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The Globalization of America’s Research Universities: Does the Globalization Mission Pose a Moral Dilemma?

Abraham L. Gitlow, Howard S. Gitlow

A dilemma resides in the interaction between intellectually free and independent universities and colleges that exist in areas with repressive governments/regimes. Given a repressive indigenous cultural, religious, and political climate, can and/or will those governments keep their hands off the curriculum, the conduct of instruction and research, the contents of libraries, as well as the composition of faculty and student bodies? The academic mission of America’s research universities is tripartite in nature, embracing: (1) the transmission of existing knowledge, i.e. teaching; (2) extending the boundaries of knowledge, i.e. research; and (3) the development of a capacity for critical thinking in student minds, and the exercise of that capacity by the faculty.

The Conscious Capitalism Philosophy Pay Off: A Qualitative and Financial Analysis of Conscious Capitalism Corporations

Soni Simpson, Bruce D. Fischer, Matthew Rohde

This study includes an analysis of Conscious Capitalism literature using four tenets: higher purpose, total stakeholder orientation, leadership with a holistic world view, and values driven culture. Emerging themes are that Conscious Capitalism: is a philosophy of generating customer value for long-term emotional, social, and financial competitive advantage; emerges naturally from within the organization and is not a bolt-on CSR program; represents unapologetic advocacy for free market entrepreneurship, property rights, freedom to contract, and the rule of law. Secondly, the study includes a financial analysis showing that Conscious Capitalism organizations outperform the market in traditional 5-year performance indicators.

Exploring the Role of Calling in the Professional Journeys of College Presidents

Katherine A. Tunheim, Aimee N. Goldschmidt

This phenomenological study examined the lived experiences of 15 women college and university presidents in the United States. The purpose of this research was to gain a deeper understanding of the role of calling into the presidency. The results of this research suggest that women presidents do hear a calling of some sort. The findings include a process of identifying, interpreting and pursuing the call by these prospective presidents so that they can find their own respective leadership journeys. Implications for practice and future research are provided.

Can Global Organizations Use Values-Based Leadership to Combat Bribery and Corruption?

Joseph J. Lestrange, Yulia Tolstikov-Mast

With rising uncertainty associated with FCPA enforcement, this article explores the potential development of a values based approach to combat bribery and corruption. Although this approach requires empirical investigation, arguments suggest that organizations desiring higher ethical standards to mitigate bribery and corruption practices should transition from compliance to values based strategies. When leaders enact and display positive organizational values, mutual follower-leader synergies build the foundation for more moral and ethical organizational cultures. This article explores Values-Based Leadership as a framework to create ethical and moral corporate governance systems that establish organizational cultures naturally resistant to bribery and corruption.
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Perhaps the last two decades in the business world have been most tumultuous, eventful and controversial. For the first time in the Industrial history so many scandals and intolerant business behaviors have surfaced. Therefore, the need for the fundamental correction to the education ecosystem is echoing in the academic landscape across the world. Therefore, people all over the world have started doubting the very fundamentals of the education system particularly in the higher levels. At the same time they expect the academics to take the proactive role in mending the eroded business values and corporate responsibility. Today more than ever, the onus lies on the academic institutions to redraw the boundaries of business behaviors, and help create generations of workforce that would make businesses and governments more responsible and sustainable. A strong partnership involving the educators, students and institutes can make environment protection a culture; such alliance can also make environmental governance effective and sustainable. The paper aims at integrating the efforts of vital elements of the campus i.e. educators, students and the institute, which would make campuses the agents of change in sustainability and corporate responsibility. The paper envisions a model of synergy between educators, students and the institutes.

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We are faced with pervasive anxiety about the ineffectiveness of many of our organizations, indeed all of our institutions: business, educational, political, etc. The failure we see in our organizations and institutions must be seen as a failure of leadership. In the long run successful organizations have ethical leaders. The reverse is also true. In the long run unsuccessful organizations have unethical leaders.
GUIDELINES FOR SUBMISSION

Journal of Leadership, Accountability and Ethics
(JLAЕ)

Domain Statement

The Journal of Leadership, Accountability and Ethics is dedicated to the advancement and dissemination of business and management knowledge by publishing, through a blind, refereed process, ongoing results of research in accordance with international scientific or scholarly standards. Articles are written by business leaders, policy analysts and active researchers for an audience of specialists, practitioners and students. Articles of regional interest are welcome, especially those dealing with lessons that may be applied in other regions around the world. Research addressing any of the business functions is encouraged as well as those from the non-profit and governmental sectors.

Focus of the articles should be on applications and implications of management, leadership, ethics, and governance. Theoretical articles are welcome as long as there is an applied nature, which is in keeping with the North American Business Press mandate.

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- Acknowledge and disseminate achievement in best business practice and innovative approaches to management, leadership and governance
- Provide an additional outlet for scholars and experts to contribute their ongoing work in the area of management, leadership and ethics

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Make main sections and subsections easily identifiable by inserting appropriate headings and sub-headings. Type all first-level headings flush with the left margin, bold and capitalized. Second-level headings are also typed flush with the left margin but should only be bold. Third-level headings, if any, should also be flush with the left margin and italicized.

Include a title page with manuscript which includes the full names, affiliations, address, phone, fax, and e-mail addresses of all authors and identifies one person as the Primary Contact. Put the submission date on the bottom of the title page. On a separate sheet, include the title and
an abstract of 100 words or less. Do not include authors’ names on this sheet. A final page, “About the authors,” should include a brief biographical sketch of 100 words or less on each author. Include current place of employment and degrees held.

References must be written in APA style. It is the responsibility of the author(s) to ensure that the paper is thoroughly and accurately reviewed for spelling, grammar and referencing.

Review Procedure

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The Globalization of America’s Research Universities: Does the Globalization Mission Pose a Moral Dilemma?

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A dilemma resides in the interaction between intellectually free and independent universities and colleges that exist in areas with repressive governments/regimes. Given a repressive indigenous cultural, religious, and political climate, can and/or will those governments keep their hands off the curriculum, the conduct of instruction and research, the contents of libraries, as well as the composition of faculty and student bodies? The academic mission of America’s research universities is tripartite in nature, embracing: (1) the transmission of existing knowledge, i.e. teaching; (2) extending the boundaries of knowledge, i.e. research; and (3) the development of a capacity for critical thinking in student minds, and the exercise of that capacity by the faculty.

THE GLOBALIZATION EXPLOSION

Globalization is the catchword of the age. Interaction proceeds among nations at a feverish pace: affecting all spheres of life, economic, political, social, scientific, entertainment, and education. Given impetus by rapid advances in communication technology, we are texting and twittering our way to constant electronic transmission of information, both ideas and data. Of course, the flow of goods and services also proceeds apace. It should occasion no wonder that America’s higher education institutions have jumped into this hyperactive milieu; proliferating inter-university semester abroad programs, as well as special certificate or degree programs, e.g., Executive MBA programs. In addition, some U.S. universities and colleges have established full-scale stand alone and satellite colleges and campuses abroad; for example, in the United Arab Emirates (UAE) and China, as well as Latin America and India.

A dilemma resides in the interaction between intellectually free and independent universities and colleges that exist in areas with repressive governments/regimes. Given a repressive indigenous cultural, religious, and political climate, can and/or will those governments keep their hands off the curriculum, the conduct of instruction and research, the contents of libraries, as well as the composition of faculty and student bodies? It is an understatement to say there is room for skepticism. Nonetheless, there is a significant and influential body of opinion, especially among academic administrators, that favors operating in areas with repressive governments, perhaps most spectacularly in the United Arab Emirates and China. They believe that the benefits of intellectual interaction, even under some limitations, outweigh the effect of the limitations.
UNIVERSITIES OPERATING IN THE UAE AND CHINA

As of March 2013, six international universities have free standing campuses in the UAE: The American University in Dubai (AU-Dubai); Michigan State University Dubai (MSU Dubai); Canadian University of Dubai (CU-Dubai); Boston University Institute for Dental Research and Education Dubai; American University of Sharjah (AUS); and New York University in Abu Dhabi (NYUAD). In every case, the name of the operation specifies its location in the UAE, thereby distinguishing it from the home institution. Presumably, degrees issued by the UAE institutions would also indicate the distinction. In the case of the Boston University Institute, the school warns that it is not a branch of Boston University in Boston. NYUAD is a dramatically different creature, representing President John Sexton’s plan to create the first truly global research university. The other four institutions supply a variety of undergraduate and graduate degree programs, but do not have the over-arching ambition of creating a full scale research university clone of the home institution.

China is the host to a number of foreign universities that partner with Chinese institutions, and offer joint programs of study. These programs usually involve a period of study at the partner institution for Chinese students. Under this umbrella, multitudes of Chinese students attend American and other partner institutions. There are two institutions that depart from this pattern; Xian Jiaotong-Liverpool University in Suzhou and NYU-Shanghai. Each is an independent institution, designed to offer undergraduate and graduate degree programs. Each is intended to emphasize teaching and research, with a commitment to foster critical thinking. Xian Jiaotong-Liverpool is approved by the Chinese Ministry of Education, and expects to enroll some 10,000 students when fully developed. All teaching is in English, since most professors will be foreigners, presumably, but not entirely, English. All students will have the option of completing their degrees in the UK or in Suzhou. Graduates will receive their degrees from XJTLU and the University of Liverpool. NYU-Shanghai is essentially a replica of NYU-Abu Dhabi. Both are intended to be clones of NYU-New York, i.e. a full blown, top flight research university. The three, in combination, would constitute the world’s first truly global university. Students and faculty would be able to move from one location to another, as they broadened their intellectual exposure.

THE ACADEMIC MISSION

The academic mission of America’s research universities is tripartite in nature, embracing: (1) the transmission of existing knowledge, i.e. teaching; (2) extending the boundaries of knowledge, i.e. research; and (3) the development of a capacity for critical thinking in student minds, and the exercise of that capacity by the faculty. It must be explicitly understood and accepted that teaching shuns indoctrination, which is the enemy of science as it seeks to build blind acceptance of dogma. It must also be explicitly understood and accepted that research must be impartial, objective, and freely available. It must not be bought and paid for, in efforts to doctor research to uphold predetermined conclusions, no matter how great the temptation. Finally, and perhaps most important, it must develop the capacity for inquiring minds to seek evidence as the basis for conclusions, and conclusions must be based on logical and rigorous analysis, that is replicable, unsullied by bias. These three aspects of the academic mission comprise its core values. They can often prove uncomfortable as they question a society’s culture as handed down by posterity.

NYU: THE FIRST GLOBAL UNIVERSITY

NYU-New York, in addition to its two clones in Abu Dhabi and Shanghai, has some 10 other more limited operations outside the US. These will be available to students seeking to broaden their intellectual exposure. With freedom of movement for students and faculty among NYU’s locations, a truly global institution becomes a reality. But, what sort of academic creature will Abu Dhabi and Shanghai be? We turn to the mission statement for the answer; which is unequivocal. The vision is to be counted among the world’s great research universities. Speaking about NYUAD, but applying equally to Shanghai, the
mission is to be “the first comprehensive liberal arts and science campus in the Middle East to be operated abroad by a major American research university.” (NYU–Abu Dhabi) That statement is fleshed out with an explicit commitment to these guiding principles: (1) to be a research university, with a fully integrated liberal arts and science college; (2) to equip students for leadership in all areas of human endeavor; (3) to foster curiosity, creativity, and critical reflection; (4) to stimulate advanced research through the NYUAD Institute (a major research center), designed to be an integral part of both the undergraduate and the graduate programs; and (5) along with NYU-NY and NYU-Shanghai, to be the backbone of a fully connected global network university, possessing a unique capacity for faculty and students to access the assets of the entire university system.

The language is beautiful, entirely consistent with the tripartite academic mission of America’s top research universities, as well as the broader scope of higher education in the western world.

REPRESSIVE GOVERNMENTS AND THE ACADEMIC MISSION’S VALUE STRUCTURE

Can this value structure survive, let alone flourish, in areas with repressive governments, cultures, or regimes? President John Sexton of New York University answers affirmatively, as indicated in his master plan for NYU as a global university. He has also expressed sensitivity to the value structure of the host government; although this aspect of the enterprise will only be revealed with the passage of time. Significantly, in discussing the culture and customs of host countries, a statement about NYU-Shanghai points out that: “We may not agree with everything they do, but as guests in their countries, we should respect their customs and beliefs”. Hmmm! What does that mean? To be specific, does it mean that a professor in a course in Politics should not discuss Bahrain’s forceful repression of its majority Sunni population by its Shiite ruling family? We will see the relevance of the question below. Was the fact that the government of Abu Dhabi (The UAE has 7 emirates, of which Abu Dhabi is one) donated $50 million to NYU, and financed the construction of the campus in Abu Dhabi a material factor in NYU’s decision to establish NYUAD? Further, a significant part of NYUAD’s operating budget is financed by the government, as well as by tuition.

In 2011, at a State Department reception, Hillary Rodham Clinton lauded President John Sexton’s “vision to expand his university internationally while maintaining its reputation for excellence and academic freedom.” (Staff writer, March 10, 2013) But, at its home in Washington Square, everyone was not so convinced. A significant part of the Arts & Sciences faculty scheduled a five-day vote of no confidence in Dr. Sexton’s leadership, reflecting a sentiment that he is autocratic, and ignores faculty input about the university’s global mission, as well as his grand plan for NYU 2031. The plan envisages the construction of six million square feet of additional space at Washington Square, NYU’s home base. Andrew Ross, a Professor of Social and Cultural Analysis, commented: “He (Sexton) has a very evangelical sense of purpose that does not extend beyond the concept that the university should be an entity of his own making”. President Sexton has not been insensitive to this groundswell of faculty discontent. In an e-mail sent before Christmas 2012, he wrote: “We have taken some steps to provide for improved faculty input and critique. I know more must be done, and during the winter recess I will be reflecting on how I can help to achieve that.”

Great Britain, perhaps reflecting its past imperial glory, supports globalization by English universities. Those institutions share the Academic value structure that characterizes America’s research universities. But, they explicitly support sensitivity to host countries cultures and societal values. Representatives from academe, government, and business, numbering over 1,000, gathered at a Going Global Conference in Dubai. Yet, the UAE had interfered with a planned international conference on the Arab Spring, to be held in the UAE. The London School of Economics and Political Science was the sponsor. One of its professors, Kristian Coates Ulrichsen, was invited to be the principal speaker. An internationally known expert, he was an outspoken critic of suppression of protests against the government of Bahrain (one of the UAE member states). Emirati authorities asked that he be dropped from the program. The request was widely condemned in academic circles, and led the London School to cancel the conference. Another conference on higher education, scheduled to be held in Dubai, was also
cancelled in protest against the interference by UAE authorities. (Lindsay, March 2013) The reaction of the British Council, the British government’s cultural and educational arm, was markedly different. Jo Beall, the Council’s director of education, said: “Countries of the Gulf Cooperation Council, of which the UAE is a member, are at the ‘cutting edge’ of efforts to internationalize higher education, and that holding the conference in Dubai ‘contributes to the sterling efforts being made in countries like the UAE and Qatar to open their societies to international debates’.” Apparently, the sterling efforts suffered some tarnish, and lost some shine (Lindsay, March 5, 2013). In an extraordinary example of double-talk, she added: “Every country has a right to issue visas to whomever it wants.”, and, by implication, to deny them, presumably to contrarian professors and others like them. She went on to say that, as alumnae of the London School, she had “sympathy” for the university’s position.

Among the participants at the Going Global Conference in Dubai, Jo Beall was not alone in her criticism of the London School’s cancellation of the International Conference on Bahrain. Many argued that foreign universities must abide by the rules of their host countries. Warren Fox, executive director for higher education at the Knowledge and Human Development Authority (a Dubai government agency that accredits and regulates foreign higher education institutions), was blunt, as might be expected of an employee of the government of Dubai. He said: “Foreign universities are guests in the United Arab Emirates and need to be “aware of the environment they’re entering...If universities decided they could only go to countries with the same cultural and political values, they wouldn’t go abroad at all...And I think they should, because of the benefits to students and to universities”. Sheikh Nahayan Mabarak al Nahayan, the UAE’s higher education minister, told the conference that his government provides a “safe, tolerant, and prosperous environment for many people from around the globe”. What makes the UAE so significant is the scale of its operations with foreign universities. The UAE is host to 37 international branch campuses, some of which are full-fledged, degree granting undergraduate colleges associated with famous western universities, e.g. NYU, Sorbonne, London School of Economics and Political Science). Perhaps most significant was Davids Willetts’ (British minister of state for universities and science) remarks, in an opening address to the Going Global Conference, describing the UAE as “a valued partner of the British government and the British education sector”. It is important to note that everyone cited above is associated with government, either in the UAE or Great Britain. No doubt that association influences heavily the opinions they expressed. It seems safe to presume that the opinions of the faculty attending the conference were more varied, with a substantial body of opinion decrying government interference, as an infringement on academic freedom and its tripartite value underpinning.

Fairness demands that we are cognizant of this fact: the free universities of the US, Canada, England, and Europe are not altogether free of pressures to influence the opinions expressed on their campuses. But, such pressure does not originate in government agencies. Rather, it will emanate from various pressure groups, e.g. faith based believers in the biblical story of the creation of the universe, as opposed to science based proponents of Darwin’s theory of evolution, who battle over school curricula and teaching. Research has to combat the financial temptation of sponsors who seek support for their products and/or services, e.g. pharmaceutical companies. Scandal has been attached to faculty who have been bought and paid for. More subtle and perhaps more sinister are faculty who propagate their pet ideas or ideologies to captive student audiences in class sessions, typically in the social sciences, as contrasted with the hard sciences (math, physics, chemistry, meteorology, geology, etc.).

MOOCS AND ON-LINE HIGHER EDUCATION PROGRAMS

Technological advances have spawned a vast explosion of college level courses; a large portion now available at no charge to students around the world. The free tuition offerings (MOOC, i.e. massive, open, on-line courses) are supplied by non-profit universities through a corporate, profit seeking entity called Coursera, as well as edX (MIT and Harvard), Udacity, and Khan Academy, as well as others. Tuition charging courses are supplied by established for-profit corporations; principally the University of Phoenix (Apollo Group), Kaplan University (Washington Post), and Walden University, etc. Only tangentially do we consider here the quality of on-line courses in transmitting knowledge, or developing critical thinking.
Presumably, MOOC courses will meet the test, given the parentage described below, although that is not a guaranteed outcome. Also, there is some skepticism about the performance of the traditional for-profit universities.

Coursera was established by two Stanford U. professors in 2002: Andrew Ng and Daphne Koller. Their aim, in addition to making college level courses available world-wide, was profit. Since they didn’t charge tuition, they sought revenue through a combination of fee charges (certificates, placement, tutoring, sponsorship, etc.). Initially backed by venture capital, more recently they sought financing by traditional non-profit university investors, plus non-investor participating universities. These investors also supplied the course offerings necessary to the viability of the enterprise. As of March 2013, there were 62 universities participating; several of those universities have equity positions in Coursera. The original university investors embraced four of America’s most prestigious universities: Stanford, University of Michigan, Princeton, and University of Pennsylvania. The academic standing of these institutions, undoubtedly, facilitated acceptance of the supplied courses. Collectively, the 62 universities participating in Coursera are offering over 100 courses, to some 2.7 million students. They are doing so through MOOCs. As of March 2013, the American Council on Education had approved four courses for college credit; originally, five courses were approved, but one was subsequently dropped.

MOOC was developed by Sebastian Thrun and David Stavens in a Harvard-MIT joint venture, edX, to which each institution contributed $30 million. In the summer of 2012, they were joined by the University of California-Berkeley, creating a powerful triumvirate. Courses are offered, in English, to participating institutions through open-source software developed by edX. Those institutions are welcome to introduce similar offerings of their own. Also, there are plans to allow them to offer their courses on the edX website. edX plans to create on-line learning software that goes beyond videos of lectures to interactive experience. College credit is not provided upon course completion, but certificates of successful completion will be available for a fee. The design of a viable business model is under study. (Kolowich, March 1, 2013) Udacity, which competes with Coursera, is a for-profit university created by Thrun and Stavens, as well as Mike Sokolsky, a partner. As of February 2013, it offered 20 active courses, with the expectation that they would serve some 400,000 users. Udacity was financed by a venture capital firm, Charles River Ventures, plus $300,000 of Thrun’s own money. In addition, Andreesen Horowitz, another venture capital firm, provided an additional $15 million in October 2012.

Khan Academy is a non-profit educational website created by Salman Khan in 2006. It offers over 4,000 micro lectures, through video materials stored on You Tube. Available in 19 languages, including English, German, Spanish, French, Russian, Chinese, Hindi, and Arabic, it covers 17 subject areas, ranging from mathematics and medicine to economics and computer science. As of mid-March 2013, it had delivered over 240 million lessons.

The Chronicle of Higher Education published, in March 2013, the results of a survey of faculty who participated in creating and teaching MOOC courses. (Kolowich, March 18, 2013) The surveyed professors were tenured, and members of the academic establishment; making their opinions especially significant.

- Asked: “Do you believe MOOCs could eventually reduce the cost of attaining a college degree at your institution?”
  o Answered: 64 percent responded affirmatively (24 percent said significantly, and 40 percent marginally).
- Asked: “Do you believe MOOCs could eventually reduce the cost of attaining a college degree in general?”
  o Answered: 86 percent responded affirmatively (45 percent said significantly, and 41 percent marginally).
- Asked: “Did teaching a MOOC cause you to divert time from other duties, such as research, committee service, or traditional teaching?”
  o Answered: 81 percent responded affirmatively (55 percent said yes, and 26 percent somewhat).
• Asked: “Overall, do you believe MOOCs are worth the hype?”
  o Answered: 79 percent said yes, and 21 percent said no.

The survey response is positive, and strongly so. But, there is a jarring and contradictory note in the survey results.
• Asked: “Do you believe students who succeed in your MOOC deserve formal credit from your home institution?”
  o Answered: 72 percent said no, and 28 percent said yes.
• Asked: “Do you believe your home institution will eventually grant formal credit to students who succeed in your MOOC?”
  o Answered: 66 percent said no, and 34 percent said yes.

These latter responses reveal strong reservations. While those reservations may relate to the intellectual substance of the MOOC and/or the learning that the student takes away, as compared with traditional classroom experience, it might also reflect worry about its impact on the job security of the faculty; or both. Our judgment is that the MOOC is here to stay, and will have a major impact on higher education, both domestically and internationally. (Popp, March/April 2013) But, the reservations are serious, and the ultimate outcome will probably reflect an evolution of MOOC content and delivery systems, in addition to the learning students take away. There is also the nagging and basic question of whether MOOC courses will carry degree granting credit that is transferable to established degree granting institutions. William G. Bowen, president emeritus of the Andrew W. Mellon Foundation and Princeton University, wrote these words of caution: “There is a real danger that the media frenzy associated with MOOCs will lead some colleges (and, especially, business-oriented members of their boards) to embrace too tightly the MOOC approach before it is adequately tested and found to be both sustainable and capable of delivering good learning outcomes for all kinds of students.” He went on to add: “Uncertainties notwithstanding, it is clear to me that online systems have great potential. Vigorous efforts should be made to explore further uses of both the relatively simple systems that are proliferating all around us, often to good effect, and sophisticated systems that are still in their infancy – systems sure to improve over time.” (Bowen, March 25, 2013)

We would be remiss if we failed to note Senate Bill 520, introduced in the California State Senate on March 13, 2013 by its president pro tem, Darrell Steinberg. Should it become law, which is not a foregone conclusion, it would have, through adoption by other states, a potentially enormous impact on America’s higher education system. It would do so by mandating an unprecedented partnership between traditional public colleges and perhaps eventually other on-line suppliers of courses. It would compel state colleges and universities to accept credits earned in MOOCs, and it would apply to students in the three tier California higher education system (the University of California, California State University, and the state Community Colleges); but only those students on a waiting list for admission to specified basic courses that were already full (there were 472,000 such students in the Fall of 2012). The specified courses, numbering 50, would be identified by a nine member faculty council established in 2012 to oversee open source digital textbooks. The courses would be those lower level courses that students most need to fulfill general education requirements. The council would review and approve which on-line courses would be allowed to fulfill the requirement and count for credit as conferred by the state colleges and universities. Of course, Sebastian Thrun of Udacity and Daphne Koller of Coursera greeted SB 520 with enthusiasm. But, faculty representatives, both union and non-union, expressed skepticism. They focused on such issues as: the academic rigor of the on-line courses, as well as the high dropout rate of students who typically populate the on-line course segment of higher education. (Jenkins, March 18, 2013) There is also the stubborn fact that not all students have ready access to fast internet connections. Many on-line courses rely on hours of video lectures, which work best with broadband connections. Unfortunately, only some two-thirds of American adults have broadband access at home, leaving an unserved large population.

