LEADING WITH MEANING

יג. אֶת־קַשְׁתִּי נָתַתִּי בֶּעָנָן וְהָיְתָה לְאוֹת בְּרִית

Using Covenantal Leadership to Build a Better Organization

MOSES PAVA

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MOSES L. PAVA

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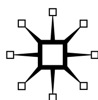

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To Vivian, my covenantal partner

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CONTENTS

Acknowledgments ix
Introduction xi

One	The Many Paths to Covenantal Leadership	1
Two	The Path of Humanity	17
Three	The Path of No Illusions	31
Four	The Path of Integration	51
Five	The Path of Moral Imagination	71
Six	The Path of the Role Model	93
Seven	The Path of Moral Growth	111
Eight	Integration and the New Responsibilities	131
Nine	Conclusion: Covenantal Leadership as Teaching	145

Notes 155
Works Cited 161
Index 165

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INTRODUCTION

Each year I begin my business ethics class by showing David Mamet's movie, *Glengarry Glen Ross*, based on his Pulitzer Prize–winning play of the same name. The movie depicts a grim day in the life of four real estate salesmen trying to earn a living and maintain some dignity. The movie features a character named Shelley "the Machine" Levene. Throughout the movie, Levene becomes increasingly desperate to close a sale so that he can pay his daughter's hospital bill. In the movie's first scene, Levene is anxiously trying to get in touch with his daughter, but the hospital has taken away her phone because payment is past due.

Mamet portrays and emphasizes some of the most extreme and negative characteristics of contemporary business. The corporate credo is "always be closing." It is a world of power for power's sake. Managers abuse the salesmen in the name of profit maximization, and in turn, the salesmen bluff and lie to managers, customers, and each other. In the end, Levene lashes out by sneaking into the office in the middle of the night, trashing it, and stealing the valuable Glengarry leads. As one of the salesmen puts it earlier in the movie, "what can you do if you don't have the leads?"

Although it is difficult for a business ethics professor, or anyone else for that matter, to condone the outright theft of corporate property, in the context of Mamet's dismal parable on capitalism, one is almost tempted to agree with the salesman who says, "somebody should do something to them [the managers] to hurt them where they live."

The movie presents a dark and pessimistic vision of business. It documents the corrosive and permanent effect that an out-of-control corporate culture can have on individual character. In brief, it illustrates what happens when a group of people begin to take the impersonal "organization as

machine" metaphor literally. If you see this movie, you don't easily forget its crude images and vulgar language.

Most of my business students are mesmerized as they watch this movie. It always provokes strong emotions and loud discussions among us. I begin my business ethics class with *Glengarry Glen Ross* not because I am anticapitalist or want to encourage my students to steal from the boss when things get tight but because I think it is a powerful and tangible wake-up call. The world-class actors communicate in a visceral way that no prose writing ever can. For those who think of business as a value-free enterprise and accept the popular cliché "business is business," this movie presents a profound challenge to the status quo. The movie does not necessarily provide answers to these challenges. What *is* the alternative to the "organization as machine" metaphor? *Glengarry* puts this and similar questions into sharp focus.

Each year, though, one or two students opt out of watching the movie with the class, usually emphasizing that the vulgar language used in the movie is inappropriate atYeshiva University, a school dedicated to integrating the best of Torah and secular knowledge. A few students have even told me that if vulgar language is tolerated in business (and in the business school classroom), then perhaps they will change their major. One student said, after discussing the issue with his rabbi, that by showing the movie I indirectly approve the behavior that it depicts, and that he was going to enroll in the rabbinical school rather than remain in the business school.

Though I always give students the option for an alternative assignment, I do insist that we discuss their decision privately before it is finalized. For the most part, these students are serious, authentic, and articulate about their reservations. They are always among the brightest students in the class. Somewhat ironically, by demonstrating their courage to stand up to their professor, they have also shown me that they already know some of what I want to teach the class.

Nevertheless, I think that those students who opt out of the assignment, and especially those who drop out of the business school altogether, are making a fundamental error in judgment, not just from a business perspective, but from a spiritual and religious perspective as well. It is as if these students think that there really are two separate worlds. In seeking

solace in the nurturing confines of the rabbinical school, these students think that they will discover a kind of magical and spiritual island safely protected from the crass and tragic mainland characterized in the Mamet film. As a veteran professor who has been a target of the hardball tactics of rabbinical school politics, I have learned the hard way that this magical island is nothing but a harmful and debilitating myth. Like the prophet Jonah who tries to run away, these students dreamily try to escape the call of leadership.

The Book of Leviticus, chapter 22, contains one of the most fundamental precepts of a religious worldview. “And you shall keep my commandments and do them. I am the Lord. You shall not profane my holy name; but I will be sanctified among the children of Israel.” According to Moses Maimonides, the twelfth-century Jewish philosopher, these verses form the basis for the call of *kiddush hashem*—the sanctification of God’s name.

Nechama Lebowitz, one of the truly great Bible teachers, role models, and Jewish leaders of the last century, notes a kind of contradiction concerning this commandment. She asks, How is it even conceivable that a mere human can sanctify God’s name? What is it that men and women can give to God that God himself might lack?

Though the Jewish tradition offers many answers to this question, the Talmud, at Yoma 86a, suggests that *kiddush hashem* is really not about what we give to God at all, but is more about what we give to each other. In the rabbinical view, the best example for the sanctification of God’s name is not the ivory tower scholar, but the Torah scholar who is “honest and honorable in his business and other dealings.” He offers a model that others can emulate. “Look at so-and-so who studied Torah, how pleasant is his manner and how upright are his deeds.” This understanding suggests that there can be no inherent contradiction between a religious life and a practical life, as some of my students have been taught to believe. Not only is it possible for an authentically religious person to make it in the real world, it is religiously necessary for him or her to do so: A true spiritual life can be achieved *only* inside the mundane and everyday world and not apart from it.

The rabbis were well aware of the fact that *kiddush hashem* is a radical idea. One rabbinical embellishment is bolder than most: “Said Shimon bar Yohai: If you [Israel] are my witnesses then I am He, the first One; neither

shall any be after Me. But if you [Israel] are not my witnesses, I am not, as it were, God." Think about it. God's very existence depends on how we choose to act in the world.

I am not suggesting, of course, that everyone needs to go into business and must accept the language of business, as is. My point, rather, is that if holiness is to exist anywhere (including in the house of study) it must potentially exist everywhere in this world. I show the Mamet movie to my business class not because his vision of business is the last word but because I trust that there is a more humane, and therefore godly, alternative.

I would like to suggest that it is more meaningful and pragmatic for leaders to think of organizations generally, from businesses to universities, as being less like machines than like covenants, shared agreements among equal partners. It may turn out that we don't have much to give to an all powerful God that he doesn't already have, but there is much that we can give to each other. According to the rabbinical imagination, at least, much is at stake here.

In offering a new metaphor, or a new way of thinking about business, this book is designed for a broad and diverse audience. The overarching purpose of this book is to demonstrate to everyone, Jews and non-Jews alike, how traditional resources can be used to help solve contemporary problems. The specific problem that this book addresses is the problem of leadership.

What are the characteristics or traits of good leadership? How is our understanding of good leadership related to the structure of the organization? Examining the spiritual resources that we have inherited can generate meaningful and useful answers to these questions.

In what follows, I have chosen to examine and utilize the texts, narratives, and ethical discussions of my faith tradition. As a Jew, I grew up with these stories. I vividly recall as each Friday night my father would read and discuss these stories with me and my brothers. In a very real sense, these stories belong to me and the religious community to which I belong. However, I do not make the claim—as some have encouraged me to do—that the ultimate lessons to draw here are unique to Judaism and a Jewish way of thinking. To the contrary, my belief is that my conclusions are ones that other people, working in various traditions (religious and otherwise), will

recognize as familiar to them. In part, this is one of the important reasons to write this book. I choose to emphasize our similarities rather than our differences for both practical reasons and reasons of principle.

In writing this book, I have kept three specific goals in mind. The first is to introduce readers to traditional Jewish texts that deal with either the idea of the biblical covenant, Jewish leadership, or ideally, both. The point of this goal is simply to place some of Judaism's important and foundational texts on the table for public discussion and scrutiny. Beyond anything I can say about these texts, because of their inherent importance, they merit serious consideration by all students of leadership, regardless of religious background or affiliation. The hope here is that others will familiarize themselves with these texts by examining them in their original context and will formulate their own interpretations. Perhaps those working out of other traditions will be encouraged to seek out similar texts which they know from their own heritage.

To those who uncover a bias in my selection of material, I plead guilty. I am not examining every text because not every text on leadership in the Jewish tradition will do for my purposes. The selection of texts here is by no means arbitrary. Aside from requiring that each enhance our understanding of Jewish leadership in the context of covenant, I have consciously chosen material from different historical periods. This book therefore contains biblical texts, rabbinical legal and imaginative writings, medieval philosophy, and contemporary Jewish thought. One of the main criteria for selection is that the text or story speak for itself—that one understands and grasps these resources without necessarily acknowledging them as authoritative and religiously binding.

In addition, although this book is about Jewish leadership and not Jewish leaders (there is a big difference), I attempt to introduce readers to some of the great Jewish personalities, those that best exemplify—in word and in deed—the best characteristics of covenantal leadership. In the biblical period, Abraham and Moses play the most important roles. In the rabbinic period, Rabbi Akiva and Shimon ben Shetach are two of my heroes who illustrate in a practical and real way the theoretical strengths of Jewish leadership. Not unexpectedly in a book that is primarily devoted to integrating secular and religious viewpoints, Maimonides

is put forth as the medieval thinker and leader of unparalleled abilities and influence. Finally, in the contemporary world, Abraham Joshua Heschel, Joseph Soloveitchik, Abraham Isaac Kook, Will Herberg, Letty Cottin Pogrebin, Norman Lamm, Nechama Lebowitz, and David Hartman are some of the many leaders who play a significant part in the story I want to tell.

Building on my first goal, the second specific goal of this project is to offer an integrated and meaningful interpretation of these texts. This goal is clearly distinct from the first. I expect some readers will find my selection of texts useful but will disagree with some or all of my interpretations. I make no claim here that these interpretations are uniquely correct. In every situation, I look for the perspective that is wholly consistent with the words of the text and that best helps us understand how to use the text to solve practical problems associated with leadership in contemporary organizations. Remember, the overarching point here is to demonstrate how religion can talk to real world problems, not to show how religion provides a blueprint for some utopian or messianic society. In every chapter, I connect contemporary examples of business successes and failures to my Jewish sources. For example, this book will help provide answers to each of the following specific questions:

- Is ServiceMaster breaking a fragile but well-accepted compromise about separating business from religion when it strives to "honor God" in all it does?
- What is so bad about a company like Sunbeam, under Al "Chainsaw" Dunlap, that tries to maximize profits to corporate shareholders, even when there *is* full disclosure?
- What can Dow Chemical Company teach about cleaning up the environment?
- How does a successful furniture company, Herman Miller, use moral imagination?
- How can companies balance the needs of an increasingly diverse workforce?
- Can the religious metaphor of idolatry shed light on the Enron/Andersen meltdown and help prevent ethical lapses in the future?

- Are companies like Ben and Jerry's and the Body Shop really as ethical as they claim to be? How can Rabbi Gamaliel, a Jewish sage who lived nearly 2,000 years ago, help us answer this question?
- How far does a university have to go to satisfy the needs of its religious students?

In addition, I cite, agree with, and critique some of the best contemporary experts on business organization and leadership, including James MacGregor Burns, John W. Gardner, Tom Donaldson, Tom Dunfee, and Philip Selznick. The objective is not to trumpet religion as the single source of truth, but rather to demonstrate how religion and its traditional resources can help frame and resolve some of the contradictions inherent in modern organizational life. It should be noted that this book takes as given a system of democratic capitalism. Nevertheless, this book continually questions the overriding assumption of most free market advocates who contend that the sole goal of a business enterprise is to maximize profits for shareholders. A covenantal approach suggests that organizations, both for-profit and not-for-profit, need to satisfy the legitimate needs of a diverse group of stakeholders.

Finally, the third goal of this book is the most ambitious of all: to introduce the paths to Jewish or covenantal leadership. Though there are many paths to Jewish leadership, I explicitly identify six: the paths of humanity, no illusions, integration, moral imagination, the role model, and moral growth. Much of this book is devoted to explaining these paths.

In the end, the most fruitful way to think about leadership is not the "leader as servant" model, as many others have carefully argued, but the "leader as educator" model. It is not by coincidence that Moses—the greatest and most important Jewish leader by almost all accounts—is remembered not as Moses the prophet nor Moses the king, but simply and profoundly as *Moshe Rabbeinu*, Moses our teacher. What holds everything in this book together is that in Judaism power is not the ultimate currency in which the affairs of the world are conducted, even if that is how it so often seems to us. In the final analysis, it is human meaning, and the interpretation of that meaning, that takes center stage. In a covenantal organization, when one finally finds the teacher—the one who best interprets and

exemplifies the meaning of the covenant to his and her contemporaries—one has also found the leader. The best teachers have always shown us how to use yesterday's language to solve tomorrow's problems. This is the spirit of covenantal leadership, and it is a long way from David Mamet's vision.

One

THE MANY PATHS TO COVENANTAL LEADERSHIP

Increasingly, many corporate managers are looking to the covenant model for inspiration, guidance, and most of all, practical business wisdom. This model is both ancient and new. The idea of covenant is deeply rooted in the rich soil of biblical narrative; the term describes not only the climactic events of Sinai and the giving of the Torah to the children of Israel, but echoes through every book of the Bible. Covenant is the central organizing theme of biblical thought. At the same time, it is also a new idea, or at least an old idea with startling new applications.

Though some managers exploit the religiously inspired language of covenant for purely self-interested reasons, other managers and executives—among them Tom Chappell of Tom's of Maine, Max De Pree of Herman Miller, Aaron Feurstein of Malden Mills, and C. William Pollard of ServiceMaster—express an authentic attachment to the idea. These executives have been the most articulate and the most extreme spokesmen for the application of the covenant model for business, and other companies have attempted to benefit from the concept, albeit in less explicitly religious terms. In fact, one might argue that the seemingly ubiquitous idea of "the stakeholder" descends directly from the blending of the covenant model and the more traditional theory of business. Corporate credos such as Johnson & Johnson's, with its emphasis on fairness and responsibilities to all affected parties, often resemble biblical covenants more than modern contracts.[1]

DEFINING COVENANT

It is helpful, for our purposes, to start with a formal definition especially sensitive to the needs of modern business managers and executives:

> A covenant is a voluntary agreement among independent but equal agents to create a "shared community." The primary purpose of the agreement is to consciously provide a stable social location for the interpretation of life's meanings in order to help foster human growth, development, and the satisfaction of legitimate human needs.

This definition is designed to highlight the most important characteristics of covenants. It suggests that covenants are: open-ended, long-term in nature, and respectful of human integrity.

1. Open Ended

Covenants emphasize mutual responsibility and respect but are purposely vague. Unlike the modern contract, in which more precision is always better, here ambiguity is not only tolerated but is built in by design and embraced. The hope is that the sparse but inspirational language of covenants will encourage new and deeper responsibilities to emerge over time. Not all companies will reach the level of CMP Media, the family-run, Manhasset, New York–based publisher that recently announced an average bonus of more than $25,000 for every one of its 1,750 employees. Nevertheless, in the context of a true covenant, all participants are expected to search actively and creatively for the best interpretation of the agreement—one that will benefit everyone in the long-run—and not the one that requires the least amount of effort. The Supreme Court's use of the U.S. Constitution sometimes provides a good example of the benefits that can be obtained from the kind of "loose" interpretation advocated by covenants.

2. Long Term in Nature

At the extreme, covenants are agreements that are expected to last forever. As in marriage, there are no pre-set time limits.

3. Respectful of Human Integrity

The agreement is meant to protect the integrity, uniqueness, and personhood of all covenantal parties. At the same time, it is understood that the covenant is a self-chosen mechanism for locking agents into a social entity. This last characteristic of covenants creates a paradox, and to the detractors of the covenant model this paradox is fatal. They argue that one necessarily has to choose: It is either individual freedom or social order, but never both. To the supporters of the covenant model, the paradox, far from being the Achilles' heel, is a source of great strength. Accordingly, it makes sense to say that we are simultaneously free agents and members of a living community. At their best, covenants promise us that we can have our cake and eat it, too. In fact, human freedom *requires* a background of social order and social order *presupposes* human freedom. The boxed quote on this page reflects one chief executive officer's way of overcoming the paradox inherent in covenantal thinking.

