-conception and enable him or her to exercise genuine empathy with others and to take an all-compassing perspective.

Transpersonal psychologist *Stanislav Grof* recorded more than thirty thousand spiritual experiences. These include examples from *psychedelic therapy*, where the non-ordinary states of consciousness are induced by chemical means; *spiritual emergencies*, which develop spontaneously for unknown reasons in the middle of everyday life; and *holotropic breathwork*, which is facilitated by a combination of faster breathing, evocative music, and a specific form of focused body work. These spiritual experiences involve "authentic experimental identification with other people, animals, plants and various other aspects of nature and cosmos." (...) "We typically undergo profound changes in our understanding of existence and of the nature of reality. We directly experience the divine, sacred, or numinous dimensions of existence in a compelling way." [2]

Despite the rich diversity of spiritual experience, the main *ethical message* is always the same: *love* and *compassion*, deep reverence for life and empathy with all sentient beings. Grof summarizes the result of spiritual experiences as follows: "We develop a new system of values that is not based on conventional norms, precepts, commandments, and fear of punishment, but our knowledge and understanding of the universal order. We realize that we are integral part of creation and that by hurting others we would be hurting ourselves." [3]

2. *Spiritually-based Leadership*

Spirituality offers rich implications for management and leadership. As *Josep Lozano* and *Raimon Ribera* observe, the way we manage depends on the way we are. Spirituality is not something that we can just tack on to management: if spirituality is in our nature, we will bring it with us when we manage. The question is what type of management results from placing spirituality at the core of the human condition.

Management is a *challenge* for *spirituality*. The connection is not automatic; it needs effort and vigilance to develop. Management practices generate feedback that impacts our own vision of life, humanity and spirituality. Management benefits from an approach that does not merely consider spirituality as a potential “addition” to management. The opportunity should be seized to develop a more precise, richer conception of management. [4]

Peter Pruzan notes that the term “*management*,” as traditionally conceived, includes such activities as strategy, planning, administration and control. In recent years, particularly in the “West,” the term management has been supplemented with the term “*leadership*.” This later term is now being used to relate to concepts, processes and roles that had not previously been central to the traditional themes of management. These include such notions as corporate vision, change-management, stakeholder-dialogue and social and ethical accountability in self-organizing and values-based organizations. [5]

Luk Bouckaert warns that while a “manager” thinks through instrumental rationality, a “leader” is driven by a more intrinsic and contagious commitment to values. But the cult of leadership, fostered by spirituality, has an ambiguous record. It is rooted in a long history of aristocratic, hierarchic and authoritarian tradition.

Plato created the figure of the philosopher king, who combines power and wisdom, to represent the ideal leader. For Plato spirituality is an intellectual and emotional search for inner enlightenment, realized in our soul through recollecting the genuine forms (ideas) of life. Physical, mental and spiritual training is needed (and was provided in Plato's Academia) to achieve enlightenment and become a good leader. The philosopher king is the cornerstone of Plato's *aristocratic* philosophy of governance. We should question the links among spirituality, leadership and aristocracy observed in many religious organizations and possibly extending to other organizations. Promoting leadership should not be connected with a hidden sympathy for a system of economic aristocracy and the control of people. [6]

There might be no contradiction between management and leadership. Perhaps one can refer to a “mutation” in the organizational evolution that is proving to be advantageous for individual and organizational survival: the hybrid *leader-manager* who masters both leading and managing. Spirituality presents a humanistic, democratic and sustainable frame of reference for the behavior of leader-managers and their organizations.

Lozano and *Ribera* argue that spirituality can be a source of quality for the individual and for society. But it can also be a source of quality for the organization. Indeed, this is one of the key challenges of our time. This becomes relevant in a context where society is undergoing permanent change and corporations are becoming “knowledge organizations” or “learning organizations.” If knowledge is the key asset, then developing human quality must lie at the heart of the corporate structure. Therefore, organizational criteria should ensure that human resources work smoothly and are constantly enhanced.

What do we mean by “the quality of an organization”? A *quality organization* can infuse the individuals who comprise it with purpose and enthusiasm rather than exploiting and manipulating them. Such an organization fosters the following:

- (i) the personal quality of the organization members;
- (ii) the professional responsibility of the organization members;
- (iii) the quality of the relations among the organization members;
- (iv) the quality of the organization’s products;
- (v) the quality of organizational processes;
- (vi) the statement, development and embodiment of values;
- (vii) active partnerships with stakeholders (customers, employees, shareholders, suppliers, but also others directly affected by the company’s activities). [7]

3. *Only Genuine Ethics Works*

Superficially motivated business ethics initiatives – rightly called ‘window dressing’ - often prove counter-productive. They are perceived as cheating by the stakeholders who will react accordingly.