Consideration of MOOCs is relevant here because they are available to students internationally, including those in countries with repressive regimes. The ability of those regimes to affect course content
is inhibited significantly, as against the influence they can exert on satellite programs operated by international universities. The difference will assume even greater significance, if and when MOOCs achieve degree granting credit that is transferable to established universities and colleges. Plainly, at such time, the rationale for establishing satellite campuses and programs will be undermined. However, should the existing satellites and programs seek to incorporate MOOCs into their curricula and degree granting structure, a hybrid is created that has great potential for enhancing intellectual freedom.

**THE MORAL DILEMMA**

At the outset, we must state, unequivocally and categorically, that there is a moral dilemma. It results from the inevitable collision between the free inquiry and evidence based conclusions of critical thinking, so basic to the academic mission of western research universities, and the urge to indoctrinate and self-preserve of repressive governments. Although the mission statements of the satellite programs in the UAE and China are in harmony with the western academic tradition, the reality on the ground may not be, often in small ways, but sometimes in large ones, e.g. the London School of Economics case. Does this mean that we should withdraw and save our souls? Unlikely! Viewed pragmatically, too much is already invested for a retreat, and our consciences can be calmed by a recital of the benefits that do accompany the existing international programs; while imperfect, intellectual horizons are stretched and inquiry encouraged. Repressive governments are given pause before they lay a heavy hand on the academic institutions operating in their countries; all of which is to the good, and not to be lightly dismissed. We can expect the existing programs to continue, although future expansion may be problematic. The entry of MOOCs on the international higher education scene underlies that judgment.

With MOOCs, the rationale for establishing satellite campuses and programs is undermined. Students in the UAE and China, as well as elsewhere, can enroll at no charge and take the courses offered. The thorny issue of degree granting credit by an accredited college or university remains, although it is presumably overcome when the American Council on Education approves and accepts a MOOC course for credit bearing transferability. More to the point, a repressive government’s urge to control course content is severely weakened and rendered largely ineffective. Ferment is the order of the day, and the western world’s academic ideal will likely grow in influence. From our point of view, that is an outcome to be desired.

**REFERENCES**


Staff Writer, *The New York Times*, March 10, 2013, New York Section, p. 28


The Conscious Capitalism Philosophy Pay Off: A Qualitative and Financial Analysis of Conscious Capitalism Corporations

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Elmhurst College

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Elmhurst College

This study includes an analysis of Conscious Capitalism literature using four tenets: higher purpose, total stakeholder orientation, leadership with a holistic world view, and values driven culture. Emerging themes are that Conscious Capitalism: is a philosophy of generating customer value for long-term emotional, social, and financial competitive advantage; emerges naturally from within the organization and is not a bolt-on CSR program; represents unapologetic advocacy for free market entrepreneurship, property rights, freedom to contract, and the rule of law. Secondly, the study includes a financial analysis showing that Conscious Capitalism organizations outperform the market in traditional 5-year performance indicators.

ANALYSIS OF THE LITERATURE

With the backing of Whole Foods Market founder and co-CEO John Mackey, Conscious Capitalism has managed to pique the interest of businesses, employees, and scholars alike. The tenets of Conscious Capitalism include: 1) operating with a higher purpose, 2) taking a total stakeholder orientation, 3) conscious leadership, and 4) establishing a values driven culture. While these tenets may initially seem straightforward, Conscious Capitalism is a philosophy with a breadth of deeper meaning and altruism.

Other Movements

To gain a full understanding and appreciation of Conscious Capitalism and its distinct features, it is imperative to examine preceding social business programs. The first of these programs emerged in 1968 with the “National Alliance of Business.” The “National Alliance of Business” aimed to reduce urban unemployment. During the 1970s America saw the birth of “Corporate Social Responsibility,” which hoped to expand the role businesses played in addressing key societal needs (Hanson, 2011). At the turn of the millennium other Corporate Social Responsibility (CSR) programs began to take root such as the United Nations Global Compact, as well as a host of corporate ethics programs. Many, if not most, multinational enterprises (MNEs) employ a version of CSR in their corporate strategy. However, CSR programs are not the only form of social business programs in existence.
Two additional trends in social business programs have been gaining traction in the most recent decade. These programs are: Triple Bottom Line (3BL) management and Social Venture. Managing towards the triple bottom line has become a mantra of organizational sustainability advocates. The 3BL ideology consists of profit, people, and planet, also known as financial, social, and environmental performance (Merriman & Sen, 2012). Entities of corporate governance, as well as investors, are also expanding their corporate assessments beyond one dimensional financial profit metrics (Savitz & Weber, 2006). However, critics of measuring sustainability through 3BL management suggest that the two “bottom lines” of environmental and social performance may be difficult to empirically measure (Norman & MacDonald, 2004). These critics question whether or not 3BL is a form of public relations “window dressings” by corporations.

Social Ventures are companies where entrepreneurs develop an organization that wishes to produce social change (Katre & Salipante, 2012). The types of organizations that can be defined as social ventures are vast, and include nonprofit as well as traditional for profit organizations (Dees, Emerson & Economy, 2002). Unlike nonprofits, social ventures run like traditional for-profit organizations, but their mission is to create substantial social change or benefit society versus generating profit for shareholders. These missions or higher purposes are lofty, such as reducing poverty through job creation or empowering the blind through reading capabilities (Chen 2012). Certainly CSR programs, Social Ventures, and 3BL companies have a foothold in the United States, but no program or philosophy is quite as unique as Conscious Capitalism.

CSR Programs and Conscious Capitalism

There are many qualities that set Conscious Capitalism apart from CSR. The differences between the two philosophies are immediately evident when examining whom the programs are meant to benefit. CSR programs seek to benefit shareholders, while Conscious Capitalism seeks to benefit all stakeholders, including shareholders (Mackey, 2011). Great differences can also be seen in how CSR and Conscious Capitalism go about changing the world. CSR programs frequently have their own department to achieve their purpose, and their positive actions usually take the form of donations. These donations, usually to charities, may or may not be connected with the corporation’s values, mission, or purpose (Mackey, 2011). Conscious Capitalism on the other hand mandates that positive actions further propagate the company’s business mission. Since social justice is already interwoven into the company’s mission and operations, any positive actions by the company promotes social justice. A sense of a higher purpose is integral to Conscious Capitalism, a concept that has no place in CSR (Mackey, 2011).

Although CSR and Conscious Capitalism both seek to be more socially just and responsible, their approaches differ greatly. CSR is a program that companies can adopt without fully integrating it into their culture. Most CSR programs are a form of good public relations practices, instead of a true business model. Unless a corporation is a new venture with a long term commitment to CSR, such programs can stretch the company’s time and finances (Wang and Bansal, 2012). While the donations that CSR companies make no doubt benefit society, the donations can be inorganic and forced if they do not correlate to the company’s original values, mission, and purpose. In the end CSR programs act somewhat as a satellite program; they are sometimes bred out of a sense of responsibility, and are frequently detached from the company’s culture and roots. Conversely, Conscious Capitalism represents a way of doing business and not just a business program. When engaging in Conscious Capitalism, social justice is woven into the very fiber of the business. The tenets of stakeholder interdependence, conscious leadership, conscious culture, and higher purpose construct the backbone of the company and allow it to engage in all other facets of business.

Higher Purpose Mandate

Unlike traditional capitalist notions that suggest the primary objective of businesses is to maximize profit, Conscious Capitalism envisions businesses operating with a dual mandate. Not only should businesses maximize profits, they should also serve some form of a higher purpose (Waddock & McIntosh, 2011). During a Restaurant Business interview, former Starbuck’s president Howard Behar
described Conscious Capitalism by saying, “Conscious Capitalism is more a state of mind; understanding that you have a bigger responsibility than the bottom line” (Cobe, 2012). John Mackey echoed this point in the Harvard Business Review article where he discouraged profit maximization as a singular long-term strategy, primarily because profit maximization is a weak motivator for employees (Fox, 2011). Fry and Slocum (2008) confirm the effect of a higher purpose in business and note, “Employees who view their work as a called vocation are likely to approach their work very differently from employees who see work primarily as a means to satisfy their pecuniary needs.”

Based on the current writing surrounding Conscious Capitalism, it is unequivocally clear that the philosophy calls all businesses to look beyond profits. Through looking past simple financial measures of business, Conscious Capitalist companies will find greater purpose in the goods they produce and the services they provide. In finding this greater purpose, businesses breathe passion into their products and energize both customers and employees. Ultimately acting with a higher purpose, as well as creating goods and services that have real meaning behind them, serve to appeal to the emotional and socially just side of stakeholders. By appealing to people in this way, businesses create a social and emotional connection with stakeholders, thus resulting in strong brand loyalty. Affiliating with an organization that adds social value and stands for a higher purpose allows people to feel good about themselves, which fosters brand loyalty in itself. Furthermore, stakeholders become evangelists for the Conscious Capitalism company’s products and are more likely to sell the products within their own circle. As a result of this established social and emotional brand loyalty, Conscious Capitalist companies set themselves up for financial success without focusing on the bottom line.

**Total Stakeholder Orientation**

Focusing on customers and employees is an integral part of Conscious Capitalism, but these constituents are not the only focus of the philosophy. Conscious Capitalism advocates for businesses and leaders to view all stakeholders (customers, employees, suppliers, investors, society, and the environment) in a comprehensive manner. Traditionally capitalism has had an “either/or” mindset where only a few interests were served, while other interests were left to wither. This mindset not only applied to the dilemma between financial and societal wealth, but also between stakeholders. Conscious Capitalism has taken this traditional “either/or” mindset and set it on its head in favor of a “both/and” view (Legault, 2012).

Integral to Conscious Capitalism’s stakeholder interdependence philosophy is the idea that all stakeholders are interdependent, and that a business can act in a way that is beneficial to multiple stakeholders (Mackey, 2011). Mackey further notes in his interview with the Harvard Business Review that he thinks, “…it’s kind of deep in human nature to think in terms of a zero sum. If one stakeholder is winning, someone else must be losing…But a conscious business recognizes that you can have an expanding pie, and potentially everyone can get a larger piece” (Fox, 2011).

While Conscious Capitalism advocates for viewing stakeholders as interdependent, this does not automatically mean that all stakeholders must be treated equally. A large criticism of Conscious Capitalism is that stakeholder interests do not always align perfectly, and at times these interests can even differ from one another (O’Toole & Vogel, 2011). In response to this criticism, Rauch (2011) indicates that, “not all stakeholders have the same demand upon, or even value to the business.” Indeed Mackey (2011) also acknowledges that a Conscious Capitalism business usually focuses on customers or employees, but interests rarely clash forcibly. If a clashing of interests does occur, Conscious Capitalism businesses must acknowledge them and pursue mutually beneficial options before resorting to trade-offs (Strong, 2011). The key to Conscious Capitalism is to recognize how shareholder interests are connected and how to simultaneously serve stakeholders.

Adopting a “both/and” viewpoint of stakeholders stands to greatly improve current business practices. While the rest of the business world practices profit maximization tactics to solely benefit investors, Conscious Capitalism’s view of stakeholder interdependence assists businesses in fostering mutually beneficial relationships with stakeholders. Viewing stakeholders as interdependent allows businesses to respect the dignity of each stakeholder as well as support a precedence of mutual respect in the business.
world. Unfortunately conflicting interests are unavoidable in some scenarios, but a Conscious Capitalism business can serve stakeholders much better when they consider individual dignity and hold their higher purpose in the greatest regard. Thus in conflict situations the choice that more closely achieves the higher purpose gives the business and stakeholders a sense of direction.

Conscious Leadership View

The third tenet of Conscious Capitalism, conscious leadership, is invaluable for companies that want to act in a more conscious way. A large part of being a conscious leader rests on the individual’s ability to recognize the difference between legality and ethicality. Simply because something is legal does not necessarily guarantee it is ethical. Truly conscious leaders are able to recognize this key difference and act accordingly (Thigpen, 2011). From a values and purpose based perspective, conscious leadership is essential for Conscious Capitalism. Mackey demonstrates how important conscious leadership is as he writes, “The various stakeholders of an organization, especially the employees, look to leadership to ‘walk-the talk’…It is especially important that the CEO and other senior leadership embody the higher purpose of the organization, rather than seeking to maximize their own personal power or compensation” (Mackey, 2011).

Within the body of literature surrounding conscious leadership, action seems to be an important ingredient for leaders. Many leaders may know the difference between what is legal and what is ethical, but how many of them act upon that conflict is where the difference lies. Moreover, ever fewer leaders reject blatant self-interest and stay true to the values and purpose of the organization. Being a conscious leader would appear to be very reliant upon one’s ability to take concrete action, versus playing a bystander role or acting in their own self-interest. It seems as though conscious leadership leans towards a collectivist way of thinking. Conscious leaders may demonstrate an inclusive and holistic mindset that transcends pure individualism, which, according to the Hofstede et al. (2010) studies, characterize United States culture.

Conscious Culture

Along with having a conscious figurehead that selflessly supports the mission, values, and purpose of the company, having a conscious culture is a driving force behind Conscious Capitalism. A conscious culture includes qualities such as trust, authenticity, care, transparency, integrity, learning, and empowerment. These qualities combine to create an unmistakable business environment that is far different from businesses based on profit maximization (Sisodia, 2011). Corporate cultures built on such qualities not only create goodwill with employees, they also stand to increase profitability. When fear and anxiety are a part of day-to-day business operations these emotions activate the brain’s amygdala, where emotions are processed (Pillav & Sisodia, 2011). Once the amygdala is activated, the brain’s prefrontal pathway may be disturbed. Among other things, the prefrontal pathways influence one’s ability to evaluate financial and economic risk. As a result, a culture of fear and anxiety can debilitate employees’ economic intuition and put the company’s financial success in jeopardy (Pillav & Sisodia, 2011). Given the work by Sisodia and Pillav, a positive culture free of fear would seem to have legitimate substance as a business strategy.

Once considered merely an employee perk, a positive and nurturing environment grounded in values and trust can be of financial benefit to the company as well. A conscious culture aligns the interests of both employee and employer. Through having a trusting, caring, and transparent culture, employees stand to decrease their own anxiety level and get more personal reward out of their work. In turn, these satisfied employees can act as better advocates for their business. Increased employee satisfaction will result in increased customer satisfaction, thus creating a self-fulfilling cycle. Establishing a conscious culture creates a win-win solution for employees and employers, which once again highlights the importance of creating value in Conscious Capitalism.
Unapologetic Free Market Advocacy

Outside of the four tenets of Conscious Capitalism, reverence for capitalism as an economic system itself is deeply ingrained into the philosophy. Conscious Capitalist John Mackey has been a steadfast proponent of capitalism. During an interview with Forbes.com Mackey espoused his support of capitalism as he remarked, “free enterprise capitalism has been the most powerful creative system of social cooperation and human progress ever conceived” (Schawbel, 2013). Mackey delves further into the relationship between Conscious Capitalism and capitalism during an interview with the Harvard Business Review. Essential to Conscious Capitalism is a grasp on the qualities that have made capitalism successful. One of the qualities that has made capitalism effective is the concept of individual and private property rights, as well as the ability to freely trade property. In addition, the equally applied “rule of law” has also served to make capitalism successful (Fox, 2011). Keeping in mind the key components of capitalism, Sisodia articulates the relationship between Conscious Capitalism and capitalism as he writes, “It seeks to synthesize the broad ideological roots of capitalism with the personal depth of the world’s great wisdom traditions” (2011).

Based on Mackey and Sisodia’s explanation and support for the capitalist system, it is clear that Conscious Capitalism relies heavily on the roots of capitalism. Conscious Capitalism is not meant to serve as a new economic system, and it does not seek to do away with the cornerstones of many countries’ economies. Rather, Conscious Capitalism seeks to enhance capitalism and inject social justice into the economic system that has led to prosperity for countless countries.

FINANCIAL ANALYSIS

We examined the performance of eighteen publicly traded companies that were identified as “firms of endearment” by Sisodia, et al. (2007) because of their “humanistic profiles.” Mackey and Sisodia (2013) used these companies in their evaluation of the investment performances of Conscious Capitalism companies because they were “pretty far along toward being ‘conscious’ companies.” In their financial evaluation, Mackey and Sisodia (2013) also included ten additional companies that were privately held. Their results showed that the average financial performance of the 28 Conscious Capitalism leaning companies was overwhelmingly better that the S&P 500 companies. They reported that the 15-year (1996-2011) investment performance (stock price, adjusted for splits and dividends) of the 28 firms of endearment companies was a whopping 1,646.1% compared to a gain of the S&P 500 of 157% over the same period (Mackey and Sisodia, 2013).

We calculated the financial performance up until 2013 of the eighteen publicly traded “firms of endearment” and show their individual 5-year, 10-year, and 15-year investment performances in both Table 1 and Table 2. The average investment performance of the eighteen companies was significantly higher than the S&P 500 index when comparing raw stock price performance. With this metric, the average 15-year investment performance of the Conscious Capitalism companies was 83.4% compared to a gain of the S&P 500 of 47% over the same time. From this perspective, the Conscious Capitalism companies, as a portfolio, were a much better investment than the S&P 500 (see Table 1).
<table>
<thead>
<tr>
<th></th>
<th>5 year</th>
<th>10 year</th>
<th>15 year</th>
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<tbody>
<tr>
<td><strong>S&amp;P 500</strong></td>
<td>(2.8%)</td>
<td>62.1%</td>
<td>47%</td>
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<tr>
<td><strong>Amazon.com</strong></td>
<td>168.6%</td>
<td>1,234.4%</td>
<td>326.8%</td>
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<td><strong>BMW</strong></td>
<td>72.2%</td>
<td>152.17%</td>
<td>N/A</td>
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<td><strong>CarMax</strong></td>
<td>92.2%</td>
<td>113.6%</td>
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<td>28.1%</td>
<td>102.3%</td>
<td>91.6%</td>
</tr>
<tr>
<td><strong>Commerce Bank</strong></td>
<td>(20.6%)</td>
<td>(9.9%)</td>
<td>(47.3%)</td>
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<td><strong>Costco</strong></td>
<td>44.5%</td>
<td>256.2%</td>
<td>125.4%</td>
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<td><strong>eBay</strong></td>
<td>56.7%</td>
<td>(23.2%)</td>
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<td><strong>Google</strong></td>
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<td>N/A</td>
</tr>
<tr>
<td><strong>Harley-Davidson</strong></td>
<td>7.2%</td>
<td>6.9%</td>
<td>86.5%</td>
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<td><strong>Honda</strong></td>
<td>14.1%</td>
<td>107.7%</td>
<td>(47.9%)</td>
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<tr>
<td><strong>JetBlue</strong></td>
<td>(0.8%)</td>
<td>(78.1%)</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>6.7%</td>
<td>30.9%</td>
<td>9.2%</td>
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<tr>
<td><strong>Southwest Airlines</strong></td>
<td>(14.2%)</td>
<td>(25.9%)</td>
<td>(58.0%)</td>
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<tr>
<td><strong>Starbucks</strong></td>
<td>171.1%</td>
<td>166.7%</td>
<td>42.2%</td>
</tr>
<tr>
<td><strong>Timberland</strong></td>
<td>(42.5%)</td>
<td>(62.0%)</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Toyota</strong></td>
<td>(11.1%)</td>
<td>78.8%</td>
<td>67.5%</td>
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<tr>
<td><strong>UPS</strong></td>
<td>6.4%</td>
<td>18.3%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Whole Foods Market</strong></td>
<td>126.9%</td>
<td>75.7%</td>
<td>83.1%</td>
</tr>
<tr>
<td><strong>Average of all 18 companies</strong></td>
<td>39.4%</td>
<td>126.2%</td>
<td>83.4%</td>
</tr>
</tbody>
</table>

Note: Stock prices were adjusted for splits and dividends.

The raw financial performance numbers of the Conscious Capitalism companies were impressive and warranted further examination. Thus, compound annual growth rate (CAGR) was examined as well. Here, we found the differences between the 15-year and 10-year performance from the S&P 500 index to be
negligible (See Table 2). However, the 5-year Conscious Capitalism average CAGR at 5.34% was much stronger than the S&P 500 CAGR of (0.6%).

**Table 2**

**COMPOUND ANNUAL GROWTH RATE INVESTMENT PERFORMANCE OF 18 PUBLICLY TRADED CONSCIOUS CAPITALISM COMPANIES VERSUS THE S&P 500 INDEX FOR THE YEARS 1998-2012**

<table>
<thead>
<tr>
<th></th>
<th>5 year</th>
<th>10 year</th>
<th>15 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500</td>
<td>(0.6%)</td>
<td>4.9%</td>
<td>2.6%</td>
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<tr>
<td>Amazon.com</td>
<td>21.8%</td>
<td>29.6%</td>
<td>10.2%</td>
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<tr>
<td>BMW</td>
<td>11.5%</td>
<td>9.7%</td>
<td>N/A</td>
</tr>
<tr>
<td>CarMax</td>
<td>14.0%</td>
<td>7.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>5.1%</td>
<td>7.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Commerce Bank</td>
<td>(4.5%)</td>
<td>(1.0%)</td>
<td>(4.2%)</td>
</tr>
<tr>
<td>Costco</td>
<td>7.6%</td>
<td>13.5%</td>
<td>5.6%</td>
</tr>
<tr>
<td>eBay</td>
<td>9.4%</td>
<td>(2.6%)</td>
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<tr>
<td>Google</td>
<td>0.8%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Harley-Davidson</td>
<td>1.4%</td>
<td>0.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Honda</td>
<td>2.7%</td>
<td>7.6%</td>
<td>(4.3%)</td>
</tr>
<tr>
<td>JetBlue</td>
<td>(0.2%)</td>
<td>(14.1%)</td>
<td>N/A</td>
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<tr>
<td>Johnson &amp; Johnson</td>
<td>1.3%</td>
<td>2.7%</td>
<td>0.6%</td>
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<tr>
<td>Southwest Airlines</td>
<td>(3.0%)</td>
<td>(3.0%)</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>Starbucks</td>
<td>22.1%</td>
<td>10.3%</td>
<td>2.4%</td>
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<tr>
<td>Timberland</td>
<td>(10.5%)</td>
<td>(9.2%)</td>
<td>N/A</td>
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<tr>
<td>Toyota</td>
<td>(2.3%)</td>
<td>6.0%</td>
<td>3.5%</td>
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<tr>
<td>UPS</td>
<td>1.3%</td>
<td>1.7%</td>
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<tr>
<td>Whole Foods Market</td>
<td>17.8%</td>
<td>5.8%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Average of all 18 companies</td>
<td>5.3%</td>
<td>4.3%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Note: Stock prices were adjusted for splits and dividends.
Is it possible that the Conscious Capitalism companies were better suited to weather the economic recession in the past five years than the average company included in the S&P 500? Or perhaps the selection process has a bias since they tend to be newer companies with greater growth prospects. It is easier to implement Conscious Capitalism in a new company than to change the culture of a large, established company. Many newer companies fail and their decline in financial performance would then not be reflected in our sample. Were there significant failures of Conscious Capitalism companies?