THE "MIDDLE WAY"

The Middle Way is not balance, nor is it a kind of compromise. It's a course that keeps in view competing aims: working efficiently versus taking time out for respect; making money versus being kind; having a kick-ass attitude versus having patience. The Middle Way is not "this way" or "that way," either-or; it's *one way that integrates both*. How is it that Buddha is serene yet mighty? How is it that Christ is meek yet majestic? It's because of how they did things—it's because of the practice of the Middle Way in their lives. Like a boatman navigating a swirling river, Tom's of Maine has to steer between analysis and intuition, between our goals of profit and social responsibility, between softball and hardball.

—Tom Chappell, of Tom's of Maine[2]

WHAT MAKES A BUSINESS COVENANT WORK?

As the covenant model increases in popularity, it raises many practical questions and issues. For example, is the explicit use of religious language appropriate for the modern, pluralistic organization? Consider the case of ServiceMaster, a Chicago-based outsourcing services company that employs more than 200,000 people and serves more than 6 million customers in 30 countries across the world. The company earned revenues of more than $4 billion in 1997 and was ranked 373 in the Fortune 500 list. But do the company objectives—"To honor God in all we do; To help people develop; To pursue excellence; and To grow profitably"—cross some implicit but well-accepted line? Ironically, for those who don't take the language seriously, there is little concern about mixing religion and business. On the other hand, for those of us who do, it represents an issue that needs to be addressed carefully. Similarly, other questions about covenants can be raised: To the extent that one purges religious language, does one really have a right to invoke the covenant model at all? Can the covenant model, with its pre-industrial roots, really help in the context of the modern purposive organization? After all, in order for an organization to survive, it must produce tangible results for stakeholders. Can a corporation committed to creating a "stable social location" remain competitive and be expected to fire employees if and when the need arises?

Our research at Yeshiva University's Sy Syms School of Business, the only business school in the United States under Jewish auspices, suggests that although each of the above issues is important in its own right and needs to be addressed, the most fundamental answer to the question of what makes a business covenant work is covenantal leadership. Again and again in our research one thesis emerges: *Covenantal organizations require covenantal leadership.*

Covenantal leadership is not a single characteristic or virtue; there are many paths to covenantal leadership. This chapter introduces some of these.

The metaphor of many paths is useful as an organizing principle for a variety of reasons. First, the imagery of paths implies that the characteristics identified here are aspirations rather than resting places. To put this

thought in a slightly different way, one is never a covenantal leader—at best, one is on a path to *becoming* a covenantal leader.

Second, "many paths" is meant to imply a multileader paradigm. In theory, at least, every covenanter is a covenantal leader. Though this is obviously an unrealistic ideal in today's business environment, it is a *direction* that covenantal organizations try to take.

Third, the picture of many paths leading to a single location is desirable because it emphasizes the pluralistic nature of modern organizations. This aspect of covenantal leadership is important and needs to be made explicit for everyone involved in organizations, but is particularly important for those advocating more religion in business. In the absence of pluralism, religion in business is a potential nightmare.

Finally, the paths of covenantal leadership are many but not lonely. The paths intersect one another at various points. It is possible to get from here to there by changing paths at crucial points. Unlike the poet Robert Frost who noted with elegance, wit, and melancholy his choice of taking the road "less traveled by, and that has made all the difference," covenantal leaders are not imprisoned by previous decisions. Each of the paths discussed below supports and reinforces the other.

THE PATH OF HUMANITY

To some, it may seem like an unconventional place to start a discussion about an idea whose origins are obviously religious, but to the authentically religious minded, covenantal leadership begins first with a proper focus on people and not God. Covenantal leaders, like the biblical hero Noah, are always building arks big enough to ensure the survival of the human race.

When the bible turns its attention to covenants, a key word that appears over and over again is *hesed*, which is usually translated as loving-kindness. The best way to think of *hesed* is as active caring in the context of community. In Jewish thought, *hesed* is considered so important that it is listed as one of the three pillars upon which the world stands.

Covenantal organizations require leaders who walk the path of humanity. To do so, leaders need to be engaged in active caring. Covenantal

In the biblical context, the path of humanity is best illustrated in the book of *Kohelet*, or Ecclesiastes. *Kohelet* is a religious book. As the rabbis carefully noted, it begins with words of *Torah* and it ends with words of *Torah*. But *Kohelet* is also a human-centered book. Its great power and meaning derive from its theme of religious humanism: “It is good that you take hold of this, but not withdraw from that.”

In the very first chapter, *Kohelet* declares, “I gave my heart to seek and search out wisdom concerning all things that are done under heaven.” The book is written in first-person prose (“I said,” “I sought,” “I made,” etc.) The assumption is that such a perspective makes sense and is ultimately an important perspective to take. Even as *Kohelet* states “Vanity of Vanities, all is vanities,” the very form of the book contradicts this pessimism and underscores the belief that human pronouncements, human emotions, human reasoning, and human needs matter, even in the divine scheme of things. Thus, the literary form of the book is not simply a device to pull the reader in, but is essential to the book’s ultimate humanistic message.

Human pleasures and joys are not, as the fundamentalists would have it, something to overcome. Joy and responsibility reinforce one another. “Go your way, eat your bread with joy and drink your wine with a merry heart, for God accepts your works. Live joyfully with the wife who you love for that is your portion in this life.” God and humanity are not at war with one another, but God desires people to strive to be their human best.

Kohelet celebrates a kind of playfulness, even against its mature, melancholy background. Ambiguity is not ignored but rather is embraced, pondered, and even joked about. Be righteous, but “be not too righteous;” be wise, but “be not too wise.”

Religious humanism boldly suggests “that it is within man’s power to renew himself, to be reborn and to redirect the course of his life. Man must rely upon himself. No one can help him. He is his own creator and innovator. He is his own redeemer; he is his own messiah who comes to redeem himself from the darkness of his exile to the light of his personal redemption.” At least this was the vision of Rabbi Joseph Soloveitchik, one of the greatest Jewish leaders of the twentieth century, in the pathbreaking book, *On Repentance*.[3]

leaders ask employees about their family lives not because it is the polite thing to do, but because they are really interested in the answers. A covenantal leader will keep idle employees on the payroll even while a burned-down factory is being rebuilt, as Malden Mills' Aaron Feurstein recently did. It's not just doing the right thing, but it's doing the right thing for the right reasons. *Hesed* is the glue that holds covenants together.

In the business context, many experts are beginning to emphasize the importance of trust and reputation. *Fortune*'s widely cited and studied annual survey provides a useful and robust measure of corporate reputations for top U.S. companies. Trust is important and is becoming more so. Many executives and consultants talk as if trust is something that one can buy and sell in the marketplace. One hears talk of investing in trust. For covenantal organizations, however, trust is not something that can be easily manipulated. Rather, trust is an outcome of a stable pattern of active caring. In fact, it may be the case that genuine trust needs to be earned in the context of an overarching covenant. Covenants are not a panacea, but in the absence of an explicit covenant—an agreement among equal agents—why trust the trust promoters?

THE PATH OF NO ILLUSIONS

The path of humanity is the first that leads to covenantal leadership. Supporting and extending this first path is the second, the path of no illusions. Active caring is necessary for covenantal leadership but not sufficient. An undisciplined caring may be more dangerous than no caring. In fact, the case of Malden Mills, which is now facing the possibility of bankruptcy, raises some pointed questions about Aaron Feurstein's decision to keep idle employees on the payroll. The path of no illusions is an attempt to eliminate all kinds of magical thinking. The emphasis is on pragmatism. An authentic monotheism implies that only God is God, that everything else is humanly created. The prophet Micah, among others, talks of a future age when there will be no more "enchantments and witchcrafts." The best covenantal leaders recognize that Micah's vision has yet to be realized but is worthy of our attention.

An overriding implication of this second path is the realization that while we may have invented new and more sophisticated secular enchantments, we

must still recognize them for what they are. The well-known sociologist Peter Berger continually reminds us that all institutions are humanly created.[4] This is obviously a tautology, but a tautology often forgotten. Those business leaders on the path of no illusions recognize (among other things) that there is no such thing as the "bottom line." In fact, the maximization of profits to the exclusion of everything else has often turned into a kind of fetish. Profit maximization fails the no illusions test because it chooses to ignore the obvious fact that the very concept of profit is a human construction. This thought is apparently just as difficult for some top-level corporate executives to grasp as it is for some of my beginning accounting students.

One of the great myths of business is that God gave GAAP (generally accepted accounting principles). The truth is, of course, corporate performance has many dimensions and cannot be captured through a single number no matter what we call that number. Performance is an array that includes short- and long-run financial considerations (including risk factors), environmental impacts, product quality and safety, employee satisfaction, managerial compensation, and community and global responsibility. Executives and others who continue to conceptualize corporate performance as a single number are uncertain about what is being asked of them. They are under the illusion that the bottom line is the only thing that counts. Covenantal leadership is committed to an alternative path, the path of no illusions.

THE PATH OF INTEGRATION

Covenantal leadership requires integration. The dictionary defines integration as the process of "making into a whole by bringing all parts together." Integrity is part of integration, but not the whole of it. According to the above definition of covenants, value is created as an output of integration. Although it is an oversimplification, it makes sense to state that to covenant *is* to integrate.

In organizational life, my own university provides a paradigmatic example of how value can be created through integration. The guiding vision of Yeshiva University is the belief that "the best of the heritage of contemporary civilization—the liberal arts and sciences—is compatible with the ancient traditions of Jewish law and life." This integrationist philosophy is

embodied at the undergraduate level in the dual curriculum under which students pursue a full program of Jewish studies while taking college programs in the liberal arts and sciences and business. On the graduate level, the mission of the university is put into practice through the emphasis "of the moral dimensions of the search for knowledge and ethical principles that govern professional practitioners." The motto of the institution is "*Torah Umadda*," which, roughly translated, means religious learning and secular knowledge. For those looking for a postmodern philosophy that steers away from the easy nihilism and pessimism of some of the more popular versions of postmodernism, this integrationist philosophy deserves study and emulation.

In business, integration has many faces. Using old technology for new purposes, creating alternative relationships among purchasers and suppliers, and creatively linking the for-profit and the not-for-profit sectors all illustrate the path of integration in business.

A classic example is Sears, Roebuck's introduction of the role of the farm agent in the early part of the twentieth century. Julius Rosenwald knew that in order for his new mail-order business to succeed, his company needed a robust farm economy. Rosenwald understood that the real problem for the American farmer was a lack of understanding and acquaintance with the new and emerging farm technologies. For ten years, Rosenwald financed the farm agent until the U.S. government took over. In creating value, Rosenwald was able to integrate his knowledge of the mail-order business with his knowledge of agricultural technology. He combined a sense of social responsibility with the goal of earning a fair profit for the company. His mind-set was not either-or, but both-and.[5]

THE PATH OF MORAL IMAGINATION

Integration and, more generally, covenantal leadership, require honesty, fairness, and justice. The path of moral imagination starts with these bedrock concepts but goes beyond them. Moral imagination recognizes that no predetermined set of rules can encompass all moral decision making. It can be formally defined as the ability to see various imaginative alternatives for acting within a given circumstance. It allows the agent to

foresee the potential benefits and harms that are likely to result from a hypothetical decision. According to the business ethicist Patricia Werhane, what is really interesting about moral imagination is that it allows one "to step back from one's situation and view it from another point of view. In taking such a perspective a person tries to disengage herself from the exigencies of the situation to look at the world or herself from a more dispassionate point of view or from the point of view of another dispassionate reasonable person."[6]

If integration is what covenantal leaders do, then moral imagination describes how they do it. Although the formal definition provided above is important, the real key to moral imagination is the following insight: *At its best, moral imagination lets us continue to be who we always were—only better.* In the Jewish tradition, moral imagination has been enhanced and promoted through the use of storytelling, interpretation, and the brilliant application of the distinction between the written and oral law. Covenantal organizations require moral imagination. In many ways, the path of moral imagination helps such organizations overcome their inherent conservative tendency. In some instances, even in the context of covenant, moral imagination can be revolutionary.

Consider the famous biblical narrative of Abraham and the binding of Isaac. This story, as related in Genesis, chapter 22, is traditionally understood as an example of "blind obedience" to a divine command. A careful reading of the biblical narrative, however, suggests an altogether different reading.

In verse 2, the literal translation of the text states that God commands Abraham to "lift Isaac up as an offering." Abraham's initial interpretation of the divine imperative is that God is asking for a human sacrifice and, as Abraham begins his three-day journey to the "mountain which I will tell thee of," Abraham is willing to obey. Abraham is predisposed to such an interpretation. In the environment in which he grew up, child sacrifice was considered the ultimate act of faith and piety. Had Abraham actually slaughtered Isaac, he would have been considered by his contemporaries a great Canaanite religious leader. To Abraham, however, this was not sufficient.

Through an act of moral imagination Abraham burst upon the world stage for posterity. With knife in hand, "Abraham lifted up his eyes and

looked." And what did Abraham see? He saw "a ram caught in the thicket by his horns." Abraham's genius resided in the fact that he finally recognized that he could fulfill the literal interpretation of God's command by putting Isaac on the altar and demonstrate his ultimate devotion to God even as he replaced Isaac with a ram. The Bible recounts, "and he offered the ram up for a burnt offering instead of his son." In a real sense, this is the true climax of the story. When the angel speaks to Abraham and warns him not to "harm the lad," it is not a new commandment—God doesn't change his mind—but it is the original commandment interpreted in a better and more ethically sensitive way. In recognizing that a ram can symbolically take the place of his son, Abraham demonstrates the power of creative interpretation and the revolutionary implications of the path of moral imagination. Abraham does not reject the commandment and become a superman; rather Abraham becomes a better and more authentic Abraham and thus provides a model for the many covenantal leaders who follow him. This new reading emphasizes the ambiguity inherent in all real communication and the constant and unavoidable need for active and creative human interpretation in order to make sense of what is being said by another party.

Returning to the business organization, it takes real moral imagination to create a company like Herman Miller, an innovative leader in furniture design. The company is widely known for the high quality of its products, its consistent pattern of corporate social responsibility, and its financial soundness. The company is regularly included among the top 25 on *Fortune*'s list of most-admired companies. Consistent with the message offered here, Max De Pree (former CEO) writes:

> Leaders owe a covenant to the corporation or institution, which is, after all, a group of people. Leaders owe the organization a new reference point for what caring, purposeful, committed people can be in the institutional setting. Notice I did not say what people can do—what we can do is merely a consequence of what we can be. Corporations, like the people who compose them, are always in a state of becoming. Covenants bind people together and enable them to meet their corporate needs by meeting the needs of one another. We must do this in a way that is consonant with the world around us.[7]

The real litmus test for moral imagination is how outsiders respond to a new, innovative interpretation. At the extreme, if a new interpretation is better than what came before, one senses that "of course it's true. Why didn't I think of that?" Max De Pree's insightful analysis of organizational life appears simple and obvious, and in his hands, it is. Nevertheless, this should not prevent us from recognizing his call as anything but what it is—revolutionary.

THE PATH OF THE ROLE MODEL

Perhaps the first rule of thumb for covenantal leadership is that leaders' actions should *always* be such that they can be emulated. The famous philosopher Immanuel Kant taught that in order for an action to be considered moral, one has to be able to imagine everyone in the same circumstances choosing the same action. This same rule applies to covenantal leadership. A leader must be able to imagine everyone in the organization adopting his philosophy, his attitude, and his behavior. If it works for leaders, it should work for everyone.

This is a foundation of all "shared communities" like covenantal organizations. It is easy to forget. Even the biblical hero Joshua needs to be reminded of this by Moses. Early in Joshua's career, as Moses's assistant, Joshua learns of two individuals, Eldad and Medad, who have begun "prophesying in the camp" (Num. 11:27). In the next verse, Joshua suggests that Eldad and Medad be "shut in." Moses, the preeminent covenantal leader of all time, answers back to Joshua without missing a beat, "Are you jealous for my sake? Would that all the Lord's people were prophets and that the Lord would put his spirit upon everyone." Moses understood intuitively that ideally, everyone is becoming a covenantal leader and that the only way for this to happen is for all of his actions to be of the sort that could be emulated and mimicked.

In business, power leaders often begin with very different assumptions about human capabilities. As James O'Toole has noted, corporate realists begin by assuming that people are by nature evil, human groups are given to anarchy, there can be only one leader in a group, the leader is the dominant member of the group, dominance is based on levels of testosterone,

leadership is the exercise of power, and might makes right. All of these assumptions are, of course, at odds with the path of the role model and all covenantal thinking.

