CRITICAL MANAGEMENT IN KNOWLEDGE ORGANIZATIONS

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**Abstract:** This paper uses the point of Socrates’ death to invite educational managers and management educators to reflect critically on practice. It offers ways and means of reflecting on actions using ethically-critical, socially-critical, environmentally-critical, politically-critical and globally-critical perspectives. It does this with special reference to the concept of value and the unique nature of knowledge organizations. A blend of Rawlsian egalitarian liberalism and Deweyan democratic and educative pragmatism is recommended to support all of these ways of being critical in management education, research and in practice.

Key Words: critical educational management, knowledge organizations, critical management studies, ethical management, socially responsible management, environmentally sustainable management, political management, global management, egalitarian liberalism, democratic and educative pragmatism

**INTRODUCTION**

In 399 BC, when Socrates had been found guilty of heresy and sedition, he was given the opportunity to plead for alternatives to punishment by death, such as exile, a fine or a period

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of imprisonment. His student (Plato, 1963) recorded that his first plea was that he be rewarded because his ‘crime’ - of teaching the youth of Athens how to reflect on the quality of their lives - was actually a positive contribution to the health of the state. Seeing the futility of this argument with the jury, his second plea was a non-plea - going into exile was pointless because he would face the same problem wherever he went, unless people and rulers came to understand the value of reflection, and independent and critical thinking. Once again seeing that the jury was unconvinced, his third and final plea, again a non-plea, was to point out that to accept being silenced by imprisonment would be to disobey a command from God to constantly examine the goodness of life. He concluded, therefore, that “an unexamined life is not worth living.” So, out of extreme piety and patriotism, Socrates decided to take the legally prescribed and lethal dose of hemlock in order to highlight the right and the responsibility of every citizen to contribute to society with independent and critical thinking.

This paper is for managers in knowledge organizations who wish to consider the implications of taking up their right and responsibility to reflect on and critically evaluate the nature of their own services, and for management educators who would want to support such learning. Knowledge organizations comprise the rapidly growing number of firms and institutions in the public, private and blended sectors internationally that (a) rely on knowledge as their raw material, (b) employ ‘knowledge professionals’ to process knowledge using information and communication technology (ICT), (c) deliver valued knowledge-based goods and services, and (d) achieve diverse returns on investment (Casey, 1995; Liebowitz & Beckman, 1998). Clearly, knowledge organizations sustain their development through the growth of
trustworthy knowledge. A distinctive feature of the growth of knowledge is that it is advanced by four interdependent and equally valuable forms of scholarship that often but not always follow a never-ending cycle of discovery, integration, application and teaching (Boyer, 1990). Discovery is disciplined investigation that creates new ideas and understandings, adding to the stock of knowledge. Integration is making connections across disciplines, in a disciplined way, in order to interpret, draw together and bring new insights to original ideas. Application is the responsible and rigorous application of knowledge to problems of consequence to people, institutions and peoples. Teaching is disciplined interaction between learners and teachers intended to build skills, understandings and dispositions, and to interrogate knowledge and trigger further inquiry.

Another feature of the growth of knowledge is that there are common criteria of quality scholarship in all four forms (Glassick, Huber, & Maeroff, 1997). The first is clarity of goals; basic purposes are clearly stated, realistic and achievable objectives are stated, and important questions are defined. The second criterion is the adequacy of preparation; prior scholarship is understood, necessary skills have been used, and appropriate resources have been deployed. Third is the appropriateness of methods; methods are appropriate to goals, effective use of the methods selected, and procedures have been modified to suit changing circumstances. The fourth criterion concerns the significance of results; the goals have been achieved, the outcomes are significant and new areas have been indicated for exploration. The fifth criterion concerns effective presentation and communication; there is a suitable style and effective organization used to present the outcomes, appropriate forums are used to communicate to intended audiences, and outcomes are presented with clarity and integrity.
Sixth, and finally, is the use of reflective critique; there is a scholarly and critical evaluation of outcomes, an appropriate breadth of evidence is used in the critique, and critical evaluation is used to improve the quality of future work. This is to emphasize that managers of knowledge organizations must have the strategic understandings, the tactical and technological skills and the disposition to lead the organization, administration and coordination of all aspects of policy making and implementation concerned with critical scholarship, on behalf of their governors, for their organization to flourish.

The upshot is that there are at least two prior but insufficient conditions for the effective management of knowledge organizations; managers who are organizationally-critical and epistemologically-critical. There are many other ways in which managers can be critical. Most managers acquire the techniques and arts of being financially-critical and functionally-critical early. Despite a rich folk lore and potential for improved artistry in management, demonstrably so in crisis management (Bathurst, 2007), relatively few aim to become aesthetically-critical. On the other hand, interest has grown steadily in a critical pedagogy in management education (Reynolds, 1998), with special interest developing in less hierarchical methods and potential pitfalls (Reynolds, 1999). It has been predicted that ‘critical management studies’ (CMS) will require a plurality of intellectual traditions and innovative engagements with management practice (Fournier & Grey, 2000). There have been calls for CMS to help management students recognize profound changes to the nature of competition in business and understand the historical, social, political, and philosophical traditions underlying contemporary conceptions of organizations and management, with a greater sensitivity to the emancipatory and transformational potential of practice (Dehier, Welsh, &
Lewis, 2001). Pragmatist critical management principles have been proposed to advance this largely socially-critical agenda (Watson, 2001). And while it has been claimed that the field of management education is moving from seeing a CMS as a ‘possibility’ towards adopting a posture of ‘refusal’ (Perriton & Reynolds, 2004), research has indicated that discontinuous ‘learning events’ trigger ‘higher level’ learning and inward critical self-reflection that are essential to the development of entrepreneurialism (Cope, 2003). Hence, assuming that the problem is not that people don’t want to help develop CMS, but don’t know how to, this paper focuses on forms of critique that are directly related to the role of managers in knowledge organizations, and thereby, to widen the scope of the CMS literature. To this end it introduces concepts, tools of analysis and criteria for evaluation that would assist managers to become more ethically-critical, socially-critical, environmentally-critical, politically-critical and globally-critical.