Mackey and Sisodia (2013) propose that Conscious Capitalism businesses excel while benefiting their stakeholders and society, primarily because they develop good relationships and reputations. They generate good will that builds trust, which in turn transfers to rapid growth and a stronger bottom line. Moreover, these firms experience lower marketing costs, turnover rates, and administrative costs (Mackey & Sisodia, 2013).

Management may achieve short-term gains by abandoning Conscious Capitalism practices. The benefits of good relations with stakeholders accrue over time but can be lost abruptly.

FURTHER STUDY

Over the course of our studies we identified some key areas where further research should be conducted to clarify Conscious Capitalism.

Additional Conscious Capitalism Companies

We feel that analyzing publically traded company performance equalizes the playing field and therefore, chose not to include the additional privately held companies in Sisodia’s original study. However, we need a larger pool of companies to analyze to have greater confidence in predicting potential performance. It would be beneficial to identify more Conscious Capitalism companies from the global market and determine if they have exceeded the traditional indices for financial performance. One difficulty is measuring how they treat their various stakeholder groups, and what metrics should be used to determine which are Conscious Capitalism companies. Below we explore some possible metrics for each of the four tenets.

Tenets 1 and 4: Higher Purpose and Conscious Culture

In looking at tenets one and four, we can examine the company’s published mission, vision, and core values using a rating system. On-site observations and face-to-face interviews might be instrumental in verifying culture. Through these evaluations, we can gain a better understanding of whether or not the company is living towards their higher purpose and truly embodies a values driven culture.

Tenet 2: Total Stakeholder Management

In proving that a company takes a total stakeholder approach, there is a need to define how the company is responsible to its stakeholders.

Employees

One place to start is Fortune magazine’s annual “100 Best Companies to Work For.” Guidelines are mentioned regarding average pay, health care, profit sharing, and other benefits.

Customers

Although it is perhaps a more subjective measurement, surveys can effectively measure customer satisfaction levels. Using Better Business Bureau (BBB) ratings is another possible option.

Suppliers

One might consider lean manufacturing techniques that recommend partnering with suppliers rather than having adversarial relationships with little trust.
Community and Environment

How much is contributed to support the company’s community and environment? Whole Foods gives 5% of their profits to the community, which is a number that is frequently mentioned as an optimal contribution rate. Mackey and Sisodia (2013) discuss some of the experiences that Whole Foods has had in making contributions. It is more than writing a check; how help is given can make a big difference. It is important for the company to grow and provide a measure of security to each of the other stakeholder groups.

Shareholders

We think that providing an above average return on investment to shareholders is essential to Conscious Capitalism. It appears from our investigation that an above average return on investment is consistent with practicing the philosophy of Conscious Capitalism.

Tenet 3: Conscious Leadership

A rating system might be useful to evaluate how mission driven and holistic the leadership team is. Data to be measured might include: leadership style, public statements, employee feedback, and personal interviews.

Relationship with Other Social Business Philosophies/Programs

As other philosophies such as 3BL or Social Ventures develop, it will be pivotal to see how Conscious Capitalism interacts with these schools of thought. Conscious Capitalism is no doubt a profound concept, but it does not operate within a bubble in the business world.

Conscious Capitalism as a Result of Generational Identification

With each generation comes a new set of values, hopes, and dreams. Conscious Capitalism may indeed be the result of a new generation’s global awareness, values, focus on sustainability, and stakeholder management.

SUMMARY

Throughout the course of our research three common themes became apparent. The first is that Conscious Capitalism is a philosophy of generating customer value for long-term competitive advantage in three areas - emotional, social, and financial. Another theme is that Conscious Capitalism emerges naturally from within the organization and is not a bolt-on corporate social responsibility (CSR) program. A third theme is that Conscious Capitalism represents unapologetic advocacy for “free market entrepreneurship, property rights, freedom to contract, and the rule of law.”

Our conclusion is that the overall investment performance of the Conscious Capitalism companies in our analysis suggests that good companies may finish first, provided that their management also performs capably, and that further study is warranted. The combination of happy employees, satisfied customers, trusting suppliers, a healthy environment and an appreciative community, and rewarded investors is a force that is gaining traction in the business world. It is likely to be one of the next dominant organizational paradigms.

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Exploring the Role of Calling in the Professional Journeys of College Presidents

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This phenomenological study examined the lived experiences of 15 women college and university presidents in the United States. The purpose of this research was to gain a deeper understanding of the role of calling into the presidency. The results of this research suggest that women presidents do hear a calling of some sort. The findings include a process of identifying, interpreting and pursuing the call by these prospective presidents so that they can find their own respective leadership journeys. Implications for practice and future research are provided.

INTRODUCTION

The academic presidency in America has always carried with it great prestige and distinction (Bornstein, 2003). Rhodes (1998) called the academic presidency one of the most influential, most important, and most powerful of positions in American society. In 2011, 2,312 four-year institutions, 697 public and 1,615 private (Hennessy, 2013) comprised the collegiate arena. Each one has a president who leads the institution and has a critical role in successful implementation and execution of the organizational mission.

According to Ruben (2003), “Extraordinary challenges face higher education nationally, and leaders with exceptional capabilities are needed to help institutions meet these challenges” (p. 288). With the “graying of the academy,” King and Gomez (2008) noted that over half of all college presidents are aged 61 or older. The American Council of Education (ACE) Report on Presidents predicts that in the next 10 years, over half of these current college presidents will exit (2012), suggesting a “significant turnover in presidential leadership due to retirements in the near term [and] presenting an opportunity to further diversify the presidency” (American College President Survey, 2012). Therefore, identifying and preparing future leadership for colleges and universities is critical. As we predict more women presidential candidates to consider the role of the presidency in the next 10 years as “the graying of the academe” unfolds, understanding a calling may be critical to enticing the best talent possible to lead our students, faculty and staff in the institutions of higher education in our nation and world. This study investigates the journeys of female college presidents and the role calling had in leading these women to the office of the president.
REVIEW OF THE LITERATURE

In 2008, one of the authors of this study conducted a qualitative study on the exiting of college presidents. The sample consisted of 10 male ELCA Lutheran college presidents. The main findings of the study concluded that over 70% of the respondents heard or felt a calling to the presidency. This study called into question whether women college presidents heard or felt that same calling.

The term “calling” emerged in 1522 when Martin Luther, the German theologian from the University of Wittenburg, coined the term. His view, different from the Catholic Church at the time, declared that everyone has a calling from God – not just religious leaders (Kolden, 2008). Calling, often used interchangeably with the concept of “vocation,” given that the translation of the Latin word “vocare” is “to call” (Longman, et al, 2010), involves living a life of meaning and purpose (Evangelical Lutheran Church in America (ELCA), 2013). In addition, the Luther definition suggests that one’s calling seeks to equip people to serve their neighbor and the community in wholesome and effective ways (Christenson, 2004).

Hunter, Dik, and Banning (2010) suggested that definitions of calling vary considerably – from limiting calling to the work environment by some researchers to defining the concept broadly by others who consider it more a lifestyle (Longman et al, 2010).

The Quaker tradition also discusses calling as “letting your life speak.” Frederick Buechner describes calling as all the places in daily life where one’s “deep gladness and the world’s deep hunger meet.” In this case, calling is to live out one’s distinctive gifts, passions, and senses of faith and meaning in ways that benefit the community (Johnson & Wanous, 2011).

According to Johnson (2010), vocation, or a calling from God for purpose in life, has the ability to change based on circumstances faced at various times. Unexpected experiences often lead to the discovery of vocation, and the way in which vocation is fulfilled depends on the individual and the call they feel. Johnson continues:

One’s life as a calling implies a source of the call...for some it’s God, the sacred, for others it might be nature, the community, or one’s deepest self. It also implies an ongoing dynamic of listening and discernment, seeking and discovery...it can be lived out through your work, but there’s more to it. It’s a thread that binds together the various pieces of the tapestry of your life (2010, p. 1).

Gender differences appear to influence calling (Astin, Astin, & Lindholm, 2011; Dik & Duffy, 2009; Duffy & Sedlacek, 2007; Longman et al, 2010; Philips, 2009). These researchers suggest that more males tend to view their job as a calling while females rely more on relationships and caring for others. Longman et al (2010) suggest a theoretical model for women and calling:

FIGURE 1
CONCEPTUAL MODEL OF WOMEN’S CALLING
This model describes how participants in the study on women’s calling conceptualized the phenomenon. In this model, the strength of a calling relies on four factors and lies along two continuums. The continuums, internal-external and specific-general refer to sources of validation and the manifestation of calling in a specific way or a general way. An internal validation could be “a strong sense of self-awareness and self-efficacy” while an external validation would be of the form of encouragement from mentors or other important figures. The manifestation of a calling can occur in a specific way, as in a vision or hearing the voice of God or answer to prayer, or in a general way, as in a pull towards an area that the person feels she should look into. When there is a strong effect on any aspect of the two continuums, the circle expands in that direction, often creating an amoeba shaped model, which demonstrates a strengthened sense of calling in that area. When there are strong senses of calling, the indication to pursue that calling is clear and encouraged.

Next, four factors that the participants of this particular study identified include theological influences, family realities, cultural expectations, and life circumstances:

[These] represent potential for movement or development inherent in a woman’s sense of calling...that could propel women further into pursuing their giftedness and talents, which may result in greater clarity about their calling, or could act as limitations to an exploration of calling.

This model provides a base for the current study, but is limited and affected by its limited scope of subjects, many of whom did not participate in a presidential role or who were interviewed at a Christian conference on the role of calling in leadership. Those participants who were presidents were of small community colleges, which are of a much different culture and comprise a different role than the four-year institutional field. This study strives to expand into the field of female presidents in colleges and universities to determine the role of calling in the pinnacle role of higher education leadership.

**Women Presidents and Their Calling**

The number of women at every level of academia has been rising for decades. Within the U.S., a recent Department of Education (2010) report identified that in 2007-2008 women earned 57.3% of bachelor’s degrees, 60.6% of master’s degrees, and 51% of doctoral degrees. Yet the percentage of college and university leadership positions held by women remains low (Moore Brown, 2005). According to The American College President (2012), 26 percent of the presidents of doctorate-granting institutions are now women, as compared with 14 percent in 2006.

Little has been written about women presidents and their calling. Madsen’s (2008) research does not mention it. A few women presidents, former presidents and authors refer to it (Bornstein, (2003), Wolverton, et al (2009), but none directly explain the process or journey to the role through the lens of calling.

**THEORETICAL FRAMEWORK**

The theoretical framework for this study draws from the Transformative Learning Theory, which explains that individuals cannot develop leadership unless they are receptive to learning, which is the basis of effective development. Kolb (1984) defined learning as “the process whereby knowledge is created through the transformation of experience (p. 38),” and emphasized that learning takes place through reflection on experience. Since developing leadership is a transforming process, transformational learning theory provides a valuable theoretical lens to guide this study. Merriam and Caffarella (1995) suggested that “transformational learning theory is about change – dramatic, fundamental change in the way we see ourselves and the world in which we live” (p. 318). Both Meizrow (1991) and Merriam and Caffarella (1995) explained that this theory focuses on three core components: 1. Mental construction of experience: engaging with each life experience to make meaning contains an opportunity for a change in perspective and behavior; 2. Critical reflection: effective learning follows effective reflection, not the
experience itself; individuals must not only think about their experiences, but also examine the underlying beliefs and assumptions that influence how they make sense of their experiences; and 3. Development and action: to truly transform, individuals need to try out their new knowledge, skills, or roles and then build new competence and self-confidence. Critical reflection is one of the main components of this theory and a crucial part of the journey to a college presidency. The authors of this paper argue that effective critical reflection is necessary when leaders are hearing a calling or interpreting data that suggests they move in one direction or another. Effective leaders, including women college presidents, experience the three components of the Transformative Learning Theory while they are discerning a potential calling, as will be discussed in the findings of this study.

PURPOSE, NEED AND JUSTIFICATION OF THE STUDY

In 2008, one of the authors researched the exiting of college presidents in her doctoral dissertation. The author interviewed ten ELCA Lutheran college presidents to learn about their exiting process. In that study, themes that emerged included that 70% of the male presidents described a “calling” to the role of president. This result grew into a need to discover whether women college presidents heard or felt the same call.

Madsen (2008) has written extensively on the experiences of female university presidents. She thoroughly documented personal information, childhood background, youth activities, young adulthood and college years, professional positions and experiences, non-work roles, leadership philosophy, and leadership advice from the ten current female university presidents she interviewed at the time. But the concept of being called to the role of presidency was not specifically researched in Madsen’s study of female university presidents. There is a gap in the literature relative to women presidents and calling.

With the significant turnover of current presidents that will occur in the next decade come new doors of opportunity opening for those who sense a gifting and calling to presidential leadership. Of particular note are new leadership possibilities for women.

The purpose of this paper is to determine if current female college presidents sensed a gifting and calling to the presidency. This could help future female leaders in higher education who are either getting tapped to consider being a president or who are potentially hearing a call and wondering what to do with the calling.

METHODOLOGY

Research Design
The study employed qualitative methodology with a phenomenological approach. This methodology describes the meaning of the lived experiences for several individuals about a concept or the phenomenon (Van Manen, 2001). The researchers utilized qualitative methods, in particular in-depth interviews. Collected data included: Significant statements, meanings of statements, themes or meanings, and an exhaustive description of the phenomenon of the journey to the presidency (Creswell, 2007).

Research Participants
Women comprise 26% of all current college presidents. The authors obtained a list of every current female college president and mailed each of the female presidents a letter inviting them to participate in the study. Sixteen responded initially. One canceled due to lack of time as the interview got closer. With regard to the demographics of the respondents, the ages of the presidents ranged from 50 to 76. Of the 15 women interviewed, 13 identified as Caucasian, one as black and the other as Hispanic. These women have spent an average of 8.7 years of tenure in the role. Nine of them held the office as academic vice-presidents or provosts prior to becoming a president. Six of the presidents came from public institutions. Of the remaining colleges or universities, five of the nine had a religious affiliation. Two of these private colleges were also schools for women only.
Interviews
All 15 participants gave an interview via the telephone. The authors obtained permission to audiotape the interviews, which one author conducted and the other transcribed. The interviews averaged 30 minutes in length. The co-authors’ Institutional Review Board approved the study.

Data Collection
After contacting every current female president in the U.S. and receiving confirmation from fifteen of them, the researchers moved forward in conducting interviews. The interviewing author would ask questions and allow the conversation to flow from there, occasionally adding questions or comments to enrich the data received. Each interview began with asking the subjects, “How did you first get interested in being a president?” and “Did someone mentor or sponsor you to the role?” After defining “calling” using the two separate definitions (Luther and Beuchner), the research question asked, “Were you called to the role of college president?” Other questions asked included, “What advice would you give to women who may hear a ‘calling’ toward a presidency but are still unsure about moving forward?” and “What should interested female presidential candidates be doing now to get prepared?”

Data Analysis
The interviews were subjected to qualitative analysis to allow themes to emerge. The authors analyzed the interviews as a multi-step process where each interview was read and re-read in order to capture both content and context. The first two times, the authors sought to understand the data. Giorgi (1997) called this step critical in assisting the researcher in understanding the constitution of the data. The third time the authors read the texts very slowly, highlighting important lines. Tesch (1987) described this step as one where the reader looks for the material that at the center of the experience. Barritt, Beekman, Bleecker, and Mulderj (1984) described it as looking for the “moments which fly up like sparks from the description” (p. 6). The fourth time the second author documented the highlighted lines from the texts and later categorized them by theme and participant. Both authors continued to examine the data during the writing process.

FINDINGS
The 15 women college presidents’ interviews resulted in the following results. Three main themes emerged from the data: Identifying the Call; Interpreting the Call; and Pursuing the Call, as shown in Figure 2.

FIGURE 2
WOMEN’S COLLEGE PRESIDENTS’ JOURNEY TO THE PRESIDENCY

[Diagram showing the process of women college presidents’ journey to the presidency, including steps such as identifying the call, interpreting the call, and pursuing the call.]

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Identifying the Call

Calling can come from a variety of avenues. As stated, the authors used specific definitions of calling with the women presidents interviewed for this study from two authors, Martin Luther and Frederick Beuchner.

Eighty percent of respondents for this study claimed a calling to the role of a presidency. Three described a spiritual calling to the role, one of which replied, “The Lord opened this door for me. I could not have done this without [Him].” Nine of the remaining subjects said they felt a calling but it was more of a match between their gifts and skills and the needs of the institution after they had been approached, which fit with Beuchner’s definition. One of these women responded,

I am not an evangelical Christian by any means and so I didn’t have a calling like a burning bush or anything like that. But I certainly felt as though my strengths and what I loved to do, I felt called in that way.

The final three respondents denied the existence of a calling to the role, rather stating that their position came as the next logical step and that there was no religious aspect at all. Said one subject,

I would say that I felt like I was ready, that it was something that I really wanted to do, that I had the talent and the skill to do it. But I didn’t think that anyone was calling me…it’s really the first time in my career that I set out specifically to get a particular job…the first one where I really decided that this was something that I wanted to do.

The variety of responses to this item begs the question of how one identifies whether or not they feel a calling based on the encouragement they receive from others, their gifts and talents, and the satisfaction they have with their current place in life.

All respondents were asked how they got into the role of the presidency. Several respondents were approached by search firms or by mentors or co-workers who encouraged them to look into the possibility. One president described the frustration she felt from experiencing bad presidencies or feeling discouraged at the stunting of the potential she felt lied untapped in the institution due to swampy procedures and the bogging down of ideas from herself and other faculty members as inspiration to the role. Another spoke of the idea growing throughout her continuing experience in higher education and finally thinking that the role was something she could do. After receiving these signals, those who felt as though they had a calling or knew that they should move forward with that inclination spent time looking into what that calling or inclination pulled them toward. The first step of the Transformational Learning Theory is seen at work here; engaging with life experience opened up an opportunity for a change in the lives of these women. The next thing they needed was to understand this change and what it meant.

Interpreting the Call

Women who feel that they have a calling explore that feeling in a variety of ways. After being approached by search firms or encouraged by mentors, the seed had been planted. The next step consisted of interpreting that encouragement and determining what purpose it led to. The participants advised women who may feel a calling to the role in a variety of ways. One respondent who felt a spiritual calling recommended examining the desires of the heart:

If you’re not sure about moving forward but...if you ask God to guide you and you really mean that with all of your heart, if the desire gets stronger and stronger...I’d say ‘Lord, I see that you’re calling me this way, but if I’m making a mistake, I trust you to then shut doors, close windows if I’m not supposed to be there’...just give it up to the Lord and then you have that strong feeling.
Another suggested looking into attending workshops to explore the possibility and “test to see whether or not this sounded like something I wanted to do…that was very helpful, not only to prepare me but to solidify for me that that was something I wanted to do.”

One president replied that it “would be wise to talk to quite a few people who are in higher education about the distinctive culture and values of higher education” if the calling came to someone outside of academe. If the calling came to someone inside higher education, she continued,

I would encourage them to use some of the programs that the national organizations have…for people considering a presidency and…to talk to their own presidents or to talk to other presidents.

Additionally, she advises potential candidates to research current female presidents and not to hesitate contacting them for help.

Finally, two presidents stressed the importance of self-evaluation, and to “analyze whether it’s in your own being to take risks, make tough decisions, take criticism if things go wrong,” and to be aware that “it’s not just about wearing nice suits and going to great parties.” Moreover, it is imperative to “think about what you can get and what you can give…trust your own instinct.”

In essence, understanding the role and understanding the self is imperative in interpreting whether or not one has felt a calling to pursue this position. The second part of the Transformative Learning Theory appears here with reflection not only on the experiences these women felt but also in the examination of their underlying gifts and purpose in life. Critical reflection is imperative to this step in understanding a calling to any role, including the role of the presidency. Prospective presidential candidates should examine how the role would fit into their lives, discuss the possibilities and implications with the important people in their lives, research the requirements and skills needed for the job, and think deeply about this opportunity.

Pursuing the Call

Once one has determined that she feels a calling to the role and to accept that calling, the next step is to pursue the calling. Women in academic leadership position seek out opportunities and fits with organizations in order to advance their careers. Several things contribute to this step. The first is preparation for the role. Academic literature has the female “confidence” issue well documented. Men are typically under-prepared and over-confident for these roles while women are often over-prepared and under-confident for leadership roles (Kinicki & Kreitner, 2009). In order to have success in these roles, candidates for the position must have confidence in both their skills and ability. One respondent emphasized the importance of balance in confidence:

If you go into a position [and] you think you know everything, you can almost guarantee it’s not going to work, and if you go in without the confidence that can even get you there, it’s obviously not going to work.

First, confidence in one’s skills comes only with practice, training, and exposure to fully understand the requirements of the presidency itself and its role in all areas of the institution. As described in the Transformative Learning Theory, trying out new knowledge, skills, or roles and building new competence and self-confidence truly transforms individuals and will prepare them for their calling. One current president said women trying to get into the presidency “should be working in the academic arena as much as they can, in whatever position they’re in, [and] they should be getting special training from the AGB (Association of Governing Boards) or other sources that they know about.” Additionally, “they should step out of their comfort zone and be sitting in on some classes that are in areas that they’re unfamiliar with so that they at least know the language of that area,” such as budgets, investment, CFO duties, student life, and more. Delegation is also key. Several presidents spoke about the importance of having
the ability to recognize their skills and then supplement their weaknesses by having people who are strong in those areas consult in their meetings. One woman advised,

Know where your strongest areas are. Focus more on sharpening the areas you’re naturally good at than focusing on areas that you’re not too good at. You can always bring people onto your team with those complimentary skill sets. Understand your own strengths and learn how to use those strengths in the role.

In understanding women’s natural ability to the role, that same president gave encouraging advice:

We have a lot, if not all, of the major qualities needed that have been attributed to men—hard work, commitment, we’re analytical, we’re both right brained and left brained, and here’s the thing—women intuitively have the emotional intelligence down…in this diverse world, emotional intelligence, almost innately, should bolster up our confidence.

Resume and performance make up the next part of preparing for the role. Nine of the fifteen interviewees for this study had been provosts before their appointment to the presidency, and all of them had served in higher administration as vice presidents, deans, or assistant provosts. Along with experience, applicants need to have outstanding performance in whatever role they serve in throughout their career. Several presidents said that interested candidates for the presidency need to give 100% in every position and become the go-to person in the office. Prospective presidents should volunteer for committees not only to get to know all institutional areas but also to gain experience and show their skills, work ethic and enthusiasm for the role. Said one president:

Everything in my life has prepared me for this role—my role as a soccer mom and busy mother, as a department chair and as VP of Academic Affairs—every role was important in giving me skills. My work outside the office was as important as in.

All of these requirements add up to the next part of pursuing the calling to the role of presidency: opportunity.

Subjects of the study came to the role of the presidency through a variety of pipelines. Some were contacted by search firms, some nominated, and some encouraged to the role by mentors who were previous presidents. Regardless of how the opportunity was presented, it only happened because that woman had been recognized for her outstanding skills and dedication. Women who feel a calling and want to pursue that calling should be constantly on the lookout for more opportunities to be involved, to learn more, to strengthen their skills, and should apply themselves to every aspect of their life. When the opportunity does come, several women stressed the importance of fit to the institution. One even interviewed for over ten positions and waited until she found the right fit. Above all, the cultivation of skills and the preparation for the role needs to culminate in the perfect fit between the woman and the institution in order to garner a successful presidency.

