

# Building Leadership on the Invaluable Towards the Groundworks for a Phenomenological Approach to the Philosophy of Management

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## Abstract<sup>1</sup>

*In the perspective of traditional ethics, much of the current debate on the role of business in society and on responsible management lacks any ethical content. The reason for this is that, in this debate, the criterion for ethical action is based on measurable outcomes or effects which, as such, do not tell us anything about the nature of the action which caused them. However, ethics is precisely a matter of the "quality" of action, not of its effects. On the other hand, traditional ethics does not allow us to diagnose the origin and the implications of the mounting demand for this effect-ethics. A phenomenological diagnosis can be attempted in the light of the dominant trait of our time i.e. empowerment to performance. In this light it appears that "ethical" issues such as sustainability, governance, accountability, etc. are but formats for the progressive translation of all aspects of reality (the environment, society, human conscience, etc.) into a steerable circuit of measurable effects (values) driven by the necessity of self-enhancement. Thus, ethical claims are functional to the enhancement of the level of commanded effects, which, being congruous with the dominant trait, is universally perceived as being desirable and good. However, this circuit is fundamentally un-ethical, i.e. marked by the growing absence of an ethos. As long as it consists in the mere implementation of this circuit, management is not only, in turn, unethical, but also irresponsible, i.e. not responding to the dominant trait as such. The paper suggests that the insight into the phenomenon of ontological difference interrupts the exclusive orientation of management towards the implementation of the self-empowerment of the dominant trait, thus indicating a perspective for the education to leadership.*

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What do we mean when we use expressions such as «philosophy of management» or «ethics of management»? We mean that philosophical or ethical considerations are applied to management as something – a form of action – which is essentially given. However, philosophy and ethics

do not – first and foremost – aim to establish the essence or the ethical character of things; first and foremost they seek to establish what "things" like essence and *ethos* themselves consist in. In fact, whenever philosophical thinking (which is always in itself ethical) is attempted, this attempt responds to a necessary transformation of the understanding of essence (or being) and *ethos* (the dimension of human being) as such. Therefore, a philosophy or an ethics of management does not determine the essence or the ethical character of management as a given form of action, but shakes this very givenness at its base. In other words, the encounter of philosophy (or ethics) and management necessarily implies a *fundamental* change in the meaning of what management is.

This paper presents some preliminary considerations towards a phenomenological ethics of management. The preliminary step consists in the attempt to define the relation between ethics and management in terms of a difference. This difference does not reflect the traditional hierarchy between ethics (as determining the reign of ends) and economics (as the science of the means towards the achievement of these ends); however, it implies that an "integration of ethics into management" by means of the inclusion of parameterised elements of traditional ethics into a management practice unquestioned in its constitutive traits, is an illusion. Provisionally we may say that ethics, in the original sense that will be suggested in this paper, constitutes *the difference for management*, whereas management is, fundamentally, *the management of difference*.

The entire argumentation is sustained by the reference to what is called «the dominant trait of our time». This reference constitutes the specifically philosophical approach of the paper. In philosophy – and therefore also in a philosophical consideration devoted to the issues of management and leadership – nothing can be said if not with regard to the trait that dominates, i.e. universally orients the sense of all things.

## 1. *The dominant trait of our time*

The expression «the dominant trait of our time» refers to the fundamental trait which, in our epoch, constitutes the sense of all things. This trait we call the empowerment to performance (or, which is the same, empowerment to

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power). «Empowerment to performance» means: imparting the power or command over effects, enabling the implementation of the enhancement of effectiveness (i.e. the capacity for producing effects). According to this trait, the truth and validity of anything that is, including the truth and validity of all human knowledge and action, is determined by the capacity for and the degree of this empowerment. For instance: a scientific theory gains in validity accordingly to the command over effects that its penetration of the object of investigation ensures.

The fact that the truth of scientific knowledge or the sense of an action pertaining, e.g., to economic policy or to strategic management, is determined by the degree of the empowerment to performance that this knowledge or action ensures, implies a universal need for measurement. For only that which can be measured and thus evaluated in terms of the performance or effectiveness it commands makes sense, i.e. allows for its implementation. Therefore, evaluation and consequent rating are not tools that assist our independent faculty of judgement and decision; it is rather the pre-decided universal drive towards the empowerment to performance that, in the first place, requires for its implementation such rating, which in turn avails itself of the appropriate algorithms of evaluation performed by man. Such evaluation of commanded performance implements empowerment and thus constitutes the sense of action itself – in other words: it *replaces* the apprehending of ends and the choice of the means that are used to attain them. However, as long as the trait that orients the sense of all things is merely implemented, but not explicitly assumed, human action remains essentially irresponsible.