This paper has six sections. This introduction was intended to clarify purposes and to invite managers in knowledge organizations and management educators to accept the Socratic obligation. The next section examines how a manager might become more ethically critical, that is, by clarifying the different types of values that can be used to question and justify claims about management practices. A third section examines how a manager might become more socially and environmentally critical, that is, by introducing the ways in which a manager might deliver on financial, social and ecological accountabilities. The fourth section indicates how managers might become more politically critical, that is, by understanding the nature of political philosophy and practicing by a justifiable credo. The penultimate section suggests how a manager might become more globally-critical. The final section offers a
summary to assist learning in CMS, preliminary implications for practice, theory and research in management, and a philosophical justification that uses a blend of egalitarian liberalism and democratic and educative pragmatism.

**ETHICALLY CRITICAL PRACTICE**

Management practice in most settings involves having a decisive influence over the initiation of actions of others and events. Such practice is mediated by plural contexts; the history and current complexities of the situation, projections of options and consequences, and the personal philosophies and experiences of managers and those they manage. Management practice in knowledge organizations is especially mediated by a concern for the growth of knowledge and problem solving capacity, since they create improvements to the value-adding capacities and the relative sustainability of the organization.

Given the centrality and yet potentially oppressive nature of ‘creativity’ in knowledge organizations (Prichard, 2002), most stakeholders and those being managed will expect managers to link human creativity to well-being as an organizational goal, and therefore to be just rather than unjust, to make right there than wrong decisions, and to promote good rather than evil. To explain, there are three general ways in which ethically-critical management practice might proceed.

*Managing on principle*
While Socrates’s point in principle is relatively well know, what is less well known is that he and Buddha, Confucius and Jeremiah, the mystics of the Upanishads, Mencius and Euripedes, had together, between 800 and 300 BC, pioneered a new form of human experience that included a principled way of thinking (Armstrong, 2006). To clarify, none of these philosophers had interest in doctrinal or metaphysical ways of thinking, or in their followers becoming unthinking ‘believers’. All of them helped push out the boundaries of human consciousness to include a transcendental or non-empirical or spiritual dimension. And although all were reverently silent about their experience of this dimension, they did not regard it as necessarily supernatural and they did not seek to impose it on others.

Instead, as Socrates exemplified, they insisted that no one should take any religious teaching on faith or at second hand, to treat what people took for granted as provisional knowledge, and to test teachings empirically by relating it to personal experience. Their advice was that what you believed in matters less than how you behaved and lived your life. And to this end they all advised people to behave and live in ways that are compassionate, generous and supportive of peace and prosperity, and to abandon egotism, greed, meanness and violence. Respecting the rights of all beings as sacred was the essence of their spiritual ethos, not the orthodoxies of ‘being a believer.’ They offered principles to help people reflect critically on the quality of their actions, lives and community. I am attracted by argument, in more recent times, that such philosophical reflection can and should enable people to (re)create themselves in diverse communities that are bound together by common commitments that straddle their public and private lives (Rorty, 1989), and given the alternatives, trusting in
Rawls’ concept of reflective equilibrium during political decision-making in modern liberal democracies (Rorty, 1991).

**Managing rationally and intuitively**

It is unusual today for managers in business to turn to transcendental or non-empirical or spiritual sources to justify their practices (C. Jones, 1980). Nevertheless, many ethical ‘principles’ have endured, suggesting their continued utility. One example is the so-called Golden Rule of ethics; to ‘treat others as you would like to be treated.’ It has been shown to champion reciprocity in human affairs, require coherence between what is ‘desired’ and ‘desirable,’ and can be used to evaluate and improve behaviors on the bases of fairness and care (Gensler, 1996). This reveals two unique features of principles. First, they are not conceived logically through rationalism but through reflections on religious, existential and ideological commitments. Second, principles are given birth by the psychological processes that convert such commitments into a striving for action and change, rather than being gestated through rational appreciations of consequences and/ or the extent to which alternative courses of action are likely to be supported by others.

There is, of course, a third general approach to the ethical justification of management practice that is fundamentally different from principle-driven and rationalism-driven approaches. It is to make decisions on what feels good at the time, on personal preference, making an intuitive appreciation of ‘the facts of the matter.’ The basic psychological process triggering management action is the uncritical engagement of feelings, and in the absence of
ethical principle or rational appreciation, or even scholarly aesthetic evaluation, the process indulges the ego, takes the line of least resistance and makes a meta-value of expediency.

**Analyzing management values**

The moral evaluation of management practice, it follows, has two basic steps; the analysis and description of values in management practice, and then, arbitration on a justified basis. The first step, of conducting a values audit, requires clarity concerning the nature of value. I commend a particular model of the concept of value because it is based on the fundamental difference between ‘rightness’ and ‘goodness’, that is, between the ‘desirable’ and the ‘desired,’ and between deontology (rightness) and axiology (goodness) (Hodgkinson, 1978).

