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Responsible Leadership and Reasonable Action

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University of Richmond
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**“Ethics lies at the heart of leadership.
Responsible leadership needs a frame for
reflection and a values base to build on.”
(Joanne Ciulla 2006)**

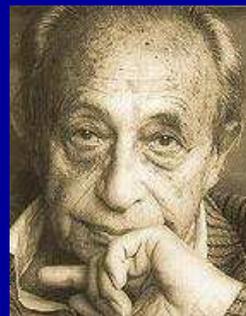
Problems

- (1) Which are the main **failures of business leadership** today?
- (2) What does **reason** require in relation to **nature, future generations, and society**?
- (3) How can **responsible leadership** be understood ?

Inspiring sources (1)



The Imperative
of Responsibility



Hans Jonas

New School for Social
Research, New York

Inspiring sources (2)

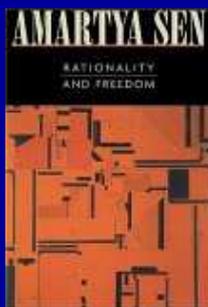


In Fairness to
Future Generations



Edith Brown Weiss
Georgetown University

Inspiring sources (3)



Rationality
versus Reason



Amartya Sen
Harvard University

Failures of Business Leadership

- **self-centered orientation**
- **self-enhancement goals**

Self-centered leadership tends to destroy

- (i) **the integrity and diversity of natural ecosystems,**
- (ii) **autonomy and culture of local communities,**
- (iii) **chances of future generations for a decent life.**

Self-enhancement goals in leadership

The more business leaders are concerned with self-enhancement goals, the more likely that they activate **moral disengagement mechanisms** that permit them to **justify transgressions**.

Rationality versus Reason

Reason is the discipline of subjecting one's **choice of action** - as well as objectives, values and priorities - to **reasoned scrutiny**. Reasonable choices do **not** necessarily satisfy the criteria of **economic reationality**.

Nature, Future Generations and Society

Business activities should pass the test of
ecology,
future generations
and
pro-socialness
to be qualified as reasonable.

Ecology

Business activities
should be **ecological,**
i.e. should contribute
to the **preservation**
and **restoration** of
the **natural world.**



Future Generations

Business activities should be **future respecting**, i.e. should increase the **freedom of future generations**.



Pro-socialness

Business activities should be **pro-social**, i.e. should contribute to the **development of capabilities of people**.



Responsible Leadership

develops directions for action which help achieving the goals of organizations or communities in ecological, future respecting and pro-social ways.

Holistic Value Matrix

$$V(A) = \begin{matrix} Vo(\text{short}), & Vo(\text{long}) \\ Ve(\text{short}), & Ve(\text{long}) \\ Vf(\text{short}), & Vf(\text{long}) \\ Vs(\text{short}), & Vs(\text{long}) \end{matrix}$$

Holistic value of an action

Let μ be a measure of the coherence of matrix $V(A)$

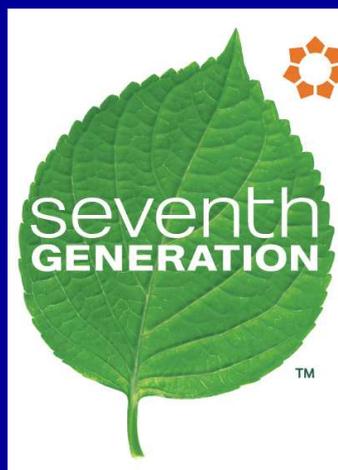
$$hV(A) = \mu \sum V(A)$$

Responsible leadership is about holistic value creation, i.e. serving the self and the common good in a balanced way.

Responsible Leaders (1)



Jeffrey Hollender,
Co-founder



Responsible Leaders (2)

Peter Blom,
CEO & Chairman
of the Board



Triodos  Bank

Make your money make a difference

Responsible Leaders (3)



**Bhavani Lev and
Bharat Mitra,
co-founders**

Responsible leadership

requires redefining the self and community in an inclusive and compassionate way.

Thank you!