The fact that evaluation, i.e. thinking by values, replaces judgement does not mean that this human faculty simply disappears. Rather, it lies idle and eventually becomes, as it were, atrophic. The human capacity for originating and sustaining the sense of things lacks its nourishment and training because the very manner in which any concern presents itself does not ask for discernment, but rather to be implemented in terms of calculable parameters allowing a measurement of the progress of empowerment. In other words, the dominant concern speaking in all things (in their sense or being) *is* the implementation of the empowerment to performance and therefore the translation of sense in terms of calculable effects. This is not only compatible with, but indeed requires the constant pursuit of, new “strategic objectives” as a reaction to ever more “challenging tasks” giving rise to ongoing “battles” between “conflicting systems of values”.

The universal trait of empowerment to performance implies the absence of any true origin or accomplishment, i.e. of that which traditional ethics refers to as an end in itself. In both Aristotelian and Kantian terms, the dimension of ethics is defined by an unassessable, but rigorously thinkable end, marking the accomplishment of the humanity of man. The end in itself is, in Platonic terms, that for the sake of which everything else is done (cf. *Republic*, Book VI): it is the end from which all other ends obtain their sense and which is itself not pursued in view of any other end. Therefore, Aristotle says, this end shows the character of self-sufficiency (*autarkeia*).

On the other hand, the regime of empowerment to performance is by definition characterised by an insufficiency or a recurrent deficit, namely of commanded performance. Recurrent deficit means: the action directed towards the elimination of a deficit of power is claimed by the arising of a new deficit at the newly attained level of performance and so on – *in an infinite progression*. The creation of value as the constitutive imperative of this system not only cannot show a ground or provenance other than the absolute i.e. invaluable validity of value creation itself. It also cannot exhibit any sense other than the infinite increase of the value of the available deployment of effects (stock of power). What nowadays we call progress consists in an increase of the available potential which, however, never brings us closer to sufficiency, but mediates and thus furthers the constitutive insufficiency whence it arose.

The dominant trait implies the absence of an original ethical sphere or *ethos*. In this sense our time is in itself unethical. This does not mean: contrary to ethics or immoral; it means that the ground of all being consists in the implementation of the withdrawing of an *ethos* and thus is – as Kant would say – without any original ethical content. *Such withdrawing is the fundamental manner in which, today, a genuine ethical sphere concerns us.*

Inherent or recurrent insufficiency is one way of grasping this unethical character. However, this grasp remains itself insufficient as long as this trait is merely seen as a consequence of the failing of supreme values or ultimate ends (a failing which found its metaphysical diagnosis in Nietzsche’s dictum «God is dead»). In fact, the relation of origin and consequence is exactly the opposite: what used to be considered as an end in itself disappears *as a consequence* – so to speak: *within* the emergence – of the ever more pervasive self-empowerment of the dominant trait, which is thus the fundamental phenomenon to be pondered. If we fail to see this relation correctly, our thinking falls short not only of the scope of the observed trait, but

also of the possibility of being concerned – from out of the self-empowering insufficiency itself – by a more original *ethos*.

The guiding role of the progressive self-empowerment of the dominant trait also allows us to see – even though this cannot be developed here in detail – in which way the foundation and evolution of modern economics (from Adam Smith and Jeremy Bentham to Lionel Robbins and to contemporary economic theory as a universal, pure logic of choice) is but a moment of this self-empowerment. In other words: modern economics is the form of knowledge wanted by the emerging trait – long after this had happened in the field of nature with mathematical physics – as the leading social science in the initial setting of human behaviour and history as a computable and computing (valuable and valuing) implementation of empowerment to performance.

## 2. *The unethical character of the present discussion in business ethics*

In the sphere of the dominant trait, the humanity of man – formerly an end in itself – is restricted to the implementation of empowerment to performance. This is why *all* human behaviour can now appear as having an “economic aspect”, namely: as being fundamentally a matter of (rational) choice, i.e. calculation. Reality itself is now the self-enhancing circuit of an unleashed subjectivity (individual preferences, thinking by values) for an unleashed objectivity (ratings and evaluations, empowering scientific explanation and technological enactment), in which, however, there is neither a subject in itself nor an object in itself: in fact, there is nothing but the medium of valuation (i.e. ongoing assessment) for the self-enhancement of the dominant trait. This circuit, the element of the progressive empowerment to performance, is endless and unstoppable: it knows nothing but its own unappeasable progress in the open withdrawal of an *ethos*.