Rightness is concerned with what is proper, morally sound, duty bound and what ought to be. Goodness is about preference that comes spontaneously via impulse, immediate feelings about experience in the empirical world and innate dispositions (see Figure 1).

Figure 1: Analytical Model of the Value Concept

<table>
<thead>
<tr>
<th>“Right”</th>
<th>Grounding</th>
<th>Psychological Correspondences</th>
<th>Philosophical Correspondences</th>
<th>Types of Value</th>
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<td>VALUE</td>
<td>PRINCIPLE</td>
<td>CONATIVE</td>
<td>RELIGIONISM</td>
<td>I (transrational)</td>
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<td>CONSEQUENCES (IIA)</td>
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<td>EXISTENTIALISM</td>
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<td>CONSENSUS (IIB)</td>
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<td>HUMANISM</td>
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<td>PRAGMATISM</td>
<td>(rational)</td>
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<td>UTILITARIANISM</td>
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The model clarifies three distinct methods of justifying value judgments. Type III judgments are self-justifying since they rely on the uncritical application of personal preferences. They use values derived from an emotive psychological state without reference to social norms or principles in the wider context. In philosophical terms, using Type III value judgments coheres with the reductionism of logical positivism and behaviourism, employing the naturalistic fallacy of using evidence about what is to develop a claim about what ought to be, and allowing logic and science to suborn ethics and values.

Type II justifications are different in that they are derived from an appreciation of a social or organizational context. They are derived in two main ways; by appeal to consensus or to consequences. Both methods require rational analysis and cognitive projections, albeit to build agreements and count hands, or, to estimate the implications of probable outcomes. In philosophical terms, such reasoning tends to lead to an ethic of enlightened self-interest or some form of humanism embedded through compromise into a pragmatic system of moral imperatives.

Type I value judgments are different again in that they appeal to selected principles. As illustrated by Socrates, they are derived from a metaphysical position based on moral insight, religious revelation, or perhaps, an aesthetic sense of a personal drama. Since they can not be
logically or empirically verified, they tend to be absolutist in nature. Type I value judgments are therefore transrational in that they imply acts of will based on faith and belief, and sadly, can lead to the dangerous ethics of uncritical compliance or militant fundamentalism.

_Evaluating management values_

Once the values in practice have been mapped, evaluation can proceed. It ought to begin by questioning the assumptive base of Hodgkinson’s model, rather than allowing it to affect the rest of the evaluation without question. The first postulate is the values hierarchy. It indicates Hodgkinson’s view that Type I values are more superior, more authentic, better justified and more defensible that Type IIA values, and in turn, to Type IIB and Type III values. Having served twice as a CEO, and experienced power reconstructing principles, the hierarchy discomforts the rationalist sceptic in me. The second postulate is that the values in use tend to degenerate in authenticity or force over time. The third postulate is that people tend to avoid values dilemmas by resolving them at the lowest possible level. These postulates are based primarily on Hodgkinson’s deep regard for the moral leadership of visionaries throughout the ages and his acknowledgment that these principles have been degraded through uncritical use and moral laxity.

Two other objections to the model have been raised (Evers, 1985), neither of which undercuts the utility of the model for analysing values in practice. First, by definition, the model precludes any Type II or rational defence of a Type I value, and is therefore not able to arbitrate contested Type I principles. However, as Gensler’s defence of the Golden Rule of ethics illustrates, principles can be found to have rational basis. Ever’s second objection is
that the hierarchy of values is a moral judgment in itself without the theory of value involved being declared, although Hodgkinson did declare and justify a preference for neo-Stoicism on the grounds of aesthetic transcendentalism and scholarly modesty. The objections were rejected (Hodgkinson, 1986), first by referring to the incommensurability of value types. However, if they use different criteria and scales, how can they constitute a hierarchy? The second objection was rejected on what were claimed to be historically validated grounds; the ‘intelligent will’ is of a higher order than ‘the mind’, and that the mind is of a higher order than the ‘objects’ being sensed by the mind. While it is not entirely clear what ‘a higher order’ is, and how this validates the value hierarchy, Hodgkison’s general proposal is that the highly principled and ageless proposals provided by moral leaders, such as the Golden Rule, warrant profound (yet not absolute) respect. I accept this position on a provisional basis and limit my use of the model to analysis and description.

This takes the discussion to how to arbitrate values, with particular attention to organizational type and values, since they offer important but not exclusive bases for the purposes and legitimacy of management practice. As noted above, the knowledge organization is an organizational form that must value high quality scholarship related to the growth of knowledge and problem solving. Hence four postulates that I find congenial as to why and how management practices should be subjected to moral evaluation (Evers, 1987).

1. such moral appraisal is possible, desirable and should be conducted according to a moral theory that values problem solving and the growth of knowledge.

2. the moral knowledge used to make judgements needs to be understood as part of a person’s whole web of belief that develops according to the general principles that
govern the growth of knowledge. Hence, leaders can be appraised morally to the extent of the control they have over organizational life and learning, while taking into account the diffusion of responsibility, and the extent to which they make contributions.

3. since organizations face and solve problems through conjecture and refutation, their leaders ought to be educative, and therefore ought to be held responsible for the quality of organizational learning. The appraisal of educative leaders should therefore focus on the extent to which they promote the conditions for learning and problem solving in organizational life, as evidenced in the social relations of effective inquiry.