**Implications for Research and Practice**

More women need to be encouraged to attend ACE, Bryn Mahr, CCCU, and similar types of women-only leadership development programs. The research suggests that this is helpful for women leaders in higher education (Madsen, 2008). The more women that are exposed to the idea of thinking about a presidency, the more they can identify, interpret and pursue the call.

Current male and female college presidents need to continue and increase their mentoring of high potential women leaders inside their institutions. Research suggests that mentoring and sponsorship of women leaders works (Moore Brown, 2005). Current presidents of both genders should consider taking on mentees for the role, even if that guidance does not result in a presidency. With the imbalance of women in higher executive roles, women need to be encouraged to pursue those higher roles earlier in their careers.
More needs to be written and published about college and university women presidents. Besides Bornstein (2003), Longman et al (2010), Wolverton et al (2009), few authors have written on the topic of women and calling. More research is emerging on this topic as more women are progressing up the ladder in higher education. Since more women are pursuing higher degrees and becoming more prevalent in higher roles, we can expect a growing percentage of female presidents as the role turns over.

More needs to be written specifically on women college presidents in four-year institutions. Many of the journal articles focus on women presidents of community colleges, since that is where the majority of the 26% of women college presidents reside.

Limitations

A number of limitations influenced this study. First, the 16 presidents who responded to the invitation chose to participate on their own volition. Therefore, the presidents may not be representative of the 70 women college presidents in the role today. These presidents could be the only ones interested or familiar with calling as a construct, in which case the study gives a higher representation of women presidents who feel the calling than actually exists.

Second, the authors researched the topic of calling looking through a Lutheran lens. Using this term with presidents not looking through the same religiously influenced lens may cause confusion or distortion of the term. This distortion may influence the results or the analysis of the results.

Third, during one of the telephone interviews, the recording device stopped working at the beginning of the telephone call. The first author wrote diligently to write down the data but may not have documented every single word as accurately as the recording device would have done.

Finally, the phenomenological findings are not meant to be generalized. Van Manen (2001) explains that lived experiences are stories of individuals that are meaningful.

CONCLUSION

After discovering the role of calling into the journeys of male college presidents, the question occurred to the authors of whether or not women feel that same calling. 70% of men responded that they felt a calling in the previous study. This study concludes that women also feel some extent of a calling in their journey to the presidency. This calling manifested itself in a variety of ways with little regard to religious affiliation and occurred through personal, spiritual and vocational connection.

With the number of women advancing through all ranks of the educational system, we hope to see a more equal representation of women at the heads of colleges and universities across the nation. These women, who will be leading a new generation of women in the leadership of higher educational institutions, will need encouragement to consider such a lofty role. They will also need to understand their purpose and calling to the role. This is done through thorough identification and interpretation of the calling as well as a deep introspection and pursuance of confidence, capability, and efficacy. However, there comes a time when the only step remaining in the journey to the presidency is into the ring. As one respondent stated, “If you feel you are ready for the job and that you have the calling, pursue that calling. We need outstanding leaders in higher [education]. If you are gifted for the role, step up.” Another participant applied for the role because she felt she had the calling but doubted that she would receive the job—since the calling was true and the fit was right, she was offered the position and accepted it. According to Luther in 1521, regardless of how much preparation one has, there comes a time when one just has to take a leap of faith—if the calling is true, the role will be there.

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Can Global Organizations Use Values-Based Leadership to Combat Bribery and Corruption?

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With rising uncertainty associated with FCPA enforcement, this article explores the potential development of a values based approach to combat bribery and corruption. Although this approach requires empirical investigation, arguments suggest that organizations desiring higher ethical standards to mitigate bribery and corruption practices should transition from compliance to values based strategies. When leaders enact and display positive organizational values, mutual follower-leader synergies build the foundation for more moral and ethical organizational cultures. This article explores Values-Based Leadership as a framework to create ethical and moral corporate governance systems that establish organizational cultures naturally resistant to bribery and corruption.

INTRODUCTION

The Foreign Corrupt Practices Act (FCPA) of 1977, noted by practitioners and scholars as one of the seminal international anti-corruption laws, was enacted by the U.S. Congress “in response to widespread post-Watergate concerns that U.S. companies were securing foreign government contracts by making improper payments to foreign government officials” (Koehler, 2007, p. 68). In the recent wake of multiple financial scandals and the growing power of multinational corporations, the U.S. Department of Justice (DOJ) and Securities Exchange Commission (SEC) have expanded and increased the frequency of FCPA enforcement efforts to unprecedented levels (Anderson, 2008; Burr, 2006; Hirst, 2010; Wysong, 2009).

Overall, although enforcement by the DOJ and SEC has increased dramatically over the last ten years, prosecutions, fines, and penalties have been overwhelmingly inconsistent and selectively applied (Hinchey, 2011; Weismann, 2008). In the hopes of incentivizing robust anti-corruption corporate governance structures within multinational firms, the DOJ and SEC have spent considerable time encouraging firms to come forward when their internal compliance mechanisms discover suspicious transactions (Aquilar, 2010; Hinchey, 2011). This strategy, which favors non-prosecutorial and deferred prosecutorial agreements by the DOJ and SEC in exchange for a firm self-reporting, was introduced to convince firms that voluntary disclosure would likely be rewarded by the mitigation or even elimination of penalties (Burr, 2006; Hinchey, 2011). To this end, a firm that voluntarily self-discloses an act of bribery or corruption agrees to accept fines and disgorgements, create or enhance internal compliance
mechanisms, and be monitored by outside entities for a period of time after the investigation has been
concluded (Hinchey, 2011; Weismann, 2008).

On its surface, this strategy appears to produce positive results. One self-disclosure example,
INNOSPEC, a $600 million chemical company based in Delaware pleaded guilty in March 2010 to FCPA
violations stemming from bribes and kickbacks paid to the former Iraqi government under the United
Nations Oil for Food Program (Aquilar, 2010; Moon & Rimm, 2012). In lieu of criminal prosecution,
INNOSPEC agreed to pay a total of $40.2 million in fines and to implement more robust compliance
procedures (Aquilar, 2010; Moon & Rimm, 2012). Had INNOSPEC not self-reported, regulators could
have imposed fines upwards of $200 million and sought complete liquidation of the firm as a criminal
enterprise (Aquilar, 2010).

However, a study that examined multiple FCPA cases between 2007 and 2008 has shown that overall,
these types of settlements have been inconsistent and disparate (Hinchey, 2011). The study compared
bribe-to-fine ratios between firms that have and firms that have not voluntarily disclosed suspected
violations. Surprisingly, the firms that voluntarily disclosed received on the average almost double the
penalties than the firms that did not voluntarily disclose (Hinchey, 2011). In the study, there were also
two outlier FCPA cases studied where the companies did not voluntarily disclose. Despite the fact that
both cases received record breaking fines for FCPA enforcement in regard to “dollar amount”, their bribe
to fine ratios were still about half of what most companies paid who voluntarily disclosed (Hinchey,
2011).

As a result, leaders of multinational firms are faced with tough decisions on whether or not to
voluntarily disclose suspected illegal transactions or to deploy alternative strategies. With DOJ and SEC
fines and penalties reaching all-time highs, it appears both agencies will continue to encourage voluntary
disclosures in exchange for non-prosecutions and deferred prosecutions despite the many contradictory
cases.

This article suggests that multinationals cannot depend solely on external structures (including legal
systems, rules, and codes) or internal structures (including corporate governance programs) i.e.
compliance based structures, to effectively mitigate bribery and corruption vulnerabilities within their
organizations. In addition to following FCPA regulations enforced by the United States, leaders of
multinational firms have to deal with multiple regulations (or lack of clear regulations) across many
countries as well as different cultural approaches to bribery and corruption. For example, most Western
cultures view the world from the perspective of “doing” while most Eastern cultures view the world from
the perspective of “being” (Adler, 2008). Thus, where Western leaders might have confidence that formal
rules based corporate governance structures to combat bribery and corruption can be put into practice;
their Eastern counterparts may be less enthusiastic about the practicality of formal corporate governance
structures and therefore choose to accept bribery practices as “human nature” that is unlikely to be
changed.

In search for appropriate preventive anti-bribery and corruption measures that can be introduced
across multiple cultures, this article proposes the Values-Based Leadership (VBL) approach as a universal
corporate governance strategy. Creating a shared anti-corruption vision based on high ethical principles
that are supported by different cultural traditions might help discourage bribery and corruption. Since
“values form the basis for principles and virtues that are necessary to bring these ethic principles into
moral practice” (Alas, 2006, p. 238), leaders of multinational organizations could potentially capitalize on
universal ethical values and establish an organizational culture that rejects bribery and corruption
practices.

This article first discusses the FCPA and its resulting risks to multi-national firms. It examines how
the recent disparate treatment and inconsistent results in FCPA cases as well as other emerging factors
have made it too risky for leaders of multinational firms to rely on corporate governance structures based
solely on the avoidance of legal sanctions, i.e. the compliance approach. Second, the article introduces
why a robust corporate governance program is essential for a multinational firm. Third, the article
presents cultural aspects of ethics and explains the impact of cultural context on the creation of corporate
governance programs across national and ethnic boundaries. An argument is made that there are multiple
universal attributes and values found across cultures as well as universally accepted descriptions of desirable and undesirable ethical behaviors that can be used as the foundation for the development of cross-cultural and universal corporate governance structures. Fourth, the article suggests an anti-bribery and corruption model that creates an ethical core within the organization by using the principles of Values-Based Leadership. It is believed that a model of this kind will enable leaders and empower followers of global organizations to navigate through the complex ethical challenges of bribery and corruption with a clearer mindset and more certainty (Werhane, 2008). As the article demonstrates, this model has the potential to replace corporate governance structures focused on the avoidance and mitigation of legal sanctions with those focused on moral clarity and proper ethical conduct.

**THE FOREIGN CORRUPT PRACTICES ACT**

This section provides details on FCPA regulations, elaborates on voluntary disclosure, and explains some criticisms of current FCPA enforcement in the context of the rapidly moving and constantly changing environment, pressures, and challenges of international operations. It also demonstrates why the effectiveness of current FCPA approaches is questioned by the authors of this article and furthermore, why a Values-Based Leadership strategy could be an appropriate solution (Koehler, 2007; Levick & Slack, 2011; Moon & Rimm, 2012; Reynolds, 2009).

The FCPA is a federal law enacted in 1977 that makes it illegal for companies to pay bribes to foreign officials or political figures. The law applies when conducting business with State Owned Enterprises (SOEs) and applies to non-U.S. Companies outside the United States, to both public and private companies, to agents and or distributors used by a company to conduct business on behalf of the firm, and to foreign nationals and/or companies doing business in the United States (Moon & Rimm, 2012; Reynolds, 2009). Thus, it is clear that firms cannot insulate themselves from liability by using agents and/or distributors abroad (World Compliance, 2011).

The act contains both civil and criminal penalties. The criminal penalties are enforced by the U.S. Department of Justice (DOJ) and the civil enforcement side is imposed by the Securities Exchange Commission (SEC) (Hinchey, 2011). The FCPA contains two significant provisions, i.e. the anti-bribery clause and the record keeping clause (Weismann, 2008). The anti-bribery clause makes it illegal to make payments to foreign public officials and/or political parties for the purpose of obtaining or retaining business. The record keeping clause requires issuers of securities in the U.S. financial markets to report, disclose and account for all payments and dispositions made of the assets of the issuer (Hinchey, 2011; Weismann, 2008).

Prosecutions for FCPA violations in the past few years have risen to unprecedented levels. “This activity seems largely a result of the government’s increased focus on corporate accounting and governance practices post-Enron, as well as tighter scrutiny of cross-border dealings as a result of the USA Patriot Act” (Burr, 2006, p. 22). In 2010, the DOJ and the SEC settled five cases against corporations, including two major non-U.S. corporations (BAE Systems and Daimler AG) that involved hundreds of millions of dollars in fines and penalties. The DOJ also announced a multi-year FCPA undercover investigation along with the indictment and arrest of twenty-two individuals who allegedly agreed to pay bribes overseas while dealing with an undercover FBI agent and a cooperating witness (Hirst, 2010). In total, the DOJ and SEC “brought forward 74 enforcement actions in 2010, up from an average of 37 per year in 2007-2009 and approximately 11 per year in 2004-2006. By way of comparison, U.S. authorities had brought forward only 19 enforcement actions from the enactment of the statute in 1977 to 2004” (Williams, 2011, p. 32).

**Voluntary Disclosure**

To comfort international firms in light of the exponential increase in enforcement of FCPA violations worldwide, in 2003, the DOJ issued guidance via a memorandum from the Deputy Attorney General that encouraged voluntary disclosure as one of the factors that could potentially mitigate penalties for a firm’s failure to comply with the law. A footnote was also added acknowledging that the U.S. Sentencing
Guidelines would “reward voluntary disclosure and cooperation with a reduction in the corporation's offense level” (Hinchey, 2011, p. 2).

A voluntary disclosure occurs when a firm chooses to report potential FCPA violations to authorities (DOJ or SEC) on their own and prior to the authorities initiating an investigation. These suspected transactions are usually discovered as a result of internal corporate governance structures, and/or reported by a whistle-blower (Burr, 2006; Hinchey, 2011). Voluntary disclosures are typically attached to some type of agreement between the reporting party and the government in order for the firm to receive some type of benefit in exchange for coming forward and reporting the violations (Burr, 2006; Hinchey, 2011).

The most common form of agreement is a non-prosecution agreement and/or deferred prosecution agreement where the government agrees not to prosecute individuals and/or agrees to reevaluate prosecutorial merits after the company has been given a specified period of time to stay out of trouble (Burr, 2006). Non-prosecutorial agreements and deferred prosecution agreements usually result in the firm agreeing to pay fines, disgorgements and create or improve existing corporate governance programs within their firms (Hinchey, 2011; Weismann, 2008).

FCPA CRITICISMS

Even though DOJ officials have made statements promising a “credit”, that cooperation would be “considered,” and that voluntary disclosure would be “appropriately rewarded” (Hinchey, 2011, p. 2), the DOJ has been vague about what benefits would be afforded to companies who disclose voluntarily. Additionally, the outcomes of FCPA voluntary disclosure cases have been inconsistent and disparate (Hinchey, 2011; James Mintz Group, 2011; Weismann, 2008).

The first criticism began in 2006 when Schnitzer Steel Industries, Inc. voluntarily disclosed bribes that a subsidiary paid to Chinese officials in return for obtaining a competitive advantage. Despite their significant cooperation, the DOJ and SEC fined the firm $15 million dollars. Although the total amount of bribes paid was only $1.8 million dollars (Hinchey, 2011; Moon & Rimm, 2012). This case began to raise questions of whether or not it makes financial sense for firms to voluntarily disclose suspected transactions. Shortly thereafter, the Public Contract Law Journal (PCLJ) conducted a study to examine the outcomes of all published FCPA cases between 2007 and 2008. The PCLJ study compared (bribe-to-fine ratios) between firms that HAVE and firms that HAVE NOT voluntarily disclosed suspected violations. Surprisingly, the firms that voluntarily disclosed, received on the average almost double the penalties than the firms that did not voluntarily disclose (Hinchey, 2011).

The study also contained two outlier cases with record breaking fines. Neither of the two cases were voluntary disclosure cases, but both were the result of FCPA investigations. The first was a 2008 case against Siemens, who was fined $1.96 billion dollars for what was called a systemic pattern of bribery activity, $810 million of which came from the United States. The second was a 2009 case against Kellogg Brown & Root LLC a.k.a. (KBR) that was fined $579 million for alleged bribes to Nigerian government officials (Moon & Rimm, 2012). Although these two cases were considered to have levied record breaking fines, the data (bribe-to-fine ratio) suggests that Siemens and KBR faced about one-fourth of the fines of firms who voluntarily disclose (Hinchey, 2011).

Voluntary disclosure settlements have created more skeptics than proponents because outcomes appear to discourage self-reporting (the exact opposite of the original intention of the DOJ and SEC) (Hinchey, 2011; McPhee, 2006). The study also revealed no discrepancy in post –FCPA behavior between the companies who voluntarily disclosed and those who did not and were caught. Both voluntary disclosure cases and non-voluntary disclosure cases had common consequences: companies face fines, fire problem employees, cooperate fully with the federal investigation, implement strict internal compliance measures, or agree to be monitored by outside agencies for a period of time (Hinchey, 2011; Hirst, 2010).

The literature reviewed demonstrates that the current trend of FCPA enforcement is ineffective because it is random and appears disparate (Freedman, 2006; Hinchey, 2011; Weismann, 2008). In addition, the penalties for responsible parties are unpredictable, thus, have the potential to remove any
apparent financial incentives to voluntarily disclose suspicious transactions. From the legal point of view, any system that punishes similar conduct with varied outcomes is considered fundamentally unfair (Tamanaha, 2004). Finally, the inconsistency and disparity of FCPA outcomes can create organizational tensions between corporate performance and governance systems. The answer to this dilemma could include (1) reassessment of the impact of corporate governance structures and (2) development of an ethical core within the organization.

ASSESSING RISKS WITH THE VALUE OF CORPORATE GOVERNANCE

According to World Compliance (2011), the ongoing vetting of all business relationships is a critical element to building and maintaining robust corporate governance system. Vetting ensures protection from the influence of foreign intermediaries who may have scrupulous connections with foreign officials known to accept bribes. Hardoon (2011) reminds us that companies from the wealthiest countries in the world still continue to use bribery in their international business dealings. As a result, the Bribery Payers Index (BPI) annual report, Transparency International Inc. continues to hold these companies accountable publically for their willingness to provide incentives that promote bribery and corruption around the world (Hardoon, 2011).

In addition to vetting, anti-bribery measures intensified around the world. First, U.S. prosecutors have been increasingly aggressive, and the recent Dodd-Frank legislation has created incentives and protections to whistle blowers to encourage them to come forward (Miller, Alas, Ware, & Janson, 2011). Ironically, these whistle blower protections in many cases have resulted in litigants using the FCPA as a weapon to force a settlement. This unintended consequence has introduced yet another layer of complexity and uncertainty for leadership when developing and administering corporate governance systems (Burr, 2006). FCPA investigations have led to over $1 billion in fines and more than 100 compliance executives losing their careers (World Compliance, 2011). Secondly, the United Kingdom has recently enacted anti-bribery laws that are even tougher than the FCPA. The Bribery Act (BA), which went into effect in April of 2011, sets out four separate offenses: offering a bribe, accepting a bribe, bribing a foreign public official, and failure of a commercial organization to prevent bribery (Krishnan, 2010). The key point of this law is the fact that UK companies and their directors can be found liable if they fail to prevent bribery in their firms (Krishnan, 2010).

The situation with anti-bribery regulations, however, is not as simple as it might appear. Due to the global expansion of markets, more international businesses enter high risk areas of the world where bribery activity is prevalent (Cateora, Gilly, & Graham, 2011; World Compliance, 2011). Additionally, the strong economic growth of BRIC countries (Brazil, Russia, India, China) combined with the very low ranking of those countries on Transparency International’s corruption indexes (Bribe Payer’s Index and the Corruption Perceptions Index) present simultaneous opportunities and challenges (Hardoon, 2011).

Moreover, the increase of internationally coordinated bribery and corruption enforcement efforts between countries as well as the increased use of international conventions such as the Organization for Economic Cooperation and Development (OECD) and the United Nations Convention against Corruption (UNCC) create the potential for double, or even multiple jeopardy, and therefore increased penalties (Miller et al., 2011). Thus, in many ways, the FCPA is becoming arcane in light of the creation and growth of international entities such as the OECD, UNCC, local compliance expectations in emerging BRIC countries, and/or stricter anti-bribery and corruption laws emerging in the United Kingdom. Therefore, the FCPA is no longer the primary legal enforcement measure that leaders of multi-national firms must consider when creating or enhancing a corporate governance strategy against bribery and corruption (Alas, 2006; Anderson, 2008; Olson, 2007).

Opponents of the FCPA and other anti-bribery legislation have long stated that the prohibition against American based firms to engage in foreign bribery and corruption for the purpose of obtaining lucrative business contracts overseas puts these firms at a competitive disadvantage with foreign based firms who routinely use bribery as a form of conducting business, and who do not face the same prohibitions (Kaikati & Label, 1980). However, according to Hinchey (2011), most companies are genuinely
interested in improving their corporate governance structures. Current research suggests that reducing bribery and corruption is actually good for business as well as the firms’ reputation (Verschoor, 2010). Firms with robust corporate governance structures that include specific anti-bribery and corruption measures are strong performers (Lin, 2010) that experience “50% fewer incidents of corruption” (Verschoor, 2010). At the same time, firms that rely on bribes are found to underperform their peers (that do not take bribes) for up to three years before and after the date to which the bribe is paid to win the contract (Cheung, Rau, & Stouraitis, 2011). This conclusion is a result of a recent study by Hong Kong Baptist University that analyzed 166 prominent bribery cases occurring in 20 stock markets over 52 countries worldwide involving 107 publicly listed firms where bribery to government officials was reported during the period 1971-2007 (Cheung et al., 2011).

External reputation and firm value are also found to be important concepts linked to corporate governance, bribery, and corruption. For example, study conducted by Germany’s Humbold-Viadrina School of Governance, revealed that reputation was a significant factor in deterring unethical behavior such as bribery and corruption (Ellis, 2012). The study defined reputation as the standing perception that a business owns among the public and/or a specific target group. The results varied according to culture with Latin America having almost two out of every five study respondents rating reputational consideration as the most important factor in motivating businesses to deter corruption (Ellis, 2012). Another study by Jo and Harjoto (2011) analyzed around 1100 firms to determine whether or not corporate governance and social responsibility positively influence firm value. The study suggested that strong corporate governance combined with corporate responsibility is able to manage the interests of multiple stakeholders and resolve conflicts of interest between shareholders and non-investing stakeholders by insuring sustainability via sound business practices, transparency and the promotion of accountability throughout the organization (Jo & Harjoto, 2011).

Finally, connecting social responsibility and corruption, Li and Ouyang (2007) revealed that there is a positive association between a company’s corruption prevention and its commitment to social responsibility. Lin (2010) further iterates that the concept of commitment becomes very critical since “the extent to which a company commits to social responsibilities will influence the effectiveness of its corruption prevention” (p.396). Corporate governance systems do not occur in a vacuum in therefore are highly influenced by external mechanisms including legal, social, community and environmental issues (Jo & Harjoto, 2011; Li & Ouyang, 2007; Lin, 2010).

Overall, as global companies experience increased pressure from the FCPA, OECD, BA and other anti-bribery laws, more scholars are examining how these companies could respond more effectively and with more certainty. Research indicates that robust corporate governance structures (with specific anti-bribery and corruption measures), a positive reputation, social responsibility practices, and a stable firm value could provide the needed support (Freeman & Hasnaoui, 2011; Robertson, 2009). Additionally, scholars and practitioners agree that to develop a balanced approach to corporate governance, it’s critical to cultivate an “ethical core” within an organization (Stachowicz - Stanush, 2010). With that, organizations can implement decisions with respect to bribery and corruption based on the continued development of this “ethical core” and not based on the fear of legal consequences.

Before considering the development of an “ethical core”, it’s important to discuss the mediating effect of culture on the perceptions and interpretation of ethical behavior. The following section explores whether there is a common ethical core or set of values across cultures and if so, whether it’s possible to build organizations that resist bribery and corruption based on this common ethical core.