But are there real-world alternatives? Some companies are beginning to challenge the dominant assumptions of the corporate realists. Dayton Hudson, for example, one of the top retailers in the world, recognizes the human worth and dignity of all of its 230,000 employees. At Dayton Hudson, leadership is not getting the troops into line, it is getting everyone to think like a leader. Thirty-three percent of Dayton Hudson's highest-paid employees are women. Diversity is a major thrust of recruitment, training, and advancement. The financial success of Dayton Hudson depends in large part on a highly motivated and intelligent workforce. Creating such an environment requires an alternative vision. The path of the role model provides one possibility.

THE PATH OF MORAL GROWTH

Business is fixated on change. A computer search of business books and articles on the topic of business and change produces hundreds of entries. In today's environment, such a focus is not hard to understand. Nevertheless, change for the sake of change, or even for the sake of survival, is a mistaken strategy. Covenantal organizations are also committed to change, but, change in the context of the covenant.

Covenantal leaders follow the path of moral growth. Change is not only tolerated, but also aggressively pursued, as long as the change is predicted to "foster human growth, development, and the satisfaction of legitimate human needs." For covenantal leaders, this is not a constraint, but it is the very purpose of change. Organizations that have discovered new and more efficient ways of producing valuable outcomes satisfying legitimate needs have achieved a degree of moral growth.

In teaching business ethics, I have found the notion of moral growth to be one of the most difficult concepts to explain to students. Students and others often believe that ethics and morality have been fixed, once and for all. Ethics is about checking codes, looking something up in a book, or finding the correct authority. To many, moral growth is dangerous because

it somehow implies moral relativism. Though this fear is not entirely unfounded, a far greater danger is implied by the rejection of moral growth. In abandoning moral growth, one comes perilously close to rejecting ethics outright—or at least rejecting it for huge areas of human activity.

A rabbi tells me that he cannot help in answering questions about the proper contours of corporate social responsibility because no traditional sources deal explicitly with this issue. He defends his stance by telling me, "I'd be making it up as I go along!" This contemporary rabbi rejects the notion of moral growth. In deciding not to decide, this rabbi indicates that the question is not morally relevant. In doing so he is also abandoning his role of ethical teacher and setting a risky example for his many students.

Unlike the rabbi described above, Rabbi David Hartman, a well-known theologian and social critic, is a strong advocate of moral growth. He suggests that one way of nurturing the idea is by emphasizing tolerance and ambiguity in the interpretive tradition. He writes:

> There is a beautiful metaphor in the Tosefta [rabbinical writings] that describes the kind of religious sensibility the Talmud tried to nurture: "Make yourself a heart of many rooms and bring into it the words of the House of Shammai and the words of the House of Hillel, the words of those who declare unclean and the words of those who declare clean" (Sotah 7:12). In other words, become a person in whom different opinions can reside together in the very depths of your soul. Become a religious person who can live with ambiguity, who can feel religious conviction and passion without the need for simplicity and absolute certainty.[8]

One of the things that I love about the talmudic text that Hartman cites is the implicit assumption that people can change, they can grow. No one is born with a "heart of many rooms"; rather "you make yourself" such a heart by bringing in the words of all the sages, even if they contradict one another.

There are many paths to covenantal leadership. The path of humanity produces organizations that can be trusted. The path of no illusions emphasizes the centrality of pragmatism. Value is created as the output of integration coupled with moral imagination. The path of the role model moves us away from the heroic leader model and toward a multi-

leader paradigm promoting human equality. Finally, the path of growth provides hope.

CONCLUSION

The covenant model is not the only form of organization, nor is it the dominant form of organization in economic life. Social entities can also come into existence through conquest and organic development. As a leading political scientist, Daniel Elazar, noted, "Conquest can be understood to include not only its most direct manifestation gaining control of a land or a people, but also such subsidiary ways as an entrepreneur conquering a market and organizing his control through corporate means."[9] Organizations modeled upon conquest tend to be hierarchically organized and bureaucratic in form. By contrast, the organic model begins with family-centered activities and "naturally" evolves into larger organizational structures. In business, the organic model begets the family business. Both of these competing models play an important role in the contemporary economic world and will continue to do so for the foreseeable future. Our research does not suggest always abandoning these alternative models. Rather our main conclusion is more limited but more subtle. For those organizations that have adopted the covenant model, the best form of leadership is covenantal in nature.

After 40 years of wandering in circles in the wilderness, the children of Israel were finally prepared to enter the promised land. Two of the 12 tribes, however, had other ideas. Reuben and Gad wanted to remain on the eastern side of the Jordan River; "the place was a place for cattle," and these tribes had "a great multitude of cattle" (Num. 32). Moses was understandably upset about this request. It undercut the "bottom line" of his mission. As Moses understood it, the very purpose of the exodus of Egypt and the revelation at Sinai could be realized only on the western bank of the Jordan River, that is, in Canaan. Moses calls the leaders of Reuben and Gad "a brood of sinful men."

Nevertheless, at this crucial point in his career, Moses demonstrates the best of what covenantal leadership entails. In order to maintain social organization and to promote moral growth, Moses accepts an imaginative

compromise encompassing almost all of the many paths of covenantal leadership discussed above. These tribes are permitted to "build sheepfolds for the cattle and cities for their little ones" on the eastern bank but only on the condition that they promise (covenant) that they will not return to inhabit these cities "until all the children of Israel have received their inheritance." These tribes are able to demonstrate and express their freedom, even as they maintain their equal membership in the larger community. It is a neat trick, if you can pull it off.

As business leaders continue to search for new and better ways to organize, traditional texts are becoming an important resource. In bringing together two seemingly unrelated literatures, our research suggests that this is a process that needs to be accelerated. In terms of efficiency, traditional leaders are often satisfied with local maximums. Covenantal leadership promises more global solutions.

Two

THE PATH OF HUMANITY

The idea of covenant represents a revolutionary call. Rabbi Abraham Joshua Heschel, one of the outstanding Jewish religious leaders of the twentieth century, defined the term covenant and emphasized its centrality to the biblical worldview in his brilliant and concise book (first delivered in 1963 at Stanford University as the Raymond Fred West Memorial Lectures), *Who Is Man?* He wrote:

> God takes man seriously. He enters a direct relationship with man, namely, *a covenant*, to which not only man but also God is committed. In his ultimate confrontation and crises the biblical man knows not only God's eternal mercy and justice but also *God's commitment to man*. Essential to biblical religion is *the awareness of God's interest in man*, the awareness of a covenant, of a responsibility that lies on Him as well as on us.[1] [emphasis in original]

This penetrating and elevating definition of one of the core biblical concepts suggests an important lesson for leadership in contemporary organizations inspired by the covenant model. Focusing here on Heschel's first sentence, if it is true that God "takes man seriously," how much more so should this apply to man himself? In the context of covenant, leadership that purposely brackets its own wonder and radical amazement in facing the world is a severely constrained brand of leadership. Leadership that is not grounded in an explicit theory of what it means to be human is no leadership at all.

THE TWO-WORLD THEORY

Because it is conceivable for man to continue to exist without being human, Heschel recognized that our claim to humanity is not something which we can take for granted. But, what *does* it mean to be human? How do we begin to take ourselves seriously? And, what do our tentative answers to these kinds of overarching questions have to do with life in contemporary organizations? Many observers would suggest that the search for answers to the first two questions is best conducted in private. In order to answer these questions in a deep and substantive way, they would argue, we need to invoke a personal and idiosyncratic language that is often impossible to translate to others. What does it mean to be human? is the kind of question we should ask in the cozy and friendly confines of our homes, in religious settings especially designed to provoke such ultimate concerns, or perhaps in our universities' seminar rooms. These observers suggest that inside today's modern, purposive, and goal-oriented organizations, it is inappropriate to raise such fundamental questions. The integrity and design of the modern organization demands a complete and total separation of the public (understood in its widest terms) and the private realms. The answers to these kinds of meaning-based question are not only irrelevant in the public sphere, but those who offer answers are violating an implicit but well-accepted contract. It may be a heavy entrance fee into the modern organization, but it is one that most of us, at least until recently, have been willing to pay. Let's call this defining view of modernity the two-world theory.

THE COVENANT MODEL AS AN ALTERNATIVE TO THE TWO-WORLD THEORY

The covenant model explored here is a direct challenge to the two-world theory. If the two-world theory says that we must divide ourselves into public and private personas, the covenant model suggests the opposite. From a covenantal perspective, it is impossible to take seriously the belief that how we define ourselves as human beings has nothing to do with how we choose

to organize ourselves. Understood at its deepest level, the idea of covenant implies that our theory of being human is inextricably related to how we construct organizations. Further, how we construct organizations, in the long run, will inevitably affect our theory of being human. In other words, without human beings there can be no human social entities, and without human social entities there can be no individual human beings.

The single, overriding point here is that *if the adjective "human" means anything at all, we must learn how to apply it to "organizations" as well as to individuals.* Organizations founded on the covenant model, rather than requiring a complete separation of meaningful and purposeful activity, recognize that the satisfaction of human needs, understood in the broadest context, requires a blending of meaning and purpose. From this perspective, while it may often seem like we live in (at least) two worlds, in the end, it may turn out to be just one.

In the same book, quoted above, Rabbi Abraham Joshua Heschel attempts to catalogue some of the essential characteristics or modes of being human. It is one of the few self-conscious and systematic attempts to do so by a Jewish theologian of his abilities and stature. It deserves careful study. Heschel frames his discussion around the following categories (this is a partial list): preciousness, uniqueness, opportunity, nonfinality, solitude and solidarity, reciprocity, and sanctity. These well-chosen categories apply both to individuals and to social entities; they can be used to describe attributes of individuals and attributes of collections of individuals.

For example, just as it makes sense to think of the individual human being as precious and unique, so too might one say that a social entity, including the goal-oriented organization, is precious and unique. Organizations may possess an intrinsic worth. They are valuable because they provide us with valuable products and employment opportunities, but, at their best, they are valuable because they are living communities. And, just as it is true that "every human being has something to say, to think or to do which is unprecedented,"[2] so too each organization potentially can improve our lives in ways that no other organization might.

In his discussion about human opportunity and nonfinality, Heschel writes: "One thing that sets man apart from animals is a boundless, unpredictable capacity for the development of an inner universe. There is more

potentiality in his soul than in any other being known to us. Look at the infant and try to imagine the multitude of events it is going to engender . . . it is beyond our power to conceive what the human species is able to be."[3]

A few pages later he writes, "The being of a person is never completed, final. Being human means being on the way, striving, waiting, hoping."[4] Again, these categories are appropriate descriptions of the individual man or woman, but they are also useful in thinking about the potential inherent in great organizations. Organizations also possess a capacity, at least, to develop an "inner universe" (we might call it a corporate culture), and often display an ability to engender events beyond anyone's wildest imagination. The best organizations are always growing and, in fact, are often committed to a path of developmental change and learning.

Heschel recognized that there is no dignity without the ability to stand alone. But in his discussion about solitude and solidarity he openly recognizes the interconnection between these two seemingly disparate concepts. In his words, "genuine solitude is a search for genuine solidarity. Man alone is a conceit."[5] With this, Heschel finally reaches one of the fundamental and most important planks of the covenant model. According to Heschel, there is no such thing as the purely atomistic individual human being, the kind of human being economists and all advocates of the two-world theory are so enchanted with. Who is man? According to Heschel: "Man in his being is derived from, attended by, and directed to the being of community. For man *to be* means *to be with* other human beings. His existence is coexistence. He can never attain fulfillment, or sense meaning, unless it is shared, unless it pertains to other human beings."[6]

Being human is a problem and a quest, but it is not something which we face entirely alone. Being human is a social problem as well as an individual problem. Conceiving it as only a problem of the individual is a mistake. Heschel goes so far as to conclude that "human solidarity is not the product of being human; being human is the product of human solidarity."[7] Heschel's formulation leads him to the natural conclusion that man achieves fullness of being only in fellowship and is expressed best in his care for others. Integrity, according to this view, is about more than individual honesty. Integrity implies a possibility for real connections between

people. From the covenantal perspective, the very act of organizing ourselves is an inherently ethical activity. Ethics is not merely a constraint on organizational life; rather ethical issues intersect with organizational concerns at every turn.

Heschel's theory is solidly grounded in traditional Jewish sources. It emphasizes the essential concept of covenant. As such it is an authentic articulation of the traditional Jewish perspective (which is not to say that it is the *only* possible interpretation of the relevant sources). His position would suggest that not only are human organizations possible, but in order for human beings to survive, human organizations are necessary.

CAN MORAL MARKETS REPLACE THE NEED FOR HUMAN ORGANIZATIONS?

This is all well and good for a theologian, but can this vision be applied in business? Can business leaders afford to recognize just how important business really is? Or is it better for business leaders to continue drawing and defending the bright red line between having and being?

To many readers the observation that organizing ourselves is an inherently ethical activity may be so obvious that it seems a truism. Advocates of the two-world theory, however, may need some convincing. Most recently, John R. Boatright undertook one of the boldest attempts to disentangle organizational ethics from individual ethics. His daring is underscored considering the high-profile context in which Boatright chose to deliver his message. The paper was first presented in San Diego as his presidential address to the Society for Business Ethics and subsequently published in the prestigious journal *Business Ethics Quarterly*. Boatright's basic insight is that *in an environment encouraging and supporting moral markets, moral or human organizations are unnecessary.*

Boatright, writing in the tradition of Milton Friedman and John Ladd, suggests that organizational effectiveness and business ethics will be improved by stressing the importance of individual role responsibility in organizations. "In order to enjoy the benefits of joint production, we commit ourselves to certain roles and bind others to their roles. Individual responsibility enters into the picture at the beginning, when we create roles and

commit ourselves to them. Once these roles are assumed, individual responsibility has limited scope."[8] According to his view, the organization itself is best thought of as a kind of market in which we participate as employees. This view is not opposed to integrity and trust but recognizes that these are assets and, like more traditional assets are to be manipulated for self-interested reasons—"they are not always essential to business relationships nor the most effective means available."[9]

This is an all-out attack against the belief in human organizations. Boatright, in a topsy-turvy argument, even places the blame for the arrogant and strange antics of former media darling and Sunbeam CEO Al "Chainsaw" Dunlap (known primarily for his mean business tactics) at the feet of the advocates of human organizations. The logic here is unclear at best. His good news is that the problem can be rectified by jettisoning this view in favor of his Moral Market Model.

Boatright believes that the advantages of enhancing the efficiency of markets can be demonstrated by examining three prominent themes in business ethics: responsibility, participation, and relationships. As Boatright knows well, these are among the most important issues in business ethics today, especially among those advocating more humane forms of organization. Boatright is audacious in choosing these three themes. I suppose he feels that if he can win the arguments in his opponents' "home arena," he will have gone a long way toward demonstrating the strength of his Moral Market Model.

1. Responsibility

At the very heart of the Moral Market Model is the notion of role responsibility. Accordingly, the goal of business ethics is to limit individual decision making as much as possible by designing an efficient set of a priori rules. Individual responsibility is important in setting the rules and agreeing to adhere to them initially, but once the rules are fixed and agreed upon, responsibility is simply a matter of living up to predetermined commitments. According to Boatright, "The Moral Market Model's emphasis on role responsibility encourages a system of corporate governance that minimizes individual discretion and favors rules."[10] Boatright believes that one of the best

ways to deal with ethical responsibility is through the legal system. The 1991 Federal Sentencing Guidelines, which reduced legal penalties to companies with ethics programs that were found guilty of ethics violations, is right in line with the philosophy of the Moral Market Model, he argues, in that it attempts to create the correct "market incentives" and to limit managerial choices. At the same time, he is opposed to the American Law Institute's proposed Principles of Corporate Governance, which would permit managers to factor in ethical considerations that are reasonably regarded as appropriate to the responsible conduct of business. He believes that in broadening the manager's role in this way, the carefully defined system of rules that currently keeps managers in line would be upset.

From this perspective, the keys to organizational success and to resolving ethical issues are to try to predict every possible future circumstance and to program the "correct" response to the hypothetical circumstance in advance. Further, the organization needs to be designed in such a way as to maximize the probability of compliance with the program, assuming that all managers will shirk whenever it is in their interest to do so.

2. Participation

Economic agents possess well-defined preferences and always choose those actions that will maximize the possibility that such preferences can be achieved. Participating in an organization is a cost that each individual willingly chooses to incur in order to obtain the benefits of organizational outputs. In other words, if there is an opportunity to engage in free-riding, all of us will choose to do so. Boatright puts it baldly, "Meaningful participation on this model is the opportunity for each group to achieve its own ends through participation in a market system."[11] Boatright never even entertains the possibility of shared and mutually supportive interests in the context of organizational life.