4. since effective inquiry requires learning through informed feedback and rigorous process, educative leaders should promote particular values; fair distribution of knowledge and access to conditions of learning, respect and tolerance for different viewpoints and experiences, and freedom of thought, inquiry and expression.

**A blend of Deweyan values**

This position is intrinsically Deweyan (Campbell, 1995); it is pragmatic, holist, rule consequentialist, non-utilitarian, humanist and non-foundational. To explain, it is pragmatic in that it makes all parts of the moral theory used open to revision and permits no absolutes. It is holist in that the principles permitting revision include consistency, coherence, comprehensiveness and the simplicity of the total web of belief involved. It is rule consequentialist in that it makes a general rule of using rationalist problem solving and the growth of knowledge as the touchstone for the evaluation of leadership practices, especially the extent to which they help determine long-term educative consequences. It is non-utilitarian in not being obliged to maximise benefits to all. It is humanist in the belief that it is
possible to live decently without religious and metaphysical certainty, with reasonable confidence coming from the condition that all knowledge and opinion remains open to correction. Indeed, the flourishing of colleagues in a knowledge organization is held to be dependent on open communication, free discussion, criticism and consensus without coercion. Finally, this position is non-foundational in that it remains deeply respectful yet sceptical of well-tried principles, allowing them provisional standing while rejecting any absolutism, while also relying heavily on tests for coherence between principles, the moral dilemmas presenting in the situation, the best possible estimates of consequences made by stakeholders as well as a subtle appreciation of precedents and risks.

Hence, ethically-critical managers in knowledge organizations ought to promote the continuing education of all members, seeing it as a strategic means of organizational learning that can blend science with aesthetics and cultural development with liberal democracy. The crucial conditions include freedom of thought and opinion, the full development of intelligence, applied research in science and technology, and a supportive organizational context characterized by liberal democratic social and political systems, and a socially-critical and environmentally-critical awareness of the external context.

**SOCIALLY- AND ENVIRONMENTALLY-CRITICAL MANAGEMENT**

The idea that managers should be held responsible using values external to their enterprise is not new. The concept of social responsibility in management was highlighted by research into the separation of ownership and control in the context of American capitalism (Berle &
Means, 1932). A new class of professional managers were then found to be acting as the stewards of the enormous resources controlled by large and vertically integrated firms. This stewardship was also being expected by owners to maximise profits and to serve the needs of an increasingly complex society. Since then, stewardship has accepted degrees of social responsibility and other ‘bottom lines,’ resulting in plural evaluation criteria for managers’ performances.

**Accepting social responsibility**

The justifications for managers accepting social expectations have since tended to be either ethical or instrumental in nature (M. Jones, 1999). The ethical justifications were derived either from religious or metaphysical principles or from prevailing social norms (Freeman & Gilbert, 1988; Goodpaster, 1984). After Hodgkinson, Type I advocates argued that managers must act in a socially responsible manner because it is the morally correct thing to do. Type IIA advocates agreed on the basis that managers should be held accountable for the consequences of the business sector controlling the bulk of society’s resources. Type IIB scholars believed that ethical behaviour is positively related to business performance, with many supporting such behaviour even where there was unproductive expenditures involved (Vogel, 1991).

Instrumental arguments for managers taking social responsibility tend to be based on Type IIA rational calculations that it will benefit the organization, at least in the long term. For example, accepting social accountabilities can position an enterprise to (a) anticipate political dynamics, (b) suggest alternatives to hostile government regulations, (c) exploit opportunities
arising from increasing levels of cultural, environmental and gender awareness, and (d) differentiate its products and services from less socially responsible competitors (Freeman, 1984). A Type IIB view would acknowledge that, while corporations have significant powers due to their resources, knowledge and influence, they also have more stakeholders than owners in mixed economies, and these internal and external stakeholders have moral (and increasingly legal) rights that means that their views and interests must be taken into account when refining policy.

Arguments against managers accepting social responsibility tend to be based on the concepts of property rights and organizational efficiency. For example, it was argued (Levitt, 1958) that not-for-profit organizations exist to deliver social responsibilities and that managers of large private sector corporations do not have the time, expertise or mandate to levy a de facto tax on the shareholders in order to deliver and account for social outcomes, which is, in any case, more properly the responsibility of democratically elected politicians. Allowing or encouraging managers to change their institutional role according to principles of social responsibility is to allocate inappropriate power without democratic accountability. Other attacks were even blunter; managers had no legal or moral right to do more than act as the owners’ representative, and ought to focus on increasing shareholder values while remaining within the law and respectful of social conventions (Friedman, 1962, 1970).

**From single to double and triple ‘bottom line’ accountabilities**

Despite these objections, the concept of management accountability has broadened and globalized. Traditionally, managers accounted to owners for changes to the ‘bottom line’ of
profit or loss over a period of time. They accounted for variances to budgets regarding the components of the ‘Accounting Equation’, that is, \( \text{Assets} + \text{Expenses} + \text{Disbursements} = \text{Liabilities} + \text{Owner Equity} + \text{Revenue} \). Wherever owners started asking managers to account in any sense for indications of the ‘social return’ on their investment, it inevitably triggered attempts to develop a ‘double bottom line’ accounting methodology. Binary thinking followed about the nature of value so created; it could be either economic, as created by for-profit companies, or social, as created by not-for-profit or non-governmental organizations (NGOs). This binary thinking finally collapsed when a ‘blended value proposition’ was proposed that assumes that all organizations create value that consists of economic, social and environmental components (Emerson & Bonini, 2004). Hence ‘triple bottom line’ (TBL) accountability conceived wider responsibilities to ‘stakeholders’, rather than just to shareholders, with stakeholders defined as anyone who is influenced, either directly or indirectly, by the actions of an enterprise (Elkington, 1994, 1998). The proprietary rights of owners were thereby diluted by the political rights of stakeholders, and wherever it was implemented, governors and managers had to articulate and balance the scope of stakeholder interests against shareholders’ interest in financial returns on investment.