ETHICS AND CULTURAL IMPLICATIONS

Culture is a combination of “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences among members of collectives that are transmitted across generations” (Alas, 2006, p. 238). Numerous studies revealed that culture influences individuals’ behavior (Adler, 2008; Javidan, Dorfman, Sully de Luque, & House, 2006). Studies also found that culture impacts leaders’ ability to develop and run corruption-free organizations
By focusing on culture, leaders can understand how diverse characteristics impact employees' values, thus, understand their ethical predispositions. One of the issues that this article explores is the possibility of developing universal approaches to deal with bribery and corruption. This is a complex question that will require further empirical investigation. However, at the same time, this article looks into relevant studies and culture-related frameworks to explore whether multinational organizations could rely on a universal set of values based ethical and moral principles to develop anti-bribery and anti-corruption strategies.

To this end, existing studies and cultural frameworks appear incomplete and contradictory (Adler, 2008; Alas, 2006; Yukl, 2012). For example, according to the “doing vs. being” cultural framework, universal approaches to creating an ethical core may not be possible (Adler, 2008). “Doing culture” found in most Western societies, sees itself as a dominant force over its environment where problems can be solved and issues can always be analyzed to come up with practical solutions (Adler, 2008). On the other hand, “being cultures” found in most Eastern societies, tend to believe that there are many issues and problems in their environments that “just are”, therefore it would be futile to try and solve them or analyze them indefinitely (Adler, 2008). This cultural theory of “doing vs. being” suggests that there may be some cultural limitations that could prohibit the development of a universal strategy to combat bribery and corruption in global organizations. Where Western societies may have confidence in the use of rules, regulations and laws to prohibit this type of conduct, Eastern societies, that value acceptance may view bribery and corruption as a “natural order” and thus be less disposed to enforce rules, regulations and laws in favor of more “relationship based” approaches.

Other sources suggest that there exists a universal core of basic ethical principles that are similar across many cultures. With that, global leaders might look very closely at the opportunity to create an organizational culture based on universal ethical principles that reject bribery and corruption as part of a robust corporate governance strategy. The most comprehensive study of culture to date has been the ongoing GLOBE project (Javidan et al., 2006). This study has reached across over 62 countries representing all major regions of the world (Javidan et al., 2006). The GLOBE project extended the five value dimensions of the Hofstede taxonomy i.e. Power Distance, Uncertainty Avoidance, Masculine vs. Feminine orientation, Individualistic vs. Collectivistic orientation and Long Term vs. Short Term orientation (Hofstede, Hofstede, & Minkov, 2010) to include such items as: Charismatic (integrity, decisive, performance-oriented), Self-protective (self-centered, status-conscious, face-saving), Humane orientation, Team-orientation (diplomatic, not malevolent, and administratively competent), Participative (not autocratic, delegative), and Individualistic (independent, unique) (Bass, 2008). As a result of extensive empirical investigations, the GLOBE project identified twenty-two universal positive attributes for leadership, including the nine most frequent: i.e. positive, trustworthy, just, dynamic, dependable, honest, confidence building, transparent and keeping others informed; and eight negative attributes, including ruthless, asocial, irritable, dictatorial, egocentric, non-explicit, non-cooperative and a loner (House, Hanges, Javidan, Dorfman, & Gupta, 2004).

Another significant conclusion reached in the GLOBE project is the differentiation between current practices or “what is” and ideal values or “what ought to be”. This distinction was created to determine if people were dissatisfied with current societal values and whether or not they desired to see change in the future. Multiple empirical studies conducted as part of the GLOBE study revealed that cultural differences between “ideal values” were actually smaller than the differences in “actual practices”. This finding suggests that the state of being that people think “ought to be” may be more universally shared across cultures than the actual state of “what is” practiced (Yukl, 2010). This finding is of critical importance for leaders who desire to discourage bribery and corruption in their organizations since it is these “values [that] form the basis for principles and virtues that are necessary to bring ethic principles into moral practice” (Alas, 2006, p. 238).

There are two seminal studies that support a universal values argument. The Denki Ringo study of cultural attitudes and ethical values collected data from respondents in 12 different countries to investigate individuals’ preference for a perfect society (Ishikawa, Mako, & Warhurst, 2006). Collectively, the respondents in this study described their ideal society as one where people are: 1)
provided with a good standard of living; 2) could cooperate with each other in solidarity; 3) could live life by observing well established values and ethics; 4) have highly developed social equality; 5) can develop lives with great opportunity; 6) have peace of mind; 7) can acquire the results of their own work; and 8) where social order was kept with minimal criminal offenses being committed (Alas, 2006, p. 239). Alas (2006) conducted additional research that compared the findings of the Denki Ringo study of cultural attitudes and ethical values with the GLOBE findings of “universally condemned negative attributes” and “universally accepted positive attributes” from the perspective of “what is” vs. “what ought to be” in the hopes of determining which (if any) characteristics of national culture indicated a higher value or “desired need” for ethics. The study split the twelve countries from the Denki Ringo study into two groups based on their ranking in the ethical value hierarchy. The first group of countries, China, Poland, Hong-Kong, South Korea, USA, and Hungary, was found to value ethics more highly. The second group, Japan, Italy, France, Finland, Estonia, and Spain, was found to value ethics less highly (Alas, 2006).

The Alas (2006) study found that countries whose societal practices ranked higher in the dimensions of “undesired practices” such as assertiveness, performance orientation, power distance, and in-group collectivism had a higher perceived “need” for ethics. The countries whose societal practices ranked higher in the dimensions of “desired practices” such as institutional collectivism, future orientation, gender egalitarianism, humane orientation, and uncertainty avoidance had a lower perceived “need” for ethics (Alas, 2006). This is consistent with GLOBE findings in that societies tend to “value” certain positive behaviors such as “ethics” when they perceive the “practices” for these behaviors are lacking, and value them less when they perceive that these behaviors are robust (House et al., 2004).

Although a single study, the research conducted by Alas (2006) makes an important contribution to understanding the potential for a universal ethical core. The study demonstrates that individuals across cultures “wish” for a society with more “desired practices”. In other words, if an individuals’ reality does not correspond to their ethical and moral wishes, those individuals will “hope” for stronger ethics that will help achieve a desirable moral society. Overall, Alas (2006) concludes that ethics and well established values are an efficient mechanism for achieving a “desired society”.

It is therefore plausible to assume that societies with high levels of “undesired practices” such as bribery and corruption are more likely to demonstrate a universal desire to have higher ethical standards to mitigate those “undesired practices.” According to previous research, societal cultural values and practices have a significant and strong positive relationship with organizational culture and practices (Alas, 2006; Bass, 2008; Bass & Steidlmeier, 1999; Hartog et al., 1997). Additionally, the GLOBE project demonstrated that culture impacts followers’ perceptions of leader effectiveness and, thus, influences leaders’ behavior within that culture (House et al., 2004). Gunia, Wang, Huang, Wang, and Murnighan (2012) claim that open discussion of ethical dilemmas within organizations without fear of retaliation supports and encourages ethical decision making and practices. Furthermore, a study of 561 firms located in 15 countries and five continents revealed that the integrity, values, and moral justifications for their actions that leaders communicate to followers were predictive to shape followers values and behaviors (Waldman et al., 2006). Overall, research and scholarly arguments suggest that if individuals of a society desire higher ethical standards in their organizations to mitigate bribery and corruption practices and if leaders identify, share, and act upon those ethical standards with their followers, mutual follower-leader synergies could become a foundation for a moral and ethical organizational culture (House & Jacobsen, 1999).

Since research indicates that leadership is intimately linked to the leaders’ personal values, leaders of global organizations could potentially use the universally positive attributes found in the GLOBE project (being positive, trustworthy, just, dynamic, dependable, honest, confidence building, transparent and keeping others informed) to develop organization cultures with more humane, future oriented, and egalitarian ethical principles (House et al., 2004). This strategy could help leaders influence the culture of their organizations towards an anti-bribery and corruption system and thus create an “ethical core” that resists bribery and corruption at all levels of the organization. Moreover, the inner climate of a corruption resistant organization could further encourage creative solutions, risk taking, and learning from mistakes as well as discourage in-group collectivism in favor of institutional collectivism (Alas, 2006). Therefore,
the creation of a morally righteous and ethically robust organization will be viewed as a competitive advantage rather than a legal compliance mandate that is forced upon them.

A group of scholars also argue that leaders are more effective in influencing their workforce if leaders’ actions are based on openness, respect, and ethical standards rather than on control and forcefulness (Alas, 2006; O’Toole, 1996; Viinamäki, 2012). It is important to overcome the “end’s justifies the means” philosophy that is often popular in many results driven cultures Viinamäki (2012) in favor of leader-follower relationships that center on trust and mutual respect (Alas, 2006). O’Toole (1996), for example, argues that trust, respect, promise-keeping, service, and faithfulness are all moral principles and that ethical decisions should not be contingent upon situation or circumstances, but should always depend on the core values and moral principles of the leader. O’Toole (1996) further warns that leaders who compromise their values based on the situations or contingencies they face run the risk of destroying employee trust that is necessary to maintain follower commitment to both the leader’s and the organization’s espoused values. Once this trust is lost, the espoused values of the leader and the organization lose their legitimacy (O’Toole, 1996). Overall, the literature concludes that values and ethics create a more stable and long lasting impact in the impressions leaders have on their followers and therefore offer a ‘warranty’ on sustainable integrity in their organizations (Viinamäki, 2012).

In conclusion, since the universal positive attributes, the universally desired vs. undesired practices, and follower-leader connection are consistent with Values Based Leadership (VBL) principles, this paper explores the VBL’s potential to create an ethical and value based corporate governance system in place of compliance systems to establish an organizational culture that naturally rejects bribery and corruption.

VALUES-BASED LEADERSHIP

Values-Based Leadership (VBL) is defined as the relationship between a leader and followers based on a shared commitment to ideological values projected by a leader (House & Aditya, 1997). The literature reviewed suggests that VBL has twelve core values, including trust, mutual respect, teamwork, empowerment, risk-taking, listening/feedback, self-reflection, balance/perspective, true self-confidence, integrity, and true humility (Hesselbein, 2011; Jansen-Kraemer, 2011; Latemore, 2005; Riccucci & Getha-Taylor, 2009). Despite the fact that VBL is a newly emerging popular trend in leadership, to date the framework has not been evaluated empirically. Although the article assumes this limitation, its focus is not on suggesting a specific study but on building an argument for the universal applicability of VBL to combat bribery and corruption.

According to O’Toole (1999), VBL is built upon a foundation of moral principles and values such as integrity, empowerment, and social responsibility. These values are advocated and acted upon by the leader, who clearly articulates a vision for organizational values that followers can believe in, communicates the vision throughout the organization, and institutionalizes the vision throughout the organization with everyday behavior, rituals, ceremonies, and symbols as well as organizational systems and policies (Daft, 1998). Leaders with a VBL style are said to govern by example and demonstrate ethical behavior in business while striving to strike a balance between doing what is right (ethics) and what is fair (justice) (Reilly & Ehlinger, 2007). Additionally, VBL focuses on making ethical decisions, maintaining moral and personal responsibility, having a sense of altruism, being honest and fair, making social contributions to others, and meeting obligations to multiple internal and external stakeholders (Osiyemi, 2006). Finally, VBL relies on the empowerment of decision making throughout the organization, in sharp contrast to transactional leadership practices where power is often concentrated at the top, and only a few individuals in the organization are involved in key decision making (Yardley et al., 2012).

Findings from the GLOBE study indicated that there is a strong endorsement of value-based leadership (VBL) across all cultures (House et al., 2004). The GLOBE Charismatic/Values Based Leadership framework suggests that effective leadership is not just a matter of the transactional exchange of rewards and punishments to influence behaviors but instead, on an emotional and shared sense of purpose between the leader and followers (House et al., 2004). It should be noted that the VBL concept...
contained within GLOBE was discussed as a partial construct combined with Charismatic Leadership. However, empirical findings suggest that the Values Based Leadership attributes found in GLOBE are desirable leadership attributes across all 62 countries studied.

Recent studies have revealed that ethical leadership practices positively relate to an employee’s willingness to report unethical behavior (Resick et al., 2011). Moreover, the literature also suggests that synergies can be created between the ethical leader and positive corporate governance structures by using values based leadership principles (Osiyemi, 2006). These ideological values relate to always doing what is right ethically, and are, therefore, expressed with the qualities of moral and personal responsibility, altruism, honesty, fairness, making social contributions to others, and meeting obligations to multiple internal and external stakeholders (Osiyemi, 2006). Finally, it is believed that value-based leaders can better endure uncertain and changing environments by aligning their own personal values and professional ethics with those of individual employees to match a firm’s organizational culture and commitment to integrity throughout the organization (Reilly & Ehlinger, 2007).

A living example of values based leadership was a situation where James Burke, CEO of Johnson & Johnson, ordered a very costly recall of Tylenol when cyanide had been inserted into some bottles “after” those bottles were manufactured. When it was concluded that even tamperproof packaging could not guarantee to make the capsules safe for the consumer, Johnson & Johnson abandoned the capsule permanently (Bass, 2008). To Burke, these actions were not only the right thing to do but were also consistent with his moral beliefs. In the long term, the trust and goodwill that Burke earned with consumers of Johnson & Johnson products, far surpassed the costs associated with the abandonment of the product (Bass, 2008). Another example of this type of value-based leadership was when Adrian Cadbury eliminated bribery of prospective international business deals by requiring that bribes be presented on all purchase invoices (including gifts). Cadbury followed a simple rule: if the appearance of the bribe, gift or other favor would be an embarrassment to the organization if its appearance was publically revealed, then it was not permitted (Bass, 2008). For both Burke and Cadbury, ethical actions were of utmost importance and when making business decisions. Their values were an example to the organizations they served, therefore, setting the foundation for an organizational culture that did the “right thing”.

Despite all of the positive scholarship suggesting that VBL potentially offers a universal approach towards the development of corporate governance strategies that resist bribery and corruption via an “ethical core”, VBL it is still a relatively underdeveloped theory using empirical standards. Additionally, VBL must continue to be tested across multiple cultures before a conclusion of its potential university can be reached. Cultural groups may vary in what they perceive as appropriate leadership characteristics and many of these perceptions are implicit in nature rather than explicitly defined (Den Hartog, House, Hanges, & Ruiz-Quintanilla, 1999). There have been a few studies that suggest Values Based Leaders in some countries could be viewed with suspicion and therefore VBL regarded as disingenuous (Den Hartog et al., 1999).

For example, Meng, Ashkanasy, and Hartel (2003) hypothesized that “Tall-Poppy Attitudes” common in Australia, (i.e. the distrust in leaders who “stand out”) would have a negative effect on the acceptance of values based leaders in that country. Although their hypothesis was not clearly supported, regression analysis using the commitment, effectiveness, motivation, and satisfaction survey (CEMS) did find that to some degree subordinate “Tall Poppy” attitudes were negatively related to values based leadership behavior. This study suggests that complex relationships exist between a leader and follower and the implementation of management practices (Meng et al., 2003). Therefore, before attempting to create a universal corporate governance strategy against bribery and corruption, more studies are needed to determine the extent to which value based leadership is effective across the cultures (Gannon & Newman, 2001; House et al., 2004).
CONCLUSION

This paper argues that the current trend of FCPA enforcement is ineffective because it is random, disparate, and unpredictable. In addition, the current practice of FCPA enforcement by the DOJ and SEC appears to diminish any apparent incentives to voluntarily disclose suspicious transactions. Based upon the literature examined, it appears that this practice will remain for at least the foreseeable future. Unless this situation is corrected, leaders of multinational organizations must realize that they cannot depend solely on (external) legal enforcement systems; and organizational rules and codes (internal systems) to effectively mitigate bribery and corruption practices within their firms.

Increasingly, more companies are targeting ethical leaders to instill positive values in their organizations. It’s believed that “ethical leaders have a long-term focus, are people oriented, and elicit pride and emulation among their employees” (Leonard & McAdam, 2003, p. 31). As Drucker stated, “Brilliance in executive leadership is highly overrated. While extremely helpful, it cannot overcome a lack of integrity in a leader because lack of integrity destroys people, an organization’s most valuable resource” (Maciariello, 2011, p. 45). Both practitioners and scholars advocate rethinking the role of a leader within an organization (Ladkin, 2010). They suggest that constantly questioning current organizational practices, learning from followers, engaging in self-observation, connecting to followers based on moral principles, and focusing on what leadership for what it “could be” (and not just what is) could help create synergistic organizations (Ladkin, 2010). These more reflective organizations would not limit themselves by merely following imposed rules, regulations, and codes but would act based on clearly identified and mutually shared Values Based Leadership principles. Moral and ethical principles that could become a morally centered “philosophical” base to govern these types of organizations.

The main goals of this article included (1) a basic understanding of the current legal approaches to mitigating bribery and corruption and (2) exploring the possibility of developing alternative universal and cross-cultural approaches. As this article demonstrates, developing universal tactics to mitigate bribery and corruption is a complex question that will require further empirical investigation. At the same time, according to research on ethics and values, global organizations might be able to rely on a unified set of ethical principles and well established values as an efficient mechanism for achieving desired ethical organizations.

The universal positive attributes found in the GLOBE project and the universally desired vs. undesired practices identified by Alas (2006) are both consistent with Values Based Leadership (VBL) principles. As the literature suggests, VBL could assist organizations in developing a strong ethical core and robust corporate governance strategy. Additionally, since ethical leadership was also found to be positively related to employee’s willingness to report unethical behavior (Resick et al., 2011), the literature suggests that follower commitment to a set of values based principles governing corporate governance strategies is likely to be strong.

Overall, an all-inclusive approach to create immunity toward corruption and bribery practices across the global could include an ethical leader with value-based principles who creates a strong governance structure by: 1) strengthening an ethical core of an organization, 2) developing a strong corruption-based organizational culture, and 3) inspiring and empowering followers to enact and follow ethical and moral principles (Stachowicz - Stanush, 2010). It is believed that Values Based leaders can endure uncertain and changing environments while aligning their own personal values and professional ethics with those of individual employees to match a firm’s organizational culture and commitment to integrity throughout the organization (Reilly & Ehlinger, 2007).

Wiersma (2011) cites a quote from Edgar Schein who pointed out that, “Culture is to the organization what character is to the individual. Character is about “being something” and organizational culture, should be [the same]" (p.47). Although bribery and corruption is inherent in all societies, this article suggests that the Values Based leader can use ethical and moral principles to build an “effective immunity to [bribery and] corruption by developing and consequently managing a positive corporate and organizational identity, which creates the moral frame for legal and ethical behavior of the organizational members and of the organization itself” (Stachowicz - Stanush, 2010, p. 45). Therefore, this article
advocates for more research to explore an all-Inclusive approach using Values Based Leadership to assist multinational organizations in developing corruption-free organizational cultures.

REFERENCES


Informal leadership is a subject of limited study and review. Organizational theory acknowledges its existence, but from a negative connotation. Transformational leadership presents a shift in leadership theory that attempts to incorporate concepts shown by informal leaders that display humanism and concern for followers. This casual recognition of informal leadership identifies the positive aspects and influence informal leaders have on an organization. The real difference between formal and informal leaders is the levels of accountability and authority. Formal leaders should maintain a strong relationship with the informal leader to ensure the greatest social capital, which aids in meeting organizational objectives.

INTRODUCTION

Informal leadership is a subject that has received little attention and is relegated to that of simple references in studies and articles involving leadership discussion (Antonakis, Cianciolo, & Sternberg, 2004). Recognition of informal leaders exists in documents through the ages, but with little to no understanding of their influence and power within an organization (Pielstick, 2000). Investigating the theories of leadership through a literature review should identify the comparison of formal and informal leaders and allow for the discussion of how to harness the powers of the informal leader power in order to improve production and morale within an organization.

DISCUSSION

The extensive literature on leadership identify the phenomena of leadership as an important concept (Antonakls, et al., 2004), but fail to produce a definitive construct of its nature (Antonakis, et al., 2004; Bass & Bass, 2008). This limitation hampers the understanding of informal leadership to the point that little research exists on the dynamics of a recognized important factor in organizational behavior (Doloff, 1990; Hall, 1986; Han, 1983; Pielstick, 2000; Robbins & Zirinshy, 1996; Senge, 1996; Sink, 1998; Weiss, 1978; Wheelan & Johnston, 1996; Whitaker, 1995). Specifically, informal leadership recognition appears only to be connected to the concept of small groups (Bass & Bass, 2008; Pielstick, 2000). However, the connection recognizes the interpersonal relationship dynamic and influence generated by the informal leader (Bass & Bass, 2008; Hoy & Miskel, 2005).
THEORY

Organizational theory defined the need for “fixing responsibility and authority, clearly defining duties and channels of communication, and providing order and discipline” (Wren, 2005, p. 249), but failed to grasp the concept of informal groups or the informal channels of communication, otherwise known as the grapevine (Crampton, Hodge, & Mishra, 1998; Newstrom, Monczka, & Reif, 1974). The theory does not recognize the positive power of these informal groups or channels; instead, it concludes that the informal groups and channels are disruptive and damaging (Crampton, et al., 1998; Newstrom, et al., 1974). De Mare (1989) identified that the informal communication channel composes 70% of the organizational communication and is up to 90% accurate. At this level of activity and accuracy, dismissing the potential influence is foolish. Communication within an organization is vital to share the vision, values, and beliefs as a method of establishing purpose for everyone involved (Pielstick, 2000; Wheelan & Johnston, 1996). In the absence of perceived formal leadership, followers seek individuals to fill the void (Doloff, 1990; Hongseok, Labianca, & Chung, 2006). Therefore, the absence of formal leadership and channels creates an environment where informal leaders and channels thrive.

Transformational leadership represented a shift in leadership theory (Bass & Bass, 2008) in that it attempted to resolve the lack of humanism and concern for followers from formal leaders, which is typically displayed by informal leaders (Bass & Bass, 2008; Hongseok, et al., 2006). The concept is to create alliances and cultivate inter-dependencies that lead to an elevation of follower’s self-interest for the good of the organization (Bass & Bass, 2008). This provides casual recognition of the good informal leaders provide to an organization through the emotional support rendered to followers for moral improvement.

Through the study of group social capital, Hongseok, et al., (2006) identified key aspects of the informal leader that could aid formal leaders in generating change and improving productivity. The first is recognition that subgroups, or informal groups, exist within an organization (Hongseok, et al., 2006). Second, they affect social capital and operations and the informal structure may vary greatly from the formal organization structure (Morey & Luthans, 1991). Third, informal leaders have access to power and can facilitate or impede change (Hongseok, et al., 2006). Fourth, informal leaders already earned the credibility and respect of followers (Pescosolido, 2001; Peters & O’Connor, 2001), which may affect the level of trust with formal leaders due to specific attitudes influenced by the informal leader (Butler Jr, 1991).

THE INFORMAL LEADER

The informal leader wields a level of control that formal leaders underestimate or ignore (Crampton, et al., 1998), but shares many of the qualities recognized in formal leaders (Pielstick, 2000). These include “intelligence, self-confidence, commitment, professional expertise, and perseverance” (Pielstick, 2000, p. 12). The difference is that informal leaders display higher levels of humility, fairness, and altruistic behavior, which leads to a higher inclination of team building and diversity (Pielstick, 2000). Further, the informal leader understands and relates to the needs of the followers at a level that the formal leader cannot compete with or may not comprehend (Hongseok, et al., 2006), which may identify one of the short-comings of transformational leadership theory. However, informal leaders can easily be defined as transformational leaders, but at a higher level (Pielstick, 2000).

The reason for the differences between formal and informal leader attitudes towards followers may lie in the level of authority and accountability. Informal leaders generally have little to no authority and limited accountability (Pielstick, 2000). However, informal leaders influence morale and opinions in that they “reach into every conversation, every meeting, and every decision made in an organization” (Peters & O’Connor, 2001, p. 37). This emphasizes the need to recognize, acknowledge, and work with informal leaders.