3. Relationships

On this point, Boatright is much more forthright than his intellectual forebears. He believes, with no hesitation whatsoever, that the search for

meaning is necessarily a personal, and hence a part-time pursuit. In business, it is necessary that relationships remain exclusively utilitarian. Only in private life is the concept of meaning itself meaningful.

Boatright is more explicit on this point than any of his predecessors. "We value relationships in our private lives because they are essential to our search for meaning and fulfillment. To have relationships is essential for being human. It does not follow, however, that relationships have the same value in business."[12] Boatright goes so far as to conclude that on the Moral Market Model, relationships are best *avoided altogether*. In the battle between covenants and contracts, history is a one-way street, according to Boatright; contracts always trump covenants.

On this last point, at least, there is some overlap between the Moral Market Model and the covenantal perspective. Even for Boatright, relationships are essential to our search for meaning and fulfillment. The disagreement hinges on whether or not this search for meaning involves business and business organizations. It is important not to overstate the differences here. I don't think that Boatright is all wrong. It is certainly the case that business is often improved when roles and role responsibilities are better and more carefully defined from the beginning. Similarly, participation in organizations is frequently viewed as a cost that many of us would like to avoid. And, finally, relationships in business are often different from other types of relationships. All of us, for example, understand what is being conveyed when someone tells us, "Don't be upset about being fired. It's just business, it's not personal."

My criticism of the Moral Market Model is not that it is completely wrong. My criticism is softer and more subtle; the Moral Market Model is overstated. This is so in each of the three areas identified by Boatright. Contrary to the Moral Market Model, my view holds that sometimes it is better to be ambiguous when it comes to *role responsibility*. Loosening up job descriptions can potentially unleash energies and promote organizational goals. Allowing managers discretion to factor in ethical considerations can lead to abuse, but it can also deepen and enrich life in an organization in unpredictable and positive ways. Further, some organiza-

tion members enjoy and benefit from *participating in* work and don't always view it as something to be avoided. Increasingly, many employees view work as an opportunity to satisfy their highest needs and not simply as a source of income. The increasing number of hours put in by U.S. workers is in part a function of the high levels of satisfaction that many workers report. A theory like Boatright's can become self-fulfilling to the detriment of organizational effectiveness. And most important for present purposes, *relationships* in organizations can be as multilayered, rich, and fulfilling as many other kinds of relationships. In many instances, the search for meaning is *best* conducted in an organization.[13] Knowledge workers may possess a certain degree of flexibility that workers in a manufacturing setting may not have enjoyed, but knowledge workers often depend on organizations as much as, or even more than, factory workers. Medical doctors, teachers, lawyers, accountants, programmers, research scientists, politicians, writers, editors, and others must increasingly rely on organizations to meet the demands of their professions. Perhaps this is felt most keenly today by medical doctors learning how to deal with health maintenance organizations for the first time, but it holds for other professions just as much. However one views the current economy (postindustrial, knowledge-based, or postcapitalist), no one has suggested calling it a postorganizational society.

In the end, the fundamental difference between the Moral Market Model and the covenant model revolves around the issue of human choice in all of this. In Boatright's world, history is closing in on us—decision paths once open are barricaded. Boatright's conclusions are not advertised as tentative, halting, and a function of a particular environment, but suggest—contrary to Heschel—a lack of opportunity and choice. If Heschel said that one of the core modes of being human is nonfinality, Boatright, at least in the area of organizational life, is much more pessimistic. Heschel promised that "To be human is to intend, to decide, to challenge, not merely to go on, to react, or to be an effect."[14] Boatright would counter that even if this view is accurate, it is true only in our personal lives. Such a view has *already* been purged from organizational life.

However, even Boatright is making choices here, choices that are presumably intended to create a reality as much as describe one. His belief

that ethical problems can be minimized best by eliminating managerial discretion reflects an ethical evaluation. When Boatright says participation in an organization is always a cost and relationships are best avoided in business life, he is doing so in an attempt to paint an accurate and realistic picture of organizational life as he sees it, but he is also trying to change subtly what it is that he's painting. In the final analysis, it is not so much that the Moral Market Model is wrong, as that it is too neat and simple. A one-size-fits-all solution just doesn't seem to work.

LEADERSHIP CHALLENGES ON THE PATH OF HUMANITY

Leadership, from a covenantal perspective, is not an attempt to downplay the human element in organizations, but is an attempt to unleash the great human potential which is often dormant and silent.

Rabbi Abraham Joshua Heschel represented the human side of social life not only in his writings but maybe even more so in his role as Jewish leader. He was one of the few Jewish leaders of the last century who was able to combine word and deed on the world stage. He wrote numerous pathbreaking books and was a leader and spokesperson for social causes. He worked unceasingly for Soviet Jewry, civil rights, the state of Israel, interfaith dialogue between Jews and Christians, and other causes. His work and concrete actions, as much as his writings, reflect his belief in the interrelationship between the social and the individual.

Heschel's view is not only the view of theologians, but is shared by some of the best contemporary secular social critics. Although James MacGregor Burns does not use the term "covenant" explicitly in his Pulitzer Prize–winning book on leadership, his definition of *transformational leadership* (as opposed to transactional leadership) represents perhaps the most successful integration of meaning and purpose to date:

> Leaders can also shape and alter and elevate the motives and values and goals of followers through the vital *teaching* role of leadership. This is *transforming* leadership. The premise of this leadership is that, whatever the separate interests persons might hold, they are presently or poten-

> tially united in the pursuit of "higher" goals, the realization of which is tested by the achievement of significant change that represents the collective or pooled interests of leaders and followers.[15] [emphasis in original]

Preferences are not fixed. Goals can rise above the material. Interests can be united. Leaders and followers are integrally connected. The challenge of leadership from the covenantal perspective is not how to set up machinelike organizations focused exclusively on financial incentives, but how to tear down the false barriers between us. The goal is to learn together how to solve common problems and how to overcome shared concerns that arise in unpredictable, unstable, and increasingly pluralistic environments.

The leadership dilemmas are how to sharpen role responsibility *and* increase moral autonomy simultaneously, when to limit participation and when to increase participation, and how to create meaning-based organizations that will continue to produce tangible benefits for all stakeholders over the long haul. From a practical perspective, it is possible to resolve these dilemmas. Management gurus James C. Collins and Jerry I. Porras, authors of the best-selling book *Built to Last: Successful Habits of Visionary Companies*, suggest that the first step in building a visionary company based on human ideals and values, one that satisfies human needs and human aspirations, is to jettison some of our deeply held beliefs about great leadership.

First, according to these authors, we must give up the idea that leadership is primarily about charismatic and powerful leaders. In fact, in the long run, the hero worship and magical thinking entailed in the myth of the great leader may actually harm an organization rather than help it. The Disney film studio languished for nearly 15 years after the death of the powerful Walt Disney. His followers were fixated and paralyzed by the unanswerable question, "What would Walt do?" It was the wrong question to ask, but was almost impossible to avoid in the wake of a dynamic and spellbinding leader.

Many of the most important business leaders have been more like William McKnight, the main architect at 3M for more than half a century. He was a soft-spoken and unobtrusive bookkeeper who rose through the ranks to become the chief executive officer from 1929 to 1949, and the chairman of the board from 1949 to 1966. Even today, he is a relative

unknown, although the company he helped to build, 3M, enjoys a world-class reputation for excellence.

Second, the authors suggest abandoning the belief in the great idea or the great product as the necessary first step in business. Products like Proctor and Gamble's simple soaps and candles, J. Willard Marriott's root beer soda, or Sony's rice cooker come and go. What endures over the long run is never a great product, but a great organization. "If you see the ultimate creation as the company, not the execution of a specific idea or capitalizing on a timely market opportunity, then you can persist beyond any specific idea—good or bad—and move toward becoming an enduring great institutions."[16] The single most important key in understanding truly visionary companies is a complete change in perspective from what is typically taught in most business schools. The company is not a vehicle to bring specific products to market; rather products are a vehicle to establish and maintain great companies—living communities dedicated to satisfying social needs. As the founding fathers and authors of the U.S. Constitution well understood, it is the process, not the product, that matters most:

> We're asking you to see the success of visionary companies—at least in part—as coming from underlying processes and fundamental dynamics embedded in the organization and not primarily the result of a single great idea or some great, all-knowing, godlike visionary who made great decisions, had great charisma, and led with great authority. If you're involved in building and managing a company, we're asking you to think less in terms of being a brilliant product visionary or seeking the personality characteristics of charismatic leadership, and to think more in terms of being an organizational visionary and building the characteristics of a visionary company.[17]

Sam Walton, the founder of Wal-Mart, understood this intuitively. In giving department managers the authority and freedom to run each department as if it were their own business, Walton tapped into the human potential of his employees in a way that his competitors (like Ames) couldn't match. In publicly recognizing associates who contributed either cost savings or service enhancements, and in bestowing monetary rewards—including profit sharing and stock ownership programs—Walton encouraged a culture which

valued corporate change and growth. At his Saturday meetings, Walton often featured an employee who had successfully tried something new. Experimentation was encouraged, and the results of successful tinkering were communicated almost instantaneously throughout the entire corporation using the company's own satellite communications system.

Collins and Porras explicitly link their discussion to the major theme of this chapter. How can we begin to understand the idea of a "core ideology" at the heart of all visionary companies? "Think of core ideology as analogous to the principles of Judaism that held the Jewish people together for centuries without a homeland, even as they spread in the Diaspora."[18] Among the principles to which Collins and Porras are referring is no doubt the central concept of covenant.

CONCLUSION

Rabbi Saul J. Berman, a contemporary Orthodox rabbi and founder of Edah, tells the story of a young, religious lawyer who has taken a job with a prestigious law firm. He finds himself working 80-hour weeks. Though he enjoys the challenges and new responsibilities in his blossoming career, he is experiencing difficulties. The young man goes to his rabbi, with whom he enjoys a special relationship. "There's something missing in my life, and I can't quite figure out what. I'm not married yet, so that's missing, but there's something else missing. I mean, like, you know, I used to have more inside me."[19]

The rabbi listens carefully to the young professional and his former student. The rabbi notes that what is missing is the kind of spiritual life his student enjoyed while he was studying in his yeshiva (traditional Jewish school devoted almost exclusively to the study of Talmud). The rabbi recommends to the student that he begin a study program of one hour a day. The rabbi assures his former student that it doesn't matter whether the study session takes place at 6 in the morning or at midnight. He can do it over the phone or even make use of the Internet. The essential thing is that the study session is fixed. The rabbi suggests that the lawyer should learn at least one page of Talmud per day.

What is most interesting about this response is what it leaves out. The rabbi correctly notes a kind of spiritual loss on the part of his former student.

In his remedy, however, the rabbi surrenders 80 hours a week to the "realities" of organizational life. It never dawns on the rabbi to suggest to the budding lawyer to find meaning inside the law firm, or to find a law firm in which such a suggestion might be taken seriously by existing partners. In fact, this rabbi is more a follower of John R. Boatright than Rabbi Abraham Joshua Heschel. The prescription he gives to his student presupposes almost all of Boatright's conclusions about responsibility, relationships, and participation, and it gives nearly perfect expression to the two-world theory. The 80 hours a week devoted to work and spent at the law office have nothing whatsoever to do with the one hour per day devoted to talmudic studies, just as the talmudic studies are completely divorced from the mundane and practical concerns of everyday life. It is as if the rabbi is telling his former student to cut himself in two. The rabbi, far from being the traditionalist he claims to be, is offering a kind of hypermodern solution. According to Rabbi Berman this is not the Torah way:

> The Torah has a different model, one that spiritualizes work. Does the Torah say to the farmer to work from morning to night, and, when he comes home, to sit and read a *parsha* [section] from the Torah? No. The Torah tells the farmer how to do farm work in a way that puts spirituality at the core of his activities. It breaks down his productive efforts into the smallest possible units and fills them with Torah values.[20]

Most of us today are not farmers. But the lesson that spirituality needs to be built into productivity is still a contemporary message. Returning to Heschel's discussion of the appropriate modes of being human, the last category he identifies is the category of sanctity. Heschel writes: "It is true that sacred objects are objects set apart from the rest of reality, but it is a mistake to regard the sacred and the profane as absolute contrasts. For some parts of reality to be endowed with sanctity, all of reality must be a reflection of sanctity. Reality embraces the actually sacred and the potentially sacred."[21] Covenantal leadership is never like Saul Berman's hypothetical rabbi who gives up even before he begins. Rather, covenantal leadership is the never-ending attempt to create organizations that mirror and reflect the sacred.

Three

THE PATH OF NO ILLUSIONS

Among the paths of covenantal leadership, the most difficult to traverse is the path of no illusions. Leaders must shun the seduction of magical thinking of all sorts and varieties. They must stare into the abyss and not blink, even for a moment. In Judaism, the principle of no illusions is expressed most profoundly in the fundamental prohibition against idolatry. "Thou shalt have no other gods before Me. Thou shalt not make unto thee a graven image, nor any manner of likeness"(Exod. 20:3–4).

On the surface, the prohibition against idolatry would seem to hold little relevance for contemporary organizational leaders. In fact, it is even difficult for the modern reader to fathom how and why our ancestors worshiped the wood and stones of their own fashioning. How was it even possible for them to build an idol and then turn around and worship their own creation as if it were a real god? As we contemplate this question, we take great pride in our own intellectual sophistication and emotional maturity. Though our fearful and insecure ancestors may have succumbed to the temptation of creating wooden monuments to worship, we find little attraction or comfort in this process. In spite of real advances in human thinking, however, it is premature to declare victory over idolatry.

In fact, one of the leading twentieth century Jewish thinkers believed idolatry not only persisted as an important problem, but was the source of all wrongdoing and moral evil. In his most notable book, *Judaism and Modern Man*, Will Herberg perceptively elaborated:

> To grasp the full scope and significance of this principle it is necessary to understand the essential meaning of idolatry. Idolatry is not simply the worship of sticks and stones, or it would obviously have no relevance to our times. *Idolatry is the absolutization of the relative;* it is absolute devotion paid to anything short of the Absolute. The object of idolatrous worship may be, and in fact generally is, some *good;* but since it is not God, it is necessarily a good that is only partial and relative.[1] [emphasis in original]

According to Herberg, then, the greatest and most harmful illusion of all is the transformation of the relative into the absolute. Idolatry begins precisely when individuals and social entities begin to treat the man-made as something other than a human creation, no matter how valuable the creation. The point is that worshiping sticks and stones is merely a primitive example of idolatry, but not the whole of it. Worshiping anything—whether tangible or intangible, a place or an idea, a person or an entire people—other than the Absolute is idolatry. Even our worship of God can turn into a kind of sophisticated idolatry. "We speak of God and honor Him, but the god we are really honoring, what is he but the god whom we look to promote our interests and guarantee our ideals?"[2]

Herberg's view of idolatry is full of meaning for contemporary organizational leaders. Whether one is a traditional believer or not, his ideas resonate loudly. Contemporary leaders of every stripe who adopt the covenantal approach must follow the path of no illusions.

THE GOLDEN CALF: THE CLASSIC STATEMENT ON IDOLATRY

"And when the people saw that Moses delayed in coming down from the mountain, the people gathered themselves together unto Aaron, and said to him: 'Up, make us a god who shall go before us; for as for this Moses, the man that brought us up out of the land of Egypt, we know not what is become of him'" (Exod. 32:1). So begins the intricate and difficult story of the golden calf—Judaism's classic statement on idolatry. It is worth examining this story carefully, not only for historical purposes, but to help illuminate the characteristics of contemporary covenantal leadership.

On the above-cited verse the rabbis of the talmudic period noted that the people believed correctly that Moses was to be on the mountain for 40 days but mistakenly counted the day of his ascent as the first full day. The "delay" to which the verse refers is the result of an accounting mistake. Based on this error, the people, according to the rabbis, thought Moses to be dead. It was in light of this misunderstanding that the people turned to Aaron with their request. Aaron faces the people and tells them to bring him their golden rings. Aaron then takes the rings and, with the help of a graving tool, fashions them into a molten calf.

The people are enchanted with the calf and exclaim, almost unbelievably to the contemporary reader, "This is your god, O Israel, which brought you up out of the land of Egypt" (Exod. 32:4). The following day the people rise up early and offer burnt offerings and peace offerings. "The people sat down to eat and to drink, and rose up to make merry" (Exod. 32:6). Joshua, Moses's assistant, describes the events as follows: "There is a noise of war in the camp. It is not the voice of them that shout for mastery, neither is it the voice of them that cry for being overcome, but the noise of them that sing do I hear" (Exod. 32:17–18).