TBL has been challenged on at least four grounds (Norman & MacDonald, 2004). First, is it possible to measure and audit social performance and impacts, and then aggregate them convincingly into a net social “profit/loss”? Where is the evidence that measurement leads to social performance and to better profits? What is the justification for obliging firms to demonstrably maximize or improve their net positive social impact and be transparent to all stakeholders? Given the incommensurability of the scales used to measure financial, social
and environmental values, does this not impose severe limits on the degree to which trade-offs can be calculated?

Nevertheless, the globalization of socially- and environmentally-critical management advanced steadily from 1987 when the United Nations adopted a policy of sustainability to stress inter-generational justice and the changes required in national politics (UN, 1987). TBL has since become an international socio-political movement challenging reactionary nationalism and promoting values and criteria for measuring organizational and societal success in terms of economic prosperity, social responsibility and environmental sustainability. It was formally adopted by the UN in 2007 as the standard for urban, community and public sector full-cost accounting, with similar standards endorsed for the measurement and reporting of natural and human capital and ecological footprints.

**Emergent evaluation criteria**

Four broadly compelling justifications for TBL could well become evaluation criteria for socially-critical and environmentally-critical management. First, it proposes a methodology for establishing social and natural deficits as a basis for national and global fiscal policies that would eventually achieve global monetary reform. Second, and clearly, global reform is needed urgently to avoid a catastrophic breakdown of nature’s services. Third, such reform is becoming technically possible, given the emergent consensus regarding (a) full-cost accounting, natural capital and social capital, (b) formal metrics for ecological and social loss or risk, and (c) an evidence-based understanding of how communities rely on contributions of volunteer and professional capital in addition to financial capital. Fourth, parallel studies
of nature’s services are also providing evidence-based metrics of the ‘value of earth’ and ‘value of life’. For example, the Kyoto Protocols and Euro Currency Integration processes appear to have provided the ‘first generation’ steps towards the standardization of units of accounting and global ecosystem reporting, with international liabilities and benchmarking (Milne, Tregidga, & Walton, 2007).

Despite broad international agreement on the value of fair social conditions and the sustainability of the environment, there are five main criticisms of the TBL (Bendell & Kearins, 2005). First is that TBL embodies naïve functionalism; it blurs the efficiencies and distributable surpluses that have been gained through deliberate divisions of labor, concentrations of expertise and resources, and the specializations of enterprises. It could force plural accountabilities on organizations outside of their areas of expertise at cost to efficiency. Second is that TBL has undervalued the role of Adam Smith’s Invisible Hand and the need to keep faith in the creativity of free individuals in private enterprises in a mixed economy. Third, TBL is politically naïve in that it underplays the role of nationalism and nation states, where the plural interests of citizens are arbitrated as policy settlements with the active political engagement and support of many sectors. Fourth, TBL is globally naïve; simultaneous global policy agreement and implementation is unlikely to overcome political inertia centered on nationalism and could render agreements unenforceable. Fifth, TBL is currently still too complex to support business, government and global decision making, especially if it is to be implemented through reforms to a global economic system that will continue to be monetary-based.
With these cautions in mind, it is recommended that socially-critical and environmentally-critical management focus on (a) correcting social and natural deficits, for example through national and global fiscal policies that might contribute to global monetary reform, (b) urgently accelerating environmental interventions, initially to correct global warming, and (c) standardize global units for accounting and reporting international liabilities in ecosystems.

**POLITICALLY CRITICAL MANAGEMENT**

Capitalism is an economic theory or system based on the private ownership of the means of production, distribution and exchange. It is characterized by the freedom of capitalists to operate or manage their property for profit in competitive conditions. In contrast, socialism is an economic theory or system in which the means of production, distribution and exchange are owned by the community, usually through the state. It is characterized by production for reasonable use rather than profit, by equality of individual wealth, by the absence of competitive economic activity, and, usually, by government determination of investment, prices, and production levels. Political theories tend to depict capitalism and socialism in dualistic terms; either as potentially productive and liberating or as destructive and oppressing. This dualistic approach to analysis has been be extended to the weighing of benefits; business or society, owners or employees, property rights or human rights?

**Resolving dualisms**

Such dualisms are increasingly obsolete; most countries have mixed economies comprising privately, publicly, jointly-owned and voluntary association-owned enterprises. Different
stakeholders have different interests and objectives and their cooperation in an organization can be provisional or temporary. Whose interests and objectives are met and whose are not in most organizations also tends to be a matter of power internally as well as in the wider host society, and a matter of degree. In a capitalist society, most power resides with the owners of capital and their representatives, the managers. In a democratic society or public organization, most power resides with those with a significant voice in policy making, and their representatives, the managers.