The paradoxical nature of ethics management has already been acknowledged by ethicists and economists. “By creating new regulations to temper opportunistic behavior within and between organizations, we may temper the symptoms but often reinforce the underlying roots of opportunism”, wrote Luk Bouckaert of the Catholic University of Leuven. “We introduce economic incentives in terms of benefits, premiums or tax relief for those who respect the new regulations but at the same time, by doing this we substitute moral feelings for economic calculations. (...) Preaching moral concepts such as trust, responsibility or democracy on the basis of calculative self-interest or as conditions of systemic functionality is not wrong but very ambiguous. Hence, it opens the door for suspicion and distrust because calculations and systemic conditions can easily change or be manipulated. When the fox preaches, guard your geese.” [8]

Economist Bruno Frey of the University of Zurich discovered the so-called ‘crowding-out effect’, a closely related phenomenon. Empirical and experimental evidence shows that external motivation, including monetary incentives, undermine intrinsic motivation of people and is therefore likely to decrease the quality of service or output. [9]

The well-being of human communities, natural ecosystems, and future generations requires *authentic care*, which may develop from *experiential one-ness* with others and with the universal source of creation. Ethics might be seen as a process of Self-realization. Oxford-based thinker *Danah Zohar* speaks about spiritual intelligence. It is a transformative intelligence, which makes us ask basic questions of meaning, purpose, and values. Spiritual intelligence allows us to understand situations and systems deeply, to invent new categories, to be creative and go beyond the given paradigms. [10]

There are no tricks in ethics: “*As inside, so outside*”.

References:

- [1] Bandura, A. 1991: “Social cognitive theory of moral thought and action” in W.M. Kurtines and J.L. Gewirtz (eds.): *Handbook of Moral Behavior and Development. Theory, Research and Applications*. Hillsdale, NJ. Erlbaum. Vol. 1. pp. 71-129.
- [2] Grof, S. 1998: *The Cosmic Game. Explorations of the Frontiers of Human Consciousness*. Albany, 1998: State University of New York Press, pp. 2-17.
- [3] Grof, S.: *op. cit.* p. 129.
- [4] Josep M. Lozano and Raimon Ribera: “A New Chance for Management, A New Challenge for Spirituality” in Laszlo Zsolnai (ed): *Spirituality and Ethics in Management*. Kluwer Academic Publishers. Boston, Dordrecht & London: 2004. p. 175.
- [5] Peter Pruzan: “Spirituality as the Context for Leadership” in Laszlo Zsolnai (ed): *Spirituality and Ethics in Management*. Kluwer Academic Publishers. Boston, Dordrecht & London: 2004. p. 16.
- [6] Luk Bouckaert: “Spirituality and Economic Democracy” in Laszlo Zsolnai (ed): *Spirituality and Ethics in Management*. Kluwer Academic Publishers. Boston, Dordrecht & London: 2004. p. 51.
- [7] Josep M. Lozano and Raimon Ribera: *op. cit.* p. 179.
- [8] Luk Bouckaert: “*Humanity in Business*” paper presented at the *European Ethics Summit* in Brussels, August 29-30, 2002. p. 10.
- [9] Frey, Bruno: *Not Just for the Money*. 1997. Edward Elgar. Cheltenham, UK – Northampton, MA. USA
- [10] Zohar, D.: “Leadership Physicist” in Tom Brown et al (eds.): *Business Minds*. London, New York. 2002. Financial Times - Prentice Hall. pp. 303.

Laszlo Zsolnai is professor and director of the Business Ethics Center at the Corvinus University of Budapest. He is chairman of the Business Ethics Faculty Group of the CEMS. He is also Fellow Associate of Judge Business School, University of Cambridge.

László Zsolnai was born in 1958, in Szentes, Hungary. He has a master's in finance and a doctorate in sociology from the Budapest University of Economic Sciences. He received his PhD and DSc degrees in economics from the Hungarian Academy of Sciences.

He is Editor-in-Chief of "Ethical Prospects" published by Springer. He also serves as Series Editor of "Frontiers of Business Ethics" at Peter Lang Academic Publisher in Oxford.

László Zsolnai's books include the following:

The European Difference. 1998. Kluwer Academic Publishers, Boston - Dordrecht – London.

Ethics and the Future of Capitalism. 2002. Transactions Publisher. New Jersey - London (with Wojciech Gasparski).

Ethics in the Economy: Handbook of Business Ethics. 2002. Oxford and Bern: Peter Lang Academic Publisher.

Spirituality, Ethics and Management. 2004. Kluwer Academic Publishers, Boston/Dordrecht/London.

Business Within Limits: Deep Ecology and Buddhist Economics. 2005. Oxford and Bern: Peter Lang Academic Publisher (with Knut J. Ims).

Spirituality as a Public Good. 2007. Garant. Antwerp and Apeldoorn. (with Luk Bouckaert)

Frugality: Rebalancing Material and Spiritual Values in Economic Life. 2008. Peter Lang Academic Publishers, Oxford (with Luk Bouckaert and Hendrik Opdebeeck)

Europe-Asia Dialogue on Business Spirituality. 2008. Garant. Antwerpen-Apeldoorn.

Responsible Decision Making. Transaction Publishers, New Brunswick & London. 2008.