Even though we must presume that this unethical character is profoundly known and deeply felt at the heart of our humanity, we flee from the acknowledgement of this character: the phenomenon itself is either denied or simply declared as a “given” “development” of our “societies” – a development we have to “react to” by providing appropriate means of “governance”.<sup>2</sup> Thus, the so-called ethical issues that are being raised in the different fields of human action, including the sphere of business, do not at all reflect the concern of the fundamental unethicalness (homelessness) as such. As a matter of fact, the circumstances of which we say they “call for an ethical response” consist in actual or potential functional deficiencies, i.e. deficits of

performance; for instance: growth is a valid medium for empowerment to performance *only* if it is sustainable; *therefore*, growth needs to be sustainable;<sup>3</sup> *hence*, it is an ethical imperative to assure the sustainability of growth. “Ethics” thus becomes the name of a behavioural and operational adjustment to the needs of empowerment: it belongs to the domain of efficiency and effectiveness, i.e. of the enhancement of performance, and is therefore itself un-ethical. Key issues of the present discussion on ethics, such as sustainability (secured growth), governance (ensured steering), accountability (assured availability for assessment and correction) and others are requirements of the progression of empowerment of both things and human beings to the truth of performance. The “natural” desirability of objectives such as stable economic growth or the permanent increase of the “quality of life” shows the nature of the “ends” which characterise the regime of empowerment: these ends are but parametric targets for the constant evaluation and enhancement of the secure availability of things for further empowerment. Sense now consists in validity and validity is measured in terms of constantly available performance, i.e. power.

It is indicative of the way in which the dominant trait orients our thinking that, e.g., the efficient use of scarce resources is considered as being in itself an ethical imperative or duty, so that anything which enhances efficiency participates in this ethical soundness, i.e. is good. However, in terms of traditional ethical thinking, the outcome of an action – the effect – can by definition never have an ethical content, ethical soundness being entirely a matter of that which drives and attunes the action itself, or, in Kantian

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2 Expressions such as “under the conditions of ... (e.g. globalisation)” are ways of stating this givenness: a fact is taken as that which it can never be, i.e. an origin of sense. How can we understand this? Only if we see that such “givenness as an origin of sense” *hides* an unquestioned sense of concreteness (reality), which imposes itself precisely *in so far* as mere circumstances are taken as given (i.e. as an origin of sense) and implemented in our corresponding building (law making, organising, producing, etc.) and dwelling (loving, celebrating, creating, etc.). In other words: that there be, in the first place, given circumstances, is the hidden way in which a sense of things calls for becoming concrete through human action i.e. thinking. What we call “society” is (just as its twin-concept, the “I” in the sense of the “idiotic” life-sphere) essentially constituted by the flight from the acknowledgement of the groundless character of this givenness.

3 The word sustainable seems to refer to duration in time. However, it is a word of the empowerment to power: such empowerment demands that any attained level of power be assured (held, sustained) in view of being raised to a higher level, and so on (in the German word *nachhaltig* these traits are even more audible). Both a green activist and a captain of industry agree on the objective of sustainability: they may have different “values” and “world-views”, however, they *think* the same and act towards *the same*.

terms: a matter of the willed compliance of the maxim of action with the moral law. In other words: ethics has to do with *who we are as human beings*, not with the factual (contingent) results we achieve. Hence, for a judgment concerning the ethical character of an action, measures, indicators, parameters reflecting such factual circumstances are *de jure* meaningless.

The fact that objectives belonging to that which traditionally was considered the reign of means for human-set ends have now become, in a new sense, values in themselves does not just indicate a reversal by which the former (means) have substituted the latter (ends). It rather implies that *everything* has become a means, namely a *medium*, i.e. an element of mediation for empowerment to performance. It is therefore insufficient to say, for instance, that presently we are facing the extreme consequences of the utilitarian turn in the late 18<sup>th</sup> century. In fact, utilitarianism and its offsprings are not the cause of a particular approach to economic and social problems or even of an order of things. In laying the basis for the invaluable valid circuit of objective-subjective evaluation, utilitarian "ethics" merely implements the dissolution of the reign of ends wanted by the ever more immediately emerging trait of empowerment to performance.

To affirm that, in so far as they are functional in enhancing performance, objectives such as implementing sustainable development, preserving the environment, fostering cultural diversity, establishing fair working conditions, etc., or values such as integrity, responsibility, tolerance, etc., lack any ethical content, does not imply that whether we, e.g., destroy the earth or not does not make any difference. Again, it does not exclude that there exist, in this and other respects, what Kant would call indirect duties. The point is that *we do not know* in what sense – other than that of the dominant trait – it is ethical (good) not to exploit labour, or to be honest, or not to spoil natural resources, etc.; in other words: for these "values" there is no ground of validity (i.e. no truth) other than the – unethical – empowerment to performance, even though we may "feel" that they are valid "in themselves".

The fact that for these values no other ground of validity holds becomes tangible when they are implemented in working practices and ethical standards adopted by companies: such standards inevitably not only involve, but consist in measures of performance which, again, are insensible in respect to the nature of the action leading to a certain outcome; nonetheless, the outcome is considered to be ethically sound or not according to these measures. However, there is no "value in itself" consisting in the preserva-

tion of the environment or in performing actions consistent with that which corresponding parameters define as being honest: our measures and parameters can show shooting values of ethicalness in the middle of the most pervasive devastation of sense. This devastation is the more insidious as it occurs silently and invisibly along with the most flattering successes of humanity as displayed by the indicators of empowerment to performance. This devastation implies that our discernment and reason – in a word: our intelligence – is more and more confined to the capacity for calculating and implementing effects on the secure basis of given circumstances. Why is it devastating? Because it is precisely the givenness of the circumstances – the manner in which they are given as such – that, implicitly, conveys the dominant, unethical trait of sense.