Moses is informed about the goings-on by God himself. God tells Moses that he wants to consume the people and start over by making of Moses a great nation. Moses, however, seemingly persuades God not to do this. "And the Lord repented of the evil which He said He would do unto His people" (Exod. 32:14). Even so, when Moses finally sees the calf and the dancing with his own eyes, in his indignation he throws down and shatters the two tablets of stone written with the finger of God—the very symbol of the covenant. "And he took the calf which they had made, and burnt it with fire, and ground it to powder, and strewed it upon the water, and made the children of Israel drink of it" (Exod. 32:20).

THE NATURE OF IDOLATRY

From the biblical perspective, what is idolatry? From this narrative several characteristics are identified. First, and foremost, idolatry is an outright illusion. "This is your god, O Israel, which brought you up out of the land of Egypt." The pronouncement obviously can't literally be true. The calf is

a product of human invention and ingenuity, and is created *after* the exodus from Egypt. Today, we are hard pressed to understand how those who donated the gold and witnessed the calf's production could possibly turn around and proclaim it a god. What is even more surprising about this description is the certainty embedded in this declaration. "This is your god" is an absolute, clear, and unequivocal negation of the first of the Ten Commandments, "I am the Lord your God, who brought you out of the land of Egypt" (Exod. 20:2), to which it is an obvious reference. In worshiping the calf there is no tentativeness, no halting approach; rather, the attitude is one of uncompromising confidence and certainty. Forty days have passed since Moses's departure (or so the people have counted), and he has not returned as promised. "We know not what is become of him." The illusion of idolatry is set in motion by an attitude of certainty in a world best described as uncertain. Idolatry begins when the ambiguous environment overwhelms the idolater so much that he is willing to embrace the illusion of certainty against all odds.

The first characteristic of idolatry is the self-induced illusion of certainty in the face of uncertainty. A close reading of the golden calf text suggests a second characteristic. Though idolatry may begin in the mind of one person, it is fundamentally a group phenomenon. In other words, the illusion inherent in idolatry is always shared. In this instance, the story begins by noting that "the people gathered themselves unto Aaron." Idolatry is not the work of a rogue individual but is directly dependent on this ability of the people to successfully band themselves together. The illusion can take root only when there exists a shared consensus among the participants. This is one of the reasons the behavior of Aaron, Moses's brother, is so troublesome and difficult to fathom. The fact that he never fully confronts the people and never directly questions their requests and actions contributes to the illusion and the carnival-like atmosphere. Had one person or a small group of people questioned the activities of the majority, the illusion would have been much more difficult to maintain. Like the little boy who finally points out that the emperor is wearing no clothes, a single voice can topple even the most cherished of myths. Aaron fails to mount any serious opposition and the Bible correctly criticizes him for this failure.

With no real opposition, the community's flirtation with idolatry blossoms into a real love affair. But it is a weird and exclusive love of one's self and one's community. It is a love that is completely self-contained. The point, as Will Herberg has carefully noted, is that idolization always leads to self-idolization. This observation is at the heart of Herberg's theory. In his words:

> Ultimately, all idolatry is worship of the self projected and objectified: all idolization is self-idolization. In exalting the natural vitalities of life, we exalt and lose ourselves in the vitalities of our own nature. In absolutizing the collectivities or movements of which we form part, we but absolutize ourselves writ large. In proclaiming as ultimate the ideas and programs to which we are devoted, we are but proclaiming the work of our minds to be the final truth of life. In the last analysis, the choice is only between love of God and love of self, between a God-centered and self-centered existence.[3]

There is a hint of this self-idolization in Joshua's strange description of the events surrounding the worship of the golden calf. "It is not the voice of them that shout for mastery, neither is it the voice of them that cry for being overcome, but the noise of them that sing do I hear" (Exod. 32:17–18). Here is a description of a group of people who are self-satisfied and completely self-sufficient. In a word, the celebrants are celebrating themselves. The golden calf at the center of the festivities serves as a mirror that merely reflects back the people's own image. In worshiping the calf and proclaiming "This is your god, O Israel," the people are not referring to the calf at all, but to what the calf symbolizes, namely Israel. The people don't claim that it was the golden calf which brought them out of Egypt (that really doesn't make any sense), but they are claiming, in a moment of intoxicating self-aggrandizement, that they themselves have brought about the great exodus. As Herberg stated, the object of idolatrous worship may be some *good.* In this case, it is Israel itself, "but since it is not God, it is necessarily a good that is only partial and relative."

Finally, one of the most difficult questions surrounding this text is why does Moses break the tablets? It is impossible to believe that Moses destroys the tablets out of unrestrained anger. The answer to this question

follows directly from the above observations and leads to the fourth characteristic of idolatry. Moses chooses to destroy the symbol of the covenant because the covenant itself has already been destroyed. As a well-known rabbi put it, "Even the Tablets—the 'writing of God'—were not intrinsically holy, but only so on account of you (God). The moment Israel sinned and transgressed what was written thereon, they (the tablets) became mere bric a brac devoid of sanctity."[4] If, in worshiping the golden calf, the people are engaging in self-idolization and treating their own community as if it were an absolute value, it is impossible to maintain a covenantal relationship. In the end, a self-contained people has no need for a covenant. This last characteristic of idolatry dramatically underscores the distinction between it and all covenantal thinking. Idolatry puts things at the center, the covenantal perspective sees relationships as the foundation of reality.

To sum up, according to the Bible, idolatry is an illusion.

1. It is an attitude of certainty in spite of uncertainty.
2. It is a group phenomenon and not just the result of individual psychology.
3. It is not just any group phenomenon; full-blown idolatry is the worship of the group as an absolute value.
4. Finally, idolatry is a unique sin in that it is not a violation in the *context* of covenant. Rather, it is a fundamental *negation* of the covenant.

THE RELEVANCE OF IDOLATRY

There are two necessary ways to test the truth of an interpretation. The first more familiar question is this: Does the interpretation fit the text upon which it is based? The words of the text are an obvious *internal* constraint on the meaning of a document. Nevertheless this is not the only constraint. There may be many competing interpretations that do ample justice to the words of the original document. The second question suggests an *external* constraint. In what way is the offered interpretation relevant to contemporary needs? In other words, can the principles inherent in the interpretation be unhinged from the unique cultural assumptions embedded in the thought that first produced the original text?

The previous section was an attempt to interpret the narrative of the golden calf in a way that closely observed the demands of internal constraints. In what follows, attention is devoted to the issue of external constraints. Putting all of this more simply, does the Bible's view of idolatry, as described above, really make any difference to anyone today?

If one continues to view idolatry as simply a wrong opinion about the nature of God, the answer is probably no. In the rabbinical imagination, however, idolatry is not seen as only misguided opinion, but something integrally related to ethical concerns. For example, the rabbis pointed out that the Ten Commandments were placed on two tablets. Five commandments were placed on the first, and five on the second. On the first tablet was written, "I am the Lord your God." Opposite this commandment, on the second tablet was written, "You shall not murder." Thus, "This tells that if one sheds blood, it is accounted to him as though he diminished the divine image."[5] In other words, murder, an ethical violation—is understood as a kind of idolatry—wrong opinion. To fully understand the nature of murder one needs to understand the nature of God's presence in the world; murder and idolatry are two sides of the same coin.

In the Talmud, at Sotah 4b, the rabbis take this same logic one step further. Not only is the heinous crime of murder like idolatry, "Every man in whom is haughtiness of spirit it is as though he worshiped idols. He is as though he denied the existence of God." At first glance, this seems like a strange and perhaps exaggerated claim. Surely one can easily disentangle a character flaw from the sin of idolatry. This misses the point. The lesson here, as in other similar rabbinical texts, is to underscore and emphasize the intrinsic relationship between religion and ethics. The rabbis are purposely offering an unconventional interpretation precisely because they have self-consciously chosen to make the point that ethics is not just a matter of bad manners or the mark of the uncultured, but it is central to the very purposes of a covenantal religion. Haughtiness of spirit, what today we might call extreme arrogance, especially if it leads to narcissism and self-worship, ultimately undercuts all attempts of creating and sustaining covenantal relationships. If we understand a covenant as a voluntary agreement among independent but equal agents to create a shared community, haughtiness of spirit is potentially fatal.

Contemporary idolatry does not necessarily involve placing stones on top of one another and worshiping them. Instead, it begins by embracing certainty in the face of uncertainty and viewing one's own agenda as self-justifying. It ends by destroying the fundamental relationships needed to sustain effective and meaningful community. Consider one of the most notorious ethical failures of the twentieth century, Richard M. Nixon's decision to cover up the bungled Watergate burglary. This cover-up serves as an illuminating example of contemporary idolatry. If idolatry is the absolutization of the relative, then Nixon and his inner circle of aides came perilously close to engaging in a modern form of idolatry.

Here is a brief summary of what happened. In the late spring of 1972, months before the U.S. presidential election, police arrested five burglars who had broken into the Democratic National Committee's headquarters in order to plant electronic eavesdropping equipment. The FBI, using evidence discovered at the scene of the crime, immediately linked the burglars to the Committee to Re-elect the President. Three days later, a Nixon advisor suggested that the break-in should be attributed to a rogue group of burglars acting independently. He felt that the administration should deny any knowledge of the crime and ignore all accusations. The president, according to publicly available tapes of the conversation, agreed and declared, "The hell with it. I just stonewall it." That same week, Nixon ordered an aide to ask the CIA to block the ongoing FBI investigation. Nevertheless, on October 10, 1972, the *Washington Post* published a story asserting a connection between the break-in and high-ranking officials in the White House. Despite the emerging information, President Nixon easily beat his Democratic opponent, George McGovern, in a landslide victory, carrying every state but Massachusetts.

As more information was made public, interest in the case and the accusations grew dramatically. On February 7, 1973, the U.S. Senate voted unanimously to investigate. Two months later, Nixon was forced to accept the resignations of both H. R. Haldeman and John Erhlichman, his closest and most trusted aides. In July 1973, a White House aide told the Senate Committee that there were secret tape recordings of all White House conversations. One year later, the Supreme Court ruled unanimously that Nixon must turn over all tapes ordered by the special prosecutor, Leon Ja-

worski. In August 1974, Nixon, in order to avoid likely impeachment by Congress and conviction by the Senate, resigned as president of the United States.

In exploring how this all came about, I rely primarily on the innovative and creative analysis of Irving Janis in his book *Groupthink*.

1. An Attitude of Certainty in Spite of Uncertainty.

It is clear that Nixon and his aides embraced illusionary thinking right from the start. In his memoirs, Haldeman admits as much: "The cover-up collapsed because it was doomed from the start. Too many people knew too much. Too many foolish risks were taken. Too little judgment was used at every stage to evaluate the potential risk vs. the gains."[6] Haldeman and the others never even considered the possibility that things would not turn out right: "Whatever the problems, if any, I felt I could handle them. And if I somehow slipped, the most astute politician in the nation, Richard Nixon, would step into the breach. At that point *I believed Nixon could accomplish anything*"[7] (emphasis added). As Theodore White later noted, Nixon and his inner circle were truly "intoxicated by the power of the White House." They were overoptimistic to the point of certainty. After it was all over, Nixon himself lamented about how things might have turned out differently if he had only spent more time on his fateful decision of June 20, 1972, to just "stonewall it."

2. It Is a Group Phenomenon.

Irving Janis explicitly raises the question of whether the Watergate fiasco was essentially a result of Nixon acting alone or was the product of group decision making. While according to some analysts Nixon was a tyrant who essentially worked alone, Janis believes that the record shows otherwise:

> Anyone who carefully examines the transcripts of the Watergate tapes and the other public documents, it seems to me, will find that during the period starting with the first news story of the Watergate burglary in June

> 1972 until the end of March 1973, the cover-up was the product of decisions made collaboratively by President Nixon with his chief aides—H. R. Haldeman [chief of staff], John Ehrlichman [assistant to the president for domestic affairs], and John Dean [the president's counsel].[8]

In fact, the *Congressional Quarterly* even suggests that a close reading of the Nixon tapes shows that Haldeman and Erhlichman often appear more as Nixon's peers than subordinates. Rather than fitting the stereotype of the domineering leader, the tapes reveal that "behind the closed doors of his office, he seems a waffling executive, a President who instead of presiding at these critical discussions, defers continuously to his subordinates. In many conversations the President seems a bystander, almost a yes-man, letting others take the lead."[9] In fact, the initial idea of a cover-up is not Nixon's at all, but the brainchild of one of his close aides.

3. Full-blown Idolatry Is the Worship of the Group as an Absolute Value.

If full-blown idolatry is really a form of self-worship, I'm not sure that Watergate qualifies. But as the record reveals, it comes close. Nixon and his aides were disdainful of the press and other outsiders who questioned their actions. As Nixon so crassly put it, "It'll be mainly a crisis among the upper intellectual types, the ass holes. Average people won't think it is much of a crisis unless it affects them."[10] And, even in retrospect, Nixon took it as self-evident that his ideology and beliefs needed no justification:

> My reaction to the Watergate break-in was completely pragmatic. If it was also cynical, it was a cynicism born of experience. I had been in politics too long, and seen everything from dirty tricks to vote fraud. I could not muster much moral outrage over a political bugging. In fact, my confidence in the CRP was undermined more by the stupidity of the DNC bugging attempt than by its illegality.[11]

Here it is. Nixon unabashedly assumes that readers will agree that his ends justified his means. It seems that Nixon is beginning to forget that even the presidency is a human creation. It is useful if it serves the public interest. It

becomes harmful when, as in Nixon's hands, one begins to use it for one's own interests.

The rabbis make the audacious claim that haughtiness of spirit is a brand of idolatry. Perhaps no one in recent history exemplified this more than Richard Nixon, especially in his decision to tape his White House conversations. Why didn't Nixon destroy the tapes before the tapes destroyed him? Certainly, as the above quote demonstrates beyond a shadow of a doubt, Nixon did not refrain from destroying the tapes because of any kind of ethical responsibility. It was as if ethics was a foreign language that Nixon did not speak or care to speak. If he kept the tapes, it is only because (as the tapes themselves reveal) Nixon incorrectly believed the tapes would ultimately help him.

If the golden calf is a mirror that the Children of Israel used to worship themselves, Nixon's tapes and his decision not to destroy them symbolized his hubris and outsized sense of self. Nixon and his cadre believed themselves to be above the law. It never even dawned on them that the tapes that they willingly chose to make would someday lead to their own undoing. In religious language, Nixon and his aides embraced the illusion of their own righteousness and invincibility. In thinking of themselves as above the law, they began to absolutize the relative. In making the tapes—which reflected back their own voice if not their own image—they made their own golden calf. In doing so, they violated a core characteristic of covenantal leadership.

4. It Is a Fundamental *Negation* of the Covenant.

I often hear students asking, What did Nixon and his aides do that was really so bad? Most observers agree that the so-called smoking gun was Nixon's taped conversation ordering his aides to use the CIA to halt the FBI's investigation. But, in an age of cynicism, students and others freely ask, How bad was that?

The reason Nixon's crime was perceived at the time, and even today, as an impeachable offense is that his actions not only violated the law, but they negated the covenant—the shared understanding upon which the country and its laws depend. Nixon's actions were not merely in violation of

covenantal procedures; his crime put the whole idea of a covenant into question. If a covenant is understood to be a voluntary agreement among independent but equal agents to create a shared community, the secret use of a government agency to protect one's position as leader of the government is a particularly vile crime. Nixon may have formally sworn to uphold the Constitution, but his actions, as the tapes plainly reveal, not only violated its rules, but would have nullified its meaning had his behavior gone unchecked. Even today, almost 30 years later, we live in the shadow of Watergate.

Illusionary thinking and contemporary idolatry are by no means restricted to government officials. The story of the accounting fraud at CUC International is a case in point. According to a recent report in the *New York Times*, the crime lasted at least 12 years and cost investors close to $19 billion. "Today three former executives said that for almost the entire history of the company, its top executives directed a conspiracy to inflate profits so as to meet Wall Street analysts' forecasts and keep the price of the stock high."[12] In this case, presumably, the humanly created idol is neither a golden calf nor political power, but it is the ideology of profit maximization. Corporate managers at CUC International took it as self-evident that the goal of profit maximization justified whatever means were thought necessary. Cosmo Corigliano, the former chief financial officer of CUC and one of the corporate executives who has pleaded guilty, explained why he participated in the conspiracy as follows. Read carefully. "It was just ingrained in all of us, ingrained in us by our superiors, over a very long period of time, that that was what we did." Another manager stated in a direct response to the judge's question, "Why did you do it?" "Honestly, your honor, I just thought I was doing my job."[13] As in the Watergate case, idolatry begins with an attitude of certainty, it is a group phenomenon, the group becomes an absolute value, and the crime undercuts the very idea of a covenant.