These ubiquitous managers, however, confront four dilemmas in complex democracies or organizations with mixed economies. One is how meaningful democracy is in situations where most economic resources and powers are concentrated in a relatively small number of firms, households or individuals (Bowles & Gintis, 1985). Another is how meaningful ownership is in situations where the views of many stakeholders have to be taken into account (Lindbloom, 1977). A third dilemma is the extent to which government should intervene to ensure that the plurality of interests is represented in policy decisions (Barrow, 1993). A fourth is the extent to which business, social, environmental and global interests should influence governments in democratic countries or organizations (Miliband, 1969).

The result in most countries is a symbiotic relationship between government and business that has at least six dimensions. The state is dependent on economic activity for tax revenue to fund its programs and payroll. Second, government and business share a ‘political reality’ where re-election chances correlate with the economic climate that provides for growth in income and employment and controls inflation. The support and goodwill of the business
sector is crucial to maintaining this climate. Third, since key personnel in government and business interchange over time, and the business sector retains control over far more resources than any other sector, there is a convergence of organizational structures and rationalities between major societal institutions and corporations. Fourth, this convergence is mediated by the plurality of interests in the business sector due to differences in sector, size and position in domestic and export markets, with different positions on market liberalization, antitrust enforcement, currency valuation and government subsidies. Fifth, and on the other hand, businesses tend to have similar views on the basic institutions of state, specifically private property, wage labour and managerial prerogative. Sixth, and finally, once party political ideologies, electoral mandates and ministerial responsibility have been synthesized as portfolio policies, the managers of public institutions and private-public partnerships are delegated authority and responsibility and held accountable for implementation. In general, whatever the sector, managers exercise power legitimised through forms of governance. They manage people at work using forms of organization, including forms of coercion, all of which can reasonably be expected to be justified using politically-critical analysis and evaluation.

**Plural political philosophies**
A range of political philosophies have developed over time to interpret the econo-political context of management and to propose the focus of appraisal. A few can be noted here. Marx proposed historical materialism (Tucker, 1978), that is, history defined as struggles between classes, the ‘state’ as an instrument of oppression by one class over another, with changes in the economic infrastructure causing changes in the institutional and ideological
superstructure. He therefore expected managers to serve the leaders of a revolution that would replace the capitalist state with a dictatorship of the proletariat, followed by a withering of the state. Mosca proposed elitism (Finocchiaro, 1999) on the grounds that the nature of human social life makes true democracy impossible to attain and, indeed, may enable anarchy. Hence, he argued, political decisions are inevitably in the hands of an elite and organized minorities rule their host societies. He called for the development of democratic political systems that use the principle of ‘juridical defense’ to prevent any person, class, force or institution from dominating others. Bakunin argued openly for anarchism (Miller, 1984), taking the view that the individual is sovereign, authority is an unjustified repression of will, and that attempts to resolve individual and common interests through institutions of the threat of force are futile. He called for resistance against coercion and for managers to facilitate the development of non-governmental collectivism based on voluntary co-operation without private property or religion, and with rewards according to contribution.

All such ‘grand narratives’ were rejected by post-modernists (Lyotard, 1979) who saw an open multiplicity of incommensurable language games in society and declared that the values of enlightenment, critique and rational consensus were redundant. Post-modernism requires managers to assist with the development of many first order, natural and pragmatic narratives as the touchstone of democratic freedom. Libertarians disagree and argue instead that, since individual will and initiative had created the economy and social life, it is important to protect the rights of individuals, and develop processes incrementally that demonstrate the appropriateness of piece meal actions taken independently of conceptions of final outcomes.
(Nozick, 1974). Managers are, therefore, to have a minimal role in developing a minimal state in support of self-determining individuals in free-market capitalism.

In sharp contrast to both post-modernism and libertarianism, communitarianism values social life, identity and relationships, insists that the collective provides rights and obligations to individuals, and advances the integrity and value of traditional practices, such as the social construction of meaning (MacIntyre, 1984). Managers, it follows, are to refine institutions and practices to promote and serve the community, the public good, and to champion cooperative practices and values such as reciprocity, trust and solidarity. Communicative rationalism took this further by focusing on control and understanding emancipation in organization and society with a view to boosting communicative (as opposed to instrumental) rationality (Habermas, 1984-87, 1992). Analysis, Habermas argued, is to reveal the disruptive effects of market and bureaucratic systems, the inter-subjective notions of practical reason, and the discursive procedures used to justify universal norms. Managers should therefore be held accountable for the development of an open, participative and deliberative democracy for a complex modern world. To this end they should use the values of the Enlightenment, legitimate law and discourse ethics and provide a defense and critique of institutions using public practical reason.

**Towards a blend of egalitarian liberalism and democratic and educative pragmatism**

While sympathetic to ‘common good’ justifications, warmly disposed to communitarianism at group and institutional level, and appreciative of the penetrating tools of analysis provided by Habermas’s communicative rationalism, I favor even more egalitarian liberalism (Rawls,
It requires governments and organizations to develop a new hypothetical social contract derived from an ‘original position’ of not knowing socially significant facts or what a good life is. This deliberate ‘veil of ignorance’ could help undermine the dynamic conservatism of nationalism and factionalism with its equal concern for everyone and distributive justice. Managers could focus on delivering justice as fairness, that is, equal liberty and equal opportunity, with inequalities only justified if they benefit the worst off.