However, being a trait of *sense*, this trait cannot be "absolute", i.e. independent of man, but wants (i.e. is in need)<sup>4</sup> and necessarily avails itself of the human openness to sense for its deployment. *The dominant trait hides the ground of the humanity of man*. As long as we merely calculate on the basis of that which is given, we implement the dominant trait, but do not assume the openness to sense which it avails itself of, i.e. *we do not think*.

However, one may ask, what difference does it make whether we only implement empowerment to performance, or, in the first place, sustain the openness to sense which constitutes us as human beings and which it necessarily avails itself of? Would such sustaining imply that we then do *not* have to implement the empowerment – that we could behave "differently", i.e. produce outcomes other than those which enhance effectiveness? However, this question is itself determined by the fact that we are used to equating the reign of effects with the reign of sense. Why, we would have to ask, does it not matter whether human action consists in blind implementation or is, even if in a seemingly restricted sense, free (or, to use yet another Kantian term, enlightened)?

The question of calculating *vs.* thinking brings us straight to the topic of management, that is: to what management is and can be in the element of empowerment to performance. In a recent article, Fredmund Malik, head of the Malik Management Centre in St. Gallen, argues decidedly against the necessity of integrating management practice with ethical rules, and indeed against the very existence of an ethical problem in management. He writes: «Not the morals are defective; what is missing is a sound management knowledge. This deficiency cannot be compensated

4 On the sense of this wanting see below, footnote 7.

even by the highest moral standards. On the other hand, sound management knowledge can make explicit morals dispensable, for they are already contained in it». Erroneous conceptions of management, Malik claims, have promoted a kind of manager into the top positions of many companies, «whose understanding of the economy and of the world is limited by the possibility of monetary quantification of business plans. His maxim: you cannot manage what you cannot quantify. However, management is actually needed only where you cannot quantify any more – and yet have to act» («Die verlorene Generation», in: *Die Zeit*, n. 49/2005, p. 28).

For our purposes, it is necessary to extend the scope of this consideration beyond situations «where you cannot quantify any more»; in fact, we need to envisage the range of those situations “where you cannot calculate with given circumstances”. It does not matter whether this calculation implies computable quantities or not: what is decisive for the calculating character is that we count on the circumstances as *given*. Circumstances are given when their sense is fixed in a disposable, available form. We may call the available form of sense «format». A format differs from the form or being in that it consists in the parametric conceptualisation of something as an assessable set of values that can be handled by a model (e.g. a business plan), thus making the thing (its sense) available for the implementation of empowerment. Management starts where calculating with formats is insufficient. It consists in a stance capable of sustaining the emergence of sense where the givenness of circumstances is suspended. In other words, it requires that the very sphere of calculation be, in the first place, originated and sustained in such a way that, when it comes to calculating, the latter be, as it were, enlightened, i.e. carried out on the basis of a free stance in the element in which sense is engendered.

In philosophical terms, the guiding principles of standard business practice reflect the Platonic paradigm: «visions», «missions», «business ideas» etc. are but operational copies of Platonic ideas as hierarchically arranged by the ultimately founding idea of the good or idea of ideas. A vision is an operational counterfeit of the idea of ideas in that it sustains a system of calculable goals calling for operative implements, which, in turn, require that all factors be graspable in operative terms, i.e. given as calculable formats. Though Platonic ideas are not immediately operational concepts, they nevertheless are, in some sense, applicable as a ground for such concepts. The reason for this is that they are ideas *of* (i.e. belonging to) given circumstances, and thus – despite their “absolute” and “eternal”

character – an emanation of what is given. We may call the character of what is not a thing, but a determination of the givenness of a thing, and thus itself given, «ontical». Ideas are ontical concepts of sense. They are – *in the end* – formats.

An instance of an operational goal as a guiding principle for business practice is the maximisation of profits. This objective operates as a source of sense in that it sets all circumstances and events to being measurable in view of the maximisation of a particular indicator of value. Maximum profit – the “value of values” – sets the law according to which everything is empowered to parametric existence as a valuable asset and thus subjected to planning and control. However, by the above stated criterion, the principle of maximum profit engenders mismanagement – not because this principle is morally despicable, but because it restricts management to calculation.