THE ENRON/ANDERSEN MELTDOWN

The above analysis also sheds light on what may prove to be one of the greatest business ethics failures in modern times. The alleged ethical and legal lapses at both Enron and its auditor, Arthur Andersen, serve as a clear

example of the pragmatic value of using religiously inspired language of idolatry as a metaphor for understanding contemporary business failures. Enron, now in bankruptcy, was once one of the most admired companies in the world. It has admitted to overstating profits by $600 million and shielding $690 million in debts using undisclosed partnerships. It has been accused of manipulating the deregulated California energy market for its own benefit, causing an unprecedented energy crisis across the state. It has been alleged that managers created fake trading rooms to impress outsiders. Thousands of employees have lost their jobs as a result of mismanagement and lack of fair disclosures. Life savings have disappeared.

If any example fits the model of contemporary idolatry outlined above, it is the Enron/Andersen meltdown. As with Watergate and CUC International, to some degree, all four of the elements associated with the biblical vision of idolatry were present in this case.

In February 2001, long before Enron filed for bankruptcy, *Fortune* reporter Bethany McLean asked Jeff Skilling, Enron's CEO, some tough questions about Enron's business practices. Skilling responded to McLean explaining, "Our business is not a black box. It's very simple to model. People who raise questions are people who have not gone through it in detail."[14]

This terse and uninformative response, meant to intimidate nonbelievers, reflects exactly the kind of magical thinking discussed above. Skilling's statement was meant to convey certainty and self-assuredness, even as the turbulent economic environment of the new economy was beginning to get even more unpredictable. In hindsight, contrary to Skilling's statement, it is not even clear what business Enron was really in. Was it an energy company that dabbled in trading? Or, was it a trading company that was making huge gambles with other people's money without disclosing it? Kenneth Lay, who helped create Enron in 1985, has now even intimated in his testimony to Congress that he did not understand everything that his own company was up to.

No one doubts that the "culture of arrogance" permeated "the world's leading company," as Enron referred to itself. As one studies Enron's recent history, it is impossible not to recall the rabbinical insight discussed above which directly linked "haughtiness of spirit" to idolatry.

However, this kind of misplaced certainty alone does not constitute idolatry. As noted above, idolatry is a group phenomenon. To succeed in its illusion, Enron's top managers needed help. If Enron was like a drug addict hypnotized by the allure of always improving quarterly earnings, the once highly reputable accounting firm of Arthur Andersen was its enabler. Without a "flexible" auditor, Enron would unlikely have fooled so many people for so long. For a discussion about the special role that accounting educators have played in creating a culture conducive to ethical failures like Enron see the accompanying story.

It was not just Enron/Andersen though. As Paul Krugman and many others have noted, the key institutions of a modern economy—regulators, attorneys, banks, financial analysts, business professors, and business reporters (with a few notable exceptions)—are implicated as well. "None of the checks and balances that were supposed to prevent insider abuses worked: the supposedly independent players were compromised."[15] It appears that almost everyone wanted to believe in the myth of Enron.

When one begins to unpack this myth, what one discovers is old-fashioned greed. Though almost all of the key players were supposed to be acting as the agents of others (shareholders, employees, the public interest, etc.), in reality all of the people involved were promoting their own interests. Professionalism is for the dupes. It wasn't so much that key executives worshiped Enron, rather key executives and their enablers at Andersen worshiped the crass and ruthless culture of excess that they had created. Stock price became the absolute value. A small example is telling. At one point, Jeff Skilling instituted a review system in which those employees rated in the bottom 20 percent, no matter how competent, were summarily dismissed. It was that simple.

Enron/Andersen was a macho world in which the most celebrated citizens were cowboys and risk-takers who laughed at old economy thinking and conventions. McLean describes this world: "Because Enron believed it was leading a revolution, it encouraged flouting rules. There was constant gossip that this rule breaking extended to executives' personal lives—rumors of sexual high jinks in the executive ranks

THE DISMAL STATE OF ACCOUNTING EDUCATION

The importance of Enron is not limited to the lesson that there are a lot of bad guys in corporate America. Most of us already knew that. Enron is a systemic failure. Its political and ethical implications are far-reaching. We are only beginning to sense the real meaning of Enron.

I suggest, in response to Enron, that accounting educators rethink what it is that we really do. I earned my Ph.D. in accounting at New York University's Stern School of Business and have been teaching and writing about accounting and ethics ever since. Here's what I've seen.

1. Accounting research, since 1968 (yes, it can be dated this precisely), has focused most of its energy on showing the statistical link between financial accounting numbers, like earnings per share, and stock market returns. It is as if the only thing that really matters is the bottom line. For the most part, the top accounting journals are extremely reluctant to recognize accounting ethics as a legitimate area of academic research. At best, ethics is tolerated as an avocation. Those hired or promoted at the most prestigious business schools have learned this lesson well.
2. Accounting professors teach students to think of their profession as a subdiscipline of finance. They explicitly tell students to view accounting exclusively in cost benefit terms. As many accounting professors see it, the accounting profession must add value to the bottom line, as opposed to its more traditional role of judging reliability and neutrality. This is like teaching umpires to hit more home runs rather than teaching them to observe carefully and judge fairly.
3. Accounting is usually taught in a rote fashion. The goal is to cover as many accounting standards as possible in the least

continued

amount of time. Those students who specialize in following and memorizing pre-set recipes are the most successful.

4. Accounting firms, especially the Big Four, devote little time and few resources to hiring decisions. They focus on a winning personality to the neglect of ability and creativity. There is little communication between the accounting profession and elite accounting professors. Both parties seem to like it best this way.
5. Much time and energy has been spent on determining the ideal length of an accounting education. In the past, accounting students had to have four years of college to sit for the Certified Public Accounting exam. Today, most states require five years. The debate that surrounded this change missed the point entirely. It's not the time you spend in college, it's what you learn while you're there that matters most. Little of substance about the content of the accounting curriculum was learned during this time.

Corresponding to these observations, here are five practical suggestions to improve the dismal state of accounting education.

1. Broaden the definition of accounting research. Accounting Ph.Ds should be encouraged to explore alternative research paradigms. Cross-disciplinary studies should be encouraged.
2. Think of accounting as applied ethics. This is much closer to the traditional role of accountants and fits the public's expectation of what auditors are paid to do.
3. Change the way we teach accounting. Use more case studies, emphasize communication skills, and encourage students to learn more about psychology, sociology, and politics.
4. Develop more bridges between the accounting profession and accounting professors. Accounting professors, for one, should learn more about how accounting is currently practiced.

continued

5. Get students to see the big picture. No accounting student should pass certification unless he or she can explain the legitimate role of accounting in a free and democratic society.

If we use Enron not as a weapon against our political enemies but as a real opportunity to learn something about ourselves and our social and political system, perhaps some good can come out of all this. I say this not to absolve those directly responsible for fraud at Enron and Andersen, but to point to a possible path out of this mess.

ran rampant. Enron also developed a reputation for ruthlessness, both external and internal."[16] In the end, no one disputes that a good deal of social capital has been squandered. In the language of this book, the antics at Enron not only violated an implicit and long-standing covenant, but the loss of trust has led some to reject the covenant. My image of auditors—the public's watchdog—destroying documents after the government began its inquiry sadly symbolizes this rupture. In the eyes of Enron, those who played by the old rules were the dinosaurs in the story.

Comparing the Enron/Andersen meltdown to idolatry serves a number of important practical purposes. First, at the simplest level, it underscores the importance of all of this. How we behave in business makes a difference not just in monetary terms, but as with idolatry, it affects our very identities.

Second, and somewhat ironically, the language borrowed from religion reminds us that there is a natural and predictable process at work here. There's nothing magical about the meltdown. Enron began with arrogance, certainty, and swagger. Despite the huge risks its executives were taking on behalf of the company, Enron executives continued almost to the very end to display a casual lack of interest in the concerns of its stakeholders. Was Ken Lay bluffing when he continued to reassure investors that all was well when he certainly had access to information that should have

raised some red flags? Perhaps. But, perhaps he himself was imprisoned by his own arrogance. The special feelings of always being right spread. Andersen and others jumped on board. The stock price, and all the benefits it represented, became the absolute goal of the game. And, in the end, as it always does, the bubble finally burst. It's an ancient story that simply refuses to die.

In the final analysis, the comparison being drawn here between Enron/Andersen and idolatry, no matter how many similarities there are, remains a metaphor. Nevertheless, the metaphor suggests some real-world alternatives:

1. Since idolatry is always based on illusionary thinking, just a few people questioning the official version of the story can have a tremendous impact.
2. Thinking that there really is just one absolute goal, like profit maximization, is a signal that something has gone wrong.
3. If it seems like it's too good to be true, it probably is.
4. Whenever there is an unquestioned consensus, ask questions.
5. Find the psychological strength and inspiration to avoid cynicism by reminding yourself that even broken covenants can be rewritten.

ALTERNATIVES TO IDOLATRY

The contemporary lessons of the golden calf narrative are not all negative. There are two heroes in the story. It has been argued that it is when Moses confronts those worshiping the golden calf that he finally passes his first real test of leadership.[17] Even though God explicitly commands Moses, "Go, get thee down" (Exod. 32:7) and further on, "Now therefore let me alone" (Exod. 32:10), Moses seemingly disobeys—"And Moses besought the Lord his God" (Exod. 32:11). Moses argues, prays, and cajoles. He identifies himself completely with the people and refuses to take God up on his offer to provide another people.

The rabbis of the Talmud note that initially Moses became powerless, but this was only temporary. In the words of the tractate Berakoth 32a:

> He [Moses] had no strength to speak. When, however, God said, *Let Me alone that I may destroy them*, Moses said to himself: This depends upon me, and straightway he stood up and prayed vigorously and begged for mercy. It was like the case of a king who became angry with his son and began beating him severely. His friend was sitting before him but was afraid to say a word until the king said, Were it not for my friend here who is sitting before me I would kill you. He said to himself, This depends on me, and immediately he stood up and rescued him.

Amazingly, it appears from this rabbinical embellishment that even God needs a friend. One who will not be a yes man but a friend who will speak his mind. In order for the covenant between God and man to survive, God needs man to finally recognize that at least in part "this depends on me." In the continuation of this explanation the rabbinical imagery is self-consciously startling. "Were it not explicitly written, it would be impossible to say such a thing: this teaches that Moses took hold of the Holy One, blessed be He, like a man who seizes his fellow by his garment and said before Him: Sovereign of the Universe, I will not let Thee go until Thou forgivest and pardonest them."

The antidote to idolatry, in the Jewish view, is not the answer of the fundamentalist who attempts to deny his own humanity in order to blindly serve the whimsical and arbitrary god of his own making. This false piousness is just more idolatry. Rather, the antidote to idolatry is to begin to answer God's own invitation and to develop an understanding of our full human potential. Moses becomes a covenantal leader in the moment that he realizes that even God's covenant hinges upon man's understandings: "This depends on me." This is a far cry from the master/servant relationship that characterizes the Egyptian reality from which the Hebrews are in the process of escaping and to which so many contemporary religious leaders would like to see us return. It is also diametrically opposed to the kind of behavior contemporary organizational and political leaders like Nixon and others come to demand from their followers.

So, the first hero of the story is Moses. The second hero is God himself. Here, a simple reading of the verses overflows with profound mean-

ing. "And the Lord repented of the evil which He said He would do unto His people" (Exod. 32:14). In changing His mind, God portrays Himself as a *learning God.* God's perfection, according to the Bible, and contrary to the Greek understanding, does not reside in the fact that He is unchanging. Rather, God's perfection, at least as it is revealed to man's perception, is in his ability to develop and change. Perfection is not a final resting place, but a process.

If it is true, as I am suggesting, that idolatry begins when we embrace certainty in the face of uncertainty, what more extreme and helpful lesson could there be to combat idolatry than the model of God himself repenting. The idea is if God cannot be certain, how much more so does this apply to man? As Emanuel Rackman, one of the most outstanding, if under-appreciated Jewish leaders of the twentieth century, noted: "A Jew dare not live with absolute certainty, not only because certainty is the hallmark of the fanatic and Judaism abhors fanaticism, but also because doubt is good for the human soul, its humility, and consequently its greater potential ultimately to discover its Creator."[18] Faith is not certainty in the face of uncertainty, faith can only grow out of honesty in the face of uncertainty.

God's decision to change his mind, so to speak, is the ultimate point of the narrative. In a world of uncertainty, even God has to be a learning God. How much more so does the covenantal leader?

FOUR

THE PATH OF INTEGRATION

> *Know that the whole of being is one individual and nothing else. The sphere of the outermost heaven with everything that is within it is undoubtedly one individual. The differences between its substances are like the differences between the limbs of a man.*
>
> —*Moses Maimonides*

Those organizations reaching toward the covenantal model with the goal of creating a shared community among equals require integrative leadership. Great leaders tell great stories. The more these stories bring us together, the better. Howard Gardner's illuminating study of leadership identifies 11 twentieth century leaders. In summarizing the lessons learned from these diverse leaders, ranging from the anthropologist Margaret Mead to Mahatma Gandhi, Gardner emphasizes the connection between successful leadership and compelling narrative. He notes that leaders' stories about identity are particularly important:

> Typically, these identity stories have their roots in the personal experiences of the leader in the course of her own development. But it is characteristic of the effective leader that her stories can be transplanted to a larger canvas—that they make sense not only to members of her family and her close circle, but to increasingly large entities, including institutions and, at an extreme, heterogeneously constituted political entities.[1]

Of the 11 leaders identified in Gardner's study, 9 of them told stories that were inclusionary—stories that helped individuals think of themselves as part of a larger community. Though the details of the leaders' stories are very different, the focus is almost always on integration. The greatest leaders are integrators like Martin Luther King Jr., who fused biblical imagery, the rhetoric of the American democratic tradition, and the nonviolent philosophy of Gandhi in his call for integration and healing between African Americans and the white majority.

Integrative leadership is not easy. If it were, great leaders would be everywhere, and it is clear that this is not the case. A first step toward becoming an integrative leader is a useful definition. I define integration as *the process of uncovering new relationships among discrete elements from which new value emerges.* Rabbi Norman Lamm, the president of Yeshiva University, is surely correct when he says that today we no longer view organic unity as a fact, but as a value to be pursued consciously in human life and civilization. In other words, integration is not a state of being, but a valuable human process. Integration is something that reasonable people can do, and integration is something that reasonable people have good reasons to do. Restating this in theological language, Lamm proceeds boldly:

> The unity of God is, unquestionably, not yet a fact; it must await eschatological fulfillment. But that fulfillment must not be merely a passive one, relegated only to the heart. If not (yet) a fact, it must be championed as a value. It must motivate an active program so that all of life will move toward realizing that "And the Lord shall be king over all the earth"; that the "World of Disintegration" will one day be replaced by the "World of Unity" and reintegration.[2]

Maimonides's vision, cited as the epigraph to this chapter, becomes, in Lamm's hands, a goal to be pursued rather than a description of current reality. The whole of being is *not yet* one individual, but there is a religious and moral duty to come to see the world in this way. Integration is not passive, but active. The boxed text below provides a unique interpretation of the Jacob/Esau narrative found in Genesis, illustrating this active aspect of integration at the level of individual growth and development.

THE RELATIONSHIP BETWEEN JACOB AND ESAU

The Ba'al Shem Tov, the founder of Hasidism, liked to point out that "we recognize the failings in others to the extent that we ourselves possess the same fault." A practical implication of this insight is that when we get angry with someone, we should always step back and ask, "Why does this person bother me so much? Am I really mad at him? Or am I mad at my own shortcomings?"

The Ba'al Shem Tov's observation can also help us gain a deeper understanding of the relationship between Jacob and Esau as portrayed in the biblical book of Genesis. In part, the tension between the brothers is driven by the possibility that Jacob himself is simultaneously drawn to and repelled by Esau. In Esau, Jacob has a mirror in which he sees himself more clearly.

At the level of the literal understanding of the text, the story of Jacob and Esau is about two brothers enmeshed in a web of sibling rivalry. One can also understand the narrative on the level of individual psychology. Jacob and Esau represent two aspects of the same personality. Jacob, described in the Bible as "a simple man, sitting in his tent," represents the spiritual side, and Esau, "a cunning hunter, a man of the field," represents the physical side.

Accordingly, the story is simultaneously about the reconciliation of two brothers, and, perhaps more important, about individual human growth. The key question for the second perspective is "How does Jacob reconcile the two seemingly incompatible sides of his personality?"

Jacob's primary struggle is not with his brother Esau, but rather with himself. How does Jacob connect his own spiritual and physical characteristics? Or, better yet, how can the "Jacob in Jacob" find space for the "Esau in Jacob"?