Given the unique nature of knowledge organizations, and the potential for global knowledge societies, special consideration also needs to be given to Dewey’s democratic and educative pragmatism (Campbell, 1995). He argued for scientific experimentalism, rejected dualisms in favor of mediating ideas, and combined fallibilism and optimistic progressivism. He called for educative managers who would develop increasingly democratic communities and organizations committed to growth through inquiry-based learning.

In sum, a politically-critical manager would be able to evaluate justifications for current political arrangements and to articulate a personal credo when proposing improvements. To be convincing, the manager would use descriptive-explanatory and ethically-normative methods to unpack and reveal the nature and use of power. Further, a personal political philosophy would need to be demonstrably relevant to the context, principally by offering a sophisticated blend of principles and rationality on the means and ends of justifiably exercising power. Given the special nature of knowledge organizations, the blend recommended combines Rawls’ egalitarian liberalism, based on a social contract that backs up into justice as fairness, with Dewey’s democratic and educative pragmatism, since it favors systematic organizational learning and optimistic progressivism.
GLOBALLY-CRITICAL MANAGEMENT

Managers are increasingly likely to confront dilemmas due to the rapid globalization and integration of economies, enabled in large part by the pace of innovation in ICT, compared to the much more modest pace at which the globalization of governance is proceeding. While the immediate task of the World Commission for Culture and Development (WCCD) (UNESCO, 1996) was to articulate globally-responsible ethics, their recommendations can be used to project potential responsibilities for managers in nine areas; areas that other studies have confirmed the need for fresh research, theory and practice.

Potential sources and content of global ethics

One area is possible sources of global ethics for managers. As illustrated above, recurrent themes in international cultural traditions could be a useful source. The ubiquitous Golden Rule might encourage managers to consider Rawl’s concept of justice as fairness. Such consideration might recognize the vulnerability of people in organizations and communities and adopt an ethic of effective security and support. They might also accept an emergent global civic culture as an appropriate basis for all forms of collective enterprise, public, private or mixed. The suite of normative ideals, purposes and ideological legitimacy increasingly provided by the United Nations (Kell, 2005) is proving useful, especially consciousness of the earth’s shared ecosystem and the interlinked principles of human rights, democratic legitimacy, public accountability, and judgments being based on evidence and proof.
A second area is the potential nature of global management ethics. The WCCD’s five proposed elements for a new global ethic apply to management practice. First is to integrate the protection of human rights with collective and personal responsibilities. One key concern is protecting individual physical and emotional integrity and providing the minimal social and economic conditions for a decent work life, fair treatment and equal access to the mechanisms for remedying injustices. Equally important is combining these rights with duties, that is, combining options with bonds, choices with allegiances, liberties with ligatures. The aim here is to ensure that liberty within an enterprise is not libertine, authority is not authoritarian, and personal choices are real and bonds of engagement are reasonable.

The challenges implied for managers relate to all phases of the policy making and implementation process (Duignan & Macpherson, 1993); (a) philosophical leadership regarding concepts and values used to analyze and justify organization, (b) strategic leadership regarding the systematic identification and appraisal of options, such as new international and public-private partnerships, (c) cultural innovations that can reconcile diverse perceptions of human and collective rights, (d) creative political and legal solutions that can transform existing traditions and institutions, (e) imaginative management that implements policies and plans for improvement in sensitive ways, and (f) educative evaluation that sustains the growth of knowledge about a just global civil society in which peoples and their enterprises flourish.

*Democracy in global ethics*
A third area for exploration is how managers might advance the role of democracy as an element of an integrated civic and enterprise culture in organizations (Dryzek, 1999). One challenge is to provide organizational participants with significant degrees of political autonomy and human empowerment as stakeholders so that they have a voice in determining the purposes and organization of the collective, and the policies it will adhere to. Democratic managers will need to sustain participative governance that engages the citizenry of each organization, see freedom of expression as both a means to creative engagement in a common enterprise and as an end in itself, recognize grievances early and offer conciliatory problem solving processes, and bring moderation to organizational politics.

A fourth area is how managers in global democratic enterprises might sustain humane safeguards for political, ethnic and other minorities against the tyranny of the majority, in addition to free, fair and regular elections of representatives, freedom of information and dissent, and freedom of association (Altvater, 1999). The challenge for managers is to avoid reacting to micro-political movements seeking greater self-determination with discrimination and repression and, instead, offer new political solutions. These solutions ought to give priority to three conditions; (a) minorities should have the same basic rights, freedoms and safeguards granted to all, (b) the human rights of all members of majorities and minorities must be guaranteed by the form of governance designed, and take precedence over any claims to cultural integrity advanced by communities, and (c) tolerance, cultural conviviality, mutual understanding and respect should all be promoted, encouraging cultural diversity.

_Justice in global ethics_
A fifth area for investigation is how managers in global enterprises might establish a ‘culture of peace’ for conflict-resolution and fair negotiation. Although problems of justice and fairness are central to global civic and business ethics, there is no widely accepted principle of justice available that can be imposed (Singer, 2002). The challenge for managers is to ensure that all affected parties are represented and have a voice in what principles or rules should decide the matter. Their role here is to neutralize threats to peace, security and human and enterprise development, expose the interests and political philosophies behind militancy, and cultivate the skills of conciliation, peaceful co-operation and tolerance.

A related area is how managers might improve equity within and between generations (Attfield, 1999). One challenge is how to deliver universal human rights irrespective of class, gender, race, community, organization or generation. Another is how to accept responsibility for humanity's common natural, genetic and cultural heritage, its relationship to the earth and for its unborn generations. Managers may need to invent new forms of guardianship that strengthen and integrate equity in civic, business and joint enterprises.