Informal leaders generally develop as individuals become central to organizational activities (Freeman, Roeder, & Mulholland, 1980). The development and intensity increases during times of
setbacks or unexpected tragedies as the developing informal leaders generate emotional support (Ibarra, 1993; Wellman, 1992). Hongseok, et al., (2006) states that there is a possibility that the formal leader and the informal leader are one and the same and as such tend to be leaders that are more effective. An argument exists that a formal leader cannot be an informal leader if the individual manages the same group due to the formal title and authority (Wren, 2005). This possibility can only occur when a leader has formal title over one group and is an informal leader of another within the organization. There is a probability that another informal leader will emerge from the group as the dynamics develop.

Having recognized and acknowledged the existence of informal leaders, organizations need to embrace these individuals to maximize their competitive advantage (Peters & O'Connor, 2001). As stated previously, informal leaders can facilitate change (Hongseok, et al., 2006) due to their existing credibility and respect (Peters & O'Connor, 2001). Further, they can help to remove the ambiguity in formal organizational messages, by revealing employees’ disbelief and misconceptions (McMurry, 1955). It is unlikely that a formal leader will maintain relationships with every member of a group, but must maintain a strong relationship with the informal leader of each group (Hongseok, et al., 2006). Additionally, by recognizing and engaging the informal leader, the dyadic relationship between the informal and formal leaders generates the greatest social capital and improve group performance (Hongseok, et al., 2006).

CONCLUSION

Informal leadership is a subject of limited study and review. Organizational theory calls for clearly defining structure and defining responsibility and authority, but fails to acknowledge the importance and the potential positive impact informal leaders and informal communication have on an organization. Transformational leadership provided a shift in leadership theory in that it attempted to instill a level of humanism and concern for followers. This provided a casual recognition of informal leaders and the part they play in an organization.

Through the study of group capital, informal leaders may improve productivity by recognition of key aspects. First is recognition that informal leaders exist. Second is that the formal and informal organizational structures may differ. Third is that the informal leader can either facilitate or impede change. Fourth is that the informal leader already earned credibility and respect, which could affect organizational attitudes and trust levels. Acknowledging these four points minimizes the potential of underestimating the control and power informal leaders have over followers.

Differences between formal and informal leaders may be due to the levels of authority and accountability. This allows informal leaders more latitude with showing levels of compassion and altruism to followers. Nonetheless, informal leaders must be recognized as leaders and as such, the formal leader should maintain a strong relationship to maintain the greatest social capital. This should greatly enhance productivity and aid the organization in meeting its objectives.

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Crossing Divides and Building Bridges: The Intergroup Leadership of Sardar Vallabhbhai Patel in the Integration of India

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This paper explores the intergroup leadership of freedom fighter and India’s first Home Minister Sardar Vallabhbhai Patel as he facilitated the political integration of nearly 600 diverse princely states in the wake of independence. While leaders such as Mahatma Gandhi and Jawaharlal Nehru are well known in discussions of leadership, the intergroup leadership of Patel remains an untold yet highly compelling lesson in how a leader can span boundaries and build bridges amidst disparate and divided groups to forge a path forward.

INTRODUCTION

Leadership in the twenty-first century requires not only a specialized set of skills, but a new mindset. Fundamental shifts in geopolitics, demographics, technology, and globalization, among other changes, call for fresh ways of seeing and understanding the world around us. Tichy & Bennis (2007) used a sporting metaphor to compare traditional ways of leading with the new thinking and practices these challenges necessitate:

In a way, the difference between life in the old-style organizations and in the new is the difference between golfing and surfing. These days, you need to be able to ride the breaking wave of constant change. There is no stopping to change your equipment. (p. 71)

Daft (2011) identified six paradigm shifts, indeed survival skills, today’s leaders need to avoid a ‘wipeout’ in an era of unrelenting disruption and chaos. These shifts include moving from an expectation of stability to managing change and crises, from control to empowerment, from self-centered to a higher ethical purpose, from hero to humble, from competition to collaboration, and from uniformity to diversity. The latter two changes in particular emphasize the role of the leader as a relationship builder who who possesses the courage necessary to span boundaries and cross divides. A central task of leadership is bringing people together around a collective goal in this era of the bridge builder (Eng, 2009).

The intergroup leadership of freedom fighter and India’s first home minister Sardar Vallabhbhai Patel offers a fascinating study for several reasons. First, Patel crossed boundaries and built bridges that spanned cultural, religious, ideological, and political divides, thus making his leadership instructive for contemporary leaders facing similar challenges. A second factor is that his leadership remains a largely undiscovered story, particularly in the West. While Indian leaders such as Mahatma Gandhi and Jawaharlal
Nehru are well known in discussions of leadership, Patel’s leadership, though equally compelling, invites further exploration in the literature. Thirdly, the momentous historical, social, and political circumstances in which he operated, highlights the complexity of intergroup leadership as well as its potential rewards.

When the British quit India in 1947, they left unresolved the status of nearly 600 princely states that now had an undefined relationship with the new nation. Despite being loosely held together by a formal administrative system during colonial rule, the political status of these states was left in limbo. Owing to the sheer diversity of the subcontinent, these princely states varied widely in terms of region, religion, ethnicity, and language, each possessing its unique cultural, social, and psychological identity. They were not declared to be a part of India nor Pakistan, and neither were they designated as independent entities. This undefined status complicated the political and social situation in the subcontinent, particularly in the bloody aftermath of Partition. Sardar Patel was given the daunting task of integrating these states into the Indian union and it was a challenge that he would meet in strategic and bloodless fashion through the principles of intergroup leadership.

In this paper I will explore Patel’s leadership in the integration of India as a model of intergroup leadership and adaptive work (Heifetz, 2002). According to Heifetz, when leaders face challenges where standard operating procedures and current knowledge are inadequate, an adaptive response is necessary. Intergroup leadership, as a form of adaptive work, requires a change in a group’s values, attitudes, and habits of behavior. We begin with an overview of intergroup leadership as an adaptive response and then examine three current models of intergroup leadership identified in the literature. We then turn to an exploration of Patel’s leadership in relationship to these models.

INTERGROUP LEADERSHIP: AN OVERVIEW

Intergroup leadership is leadership that brings different groups together in the service of a broader vision, mission, or goal (Pittinsky, 2009; Ernst & Yip, 2009). According to Forster (2009), “The study of intergroup leadership addresses the key question of how leaders mobilize and direct positive intergroup relationships despite internal or external ideological, cultural, or political divides” (p. 93). By its very nature, intergroup leadership envisages the future, as compared with a management approach, which tends to focus on maintaining the status quo (Pittinsky, 2010). Intergroup leaders seek to discover ways to span boundaries and dismantle silos rather than operating “within their box on the organizational chart, within the interests of their unit or team, and within the mind-sets of the demographic or cultural groups to which they belong” (Yip, Wong, & Ernst, 2008, p. 13).

The inclination to maintain internal group solidarity, sometimes based in “us versus them” thinking, often occurs in the presence of external threats and challenges. History is replete with examples of leaders who have intentionally exploited, indeed even created, intergroup differences as a means of leading (Pittinsky, 2009). Whether it be in Iraq, Yugoslavia, or Silicon Valley, divisiveness, scapegoating, and demonizing the ‘other’ has been perceived as an easier, more reliable method of arousing emotional response and rallying the troops. Leaders who employ a ‘divide and rule’ type strategy often recognize that “a common enemy, whether real or invented, can help them establish their credibility, define their constituencies, and motivate their followers” (2009, p. xiii). While such an approach might help foment intragroup cohesiveness, trust, and greater belief in the worthiness of the goal, it can concurrently sow the seeds for intergroup conflict, a phenomenon identified as the in-group/out-group tradeoff (Pittinsky, 2005). In this process, as group solidarity deepens, so too may stereotypes, groupthink, and a hardening toward the ‘other.’

Fortunately, leaders have the opportunity to employ an alternative strategy to address the intergroup challenges they will inevitably face. Leaders can choose to bring disparate parties together, helping build bridges that foster strength and common purpose, thus sparking a collaborative and creative response toward common goals. It has been asserted that this divergent and more difficult path is the need of the day (Eng, 2009; Yip, Wong, & Ernst 2008). Pittinsky (2005) offered this perspective, “Because the actions of the former group of leaders are so harmful and the success of the latter group is so important, the study of the intersection of leadership and intergroup attitudes is crucial to a science of leadership.
studies (p. 2). There is a growing recognition that effective leadership requires extending beyond the borders of the traditional leader-follower exchange to multiple groups. Traditional lines are being redrawn, some even eroded, as leaders seek to reach out to and collaborate with external groups and stakeholders across national, cultural, ethnic, and religious divides (Daft 2011; Hogg, van Kippenberg, & Rast, 2012, p. 232). Yip, Wong, and Ernst (2008) highlighted the synergy that develops when leaders catalyze subgroups and outgroups to achieve benefits far greater than they could realize by themselves.

INTERGROUP LEADERSHIP AS AN ADAPTIVE RESPONSE

The nature of intergroup leadership remains largely unaddressed in the leadership literature (Hogg, van Kippenberg, & Rast, 2012). Heifetz (2009) asserted that intergroup leadership is an adaptive response to the complexity of managing challenging relationships and identities across group boundaries. According to Heifetz, an adaptive response is required when organizations and communities face problems that cannot be bridged with prevailing knowledge or standard operating procedures because the solution lies outside of existing paradigms. By its very nature, an adaptive challenge extends beyond any technical fixes available through routine management approaches, making a leadership response necessary. Heifetz described adaptive work as that which involves “orchestrating conflict and discovery across group boundaries, regulating the disequilibrium those differences generate, and holding the parties through a sustained period of stress” (2009, p. 131). Adaptive work goes deep, challenging core values and existing mindsets, thus requiring “experiments, new discoveries, and adjustments...without learning new ways – changing attitudes, values, and behaviors – people cannot make the adaptive leap necessary to thrive in the new environment” (Heifetz, 2002, p. 13). Heifetz argued that “we need to explore intergroup leadership...because we face important challenges for which our current repertoire of strategies for managing relationships across group boundaries still does not suffice” (2009, p. 128).

Hogg, van Kippenberg, & Rast (2012), outlined three characteristics by which to evaluate intergroup leadership. First, intergroup leadership involves collaboration among formal groups or an organization toward a shared outcome. Secondly, it results in specific behavioral outcomes produced by the collaborative efforts of the parties involved. A third characteristic of this form of leadership is that the process transforms subgroup self-interest into cooperative intergroup performance. The intergroup leader seeks to bridge deep divides by building a sense of connection, shared values, and goals.

According to Hogg, van Kippenberg, & Rast, the notion of social identity is central to understanding the nature of intergroup leadership as the groups we belong to significantly influence cognitive self-appraisal in relationship to group membership. In an intergroup leadership approach subgroup members are encouraged to maintain a dual identity, that of their own subgroup alongside a superordinate identity that neither ignores or threatens the former (Hogg, 2009; Pittinsky & Simon, 2007). Pittinsky (2009) asserted, “Intergroup leadership honors that tension; it is concerned with bringing subgroups together without trying to eliminate their differences -- or even wanting to do so” (p. xvii). In light of this notion, intergroup leadership is measured by how well it “revolves around leaders’ ability to engender a sense of intergroup relational identity (i.e., self-definition in terms of one’s group membership that incorporates the group’s relationship with another group as part of the group’s identity)” (Hogg, van Kippenberg, & Rast, 2012, p. 233). How then does one effectively implement intergroup and adaptive principles to lead across group and organizational boundaries? We now examine three models that have been proposed in the literature and then Patel’s intergroup leadership in light of these models.

MODELS OF INTERGROUP LEADERSHIP

Pittinsky & Simon (2007) offered a model that includes five pathways for promoting positive intergroup relations. The first pathway involves encouraging contact between subgroups. This initial step of exposure among subgroups provides an opportunity to develop positive relationships, decrease prejudice, and mitigate stereotyping. Furthermore, because the leader is endorsing the action, such contact is often perceived as positive by subgroup memebers. (2007). The second step is managing
resources and interdependencies. Subgroups often compete for limited resources. When groups are willing to acknowledge the existence of a shared goal (or a shared threat) they tend to be more open to acknowledging the advantages of collaboration. The next two steps address social identity. Pittinsky and Simon suggested that leaders promote supordinate and dual identities concurrently, emphasizing the “we” aspect, while valuing subgroup identities. Honoring this tension involves a recognition that unity does not necessitate uniformity while recognizing benefits of social diversity such as greater creativity and innovation. Finally, Pittinsky and Simon recommend that leaders promote positive intergroup attitudes through increased cooperative interaction and increased perception of positive value or benefit from the other group.

Heifetz (2009) proposed a two-phase model of intergroup leadership based on his framework of adaptive leadership. In phase one, leaders form a “group of groups,” that is, a working group consisting of subgroup members who are willing to stretch beyond their in-group loyalties and work across boundaries to seek an adaptive solution (p. 135). In this first step, the leader stimulates a conversation around which persons and what issues to include. A balance is struck between exclusion and inclusion as the leader seeks to involve the right people while ensuring the presence of diverse perspectives. Heifetz described the significant commitment this requires, “New loyalties emerge among representatives working across boundaries, a process that often takes many months of confidential meetings...New loyalties anchor a new collective identity” (p. 135).

Heifetz’s (2009) second phase, the more difficult of the two, strikes a similar vein to Pittinsky & Simon’s (2007) notion of dual identity promotion. In this phase, members of the new working group return to their respective subgroups to advocate for and share the vision of the adaptive work. Heifetz noted that Phase II is where the majority of adaptive intergroup processes fail because “each ‘representative’ member must lead her own constituents in incorporating and refining the results of the group process, or else the deal unravels” (p. 135). In the process, representatives may face the charge of having ‘sold out’ to the other groups and then pressured to return to the status quo.

To ensure viability of this model, Heifetz recommends that representatives seek ongoing advice from the working group as they develop a coordinated plan to improve communication and the subgroup’s tolerance for change. Throughout this process of consultation, working group members must remain flexible and open to making adjustments, thus increasing the likelihood of subgroup members accepting and acting on the adaptive work. In the midst of this process, the intergroup leader continues to forge strong relationships among his/her fellow representatives which serves to “hold these factional representatives together despite the accusations that will pull them apart (p. 136). It is important to note that in both phases, the intergroup leader orchestrates the adaptive work yet places it back in the hands of the parties facing the challenge, a key aspect of adaptive leadership theory (Heifetz, 2002).

A third model, proposed by Kanter (2009), consists of six propositions by which leaders make productive use of differences to build bridges. Because this model encompasses several elements described in the other models, it will serve as a touchstone for discussing Patel’s leadership. The first of the six propositions, Convening Power, involves bringing different subgroups together to initiate structured conversations around the issue and find common ground. According to Kanter, this step builds energy through the clash of ideas. In the second proposition, Transcendent Values, intergroup leaders identify core values that serve as a framework from which to work together. Identifying a shared goal or a collective definition of success, for example, can serve as a motivating force.

The third proposition, Future Orientation, involves building a new, forward-looking identity while honoring personal history. According to Kanter (2009), “Effective intergroup leaders stress the future and, in so doing, create the basis for a new overarching identity that produces collaboration” (p. 79). In the fourth proposition, Important Interdependent Tasks, the intergroup leader identifies challenging tasks that present an opportunity for shared participation which serves to strengthen relationships. In Proposition five, Interpersonal Norms and Emotional Integration, the leader engages in conversations around codes of conduct and group norms. Ground rules around mutual respect, avoidance of blame-oriented language, and a proactive stance toward problems are established, all of which serve to fortify emotional bonds. Finally, in proposition six, Inclusiveness and Evenhandedness, intergroup leaders stress and demonstrate
inclusiveness among all parties, often through a significant investment in material resources that benefit everyone. This final proposition involves a degree of risk as leaders often face criticism from their own subgroup for these boundary-spanning gestures, yet the leader is encouraged, through these overt acts of generosity, to persevere in sending the message that everyone is valued.

Taken together, these models of intergroup leadership share much in common. All three emphasize the importance of bringing parties together physically as a means of bringing them together psychologically and socially. Each model emphasizes shared values, shared goals, and a future-orientation, while acknowledging and honoring individual history. In each model, the intergroup leader orchestrates the process, yet places the work squarely in the hands of the people. Each model also encourages leaders to conduct the process in an atmosphere of respect, moving beyond tolerance, to the active promotion of positive attitudes among the subgroups (Pittinsky, 2009). Finally, each requires that intergroup leaders be willing to take personal risks and tolerate unpredictability in order to realize the fruits of their work. With these models in mind, we turn to an exploration of the intergroup leadership of Sardar Vallabhbhai Patel as he crossed divides and spanned boundaries to integrate a nation.

SARDAR PATEL AND THE QUESTION OF THE STATES

Sardar Patel formed one-third of the triumvirate that helped modern-day India realize both national independence and integration. The historical contributions of Mohandas Gandhi (the ‘father of the nation’) and Pandit Jawaharlal Nehru (India’s first Prime Minister) in the Indian independence struggle are well known and have been recounted in numerous forms. The contributions of Patel, who played a leading role in the last and perhaps most critical phase of the birth of the nation, appear less familiar and even less explored. Patels influence, however, is of such significance that his monikers, such as the “Iron Man” and “Bismarck” of India, acknowledge his pivotal intergroup leadership on the world stage. Nehru described him as the “Builder and Consolidator of New India” (Krishna, 2007). The Manchester Guardian observed that without Patel, “Gandhi’s ideas would have less practical influence, and Nehru’s idealism less scope. Patel was not only the organiser of the fight for freedom, but also the architect of the new state when the fight was over” (as cited in Krishna, 2007, p. 2).

While an extensive exploration of Patels life is beyond the scope of this article, a brief sketch of for the sake of context may be helpful. Born as the fourth son of an impoverished farmer in the small Gujarati village of Nadiad, Patels early years appear marked by a love for education and a willingness to challenge the status quo, a characteristic attributed to the influence of his father (Krishna, 2007). Biographers describe him as a bold and outspoken student who frequently stood up for his classmates, even staging a walkout in the sixth grade when he observed a teacher misbehaving (2007; Saggi, n.d.). Patel desired to follow in his brother’s footsteps and become a lawyer, an expensive and difficult proposition considering his family’s lack of finances. There was, however, a policy in those days that allowed private candidates to sit for the public exam. Patel managed to save enough money to travel to England, and through disciplined self-study, borrowing books, and observing lawyers in local courts, managed to pass the bar. The two brothers took on a variety of cases and Patel soon developed a reputation as a successful lawyer. Patel soon became involved in local politics, helping resolve several community disputes in noteworthy fashion. A turning point in his life occurred when he attended a rally to hear fellow Gujarati attorney, and by that time well-known national activist, Mohandas Gandhi. Patel was so inspired by Gandhis message that he joined the Indian National Congress and the growing movement for independence.

Patel would soon play a key role in the first of what would become many of Gandhis satyagrahas (nonviolent resistance campaigns) including the historic Salt March to Dandi in 1930 (Saggi, n.d.). Krishna (2007) noted that Patel became the backbone of Gandhis agitations, describing him as Gandhis “John the Baptist” (p. 45). Patel helped the Congress party negotiate with the British, as well as the Muslim League, winning several victories along the way and impressing Gandhi with his political rhetorical, administrative, and organizational skills. Patel would, over the course of the freedom struggle, spend months in jail for his political activities. With Gandhis support, Patel was soon elected Congress
President in 1931 and Chairman of the Parliamentary Board in 1939. He was given the honorary title “Sardar,” by Gandhi, meaning “leader” or “chief.” He went on to hold other key roles, including being the Indian representative on the Partition Council and becoming the first country’s Home Minister. He also founded the Indian Administrative Services, a civil service entity that would help unify the diverse nation. The experience of working with and through the people around him helped set the stage for Patel’s role in helping integrate the nation in the wake of independence.

When India gained independence on August 15, 1947, the country was anything but a unified entity. The Indian union consisted of a variety of colonial territories and nearly 600 Princely States ruled by independent sovereigns loosely held together by the British political and administrative system. As part of their exit strategy, the British offered a plan wherein these princely states would become independent units free to negotiate their status. They proposed, in essence, the creation of a ‘Third Dominion,’ leaving these states with the choice of remaining independent, joining India, or the newly created Pakistan. This plan was ultimately rejected by the Congress party, leaving these states with an undefined status.

Amidst the complexities of Partition, the Congress party realized that the British proposal threatened the stability of the entire subcontinent and would lead to Balkanisation (Krishna, 2007; Menon, 1955). As proposed, the plan would leave issues of inter-state water rights, tariffs, trade, railways, and telegraphs unaddressed. Each entity could potentially be required to seek permission for the movement of goods and water through its territory. Furthermore, if war were to break out, the allegiance of these independent kingdoms was in question. In India’s view there was a potential for “these 600 states [to be] 600 sores in the body of India” (Shivaramu, n.d., para. 2).

As the new government struggled to formulate a response to this plan they turned to Patel for leadership. His fair, flexible, and efficient work on the Partition Council had won him the respect of all parties involved, including his fellow countrymen, the British government, and the Muslim League. In light of this confidence, and because of his key role in the peaceful transfer of power, Lord Mountbatten, the last Viceroy of India, appointed him the first Home Minister of the country, a move that met with the full endorsement of Gandhi and Nehru (Krishna, 2007; Menon, 1955). Furthermore, the British made a significant concession to Patel upon their exit, agreeing to leave “the question of the Indian states” in his hands as the Home Minister, and avowing that they would not interfere with the process (2007, p. 87). This critical agreement provided Patel the opportunity to negotiate with the rulers on a state-by-state basis.

The difficulty of Patel’s undertaking cannot be overstated, especially when one considers the diversity of the Indian subcontinent. Some territories such as Kathiawar contained 222 states, while others were less than two square miles. One kingdom contained 206 people while the state of Hyderabad was 80,000 square miles with a population of 17 million people (Krishna, 2007). Furthermore, each of the Princely States contained its own people-group, often varying widely in language, religion, and culture. Menon (1955) noted, “The Union was not homogeneous, nor could it be justified on any consideration — linguistic, ethnical or geographical” (p. 110). Pondering this intricate patchwork, Tharoor (1997) mused, “How can one approach this land of snow peaks and tropical jungles, with seventeen major languages and twenty-two thousand distinct dialects, inhabited in the last decade of the twentieth century by near 940 million individuals of every ethnic extraction known to humanity?” (p. 7). Tharoor noted that Churchill had a similar realization when he quipped, “India is merely a geographical expression. It is no more a single country than the Equator” (p. 7).

The political situation added yet another layer of difficulty. The Congress Party refused to recognize the princely states as sovereign entities and insisted that they must choose between India or Pakistan, barring any third alternative. Furthermore, Nehru was clear that if India decided to exercise a military option, the likelihood of a successful resistance campaign was slim. Nehru warned that any kingdom that chose not to join the Union could potentially be regarded as an enemy state. Finally, there was little in the way of unity among the princes themselves. Some of the smaller states felt a keen distrust toward the larger states, others were split between constituencies that favored joining India, while the ruler, for example, favored Pakistan; some of the princes harbored their own national and international political ambitions (Krishna, 2007). Recalling the discussion of intergroup leadership described earlier in this
paper, and particularly Kantor’s (200) six propositions, we turn now to an exploration of how Patel navigated this complex situation through his intergroup leadership.