I call the first step of the growth process negotiation. This step is illustrated through Jacob's attempt to purchase the birthright from Esau. As the biblical verse states, "Sell me this day your birthright."

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In a sense Jacob wants to buy out the Esau part of his personality. At this point, the spiritual side recognizes some positive inherent in a life devoted to physical pursuits as symbolized by the birthright. However, the problem with negotiation is that it doesn't take seriously the true differences between a Jacob and an Esau. Can you really buy and sell a birthright? Ultimately, negotiation is bound to fail. While it may be a necessary first step, if the process stops here, development is prematurely stunted.

The second step of the process is probably best thought of as experimentation. At this point, the differences between Jacob and Esau are more clearly identifiable. The problem remains: what can you do about it? Jacob complains to his mother, Rebecca, "Behold, Esau my brother is a hairy man and I am a smooth man." Here, unlike above, Jacob is consciously aware of the two aspects of his personality. Nevertheless, after reassurances from his mother, he puts on Esau's well-worn clothes, however reluctantly, and brings his father, Isaac, the food that Rebecca has prepared.

Most of us live most of our lives at the stage of experimentation. And often the response we elicit is of the form, "The voice is the voice of Jacob, the hands are the hands of Esau." Finally, the ultimate step in the growth process is integration. If the experimental stage is successful, the Bible holds out an optimistic promise—Jacob and Esau become one. Jacob is Jacob, and Esau is Esau, but the two thrive together in the same psyche. Psychologists might call this stage of development "self-actualization."

On the eve of his confrontation with Esau, in one of the most powerful scenes in Genesis, the Bible describes Jacob's struggle and ultimate victory not over Esau, but his victory with Esau. "And Jacob was left alone; and there wrestled a man with him until the breaking of the day." Question: If Jacob was left alone, with whom was he fighting? According to the version offered here, his fight was an internal struggle. The great medieval biblical commentator Rashi, in a

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suggestive comment, equates Jacob's adversary with Esau's guardian angel, perhaps suggesting an interpretation tantalizingly close to the one put forth here.

The true climax of the story is not the actual confrontation between the two brothers as related in chapter 33. This confrontation was always secondary, and its resolution, as the Ba'al Shem Tov would certainly realize, is predictable from what precedes it. The true climax is Jacob's own internal victory with Esau. Rashi makes this crystal clear when he explains Jacob's name change to Israel. "It shall no longer be said that the blessing came to you through supplanting and subtlety but through noble conduct and in an open manner."

The Bible itself does not explain the actual process of integration. We are simply notified that somehow Jacob finds "peace." At first, this might seem to be a failing of the story. After all, writers are supposed to show and not tell. But, perhaps there is a final lesson here. Each integration is unique. It is personal. Jacob's solution was appropriate only for Jacob. Perhaps it is sufficient for us to believe that integration is finally possible. Life's task is to realize this promise on terms meaningful to ourselves.

The Civil rights leader Martin Luther King Jr. demonstrated the possibilities of integration even in the political world. Through his powerful speeches and his public activities he revealed the inherent but latent connections between religion, democracy, and nonviolent protest. Perhaps the connections were always there—perhaps not—but great leaders produce value by telling stories that make the connections obvious to everyone.

One of the reasons why integration and integrative leadership are so rare arises from the many paradoxes inherent in integration. For those who would like to become great leaders, one of the most daunting tasks is overcoming these paradoxes of integration.

THE PARADOXES OF INTEGRATION AND THEIR SOLUTIONS

Paradoxes of Integration	Proposed Solutions
Paradox 1: Disintegration is not the opposite of integration.	Solution 1: The first step of integration is often disintegration.
Paradox 2: The elements that are integrated retain their identity.	Solution 2: Overcome either/or thinking; embrace the logic of both/and.
Paradox 3: Value results from seeing the world in a different way.	Solution 3: Merge economic thinking with other models, including religious ones; value is *not* solely the product of satisfying preexisting preferences.
Paradox 4: Even the most valuable stories are always temporary.	Solution 4: The process of storytelling is permanent.

PARADOX 1. DISINTEGRATION IS NOT THE OPPOSITE OF INTEGRATION.

It appears to us today that the medieval world which provided Maimonides with the confidence to proclaim his *one-world theory* has vanished. We perceive the world as fragmented. Each of us lives in more than one world simultaneously, or it certainly seems that way. We jump from sphere to sphere, from business to religion, from family life to political life, from citizens of local towns to members of the global community. Even our own identities are problematic; I am a father, a husband, a professor, a citizen of the United States, an adherent of a particular religion. One often senses an overlap among these roles and others, but don't they just as often conflict

with one another? Though the one-world theory was once self-evident, almost all of us now embrace something like the *two-world* (or even *multiple-world*) *theory*.

William Butler Yeats translated the two-world theory into poetic terms:

> Things fall apart; the centre cannot hold;
> Mere anarchy is loosed upon the world,
> The blood-dimmed tide is loosed, and everywhere
> The ceremony of innocence is drowned;
> The best lack all conviction, while the worst
> Are full of passionate intensity.[3]

This is the world into which every leader and would-be leader is born. The first paradox of integrative leadership is that disintegration is not the opposite of integration. In fact, it is often a necessary first step. Almost by definition, great leaders are tearing down the edifices of the past. They don't tear everything down, and they don't tear down indiscriminately. However, they recognize that new value will emerge only when some of the old ideas are taken apart.

Like the 11 leaders identified in Howard Gardner's study on leadership, Letty Cottin Pogrebin, a leader of the feminist movement, interprets her personal story as one of inclusiveness. Her narrative, as told in her autobiography, is deeply personal in its details, and yet meaningful and suggestive to a broad and diverse audience. For many readers, Letty Cottin Pogrebin's story is also *their* story. As a result, her autobiography serves as an excellent case study of a political activist and social leader who walks the path of integration.

Pogrebin was born in 1939 to a domineering and successful father and an emotional and dependent mother in a suburb of New York City. Her parents were traditional Jews who kept a kosher home, observed the Sabbath and Jewish festivals, and were very active in Jewish communal life—especially her father, who attended and presided over meetings almost every night of the week. Although she and her parents embraced and rejoiced in Jewish ritual life, Pogrebin does recall some "ritual shortcuts" as well. For example, her mother kept some special dishes for the *treif* (non-kosher)

treats she would prepare, on occasion, for Letty. In describing her own development, Pogrebin compares her childhood reality to a Russian doll. As she puts it, "How could one know which doll would be the last?"

Pogrebin's mother died when she was 15 years old. In a sense, this is when Pogrebin's own journey begins. In the language being used here, her new story begins when she herself begins to disintegrate the old story.

One of the most significant turning points in her young life occurred immediately after her mother's death, during a religious service to honor her memory. Pogrebin wanted to recite the *kaddish* prayer in front of the entire congregation. According to her father's understanding, though, it was prohibited for women to publicly recite this prayer. He therefore did now allow her to express her grief in the way she had chosen. Pogrebin summarizes her feelings starkly. "I mourned as a daughter and left Judaism behind."[4]

About half a year later, as a freshman at Brandeis University, Pogrebin wrote a short story for her English writing class. She wrote about a pious little girl who was tormented by her friends and teachers despite her kind and giving deeds. In an emotional explosion, the girl in the story ran to the synagogue and heaved a rubber ball at the Eternal Light that shines perpetually in all synagogues throughout the world and is the very symbol of Jewish hope and faith.

To me, the story itself symbolizes the first paradox of integrative leadership. In fact, the feelings of destruction symbolized in this story were a necessary first step toward Pogrebin's eventual re-encounter, reinterpretation, and re-embracing of her Jewish heritage. I think the fact that the ball is a rubber one in her story is a significant detail. Unlike a rock or other hard objects, rubber balls have a tendency to bounce back at the thrower.

For many years Pogrebin did not publicly write or talk about her identity as a Jew. After graduating from college she worked for ten years in the publishing business. After leaving this job, she became a founding editor of *Ms. Magazine*, wrote numerous articles and books on feminist issues, and became more involved as a political activist and internationally recognized leader of the women's movement.

Interestingly, her journey back to Judaism and her strong identification with the state of Israel were precipitated by an eye-opening and dis-

tressing set of events at a 1975 United Nations conference on women's issues held in Mexico City. At the conference, the participants passed an infamous resolution that equated Zionism with racism. In Pogrebin's own words:

> I could not believe that supposed feminists who had been entrusted with the inauguration of a ten-year commitment to improving the status of all the world's women—and who were pledged to address the monumental problems of female infanticide, illiteracy, high mortality rates, abject poverty, involuntary pregnancies, domestic violence, and so on—could allow their agenda to be hijacked on behalf of this unspeakable PLO slogan.[5]

Pogrebin recognized a limitation of her own hard-fought feminist philosophy. Just as she had deconstructed her Judaism after her mother's death many years before, she had to now deconstruct her feminism. Being a feminist, and only a feminist, was not sufficient. The feminist anti-Zionists at the Mexico conference turned her into a Zionist. She now had to understand for a second time what it meant to her to be a feminist. Only now she felt she had to revisit her Jewish roots and find a way to integrate seemingly contradictory feminist and Jewish worldviews.

Pogrebin writes explicitly about her "double vision." She describes it as being caught in a "tug of war between women and the Jews."[6] After years of contemplation and struggle though, she found significant ways to marry feminism and Jewish renewal. Much of her book is devoted to some of the practical solutions she discovered along the way.

Among the many examples she cites, she talks about the need for increased sex integration in synagogue and ritual life. In addition, she points out the demand to establish rituals specific to women's needs and aspirations. Examples include women's prayer groups, Passover seders, and once-a-month Rosh Hodesh celebrations. She cites the biblical heroine Hannah as an example of a religious innovator. During a time when all prayer was public and communal, Hannah imagines an alternative form—inward prayer. Despite the fact that the religious establishment of her day thought her silent words were a symptom of drunkenness, Hannah was ultimately vindicated. In Hannah's case, what starts out as a specifically women's ritual, after the destruction of the Temple, actually becomes the

template for Judaism's synagogue worship to this day. In addition to innovative ritual observances, Pogrebin also talks about a "world in need of repair." She further explains, "Indeed, if *tikkun olam*—the repair of the world—is an assignment Jews are supposed to take seriously, Jewish feminists add to the repair kit not just the tools of Jewish ethics but the equity blueprints of Jewish feminism."[7] Specifically, what this implies to Pogrebin is the need to broaden Jewish philanthropic priorities to emphasize issues like homelessness and other universal social concerns.

In the end, she summarizes her autobiography "as a deeply personal account of one woman's efforts to merge the feminist ideology of equality and autonomy with the particularity of Judaism and Jewish ethics."[8] She feels that it is only through integrating feminism and Judaism that she has finally discovered a "clarity of purpose" necessary to leading a meaningful life. Pogrebin's leadership and her lasting contribution to Jewish feminism demonstrate that it is possible to overcome the first paradox of integrative leadership. In order to bring us closer to the reality of one world, we often sink ever deeper into a multiworld perspective. Or in words closer to Pogrebin's, through clarity of purpose, double vision can ultimately yield to an integrated and meaningful worldview. Perhaps real social change can begin only with deep personal change.

PARADOX 2. THE ELEMENTS THAT ARE INTEGRATED RETAIN THEIR IDENTITY.

Integration is defined as the process of finding new relationships among discrete elements. It is also a key building block for all covenantal organizations committed to providing a stable social location for the interpretation of life's meanings in pursuit of human growth, development, and the satisfaction of legitimate human needs. For example, David Packard, of Hewlett-Packard, defines his business as follows:

> I want to discuss why a company exists in the first place. In other words, why are we here? I think many people assume, wrongly, that a company exists simply to make money. While this is an important result of a company's existence, we have to go deeper and find the real reasons for our

> being. As we investigate this, we inevitably come to the conclusion that a group of people get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately—they make a contribution to society, a phrase which sounds trite but is fundamental. . . . You can look around . . . and still see people who are interested in money and nothing else, but the underlying drives come largely from a desire to do something else—to make a product—to give a service—generally to do something which is of value.[9]

In summarizing his thoughts, Packard explicitly states why his company Hewlett-Packard exists. "The real reason for our existence is that we provide something which is unique."

The value that emerges from integration is found in the newly discovered relationships. In the case of an organization, as Packard makes plain, it is simply a group of people getting together. Built in to this definition is the second paradox: The moment the parts merge so completely that they lose their own unique identities, the integration ceases and value is lost. Think of a long-married couple in which both partners identify so closely with one another that they lose their own sense of selfhood. Far from being the perfect marriage, this is a situation in which the marriage itself loses its coherence and meaning.

Overcoming this second paradox requires integrative leaders to abandon either/or thinking. James Collins and Jerry Porras have summarized their extensive research on "visionary companies" like 3M, American Express, Boeing, Merck, Wal-Mart, and others by noting how each of these companies has overcome the many pitfalls associated with either/or thinking. These visionary companies maintain a relatively fixed core ideology *and* pursue a program of vigorous change and movement. These companies promote conservatism around the core *even while* they are committing bold and risky moves. They articulate a clear sense of direction *and* are committed to pragmatic experimentation. Visionary companies possess integrative leadership.

Leaders must distinguish the forest from the trees, but they also must be able to simultaneously see the forest *and* the trees. This goes for leaders

of successful ventures of all kinds. Marriage partners, for example, must be able to value both their unique relationship and each other's autonomy. The relationship itself depends on autonomous partners, and the autonomy of the partners depends on a healthy relationship. This kind of double-vision is extremely difficult to maintain. After all, one of the most powerful weapons of rational thought is the idea that something cannot, at the same time, be both A and not-A.

We have become so accustomed to applying this rule that we often apply it unknowingly where it does not belong. To illustrate, I offer an example from my own research. I first became interested in corporate social responsibility about nine years ago. My first academic project in this area began as an attempt to measure the cost of "social responsibility." The proposal, drawing from my academic training in accounting and finance, was framed in simple terms. There exists a group of companies in the United States and elsewhere that have taken on various corporate social responsibility projects. We can compare these companies with other companies of roughly the same size in the same industry. The only relevant difference between the two samples is that the second sample is not actively engaged in social responsibility activities.

Much to my surprise, we were unable to uncover *any* cost of social responsibility. In fact, the evidence suggested that there might even be a financial advantage for the companies carrying out these projects. Other studies have found similar results. In fact, virtually no empirical study has ever documented a financial cost associated with increased corporate social responsibility activities. Initially, I had an extremely difficult time interpreting these strange results. Perhaps we introduced a methodological error into our analysis. Perhaps there is no real difference between the two samples—corporate social responsibility is mere public relations. What I refused to abandon was the either/or paradigm that I was unwittingly applying. The assumption for this whole project was the assertion that there must be a trade-off between profits and social responsibility: An activity is either socially responsible or profitable, but it cannot be both. This, of course, was not the conclusion of a reasoned analysis on my part, or anyone else's for that matter, but was simply an inherited and unexamined definition I employed to frame the question.

At some point, well into the project, it finally dawned on me that I was suffering from either/or thinking. The surprising statistical results made me reframe the entire issue. The empirical results did not make me confirm or disconfirm the hypothesis with which I began, but rather forced me to abandon the original hypothesis altogether. In a sense, the original hypothesis was beside the point. I came to believe—and I still do—that the really interesting question is not how much it costs to be socially responsible, but what is the best way to integrate the traditional notion of profits with a mature concept of corporate social responsibility. It turns out that the relationship between financial performance and social responsibility is not either/or, but both/and, at least sometimes. As in all integrations, corporate social responsibility is dependent on financial performance, and financial performance is enhanced by increased social responsibility. The two concepts are distinct but linked. One can talk meaningfully about profits, one can talk meaningfully about corporate social responsibility, and one can even talk about how best to integrate these ideas.

PARADOX 3. VALUE RESULTS FROM SEEING THE WORLD IN A DIFFERENT WAY.

The solution to the second paradox—developing an ability to abandon either/or thinking—comes with its own price tag; a third paradox immediately emerges. It follows from the above discussion that value is often the product of framing the world in a new way. If it is true that value is located in the newly emerging integrative relationship, it must be the case that value is produced by a mind shift! This statement is paradoxical especially for those who continue to believe that value is solely the product of satisfying preexisting wants and preferences, as economists continue to insist.

In overcoming this third paradox, religious resources may be more helpful to business managers than conventional economic wisdom. For the most part, economists assume preferences are fixed and unchanging. The economic *problem* is how to efficiently satisfy these well-behaved desires. Religious thinkers sometimes offer a more nuanced, realistic, and pragmatic picture.