Usually, we consider as mismanagement a business practice that lacks moral standards or violates shared moral rules; consequently, we call for ethical codes and appropriate ways for enforcing them. The values of business, we say, are to be coordinated with moral values, ethical standards and of course legal rules, in order to provide orientation to actors and correct undesirable outcomes: for instance, short term profitability may be corrected by the value of sustainability; blindly egoistic behaviour is mitigated by values such as transparency, integrity, responsibility, viz. accountability, etc. However, sound management cannot be the result of a “fair mix of values” – at least as long as the nature of the validity of these values is not explicitly questioned and clarified; furthermore, mismanagement can be neither avoided nor corrected by placing appropriately arranged “ethical” principles above or next to classic capitalist “values” – as long as both the former and the latter are, as to their ground of validity, performance-based.<sup>5</sup> Again, what matters is whether or not management decisions stick to mere calculability and measurement; this includes calculations in terms of strategic advantage, long term efficiency (sustainable creation of value), improved reputation, etc.

The viability and desirability of ethical action is typically argued thus: such action is in itself good *and* it entails (more or less quantifiable, but sufficiently secure) benefits in terms of performance (“it pays”, it gives secure returns in terms of created value). This formulation but reveals that the juxtaposition of two “supreme values” is impossible and that the ruling “value of values”, here, is calculability

5 Of course this is in no way to argue against the necessity of providing guarantees against incorrect or illegal behaviour by means of enforceable ethical rules and legislative regulation.

as a medium for empowerment. What is overlooked in this kind of argumentation is that “the good” as a moral idea is not an actual alternative to this mediating value. Why not? Not because it is a weaker value in the reign of ends, but because, being, properly speaking, an end in itself, it is structurally invalidated by the prevalence of the dominant trait: in the regime of empowerment, a self-sufficient «what for» cannot hold.

According to a traditional way of thinking, maximising profits and, say, respecting human rights could be seen as two potentially conflicting objectives, and it would be left to the conscience of managers to decide which one to pursue. However, calculable performance is not of the same order as these two objectives: in fact, it is dominant with respect to both of them.<sup>6</sup> Since the maximisation of profits responds more immediately to the trait of enhancement of performance, it will enjoy, so to speak, a “competitive advantage” over the respect of human rights. This advantage becomes apparent, on the one hand, in the fact that values such as the maximisation of profits or the defence of competitiveness put - what is perceived as - a sound, appropriate pressure on management. The respect of human rights or other traditional values, on the other hand, will cause a pressure which, even though it may be declared as due and legitimate, possesses a somehow embarrassing character - until these values are translated into calculable objectives that conform to the dominant trait. Once the respect of human rights has been translated - with the aid and plaudit of politics and other institutions - into a parameter that makes it available for empowerment to performance, e.g. as an empowerment to long term growth, it appears as a viable objective. However, this translation deprives that value of its ethical content. Much, if not all, of the present attempts to introduce “ethics” into management and corporate strategy show this pattern: so-called moral values, i.e. values other than the traditional objectives of business, are shown as being not only compatible with, but indeed as strengthening the performance - and are thus hailed as an “ethical value added”. However, the alleged moral improvement requires that those values be in the first place valuable, i.e. that they be translated into “media of performance”, and thus, again, deprived of their intended ethical content.

A final diagnostic step shows that the admissibility of the call for ethics in our time - independently of the declared intentions of those who pursue a reinstatement of moral values in business or in other fields - ultimately and

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<sup>6</sup> This dominance indicates the relation of truth (in this case, the “truth” of performance) to that which, according to this truth, holds or not.

originally rests on the fact that *this call arises from the dominant trait itself*. In other words, what we still call - but in an entirely new tone - «ethics» marks a stage in the pervasive self-empowerment of empowerment to power for which, e.g., “corporate citizens”, act as agents of implementation. Ethics is a word of empowerment to performance.

### 3. Scope and limits of traditional ethical thinking

Traditional ethical positions - the reference is mainly to Platonic-Aristotelian ethics on the one hand and Kantian ethics on the other - define the accomplishment of the humanity of man in terms of the possible compliance or fittingness of reason with its own, sense-affording, hidden source. It is the instant of this fitting or consonance that dimensions *the world*, i.e. the clear human dwelling-place (the dimension of *sense*) which the Greeks refer to as *ethos*. These classical positions, which we can call, with one word, metaphysical, remain unsurpassed and unsurpassable. Furthermore, we can see that what Aristotle or Kant say applies in some sense for us too, i.e. we can understand the instants of fittingness which consist in hitting the right measure or in acting in such a way that we can will that our maxim of action become a universal law. We can even act in compliance with these moral principles and find that, according to our own “moral” feeling, the resulting actions are sound. However, it is not clear in what sense compliance with these principles can *engender an ethical instant* - the emerging of a world - *in the epoch of empowerment to performance*. In other words: traditional ethics seems to fall short of the absence of an *ethos* that characterises our time.