THE INTERGROUP LEADERSHIP OF SARDAR PATEL

The first step Patel took in this arduous task was to meet with the princes as a group, something which he did soon after his inauguration as Home Minister. The decision for a group meeting is similar to Kantor’s first proposition of intergroup leadership, Convening Power, which involves bringing subgroups together, as well as the initial steps described by Pittinsky & Simon (2007) and Heifetz (2002; 2009). As a prelude to their meeting he made an appeal to the princes where he communicated his vision for the nation, hoping at the same time to allay their fears regarding the future and their place in it (Krishna, 2007; Menon, 1955),

Our mutual conflicts and internecine quarrels and jealousies have, in the past, been the cause of our downfall...We cannot afford to fall into those errors or traps again...The safety and preservation of the States, as well as India, demand unity and mutual cooperation between its different parts. (2007, p. 91)

Patel followed up his address with a personal meeting with the princes in December 1947. He encountered resistance from several of the princes at this meeting, yet Patel was both diplomatic and direct. He made it clear that the path forward involved compromise by all parties, thus acknowledging the loss that Heifetz (2002) described as a critical part of adaptive work. He also assured the group of his personal investment in the process, “I have come...not as a representative of the old Paramountcy or of any foreign power, but as a member of a family trying to solve a family problem” (Krishna, 2007, p. 95). This first meeting with the working group was one of many over the course of several months as Patel organized informal social gatherings among the various rulers as a venue for them to engage in dialogue about the future. It was in these meetings where loyalties were refashioned, boundaries spanned, and divides crossed in search of a solution. The working group would also gather for lunch meetings at Patel’s home in Delhi. At these gatherings Patel appealed to the shared values of patriotism, responsibility, and the enduring duty of princely rulers to care for their people. Though at times he encountered fierce resistance, delay tactics, and political brinksmanship, he continued to meet with the rulers at various times and places throughout the country. He was consistent in maintaining a call for unity and reconciliation. Eventually he was rewarded with many of the rulers agreeing to join the country through this forum of open dialogue.

Kantor’s second proposition, An Appeal to Transcendent Values, was another element of Patel’s leadership strategy. In a 1947 address, he spoke to the working group, recalling the noble history of the princes and the patriotism of their ancestors as they served the motherland. Early in the process he told the group,

This country with its institutions is the proud heritage of the people who inhabit it. It is an accident that some live in the States and some in British India, but all alike partake of its culture and character. We are all knit together by bonds of blood and feeling no less than of self interest. (Menon, 1955, p. 69)

Other core values he appealed to included the duty of rulers to care for their people, the responsibility of self-rule, and the legacy the princes would leave for future generations through their “unity, strength, and security” (Krishna, 2007, p. 97). On the whole, this values-based appeal would influence and shape the willingness of the majority of the rulers to join India.

Kantor’s third proposition, A Future Orientation, was another significant element of Patel’s intergroup leadership. In his meetings with the rulers, Patel frequently reminded them of the groundbreaking nature of their work. He encouraged them to take note of the winds of democracy that were now
blowing across the subcontinent. This future-oriented approach was not without its risks, however, as the idea of democracy threatened the very foundations of monarchy. Yet Patel reminded the working group of a newfound strength their people had found in their participation in the Indian freedom struggle. Patel articulated a picture of the future when he bluntly stated in one of his meetings with the working group,

I have met some Rulers today, and I have told them that they cannot carry on in the manner they did in the past. They must transfer their power to the people…They must move with the times. Let them cease to be like frogs in the well. These are the days of democracy, and the Rulers too must trust in their people. (Krishna, 2007, p. 95)

Kanter’s fourth element of intergroup leadership, Important Interdependent Tasks, was also clearly present in Patel’s movement toward national integration. A central task of adaptive leadership is turning the work over to the people (Heifetz, 2002). Patel backed up his appeals to the working group by providing them opportunities to exercise their experience and influence as leaders in the service of the nation. This was a particularly strategic decision as many of the princes felt uncertain about their role in the future of the nation. Patel helped allay these doubts by providing the rulers an opportunity to work for the greater good. After a brief standoff with the Maharaja of Jodhpur, for example, Patel won the vote of the ruler and subsequently offered him a position as an ambassador for the message of integration. The Maharaja travelled across the country conveying Patel’s message with a sense of enthusiasm and purpose (Krishna, 2007). Patel’s efforts in this regard were also seen after the resistance and then accession of the Nizam of Hyderabad to whom he wrote, “It is the duty of human beings to contribute their share to this process by sincere repentance and by employing the period that is left in discharging their duties to their people and to their God” (2007, p. 146).

Kanter’s fifth proposition, Interpersonal and Emotional Integration, is also evident in Patel’s leadership. According to Heifetz (2009), adaptive work entails losses that take a variety of forms, “…from direct losses of goods such as wealth, status, authority, influence, security and health, to indirect losses such as competence and loyal affiliation…People do not resist change per se; they resist loss” (p. 131). Patel recognized and acknowledged the loss the princes faced by acceding to India in several ways. Patel allowed the rulers to continue living in their palaces, enjoying many aspects of their previous lifestyle, thus choosing not to take a heavy hand in this matter. Patel gave a directive to his aides, “Do not question the extent of the personal wealth claimed by them, and never ever confront the ladies of the household. I want their States, not their wealth” (Krishna, 2007, p. 149). Patel’s commitment to this fifth proposition is also evident in his dealing with the few rulers that resisted his call to join the nation. In spite of fierce opposition from the Maharaja of Travancore, he wrote a personal letter to the ruler who was feeling increasingly isolated, “It is in my nature to be a friend of the friendless. You have become one by choice, I shall be glad if you will come and have lunch with me tomorrow at 1 p.m.” (2007, p. 99). By acknowledging the losses, building interpersonal relationships, and recognizing the emotional undercurrents involved in his radical call to change, Patel helped facilitate the emotional integration of the rulers.

Kanter’s sixth and final proposition, Inclusiveness and Evenhandedness, is evident in Patel’s magnanimous dealings with the princes, including those who immediately rejected any possibility of joining India. While Patel was able to win a majority of the states over in a relatively short amount of time, there were at least three states that maintained an active resistance. The southern Kingdom of Travancore was the first to resist, and as noted in the discussion of the fifth proposition, Patel appealed to the ruler by sending him a personal letter inviting him to a meeting to discuss the issue. The Maharaja initially rebuffed the offer and declared that he was preparing to open up diplomatic relations with other countries. In spite of this threat, Patel refused to give up and eventually convinced the prince to join the Union after what turned out to be several blunt discussions. Patel acknowledged his leadership and encouraged him to use his skills in service of the nation.

In the case of the Muslim ruler of Junagadh, a 96% Hindu majority state whose people were overwhelmingly in favor of joining India, it was discovered that the ruler was in secret negotiations to
join Pakistan. After several failed attempts at diplomacy, Patel decided on a show of force. He sent the Indian army to the state’s border, spurring the Nawab to flee to Karachi. Ultimately, India and Pakistan agreed to a referendum to decide the issue and the majority of the people voted to join India. Patel was lauded for his firm yet evenhanded approach to this problem as he avoided communal strife and achieved “a unique victory over Junagadh without causing loss of life and property…preserving the integrity and unity” of the state (Krishna, 2007, p. 128).

A third instance of Patel’s inclusiveness and evenhandedness can be seen in the way he willingly reconciled with the ruler of Hyderabad despite his machinations against the central government. In this case, the Nizam was secretly backing rebels, sending millions of rupees to Pakistan, and covertly harassing the Hindu population. After months of negotiation, Patel sent the Indian Army to the state to reestablish law and order. Within five days, the Nizam surrendered, order was restored, and Hyderabad became a part of India “with scarcely a shot being fired” (Tharoor, 2007, p. 179). In response to the surrender, Patel made a visit to Hyderabad in February 1949 and personally reconciled with the Nizam, offering him an opportunity to help build the nation, “Your great personality is a valuable asset for India at this critical period when the whole world is in turmoil” (Krishna, 2007, p. 146).

CONCLUSION

Through the exercise of the six principles of intergroup leadership, Patel proved to be a leader who crossed political, cultural, ideological, and religious divides. He brought diverse and divided parties to the table, appealed to shared values, oriented them toward the future, turned the work over to the people by providing meaningful interdependent tasks, acknowledged the importance of interpersonal and emotional integration, and maintained an inclusive and evenhanded approach. Patel’s leadership reveals a compelling example of leadership based on soft power, persuasion, dialogue, and adaptive work as central methods (Heifetz, 2009; Nye, 2004). He maintained a posture of listening, foresight, and vision to forge a nation which Nehru described as “a bundle of contradictions, held together by strong but invisible threads” (1946, p. 563). Patel discovered those threads and, amazingly, achieved the unification of the nation within a period of 18 months. It is important to note, that amidst his success, Patel sometimes faced criticism from his own party; there were occasions when he would clash with both Gandhi and Nehru as the three struggled to carve a path forward. Yet ultimately he avoided what could have been another violent and bloody chapter in the formation of the young nation through a combination of “firmness and generosity” (Tharoor, 2007, p. 179).

Kruschev acknowledged Patel’s leadership role when he remarked, “You Indians are an amazing people! How on earth did you manage to liquidate the Princely rule without liquidating the Princes?” (2007, p. 149). Lord Mountbatten described Patel’s work as “by far the most important achievement of the present Government…had you failed, the results would have been disastrous” (2007, p.149). Rotberg’s (2009) description of intergroup leadership as a choice between an old and a new way of leading harmonizes well with Patel’s practice of its principles providing both a model and a challenge for today’s leaders:

…the next generation…need not be schooled in the old ways. They can learn how to bring groups together and how to gain the benefits of such intergroup success. They can learn how advantageous it is to uplift rather than prey upon their peoples. They can learn how to unite them. (p. 168)

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Decolonization and Liminality: A Reflective Process for Research as a Cooperative and Ethical Practice

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A researcher working with a Native nation in Canada required an exploration and awareness of decolonization not only in her experience, but also in the progression of the research. She became aware that decolonization was important for the “settler” as well as those living with the impact of colonization. This awareness was both welcome and unwelcome as the researcher was plunged into “crossing the divide” and examining what she thought she knew. Decolonization is significant work and requires that liminal space to progress and allow beliefs, and perceptions to surface the difficult and at times uncomfortable feelings that come.

INTRODUCTION

Many of us would not dispute that leadership makes a difference in organizations, in communities and in the lives of people. But what is leadership and how is it defined in the literature? Many efforts to define leadership as a theory, a phenomena or perhaps a set of traits and behaviors have been exhausted only to find that there are at least four hundred definitions currently in the literature (Crainer, 1995). Joseph Rost (1993) made a valiant effort to suggest a definition of leadership and to progress the discipline by inviting scholars to agree. Scholars however, do not agree on its definition, and maybe that is one of the interesting aspects of leadership; we know it when we see it. Perhaps this is why leadership is frequently referred to as a social construction. Indeed there are new and advanced degrees in leadership emerging all the time which require ways to define leadership so it can be understood and developed or learned (Harvey and Riggio, 2011).

Much of the literature that reflects leadership or leadership development however, includes cultural perspectives that are mainly Western or Eurocentric. Some of the relational or collaborative theories of leadership that have emerged more recently, referred to as post industrial leadership (Rost, 1993, Dentico 1999); also reflect a Western based view though there is movement in these theories towards a more collective model of leadership that may be more similar to Indigenous views (Lipman-Blumen, 1996; Wheatley, 2008). There is little in the academic literature that includes approaches to leadership from Indigenous cultures, though there are a few notable contributions and this body of work is growing: (Kenny and Fraser, 2012; Makokis, 2009; McLeod, 2002; Ottman, 2005). Due to this lack of Indigenous leadership models in the literature, these views are then excluded from academics and leadership development programs. By excluding these Indigenous perspectives, the leadership theories that are taught assume a Western worldview rather than an integral approach including diverse perspectives.
A Study to Explore Indigenous Leadership

In order to elucidate the Indigenous view of leadership, a study was conducted that explored a Native nation’s, or Indigenous community’s understanding and practice of leadership. More specifically, the study focused on the leadership-related perspectives and practices found at the Blue Quills First Nations College (BQFNC) in Canada. The study was originally proposed as a multiple case study analysis which included the researcher interviewing Indigenous leaders, participant observation, and inductive code based analysis, somewhat expected in a qualitative research design. However, there was much that was not known—or found in the leadership studies’ literature, about the ethics of conducting research with Indigenous nations. During and following the study, a great deal was learned about the ethics involved in the cross cultural study, including the impact of decolonization on both the process of the research design, and on the researcher. Because this type of learning is intrinsic and generative, I will write more personally in some sections of this paper.

Due to the gap in the knowledge of research ethics with Indigenous nations, the process was unpredictable, lengthy and fraught with uncertainty. The timeline to receiving an invitation and/or authorization to conduct research with a Native nation evolved from a research proposal into a multi-year process of meeting people, getting to know them, waiting, establishing relationships, then waiting some more and ending up realizing that perhaps the research should not be done, or at least not be done by a non-Native person. Though the research design had met the approval of the Internal Review Board for the protection of human subjects at the Western university, it did not necessarily follow that ethical obligations had been met as required by the Indigenous Nation. More frequently, Native nations and institutions have established their own requirements to ensure the protection of human subjects.

Decolonization and Research

There were many starts and stops involved in conducting research or in receiving permission and gaining access to people who might want to participate. This unpredictability and uncertainty involved learning to work with a different worldview and some of that learning involved understanding decolonization. Linda Tuhiwai Smith (1999) in her work on Decolonizing Methodologies discusses the ethics of research and recommends questions that should be asked as part of the research process:

> In contemporary Indigenous contexts there are some major research issues which continue to be debated quite vigorously. These can be summarized best by the critical questions that communities and Indigenous activist often ask, in a variety of ways: Whose research is it? Who owns it? Whose interests does it serve? Who will benefit from it? Who has designed its questions and framed its scope? Who will carry it out? Who will write it up? How will its results be disseminated? While there are many researchers who can handle such questions with integrity there are many more who cannot, or who approach these questions with some cynicism, as if they are a test merely of political correctness. These questions are simply part of a larger set of judgments on criteria that a researcher cannot prepare for, such as: Is her spirit clear? Does he have a good heart? What other baggage are they carrying? Are they useful to us? Can they fix our generator? Can they actually do anything? (p.10)

Throughout the extended process, I began to realize that for the research to take place, I would need to consider alignment between the research and the process of decolonization. In other words, I started to become increasingly aware of the way that I was thinking about the research and approaching the work to be done. As a typical left coast, Western educated academic in the United States, I had learned the dogma of goal setting, eating an elephant (one piece at a time), and the corporate culture of networking and getting tasks accomplished. These skills had served me well in leadership positions and in academia. However, throughout this process, my consciousness was changing and I considered that I would need to operate in a different way. I had to become aware that I held certain mental models (Senge, 2006) about how to work with others that would have an impact on the forming of relationships and how the research
work would be negotiated with people from another culture. Many of my assumptions held that research is a linear and logical endeavor. I wondered, “How would these deeply held assumptions blend with an Indigenous worldview?”

Worldviews

For example, I recall an initial meeting with the Native scholar I would eventually be working with. For months I had reached out to her and her sister-in-law, both Indigenous professors, to schedule a meeting. Regardless of the emails or offers to call on the phone, nothing happened; nothing more than polite non response. When I finally had an opportunity to meet one of them, it happened very suddenly and the meeting was serendipitous—much like a coincidence. (A colleague heard they were in town being honored by the University and gave me their cell phone numbers.) To contact them, I was nervous because I had been trying to begin a conversation for quite some time. I called; she answered and suggested we meet that same afternoon. I had been emailing, and reaching out for over six months and then it just happened almost suddenly. We had a meaningful conversation; a meeting of the minds, and agreed to continue the discussion. When I shared my thoughts about our finally meeting after all that time, she understood my feeling and said, “Our Elders tell us, things happen for a reason; there are no coincidences.” In other words, I needed to learn to operate in a different way, to align my approach—my thinking—with Native ways as I was learning them, with Native values as I was experiencing them in order to approach the research in an ethical way. I learned that I could not force my will, that if the research was going to happen, I would need to learn to trust that it would. I needed to be willing to engage in this process called decolonization, in the research process, by surfacing my own deeply held assumptions and re-examining them, then learning about research with a different world view.

Over a two year period, relationships continued to form between the researcher and members of a Native nation at BQFNC on the ancestral lands of the Cree at Saddle Lake Reserve. Following a few visits, many conversations, and meals shared it was agreed by some of the Native Scholars that consideration would be given to the research proposal. However, it was stated clearly that members would make the decision collectively and that if access was granted, if permissions were given, Indigenous methodology would be used in a collaborative approach. The assumptions of a Western approach to research were being called into question.

The Meaning of Consent

In many Native nations, an individual consenting to participate in a study creates ethical issues because without the input and consent of the Elders and the consensus of the group, access could not be granted. This, in fact, is a major sticking point when Western scholars want to study Indigenous groups, according to Wilson (2008):

Basic to the dominant system research paradigms is the concept of the individual as the source and owner of knowledge. These paradigms are built upon a Eurocentric view of the world, in which the individual or object is the essential feature. (p.127)

This collective paradigm employed by many, and, possibly, most Indigenous groups is fundamentally different from the individualistic paradigm in most Western academic institutions. Because of the differences in worldviews, even the question of consent to engage in research is a completely different concept. Due to the different views of consent, both protocols, the requirements of the Indigenous nation and the Western University, were followed in order to comply with ethical requirements for the protection of human subjects. In addition, the Native protocols required relationships and stated intention that those associations to be ongoing.

Indigenous Research Ethics

Following another visit to Saddle Lake Reserve, more relationships formed and the opportunities to form friendships were plentiful. Though I looked for the right time to formally ask and receive permission
to conduct the study, I learned that the process would be more complex. In order to engage members of the Nation in any research interviews or dialogues etc., I would need to learn about and comply with the research ethics policy, ethics dialogue and perhaps a ceremony at Blue Quills First Nation College including honoring their Elders, their protocols and traditions. All of this, I would later learn, is incorporated into the ethics policy adopted by the Blue Quills First Nations College. That policy states:

To fully comprehend the ethics environment, researchers must commit to relationships, ceremony, and protocol within the institution and community which will provide the interpretation. The academy has come to our lands, and now it is time to teach the academy how to be in our lands. (p.1)

As the study progressed, issues emerged around appropriate and ethical ways to explore leadership in a co-researcher framework. Because much harm has been done to Indigenous groups by external researchers, any power differential or relational distance were issues to be avoided (Smith, 1999; Wilson, 2008). I would also need to understand the concept of relational accountability, “the sort of accountability that occurs naturally and almost unconsciously because deep relationships have been formed...that virtually prohibit a researcher from acting inappropriately or in a way that would harm the group he or she is studying” (Buchanan and BQFNC, 2010, p. 43). For Indigenous methodology, relationships are embedded with research and epistemology.

Throughout what became a negotiation of researcher roles, the concept of decolonization continued to be important. According to Smith (1999), “Decolonization is a process which engages with imperialism and colonialism at multiple levels. For researchers, one of those levels is concerned with having a more critical understanding of the underlying assumptions, motivations and values which inform research practices” (p. 20). As a result of this new understanding and realization, the process of learning and self examination for this idea of decolonization plunged the researcher into a liminal space of learning and development.

Decolonization and Liminality

Because I was familiar with the literature on Indigenous leadership, I had become acquainted with the ideas of decolonization and therefore it was not a foreign concept. However, as I traveled to Canada and to BQFNC to continue to form relationships and hopefully explore Indigenous views of leadership, I began to understand more personally and analytically the need to engage the cognitive and reflective work of decolonization. As I had understood decolonization it was the sometimes uncomfortable, difficult work of identifying when the dominant culture, including colonization has moved into your head and “made a nest.” When we operate from this “nest” we assume that we are entitled to the benefits of colonization and do not need to be aware of it, or to consider the impact that colonization has had on Indigenous peoples. It reminds me of Senge’s (2006) work on mental models—yet the process is not strictly an intellectual exercise. I assumed that decolonization was a process for Indigenous peoples and did not initially see how it impacted me as a researcher.

When I became aware of my own need for decolonization—I plunged into liminal space; the past ignorance was gone yet I was not familiar with what the future looks like (Turner, 1992, p. 132). Paulette Regan (2005), a non-Native researcher who also engaged this process described her experience;

It seems to me that there is this place of ‘not knowing’ that may hold a key to decolonization for non-Indigenous people. As members of the dominant culture, we have to be willing to be uncomfortable, to be disquieted at a deep and disturbing level — and to understand our own history, if we are to transform our colonial relationship to Indigenous peoples. For it is in this space of ‘not knowing’ and working through our own discomfort that we are most open to deep, transformative learning. The kind of experiential learning that engages our whole being – head, heart and spirit. (Regan, 2005, p.7)
It is in this liminal space that I was disturbed and felt uncertain about my own understanding; I pondered how to relate to Indigenous peoples and how to do the work of decolonization. At times I felt some resistance, the longing for these concepts to sort of go away and return me to a former state of ignorance. However, I realized that I must work to identify those mental models, that “nest”, that are the remnants of colonial oppression. This work is needed in order to progress, to be able to participate in an authentic dialogue with Indigenous people. This tension reminded me of the teachings of Paulo Friere (1990); “reflection and action upon the world in order to transform it” (p. 36). That process, in turn, helps to free me, and others, to see ideas in new ways and to consider new ways of approaching leadership. It was important for me to recognize my responsibility for the work and to not expect Indigenous people to do this for me. Monture and McGuire (2009) stated:

Colonialism, however, is not just about Aboriginal women [or Aboriginal men, for that matter]. We have our grief to carry about the oppression our ancestors and our relatives have survived. But colonialism also requires those who do the oppressing change. We acknowledge that many Canadians carry guilt over what has happened to Aboriginal peoples across the span of Canada’s history. And as much as we have had to carry our own grief, Canadians too must work through the guilt. This guilt is not (and cannot be) the responsibility of Aboriginal peoples. This is, we believe, a more profound responsibility than simply dealing with what academics and anti-racist activists would call “white privilege.” (p. 523)

The work of decolonization is complex, at times creating cognitive dissonance, at other times feelings of uncertainty and even detachment. Decolonization is significant work and requires that liminal space to progress—to allow beliefs and perceptions to surface the difficult, and at times, uncomfortable feelings that come. Grande (2007) writes,

To allow for the process of reinvention, it is important to understand that Red pedagogy is not a method or technique to be memorized, implemented, applied, or prescribed. Rather, it is a space of engagement. It is the liminal and intellectual borderlands where indigenous and non-indigenous scholars encounter one another, working to remember, redefine, and reverse the devastation of the original colonialist encounter. (p. 135)

However, as a researcher that strove to remain ethical, it is this reflection in action that ultimately led to a new sense of freedom and increased capacity to engage in relational accountability with Indigenous peoples. The work of decolonization is done in reflection, in relationships and even in research. As the research evolved, the Native scholars did agree to collaboratively engage in the research project to explore Indigenous views of leadership as long as good relationships continued, that the methodology would be Indigenous, and that the ethics requirements, including a dialogue, protocols and ceremony were followed prior to any data collection.

Following the original research, relationships are ongoing. As a result of the project, and not long afterwards, graduate students from the Western university were invited to engage in a Cree cultural immersion experience including Indigenous arts, ceremonies and talking circles among many other experiences. It is through these relationships that the most powerful process of decolonization continues, humanizing the other. And as a Kumeyaay Elder told me, “Well, we are all Indigenous from somewhere.”

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Green Responsibility: Integrating the Educators, Students and Institutes

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Perhaps the last two decades in the business world have been most tumultuous, eventful and controversial. For the first time in the Industrial history so many scandals and intolerant business behaviors have surfaced. Therefore, the need for the fundamental correction to the education ecosystem is echoing in the academic landscape across the world. Therefore, people all over the world have started doubting the very fundamentals of the education system particularly in the higher levels. At the same time they expect the academics to take the proactive role in mending the eroded business values and corporate responsibility. Today more than ever, the onus lies on the academic institutions to redraw the boundaries of business behaviors, and help create generations of workforce that would make businesses and governments more responsible and sustainable. A strong partnership involving the educators, students and institutes can make environment protection a culture; such alliance can also make environmental governance effective and sustainable. The paper aims at integrating the efforts of vital elements of the campus i.e. educators, students and the institute, which would make campuses the agents of change in sustainability and corporate responsibility. The paper envisions a model of synergy between educators, students and the institutes.