Public, private and voluntary global ethics

It is an open question as to how managers of public global organizations might best respond to the development of global ethics. Since nation states provide the legal and political framework for advancing global ethics, the managers of their judicial and executive organs have some opportunity to review the current legal structures of international society, international and intergovernmental organizations, including transnational blocks that are less than global regional unions, and their own jurisdictions. Such initiatives have tended to be
patchy and disconnected (Kettl, 1997). Some have achieved a great deal by advancing criteria of moral conduct during reviews of policies in public and private organizations, organizational structures, and agencies. Significant successes have followed fresh governance that has challenged power politics with moral principles and enabled the freer international movements of goods, services, capital, people and ideas.

An eighth area is how managers of transnational corporations, international organizations, global civil organizations, and blended variants might advance ethically critical practice that is commensurate with their influence over consumer choices and their resource power, power that frequently exceeds that of many nation states. It has been shown how the private sector managers can deliver on global ethics through self regulation, and it appears, help corporations with global reach prepare for a coming era of global incorporation, taxation and accountability (Haufler, 2001). They might also help inter-governmental agencies limit the abuse of their power and steer its use to the public good, and through more sophisticated forms of stakeholder control, accountability, transparency, and wider participation by voluntary societies, religious congregations, trade unions, private firms, professional organizations, women's and youth associations, help develop the moral conscience of an integrated global knowledge society.

A ninth area is how managers of global NGOs, voluntary societies, grassroots organizations, churches and other religious associations, action groups, professional societies, interest groups and similar institutions might advance global ethics and achieve their aims through collaboration with government agencies and corporate enterprise. There are many examples
emerging (Eade & O’Bryne, 2005). Social entrepreneurship is one. Officials, managers, teachers and professors, consumers, and citizens without political power can influence their government and corporate leaders. Societies can articulate moral principles for self-regulation, social control and international relations. Global groups can affirm trust, loyalty, solidarity, altruism and love as the basis of association. International aid can help discharge the obligations of the rich to help the poor through both the alleviation of suffering and capacity building. Corporations, as global collectives of citizens, can respond more quickly to crises than politicians constrained by the interests of polities.

In sum, this section indicates that globally-critical managers can and ought to confront ethical dilemmas created by the growing mismatch between the globalization and integration of economies, enabled by ICT, and the retarded globalization of governance in large part due to politics of nationalism. On the other hand, there are many potential sources of global ethics available, with growing clarity over the potential nature of global management ethics and how democracy might help integrate global civic and enterprise cultures in knowledge organizations. There is growing certainty how managers in global enterprises might provide safeguards for minorities, sustain a ‘culture of peace’ and improve equity within and between generations. The proposed global ethics is a blend of egalitarian liberalism and democratic and educative pragmatism and could be appropriate for managers of public organizations, transnational corporations, international organizations, civil organizations, and blended variants.

**SUMMARY**
Managers in knowledge organizations and management educators are invited to take up their right and responsibility to improve their capacity to reflect on and critically evaluate the nature of their practices. Knowledge organizations are public, private or mixed enterprises that rely on the growth of knowledge and problem solving capacity. Scholarship is the basis for quality assurance in the production of goods or services, and thereby essential to many types of returns on investment expected and the sustainability of the enterprise. Managers and educators have therefore been alerted to concepts, tools of analysis and criteria for evaluation that could assist them to become more ethically-critical, socially-critical, environmentally-critical, politically-critical and globally-critical.

The invitation is rigorous. Knowledge organizations will need ethically-critical managers that understand the relativity of principles, consequencialism, consensus and preference when auditing values and arbitrating optional actions. Given the nature of strategic scholarship in the overall growth of organizational knowledge, managers are advised to develop a blend of pragmatism, holism, rule consequentialism and humanism, and to test moral positions as knowledge claims using non-foundational coherence checks. In addition, managers and management professors are urged to promote continuing education as a strategic element of organizational learning in order to blend science, aesthetics, cultural development, and political capacity building.

Socially-critical and environmentally-critical managers of knowledge organizations are encouraged to help correct social and natural deficits. Early candidates must be
environmental interventions to help prevent an ecological disaster and the standardization of units of accountability in ecosystems. Politically-critical managers of knowledge organizations and management educators are asked to map and evaluate justifications for current political arrangements and to progressively refine their personal political credos and social contracts that value justice as fairness and democratic and educative pragmatism.

Finally, globally-critical managers of knowledge organizations and professors are urged to confront ethical dilemmas generated by the different pace at which economics and governance are globalizing, largely due to the uneven exploitation of ICT and hegemonic nationalism. A provisional global ethics of management was recommended to managers of public organizations, transnational corporations, international organizations, and civic organizations, to help them integrate global civic and enterprise cultures in knowledge organizations, provide safeguards for minorities, create a ‘culture of peace’ and improve inter-generational equity. The philosophy recommended is a blend of Rawls’ egalitarian liberalism and Dewey’s democratic and educative pragmatism.

To conclude, this paper started with an invitation to managers in knowledge organizations and management educators to reflect critically on the nature of their services. It elaborated the invitation by clarifying a number of ways of being critically reflective, It justified the invitation using a blend of liberalism and pragmatism. It ends with the thought that, if the invitation remains unaccepted, then it means ‘living’ with Socrates’ life threatening conclusion - that unexamined practice is not worth practicing.

**Bibliography**