Similarly, even a superficial understanding of the traditional positions of practical philosophy is sufficient to help us realise what we could call an usurpation of the word «ethics» in much recent discussion, e.g., in the field of corporate social responsibility. This usurpation we called, more appropriately, a *change of tone*, in the sense that ethics now explicitly speaks the language of power and performance (values). But again, traditional ethical thinking does not allow a sufficient understanding of the positive meaning of “ethics” as a slogan of the enhancement of performance and, even less so, for indicating the dimension of an *ethos* more original than the traditional one - an *ethos*, at which that very change of tone may already be hinting.

The scope of traditional ethics is defined by its metaphysical or - which, for our purposes, is the same - Platonic character. This is to say: the ethical sphere is essentially a supplement (*metá*) that is, as it were, released by that which *is (ta physiká)* according to its physical character, i.e. to its peculiar givenness. This givenness has the form of a trait of

sense detained by the contingency of contingent things. For instance, the contingency of nature (*physis*) releases a trait of sense that consists in overwhelming power; or (and as a consequence): the contingency of man (as a living being standing within that overwhelming power) releases a trait of sense consisting in a peculiar capacity, namely *reason*, that participates in establishing the dominant sense of all other contingent things. Metaphysics, then, is the form of knowledge dedicated to the explicit grasp and clarification of this dominant sense thanks to a peculiar tension striving for the detachment from contingency; this tension, i.e., again, *reason*, constitutes the specific capacity of human beings. However, the apprehended sense always remains an emanation of contingency and thus is itself fundamentally contingent – or, as we said above, *in the end*, a format. Here, contingency implies that the dominant sense is pre-established “by impact” (contingency > *tangere*) as, so to speak, a possession of contingent (given) things, i.e. *without having been explicitly originated by and through the freedom of man*, and that it can thus be calculated as an effect of other contingent circumstances. It is easily seen that the regime of empowerment to performance implies that all sense has been absorbed by (formatted) contingency. In other words: we encounter *nothing but contingent circumstances*; the form of this encounter – and thus of our humanity – is nothing but calculated and calculating impact. The performer of this calculation we call life. Life (to live things: *erleben*) is the calculating (valuing) impact with given circumstances as an implementation of empowerment to power.<sup>7</sup>

When included in procedures for the enhancement of effectiveness, traditional ethical principles, being fundamentally formats, can at most supplement a given framework of calculation with new calculable parameters (indicators of social responsibility, of respect of human dignity, etc.), which become part of the algorithms of decision-making according to the strategic value they are seen to entail. In other words: “moral” and “material” values now definitely share the same contingent nature, i.e. both belong to the sphere of calculation. As long as we think in values, we calculate, and our actions do not have an ethical content; as long as we think in values, we calculate, but we do not manage. Thus, “value management” (primarily inward directed) and social responsibility (primarily outward directed) are procedures for assuming the *entire* human sphere as well the *entire* sphere of things – i.e. *the entirety of being* – as a contingent medium for empowerment to per-

formance. In the perspective of a yet undeployed future ethics, the stakeholder approach to management is but a natural complement to the exclusive orientation towards shareholder interests. Both are the same, i.e. late forms of implementation of the progressive self-empowerment of the dominant trait. Traditional ethics, representing but an earlier stage of the growing predominance of pure contingency, is not capable of indicating a way out of the “long eternity” of this growth.

#### 4. The phenomenological approach

Phenomenological philosophy – the reference is to hermeneutic phenomenology as first outlined in Martin Heidegger’s *Being and Time* – is a form of thinking which consists in taking a stance within the dissolution of the ground of the Platonic tradition, including present late-metaphysical ethics in philosophy and in the social (more and more: bio-social) sciences. The dissolution of this ground first becomes apparent as the groundlessness of empowerment to performance, which Friedrich Nietzsche first experienced philosophically. In his posthumous writings, we find the following passage:

« – As one can see, what I fight is *economic* optimism; as if the fact that everybody’s expenses rise necessarily implied that everybody’s benefits rise as well. It seems to me that the opposite is true: *the expenses of all sum up to an overall loss*: man becomes *less* – so that one does not know any more *what* this enormous process [*dieser ungeheure Prozeß*] was good for. A ‘what for’? A *new* ‘what for’? – that is what humanity needs.»

Nietzsche’s fight consisted in the attempt to explicitly assume the dominant trait of sense – which he called «will to power» – as a *metaphysical* ground which could provide a new *ethos* (a “what for”) for humanity. The humanity of man (for Nietzsche: man’s yet unachieved animality) was at last to be stabilised in its ownmost firmness by virtue of the enhanced capacity for wilfully empowering contingency (“becoming”) in value-setting acts.