INTRODUCTION

A paper in Environmental studies and responsibility has little served the purpose of environmental sensitization and protection over the last couple of decades, since it was made mandatory in most centers of learning. The recent failures of the governments and businesses in protecting the world from recurring calamities and catastrophes has almost compelled the academics to rethink their processes and strategies of creating talent pools for future leadership positions. In wake of demand from various segments of the society, institutions of higher learning are grappling with challenges of keeping the curricula relevant and at the same time embedding green responsibility in it. Possibly the biggest challenge is to make the curricula appealing to the business which traditionally viewed business being very different from social and environmental responsibility. Traditional wisdom suggests divorce of business from statecraft and governance, and environmental protection and social sustainability being exclusive domain of the governments. Unfortunately even governments failed in delivering the results.

Environmental education for a longtime has been identified as a lifelong process of learning, action, and reflection. Its ultimate goal is to enable individuals and communities to work individually and collectively to manage the environment in a responsible manner (Bhandari & Abe 2002). Many organizations have adopted and used various definitions of environmental education. For example, the United Nations, in its Nineteenth Special Session of the General Assembly in 1997, described it as “education for a sustainable future.” The Commission on Education and Communication (CEC) of IUCN-
The World Conservation Union used the term “education for sustainable development” (Hesselink et al. 2000). The United Nations Educational, Scientific and Cultural Organization (UNESCO 1997) used the term “education for sustainability.” Other definitions used, such as in the Earth Charter Initiative, refer to it as “sustainability education,” “education for a sustainable future,” “education for the environment,” and “education for a sustainable society.” Since all entail a similar meaning, they have been interchangeably used in different contexts.

With regard to its definition, environmental education is seen as “the process of recognizing values and clarifying concepts” (Palmer 1998); “a process of developing a concerned, aware, and informed population” (UNESCO-UNEP 1977); “a multi-disciplinary approach to learning” (Ministry for the Environment 1998); “a life-long learning process” (ASPBAE 1996); “an interactive learning process” (SPREP 1998); and “a process of gaining awareness of the environment, and acquiring and exchanging knowledge, values, skills, experiences, and determination” (IUCN 1998). IGES’s Environmental Education Project defined environmental education as “a holistic approach to the learning process, whereby individuals and the community acquire the knowledge, attitudes, skills, values, and motivation to improve the quality of the environment and attain an ecologically and socially sustainable future” (IGES 2002).

In order to integrate the concept of sustainable development into education, United Nations conferences have emphasized the use of the term and concept “education for sustainability.” The Tbilisi Conference, set out three goals: (1) to foster clear awareness of, and concern about, economic, social, political, and ecological interdependence in urban and rural areas; (2) to provide every person with opportunities to acquire the knowledge, values, attitudes, commitment, and skills needed to protect and improve the environment, and (3) to create new patterns of behaviors of individuals, groups, and society as a whole towards the environment (UNESCO and UNEP 1977).

INITIATIVES IN ENVIRONMENT EDUCATION

Environmental education activities gained momentum in the 1980s (Fien and Heck 2000), including the collection, dissemination, and exchange of information, the publication of materials for use in curriculum development, teacher education, study-visits, demonstration projects, the development of a pool of experienced resource persons, and module development, etc. The impacts may be observed in the relatively high rate of adoption of environmental education in schools across the region. Other activities include the development of curriculum guidelines and new teaching materials, the revision of syllabi to infuse an environmental perspective, the adoption of entire school approaches to curriculum planning for environmental education, and the establishment of specialized environmental education centers (Bhandari and Abe 2000, 2001; Fien, Abe and Bhandari 2000; IGES 2002).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Chronology of Important Environmental Education Events in Asia &amp; Pacific.</th>
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<tr>
<td>2.</td>
<td>1989 - International Conference on Environmental Education in Goa, India.</td>
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<td>3.</td>
<td>1993 - SASEANEE launched by the IUCN/CEC and the Center for Environmental Education, Ahmedabad, India.</td>
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<td>7.</td>
<td>1996 - ASPBAE developed an Asian-South Pacific Framework for Adult and Community Environmental Education.</td>
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<tr>
<td>8.</td>
<td>1996 - The Asia-Pacific Training Workshop on Environmental Education and Sustainable Development in Brisbane, Australia</td>
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13. 2002 - IGES developed a Regional Strategy on Environmental Education in the Asia-Pacific.

Some countries have been quite active in environmental education. In Indonesia, for example, every state university has established a Center for Research of Human Resources and Environment (CRHRE) to promote teaching and training, research, and community services. In China, normal universities (dedicated solely to producing teachers) have established environmental education centers to provide training to master teachers (trainers of trainers), who in turn develop training materials and train facilitators, administrators, etc. Another interesting program in China, with millions of children participating, is the Hand in Hand Earth Village Project, where school students are involved in recycling materials; the proceeds from the sale of which are used to construct primary schools. Similarly, the Hope School Project and the Green School Project, also in China, are active in raising children’s awareness and improving school environments. As part of co-curricular activities, these schools are using primary school students to develop practical systems of garbage collection in some cities.

In Korea, four universities have each established a department of environmental education to train teacher educators. In order to nurture values and attitudes in students towards conservation, the Korean Department of Environmental Education runs an honored school program to facilitate the sharing and distribution of exemplary teaching modules and good daily practices of environmental conservation. The honored schools emphasize environmental education both in and outside of school. Also, since 1985 the Korean Ministry of Environment, in collaboration with the regional board of education, has operated the “conservation model” school program. Every two years the ministry designates eight schools as environmental conservation model schools and supports them in running co-curricular activities both in the schools as well as outside.

In Japan, the Ministry of the Environment established a network of institutions (such as public halls, centers, local institutions, schools, NGO facilities, etc.) to run local environmental education programs for communities and leaders in selected environmental education model zones across the country. Another popular program, Junior Eco-club, has been set up for children by the Ministry of the Environment to increase their awareness and participation in environmental conservation. Recently, the government implemented a new scheme, called the Period of Integrated Studies, in which students are given interdisciplinary exposure to subjects such as international studies, environment, welfare, and health.

In India, the government introduced a comprehensive course, titled “Our Land, Our Life,” in all schools and intermediate colleges in the state of Uttaranchal. Local communities were involved in the preparation of the course, which was designed to be holistic, locale-specific, and relevant to local conditions. In addition almost all educational institutes have courses in environment science at all levels.

In Tonga, the Ministry of Education has coordinated the Tree Project in primary schools for many years. In the earlier stages of the project, students were required to plant saplings for forestry purposes, but now the focus has shifted to planting rare and endangered plant species of cultural and traditional importance. This has made a tremendous positive impact on the survival of species on the verge of extinction.

**LITERATURE REVIEW**

Studies conducted by Blacksmith Institute show that 600 million people, mostly from developing countries, will die prematurely from exposure to industrial waste (Blacksmith Institute, 2009). Pollution
and drastic reduction of renewable material resources, far beyond the potential of their natural regeneration, have produced serious imbalances to the planetary ecosystem (EEA, 2006). Individual behavior pollutes to greater or less extent the environment, through daily activities or tourist consumption (Roberts, 2007). Environmental protection is a separate sector in the economy of human society, the concerns in this area covering any aspect of human activity (Klaver and others, 1999).

Compelling evidence indicates that anthropogenic climate change is subjecting the environment to untenable stress (Varotsos 2008). Rain forests are being denuded, Arctic ice is disappearing, glaciers and mountain snows are rapidly melting, coral reefs are bleaching, and, around the world, daily reports are made of an upsurge in the amount of extreme weather events, such as wildfires, heat waves, and tropical storms (Global warming 2007). Many theorists hold the view that sustainability should deal with a broad conception of justice that includes power relations, justice for indigenous people and gender equity (Verma 2004). Business educators need to raise awareness of alternative viewpoints so that practicable policies, which encompass the best of the various perspectives, can be devised by the business leaders of the future. The sustainable culture is impossible without understanding the concept of sustainable society development. Therefore interdisciplinary curriculum can provide students with a great opportunity to express themselves on the world issues (Bereiter 2003).

In the 21st century world, which still suffers from hunger, water shortage and wars, “education is not a luxury, is not even simply a right? It is a potential life-saving measure” (Bereiter 2003). Teachers are the driving force that can lead to real transformation in education by ensuring safe learning conditions, where people have the opportunity to experience a tolerant society in which declarations and concepts are illustrated in real actions. Such education is based on the awareness of the global nature of survival of the humankind and „the acquisition of internationally-oriented knowledge, attitudes and skills“ (Leinders, 2002:96)

Sustainable society development education acknowledges that higher schools are essential to laying the foundation for the transformation of society and the elimination of oppression and injustice. The underlying goal of this education is to affect society ”(Janssen & Osnas 2005)

Hesselink et al. (2000) argued that education for sustainable development (ESD) is a stage in the evolution of environmental education and has a strong link with social, political, and development education. The original goal of environmental education included changing behavior, understanding, knowledge, awareness, and skills. Over time, it has gradually moved to include other aspects. Through this, environmental education reaches the stage of ESD, where equity in quality of life, human rights, and environmental quality has become the focal point.

**THE GREEN CAMPUS PERSPECTIVE**

The proposed green campus is the integrated approach to unite the efforts of the major stakeholders within the institute. It takes into account the collective wisdom and effort of all stakeholders i.e. students, educators and the institute. The model integrates the share of contribution made by each of the majority stakeholders in making campuses as agents of change and education. The model envisages a gradual progression of a campus from a local change agent to a global player. The following figure envisages a pyramid of green responsibilities. It is assumed that the students form the bulk of any academic institute, therefore are also the crux of any change initiative and placed at the bottom of the pyramid, followed by the educators who are the enablers of change and finally the institute which has the ideological and resource allocator role.
THE CONCEPTUAL MODEL

FIGURE 2

EDUCATOR

- Green Supportive Curriculum
- Sensitization of Stakeholders
- Field Based Evaluation
- Empowering Students to Innovate, Plan and Implement
- Student Driven Green Campus
- Creation of Interest Groups

STUDENTS

- Connecting with Business and Governance
- Providing Academic Input
- Expansion Through Inclusion
- Building Responsible and Connected Alumnus
- Adopting Green Philosophy
- Providing Support Systems, (Men, Money, Moral etc.)

INSTITUTE

- Policy Framework
- Becoming Centre of Excellence
- Linking Appraisal and Incentives to Green Initiatives

SUSTAINABILITY

INSTITUTE POLICY FRAMEWORK

BECOMING CENTRE OF EXCELLENCE

LINKING APPRAISAL AND INCENTIVES TO GREEN INITIATIVES
**Educator**

- *Green supportive curriculum* – traditionally educators would compartmentalize the syllabi to isolate the subject from the rest by giving it a very distinct identity. This approach serves the academics and the society well until huge transgressions surfaced in governance and businesses. Therefore the need is to create generations within the campuses to roll out the green agenda for the society at large. It is proposed to have curriculums designed by the educators across disciplines to endorse the green responsibility and embed it into its basic curriculum be it law, sciences, business or liberal art education.

- *Sensitization of stakeholders* – an educator is the creator, nurturer and disseminator of knowledge and practice. Sensitization of stakeholders is the need of the hour on green responsibility and the onus is on the educator to ensure it reaches every nook and corner of the campus. The sensitization program can be either through the curriculum, training or field based practices.

- *Field based evaluation* – Conventionally most evaluation would be based on conditional reproduction of subject matter, with little scope for objective evaluation. So far there has been very little emphasis on grading behavioral transformations of a learner; hence there is insignificant effort from the learner to visibly demonstrate a changed behavior. It would be useful if educators can bring in field based evaluation systems to record contributions of a learner to towards the green campus.

- *Empowering students innovate, plan and implement* – for long academic innovation has been the exclusive domain of the educators and academic administrators. This has lead to the exclusion of very capable learner’s community from contributing pragmatic and innovative dimensions to academic governance. Empowering students to actively participate, innovate and implement green campus initiatives would make green events pervasive and contagious.

- *Student driven green campus* – empowering the learner’s community over a period of time will make such communities more responsible and accountable to green campus initiatives. It is proposed that a time should come when educators should remain just point of contacts and remote observers, leaving much of the green campus initiatives and activities to be conceived, designed, delivered and monitored by the learners, in other words moving from educator centered green campus to student driven green campus. The educator plays the most critical role in this transformation.

**Student**

- *Creation of interest groups* – having empowered the students will form interest groups to draw new green initiatives. Such groups would trigger a change as students start to believe they can influence and contribute campus governance, particularly green initiatives.

- *Connecting with business and governance* – perhaps the two most influential agencies in any society is the business and the government. So far the student’s stake has been very little in both these entities. Education for long has been kept away from government and business to help it grow autonomously unhindered by the prevalent corruptions of these two powerful institutions. With most unholy transgressions surfacing out of transactions between these two powerful institutions, students can certainly play a constructive role as advisors and interventionists to mend the ways the businesses and governments have been long behaving. Learners can increase interaction as advocates of a new regime.
• **Providing academic input** – not only the learners can provide inputs and add value to the business and the government, it can also add significant value to the curriculum and the existing practices. From insights gained from engagement with the business and government, they can help removing redundant knowledge and practices and help establish improved academic systems.

• **Expansion through inclusion** - by some estimate every nation has 5-7% learners in its population that includes university and pre university students. Making green campus activities and initiatives inclusive within the campus spanning all centres and its stakeholders and then reaching out to the learner’s universe. An inclusive expansion would mean higher bargaining power for change and general acceptability as agents of change.

• **Building a responsible and connected alumnus** – an alumni perhaps is the most credible asset that an learning institution can have, most alumni members join government or the business in some role or the other, a strong alumni would mean influence from both within and outside. Importantly a sensitized alumni can exert more moral pressure to behave responsibly.

**Institute**

• **Adopting green philosophy** – The onus of making green campus a way of life is on the institute. The institute being the macro entity, policy and philosophy flows from there. If green campus is to ever become a reality, the institute has to link its existence to green campus movement. More than anything green campus should be accepted as a part of philosophy not just a practice.

• **Providing support systems (Men, Money, Moral etc.)** – making green campus a part of institutional philosophy would entail commitment of resources to initiatives pertinent to green campus. Such commitment would mean enhanced budgets, pledging more people and importantly moral courage and support for events and activities of the green campus.

• **Policy framework** – a strong policy framework is needed for realizing the green campus. A strong policy framework would legitimize the efforts and formalize processes for effective implementation of the green campus initiatives.

• **Becoming centre of excellence** - The very logical step for any centre of learning is to become a centre of excellence. Though a long term goal, but achievable if done seriously. A centre of excellence can partner several activities including consulting, mentoring other campuses, partnering with government and businesses in roll out of their program among others.

• **Linking appraisal and incentives to Green Initiatives** – to make campus stakeholders committed and accountable the green initiatives ought to be incentivized and appraisals linked to green innovation and participation. A strategic alignment of organizational vision, people and green commitment can make a green campus inclusive and sustainable.

**CONCLUSION**

The future green responsibility depends on the attitude of the coming generations. They will define the relations between the campus and the business, society and governance in a variety of roles be it as a citizen, a customer, business leader or a layperson. The young generations are may be expected be more open and responsive to the social and environmental issues, promising thus more responsible campuses. Education needs to keep up with current and anticipate future developments and align its curriculum to the best extent possible with the demands of business while at the same recognizing its objective to educate students in a culture of sustainability and environmental responsibility. Therefore, the process of
reframing the education goals towards sustainability and more green responsibility is a broader and more pervasive task. The centres of learning must create value through tangible actions and responses to global changes. In addition, it is also imperative that methods of pedagogy should be continuously monitored and revised to reflect changes in the environment and social expectations and importantly making it student driven.

DISCUSSION

Studies in environmental policies propose an integrated approach that contributes to a higher quality of life and social well being of citizens. Integrated approaches to environmental protection through embedding the efforts of the stakeholders within the campus can lead to better planning and significant results. In sustainable education orientation, environmental protection, green responsibility, and total involvement need to be balanced against global trends of free trade, excess consumerism, globalization, individual ownership etc. It is, therefore, essential that dissonant voices in the sustainability discourse are heard (the responsibility of the business educator) and heeded (the responsibility of the student who becomes a business practitioner). The following words of Professor William Scott at the University of Bath in 2002 during his inaugural lecture emphasized the imperative of education for sustainable development:

“For societies and freely co – operating individuals to be free to choose right actions in relations to sustainability issues, they themselves need to embody the frames of mind, and enjoy the conditions which foster such choice. Thus schools and universities need to exercise their social responsibility and explore with learners what sustainable development might be – by doing this in ways that make contingent and contextual sense, without prescription or proselytization”.

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Effective Leaders are Ethical Leaders

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We are faced with pervasive anxiety about the ineffectiveness of many of our organizations, indeed all of our institutions: business, educational, political, etc. The failure we see in our organizations and institutions must be seen as a failure of leadership. In the long run successful organizations have ethical leaders. The reverse is also true. In the long run unsuccessful organizations have unethical leaders.

Concern about ethics not only in regard to leadership but also in all areas of our society has been growing for at least a decade. It is a reflection of the general state of moral ambiguity permeating western culture. Since western civilization has traditionally based its moral standards on religion, efforts to improve this problem without reference to it in our secular society have been problematic at best. Nonetheless any attempt to deal with ethics or morality given this reality must be done without reference to religion for the possibility of general acceptance. Compounding the challenge, we still have a very large segment of our culture that is religious. The dilemma then is to come up with an ethical system that is acceptable to both secular and religious people.

This article presents an approach to ethics that can be easily recognized and accepted by virtually all. It can be used to create a climate for developing high ethical standards among all people.

Many approaches to deal with the problem base their efforts on values. “Whose Values?” is the rapid response of the moral relativists who dominate our media and much of our culture whenever the question of character or morals is raised. This assertion, often loud, intending intimidation and generally condescending, stifles discussion of this vital topic. Meanwhile most would agree that we are living in deeply troubled times. Discipline problems plague our schools, moral failings contribute mightily to our economic, business and personal problems. Respect is ever harder to find and the quality of life in American culture generally is in a state of decline.

How then are individuals and especially leaders to deal with this debilitation state of affairs?

At the root of this problem is a logical fallacy: CATEGORICAL CONFUSION. The categories we are confusing are virtues and values. Frequently used interchangeably, they are not the same.

Aristotle tells us that the first step in logic is definition of terms:

VALUES ARE THINGS I WANT.
VIRTUES ARE BEHAVIORS THAT MAKE ME GOOD.

Values are relative. $10 dollars is a value. $50 is greater than $10.
Virtues are absolute. Kindness is always good. Responsibility is always good. Justice is always good, etc.
The knee-jerk response from the moral relativists is “Whose Justice?” Honest People can disagree over what is just in a particular case or under particular circumstances. People have been doing this at least since Plato wrote “The Republic.” Affirmative action is a good current example. Is it just or unjust? We disagree. But we do not disagree on the larger concept: justice is good. If we possess the virtues of tolerance and respect, we will disagree quite civilly. Lacking these virtues, we escalate a disagreement to a conflict. (Tolerance and respect, of course, are always good.)

The categorical confusion between virtues and values is extremely destructive. For example, many believe that freedom and responsibility should be in balance, as though they are of equal importance. They are not. Freedom is a value, something I want. Responsibility is a virtue, a behavior that makes me good.

Our culture has placed freedom before responsibility. The impact has been disastrous. Values should never take precedence over virtues. In fact, responsibility is more important than freedom. Without responsibility I cannot be free. The freest people we know are the most responsible. The greater my responsibility, the greater my freedom. The more irresponsible I am, the less my freedom. Is a drug addict free? Irresponsible people forfeit their freedom to their irresponsibility. They are the slaves of their own vice.

Responsibility is to freedom as light is to reading. Just as light is a necessary condition for reading, so responsibility is a necessary condition for freedom. Without light I cannot read. Without responsibility I cannot be free. For an irresponsible person, freedom is a curse. It is the means to their own unhappiness and problems they cause others.

Abraham Maslow was the first of the great modern psychologists to recognize that psychology was being practiced backwards. Psychologists were looking for the sickest, unhappiest people they could find and studying them to see why they were like that. Maslow observed that what we should be doing is looking for the healthiest, happiest people we can find and studying them to see why they were like that. His insight begins modern psychology’s escape from the determinism and pessimism of Freud and Skinner. He proposed a hierarchy of human needs with the happiest and healthiest people at the top. He called them self-actualizing people.

These people are not as rare as we might think. The existence of these people can easily be verified from your own experience. Think of someone who you know that you admire, hold in very high esteem, a happy successful person, an outstanding human being. Think for a few moments of how you would describe that person. Although I have never met the individual you are thinking of, I can describe that person to you.

**THAT OUTSTANDING PERSON IS:**

**HUMBLE**

**COURAGEOUS**

**SELF-DISCIPLINED**

**FORGIVING**

**GENEROUS**

**HONEST**

**HOPEFUL**

**JUST/ FAIR**

**LOYAL**

**MODERATE**

**PATIENT**

**PERSEVERANT**

**RESPECTFUL**

**RESPONSIBLE**

**SIMPLE**
Amazing! I can accurately describe the outstanding person that you are thinking of although I have never met him or her. Indeed I have never met you! Is there anything on the list of virtues not characteristic of your outstanding human being? I’ve asked this question of thousands of people. They all agree that their “outstanding human being” can be described by these virtues. The reason is quite simple. Outstanding human beings are virtuous people.

St. Patrick’s Day came again last March. I thought, “how many times in my life have people told me (Kelly) or clearly implied that I’m good because I’m Irish?” Hundreds at least. It’s not true. Irish doesn’t make me good any more than it makes me bad. I’m fascinated by all the current interest and effort in the area of self-image and self esteem. I hear things like, ” we’ve got to teach them their cultural heritage.” This assumes membership in a group with some cultural identity will cause a positive self-image. Group identification is a value, not a virtue. It doesn’t make me good any more than makes me bad. You’ll notice on my list of attributes of outstanding people that I do not include such categories as:

VALUES CONFUSED WITH VIRTUES:

MALE RICH
FEMALE POOR
BLACK ATHLETIC
WHITE GOOD LOOKING
YOUNG STYLISH
OLD ETC.

The above listed attributes do not make me good or bad and are randomly distributed among outstanding people as well as others.

William Glasser, in his landmark book “Control Theory,” identifies five basic human needs: physical, power, freedom, belonging and fun. In fact, these outstanding, happy, successful people in Glasser’s terms are “need satisfied”. Virtue is the means to satisfy my basic human needs. There is no other means. If I want to be happy, I must develop my own virtue. To the extent I am virtuous, I will be happy, free, belong, etc. Aristotle tells us, “If you want to be happy, be good.”

At the root of any human conflict is an ethical failure least one side. Someone has been impatient, disrespectful, intolerant, etc. Until we recognize this fundamental truth, we will continue our present precipitous political, business, educational and cultural decline. To the extent our culture is moral (i.e. virtuous) it will be a need satisfying culture. To the extent it is not moral, it will be a need frustrating culture. We must recognize that we cannot solve moral problems with political, educational or economic solutions. Virtue is the only means to successful leadership, personal growth and happiness, and social peace and justice.

We must understand the need to put virtues before values. When we put values before virtues, necessary consequences inevitably follow:
1. For individuals loss of self-esteem (I’m a bad person).
2. For leaders loss of influence and staff support.
3. For interpersonal relationships – lose of friendship, animosity, broken relationships (you are a bad person).
4. For international relations – wars, genocide, ethnic cleansing (you are a bad racial, religious or ethnic group, a bad country).

At the root of all of these unfortunate realities is an identifiable ethical flaw in at least one participant.

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