Phenomenological philosophy, on the other hand, arises from a different experience of the same swaying groundlessness. This experience assumes the withdrawal of the ground as the very element of a fundamental capacity, i.e. thinking, that avails itself of the humanity of man. As a consequence, phenomenology neither fights nor seconds «economic optimism»; it is also not merely neutral with respect to this optimism, but *at once* detached from it and thus entirely dedicated to preparing a possible human stance *in* the thinking of the groundless – or, as we should more appropriately say: of the ab-ground. «Ab-ground» is

<sup>7</sup> Calculation of contingency is the extreme contraction of reason as the fundamental capacity of the metaphysical form of the humanity of man.

the name of the ground of sense not supported by ontical reasons; the ab-ground is a ground in so far as it consists in nothing *but* longing withdrawal (“ab-”). Longing for what? Longing for, i.e. *in want of*, being suffered.<sup>8</sup>

In order to indicate, though only in extremely concise terms, the sense of this thinking, we need to pay attention to the expression «thinking of the ab-ground». In fact, the «of», here, has two meanings. The first meaning indicates the “destination” of the action of thinking: thinking *thinks* the ab-ground, where thinking has, roughly speaking, the sense of «sustaining»: sustaining (suffering < *sub-ferre*) the ab-ground in its ab-grounding sway. On the other hand, the second – but in fact primary – meaning denotes “possession”: it indicates that the thus intended thinking is engendered by and originally belongs to the (silently longing) ab-ground itself.

However, what is this ab-ground, towards which the ever insufficient empowerment to performance is a first, albeit only negative, hinting or beckoning?

The calculating manager keeps forgetting the ab-grounding element by devoting his entire being to the implementation of the dominant trait and its mounting pressure (growth, cost-reduction, etc.), the latter now being extended to the further self-enhancement of this trait by means of a strategic factor called «ethics». However, as soon as we yield to the ab-ground, we experience that the withdrawing in which it consists, and in which all ontical ground ceases to hold, *wants* a belonging that suffers it; however, this implies that it *already avails itself of the human openness to sense*: without this openness to sense there would be no openness of sense for the empowerment to pervade reality in its entirety as its universal trait. In other words, empowerment to performance is a trait of sense imparted and afforded *within and by* a withdrawal that avails itself of the very ground of the humanity of man – no matter if this ground remains, so to speak, vacant in the regime of mere implementation. The humanity of man has its roots in this withdrawal.

What we have just witnessed is the breaking of a difference within the very groundlessness of empowerment to performance as the fundamental trait of our time. However, this difference is not gained by means of a distinction between two given things or circumstances. It is itself a *dimension* consisting in the withdrawing element from out

of which the dominant trait is afforded as such; if, on the one hand, it is not for us to master this universal trait of sense, we definitely can, on the other, do more than merely implement it. In philosophy, the traditional name for the thinking that says the sense of being of all beings is «ontology»; therefore, we can call the difference from out of which a sense of being – for instance: empowerment to performance – is engendered «ontological difference». Phenomenology is the thinking of ontological difference.

As we have seen, this difference is not absolute (as a traditional ontological category could be). In fact, what it consists in – *the retreating ground* that as such bestows (dispenses, affords) a dominant trait of being – *needs*, i.e. avails itself of the human openness to sense. That is to say that the humanity of man begins, so to speak, “long before” the mere implementation of a certain sense of things.<sup>9</sup> In particular, it begins long before man can appear as being in the first place given as a contingent being (an animal), which, furthermore, is endowed with reason (or, which here is the same, with an “over-animality”). The humanity of man – as a form of being that is engendered by the want of that difference – begins in the ab-ground or openness from out of which a wholeness of meaningful things is erected with the “aid” of man himself (of his ownmost being). This openness, which, for being sustained, needs a firmness that, in turn, avails itself of the being (the humanity) of man – this element that originally affords the sense *for* beings as a whole, is detached from what is given and therefore free of all contingency, in other words: it cannot be calculated.

We have thus found both an element of sense and a human stance that are more original than, respectively, the circuit of empowerment to performance and management intended as its mere implementation. The more original element is the openness for sense that is extraneous to all grounding provided by given circumstances; this openness, however, wants to be sustained by a firmness of being in which the humanity of man is engendered and heeded. This ontically unsustained firmness of being we call *thinking*. Thinking, as an original possibility of being to which concrete human beings can return, consists in sustaining the ontically groundless element that, in its withdrawing, imparts sense to all things. Now that sense is, so to speak, wrenched from the grip of contingency, things and circumstances, even if they remain media for the enhancement of

8 The verb «to want» originally means «to be lacking, to be in need of»; again, this meaning derives from the sense of the base \**eue-* «to leave, abandon»; therefore, to want is to desire, to wish or to long for, but from out of a lack or need, which, in turn, consists in a withdrawal.

9 The “long before” is not a “before” in time but, so to speak, a “before” in depth; again, this depth is not just an underlying sphere which “is there” for us to be discovered. The depth “is” in so far as it *shows* and it shows at times and these times are the rare instants or turning points of the humanity of man.



performance, are, in turn, unburdened of detaining the source of sense. Thus, on the one hand, their impact is mitigated; on the other they may regain, in an entirely transformed sense, a self-sufficiency that allows for measured calculation – a calculation tempered in the human stance that suffers the ab-ground.

The sense-affording difference is invaluable in a two-fold sense: it cannot be stated by calculation *and* it is precious beyond (or before) any valuable thing. Why is it precious? Because this difference is but a more original apprehension of that which, with an old word, we call human *freedom*. Man is free, i.e. acts freely, as the availed-of (the wanted) inhabitant of the difference that affords the clear site of his dwelling. The dwelling for man – his *ethos* – is the openness, i.e. the wanting difference to which the open ground of his being belongs (cf Heraclitus, fr. 119 Diels-Kranz).

We can now go back to the initial formulation according to which *ethics is the difference for management*. This is to say that the possibility for management to be free, and therefore responsible, consists in a form of action which, though encountering things in the domain of empowerment to performance, is not *entirely* delivered to this trait; this action in the first place sustains the difference, i.e. *thinks*, and can therefore *calculate responsibly*. A management that thinks does not change the dominant trait – which is beyond the scope of human action –, nor can it eliminate the pressures that its self-empowerment entails; however, it *interrupts the absoluteness* of this trait, thereby opening the way for measured, moderate action as attuned by the sustained ontological difference. Thinking itself becomes the fundamental action of management and the grounding for its responsibility. When assumed at the level of those who occupy positions of leadership, it becomes the responsibility of a corporation. “Corporate responsibility” is not attainable by merely expanding the set of values which guide the operations of management to objectives that differ from short term profitability and possibly have some social or, generally speaking, ethical flair; such responsibility requires that the very foundations of management (as “prudent calculation”) be released from the both restricted and all-comprehensive scope of empowerment to performance and redeployed within the openly withdrawing provenance of sense.

##### 5. *Ethics in management today or How to get started*

The phenomenological approach suggested in this paper provides some diagnostic elements in view of an explicit apprehension of the “landscape of sense,” within

which not only the debate on ethics and business but also the reflection on responsible management and the role of leadership is placed. However, it should have become clearer now in what sense phenomenological insights *cannot be applied* to the (given) theory of management, nor to (given) management education or even to (given actions or objectives of) management itself. This is not due to the fact that this “approach” has not yet attained the stage at which a form of knowledge is at last ready to make itself useful in the so-called real world; it rather belongs to the nature of phenomenological knowledge as such. In fact, the phenomenon of phenomenology is the difference itself, i.e. the non-given and therefore unseizable and inapplicable *concern* that originally regards the ground of man’s being. Again, phenomenology is not a form of knowledge “about” this phenomenon, but the very action of explicitly *being* this difference. If, as a consequence, phenomenology cannot be used as a strategic tool for management, it nevertheless provides both (a) an orientation with respect to current measures directed towards ethicising business and (b) an opportunity for clarifying what an education to leadership in management should consist in.

(a) Whenever the word «ethics» is explicitly applied to some field of human action, or when such action spots in itself an unsuspected ethical trait, it is legitimate to presume that an ethical crisis (a change of tone) is taking place. For something like an “applied ethics” or an “ethical trait”, i.e. an ethical aspect of something given, does not exist. We have seen that, for us, this crisis consists in a fundamental transformation of the *ethos* of our humanity, by which – under the name of a “call for ethics” – the absence of an *ethos* demands total implementation. Thus, “ethics” becomes a steering tool or a format for modelling all aspects of reality in conformity to the dominant trait: in ethicising business (or politics, or scientific research, etc.) it is not business that becomes ethical; rather, anything which business now comes in touch with (e.g. “stakeholders”) is assumed in a format that conforms to empowerment to performance. Such ethicising is in itself neither good nor bad. However, it is easily misinterpreted in its nature when, possibly being animated by a genuine preoccupation or concern, we urge or hail a “new ethical awareness” in economic conduct.

(b) Education to excellence and leadership in management consists in awakening and training the capacity for taking a stance in the unmanageable coming of measure and sense, and thus for acting “where you cannot calculate”. This presupposes that, in the first place, the natural entanglement in the circuit of self-empowering contin-

gency be interrupted. Much of that which, in recent times, is recognised as new competences that management training programs should include in order to make managers fit for the “challenges” of the “globalised world”, is in fact but an implementation of this entanglement, i.e. a fundamental transformation (a formatting) of the humanity of man. Competence (social, linguistic, communicative, cultural, ethical, etc.) is today the name with which human traits, i.e. traits originally belonging to the sustainment of the wanting difference, are formatted as functions of empowerment to performance. Management training and practice should foremost be a training and a practice of thinking; leadership should be rooted in a firm knowledge of the difference between calculating the given and sustaining what gives sense. This does not by itself establish a new *ethos*; however, in the lasting withdrawal of this *ethos*, it may be sufficient for acting responsibly in our unethical time.