The contemporary rabbi, Harold Schulweis, uses the term *meaning* and not *value*, but his treatment of the interpretive process inherent in religious thinking suggests a model for overcoming the third paradox:

> Meanings there are which are not invented nor flung down upon us from above. There are meanings discovered by our people through their experienced transactions with their environment. Not "the" beginning but many beginnings shape our world; not one meaning, one revelation, one interpretation but many are called for. And all remain open and subject to scrutiny, rational debate, and judgement on the table of consequences. Menachem Mendel of Kotsk counseled a Hasid who had experienced "terrible thoughts" questioning Judge and Justice and meaning in the world. To every anguished doubt of the Hasid, Menachem Mendel retorted, "and so—what do you care?" And seeing that the Hasid truly cared, he advised him not to worry about his doubts, "for if you care so deeply, you are an honest Jew, and an honest Jew is entitled to such doubts." In beginnings worlds are created. In creativity, meanings are formed.[10]

Contrary to economic thought, the problem for leaders in business and other modern organizations is not how to devise more efficient means for satisfying preexisting preferences, but is more fruitfully compared to a rabbi's task of creating new meanings from existing texts. In Judaism, value is often produced first in the study hall through *chidush*, usually translated as innovative interpretation, and only later permeates the community.

The new stories are themselves valuable. Consider the case of the Dow Chemical Company plant located in Midland, Michigan. For two years managers at Dow and environmental activists joined together in a project called the Michigan Source Reduction Initiative. The point of the project was to help the Dow production plant reduce its output of selected toxic chemicals and the release of chemicals into the air and water by 35 percent, and to do so in a financially responsible way. The initiative was the result of a collaborative effort on the part of both Dow Chemical and the Natural Resources Defense Council, an environmental group based in New York. According to Linda Greer, a policy analyst at the Natural Resources Defense Council, Dow made "a heroic decision to bring in its most vocal critics."[11]

From the beginning, both partners had their doubts. The environmentalists were concerned that Dow and its managers were not serious and would use the project for public relations purposes only. Dow, for its part, was worried that the environmentalists would exploit the new relationship to document and publicize newly discovered environmental abuses.

What the two sides discovered was that it is possible for environmentalists, armed with detailed inside information concerning production processes, to help a huge manufacturer reduce toxic emissions. Further, the company is saving money. According to press releases, Dow's initial investment of $3.1 million is now saving the company about $5.5 million dollars a year. A large portion of the these savings is the result of introducing new chemical catalysts in the manufacture of resins that eliminate a toxic by-product, formaldehyde-laced tars. For a one-time minimal cost, Dow projects savings of more than $3 million per year on this project alone. In addition, the production of a selected list of toxic chemicals has been reduced by 37 percent, beating the agreed-upon goal.

There are undoubtedly numerous reasons why this project was so successful and now serves as a model for other manufacturing plants around the country. One hero of this story is Bill Bilkovitch, an engineering expert from Florida. In one case, he recommended that Dow remove toxic emissions twice a day rather than once a day. This seemingly small and obvious change in the production routine now saves Dow $34,000 annually and reduces the output of the toxic chlorine compound by 34,000 pounds per year.

Another key to the success of this initiative was the resolve to stay focused on the stated goals of the project. The project moved ahead even though mid-level managers at Dow were less than enthusiastic about the project. The initiative even weathered an unforeseen crisis that emerged after a Dow Chemical Company contractor allowed dangerous toxic dust spills to occur. The project is now seen as successful because leaders on both sides were committed to seeing it through to the end. At one point John Ehrman, a mediator hired at the beginning of the project, had to step in and remind both sides to ignore details and keep focused on the specifics of the project. What could have been a disaster was sidestepped by careful planning from the outset and skillful negotiating skills on the part of Ehrman.

As important as the personalities who played a role in the project were, however, an even more important lesson emerges from this experiment. To capture the benefits of integration, all leaders involved need to have a clear sense that the value of the project grows primarily out of how the problem is framed. Dow is no longer looking for the lowest cost solution to satisfy current legal constraints, and environmentalists do not expect this initiative to solve every environmental problem. The new story emphasizes cooperation rather than antagonism. Here is a case in which the integrationists won the day and overcame the third paradox. Paraphrasing Rabbi Schulweis, new value has been discovered by both partners through the experienced transactions with their environment.

PARADOX 4. EVEN THE MOST VALUABLE STORIES ARE TEMPORARY.

If value is to be found in the new stories, the stories themselves become valuable. It is in recognizing this insight that integrative leaders are able to overcome the third paradox. But, here, as above, the solution sows the seeds for its own paradox. In telling and recounting stories we begin to attribute magical qualities to them. The problem is that we begin to take the stories literally, as if we ourselves did not write the stories and somehow the stories *have* to be true. The last paradox suggests that no matter how important these stories become—no matter how valuable they are—the stories are always temporary. Some stories may last longer than others, but in the end, the stories are always replaced. Or to put this more mildly, even when the stories persist, the interpretations assigned to them are dramatically altered. As the environment is transformed, as new discoveries are made, the meaning of the old stories loses its hold. A tragic flaw of some great leaders is that they become so identified with one particular reading of events that they often will hold on to an old story, one that has worked time and time again, even when it is obvious that the rules of the game have altered so dramatically that the old story no longer resonates.

In business, Alfred P. Sloan Jr., the longtime chief executive officer of General Motors (he served as CEO from 1923 to 1946), is correctly re-

membered as one of the great integrative leaders in the history of business. His area of unsurpassed expertise was not automotive technology, like Henry Ford's, but bringing groups of people together; he was a genius at organization. Under Sloan's leadership, GM's share of the automotive market jumped from 12 percent to 50 percent, and along the way GM became the biggest and most powerful company in the world. How then did he do it? What was his new story?

> First, it was that business was a power at least equal to the political estate, and perhaps the principal power among the contemporary estates. . . . Sloan and his corporate colleagues could show that business was well organized and responsibly run, aware of its public responsibilities, and willing to provide leadership during times of crises and to facilitate prosperity for the nation's working people. Critics of capitalism were simply misinformed or malevolent. GM had weathered the depression and had become the nation's leading manufacturer of war materials during the Second World War. Its leaders were the beacons of their community and also personally charitable.[12]

Sloan's story emphasized the material well-being that flowed directly from the power and size of the newly integrated corporate giants. Describing his own accomplishments, he noted explicitly in his autobiography, "The ambition . . . to rank high in the world of material accomplishment is not only a highly worthy objective but the fact that it has until recently been so regarded undoubtedly has been an important contributing factor in the development of America and of the highest standard of living." He emphasized an allegiance and faith in economic rationality and business planning. The proof was in the results!

In the tradition of the best integrative leaders, Sloan attempted to solve his perennial problem of how to maintain control over the organization even as he set up his decentralized system of organization. Sloan clearly had overcome the pitfalls of either/or thinking. Further, he underscored how business could be devoted to growth and responsibility simultaneously. His story was so powerful that it not only inspired GM, but in the post–World War II period, if just for a moment in American history, it helped define the nation.

Even if Sloan's successor, Charlie "Engine" Wilson, never really said "What is good for GM is good for the country" (as is often incorrectly quoted), that is precisely the way many people, concerned about the fascist and communist threat, felt at the time. The point here is not to denigrate what might be called Sloan's commodity-based narrative. On the contrary, it is a call to emulate his leadership. In doing so, however, one must be extremely careful. As great as the story was, it would be a terrible mistake to continue invoking it in an unaltered form, especially as the environment has changed. The story worked because it was "true" for the period in which it was developed.

The filmmaker Michael Moore was able to skewer and successfully mock one of Sloan's successors at GM, Roger Smith, in his powerful documentary movie *Roger and Me* not because Roger Smith forgot how to tell Sloan's story, but because Smith insisted on retelling it even in a period of dramatic change. At the time the movie was made, GM was closing numerous factories in Michigan, which devastated whole communities. In one poignant scene at the very end of the movie, Moore forces the viewer to watch as a former GM family is evicted from its home by the town's sheriff. The family can no longer pay the rent. Moore then transports us back to GM headquarters where Roger Smith is leading the Christmas celebrations by regaling the audience with Sloan's old story. It is not that he can't tell the story. It is simply that the story had become outdated and pathetic against the backdrop and real human drama of downsizing.

Roger Smith suffered from the fourth paradox of integration. He took the commodity-based story literally. Though he was correct to continue invoking the commodity-based perspective, his total disregard of the newly emerging meaning-based perspective left him vulnerable to Moore's scathing attack. In order to overcome this paradox, great leaders need to recognize that it is not the story that is permanent, but the process of storytelling. A real follower of Sloan would not have repeated his story, but would have built upon it and made it appropriate for the changed circumstances. Integrative leaders recognize the tentative nature of the story. They experiment and tinker with the old story to find a theme that is just right. Above all, in order for the story to work, its meaning must fit the reality of people's lives.

A famous rabbinical allegory captures this lesson. In the following talmudic tale, the great biblical leader Moses is transported through time and finds himself sitting, centuries later, in the academy of Rabbi Akiva. Apparently, Moses cannot understand the complex talmudic discussion. He becomes perplexed and agitated.

> Rab Judah said in the name of Rab, "When Moses ascended on high he found the Holy One, blessed be He, engaged in affixing coronets to the letters." Said Moses, "Lord of the Universe, Who stays Thy hand?" He answered, "There will arise a man at the end of many generations, Akiba son of Joseph by name, who will expound upon each written mark heaps and heaps of laws," "Lord of the Universe," said Moses; "permit me to see him." He replied, "Turn thee round." Moses went and sat down behind eight rows [and listened to the discourses upon the law]. Not being able to follow their arguments he was ill at ease, but when they came to a certain subject and the disciples said to the master "Whence do you know it?" and the latter replied "It is a law given unto Moses at Sinai" he was comforted. [Menahoth 29b]

The conclusion of the story suggests that Moses is only "comforted" when Rabbi Akiva asserts the connection with Sinai. "It is a law given unto Moses at Sinai" in this instance cannot mean that Moses himself promulgated the specific content of the law because it is Moses himself who is confused. The connection therefore is not a substantive one, but is methodological. Rabbi Akiva is engaged in a process of interpreting the "law given unto Moses at Sinai." Moses is comforted by the knowledge that Rabbi Akiva is extending the written text. Rabbi Akiva's stories are not Moses's, but his method is. Moses and Rabbi Akiva are members of the community of Israel not by virtue of the fact that they're telling the same stories, but by virtue of a common method. The chain that connects Akiva to Moses is constituted by fidelity to a method rather than specific content.

CONCLUSION

In the end, of course, there is no recipe for becoming an integrator. Perhaps this might be identified as yet one more paradox. Integration is always

context dependent and can never be understood in isolation. Great leaders need to be more than integrators. Great leaders need to view integration as one characteristic among others. Integration isolated from humanism, moral imagination, and moral growth may even be a dangerous path. On the other hand, under the umbrella of a covenantal organization, it can provide meaning and relevance.

Five

The Path of Moral Imagination

Moral imagination begins where the rules end . . . and rules always end somewhere. In fact, the fast-changing contemporary setting suggests that an increasing number of situations are occurring that raise ethical concerns for which rules and well-accepted principles are only partially helpful, at best. Consider a number of current problems: Do organizations have the right to fire long-time employees in order to improve profits to shareholders? Do corporations have any loyalty obligations to satisfy implicit contracts with local communities in which they have operated for long periods of time? Should corporations consider the "social usefulness" of consumer products before they are brought to market? The issues raised through these and similar kinds of questions and the answers that managers offer through their actions are not peripheral to the modern organization but often help define organizational culture. Many hard-headed realists consider these questions as constraints on the *real* purposes of business, if they consider them at all. Nevertheless, how managers answer these questions determines the character of the organization. And no manager confronted with such open-ended questions should expect to find the answers in a rule book.

To help answer these kinds of open-ended questions, many ethical traditions have recognized a need for moral imagination or something like it. In the rabbinical world, for example, the area of decision making that falls beyond rules is labeled in the Talmud as *lifnim mishurat hadin*, which is normally translated as "beyond the letter of the law." My intuition is that great organizational leaders have always understood the limits

of a rules-only approach to ethics, even if they haven't always chosen to make it obvious to everyone what they were doing. In the past, leaders may have thought they had good reasons for purposely obscuring the process of ethical decision making. As we select more transparent forms of organizations, however, it is doubtful whether such reasons would convince us today.

Today's world requires that we emphasize the importance of making clear what it is that great leaders are doing when they are struggling with ethical dilemmas. While it is not certain that clarity is always preferred to ambiguity, it seems impossible to argue that better ethical outcomes will result from a conscious effort to refrain from talking about the process of doing ethics. In fact, the research reported here suggests that in the end what makes great leaders great is the judicious and appropriate application of moral imagination.

MORAL IMAGINATION: NEITHER RULES-ONLY NOR NO-RULES

The phrase *moral imagination* is seen by at least two distinct groups as an example of an oxymoron. Many business managers and ethicists literally believe that ethics is nothing if it is not bound by rules. According to this view the moment you step outside the world of rules, you have left the moral world. For these people, putting "morality" and "imagination" in a single phrase is at best a non-starter and at worst a dangerous development. They are afraid that moral imagination represents the first step toward the abandonment of rationality. If we allow morality and imagination to face off against one another, imagination always wins. Even if this is not how the rules-only proponents put it, the fear of morality's weakness is always lurking in the background. It is somewhat ironic, of course, that morality's self-described strongest defenders ultimately see ethics as grounded on such soft and loose sands. For this group, "moral imagination" translates into "make it up as you go along." Their argument is that because it is so much easier to make it up than to engage in the hard work of ethics and to be bound by the rules that flow from this process, the playing field is hardly level.

At the other extreme, imagination is not the problem—far from it. It is the continued use of the term morality—with its traditional authoritarian connotations—that is the culprit. This view believes that it is either all rules or no rules, but opts for the latter. Here, too, "moral imagination" is considered an oxymoron. Advocates of this position, following postmodernists like Michel Foucault, would like decision makers to abandon all inherited rules and principles and uncover the power relations that animate them. In the end, a proper understanding always shows how the rules are simply an attempt by a more powerful group to control weaker groups for their own self-interested purposes, even if individual members of the first group are unaware of what they are doing. In embracing imagination and self-creation as the sole source of guidance, these people reject traditional ethics outright.

Most of us, most of the time, are members of neither extreme. Although we adopt one or the other of these rhetorical stands from time to time, for the most part, most of us are searching for a balanced and more nuanced position that fuses the best of the rules-only view with some of the keen but exaggerated insights of the no-rules perspective. To most of us, the no-nonsense, rules-only position is useful and attractive because of its unapologetic endorsement of ethics and its promise of clear and unequivocal guidance on issues that matter most to us. On the other hand, few of us fail to recognize immediately some truth in the no-rules camp. It seems self-evident that some rules function only as a mechanism to promote the status quo and to protect the power elite.

The idea of "moral imagination," an increasingly familiar expression in organizational life, represents an attempt to move beyond an either-or framework. Advocates and practitioners of moral imagination recognize the interdependence of rules and imagination. Ethical rules independent of human imagination are hardly more useful than a well-defined mathematical operation might be when it comes to solving moral dilemmas. At the same time, imagination cut off from human rules of behavior is a dangerous game to play.

Pointing out that not all aspects of decision making can be described in terms of following rules is certainly not meant to imply that no decisions are best described in this way. To suggest that moral imagination

begins precisely where rules end is not to denigrate rules, but to emphasize that the usefulness of rules is limited. The remainder of this chapter shows how the integration of morality and imagination can and does work, with a special emphasis on the implications for organizational leaders. In other words, what follows is a religious case for moral imagination in organizations.

ELEMENTS OF MORAL IMAGINATION

There is no attempt here to formally define moral imagination other than to say that it is what allows us to continue to be who we always were, only better. Rather than putting moral imagination into the straitjacket of a definition, I discuss, in this section, some of the elements of moral imagination. Suggesting that the following list is exhaustive, I think, would violate the spirit of moral imagination. Rather, consider the following items as points of departure for a discussion of moral imagination rather than final destinations.

1. Metaphors Matter.

The imaginative process begins when we compare two things that seem, at least on the surface, to be very different. In other words, imagination begins in metaphor. A writer, for example, might describe late middle age as the "evening of life." Or in business, organizational leaders often refer to what they are doing as a kind of battle. What I am proposing, through the concept of moral imagination, is that ethical decision making can be improved by utilizing metaphorical thinking in a more self-conscious way.

To the advocates of the rules-only perspective, this suggestion is pure heresy. From this perspective, metaphors may play a rhetorical role, but for the most part metaphors are irrelevant or worse. Just as there is nothing metaphorical about the fact that 1+1=2, there is nothing metaphorical about ethics. We may not always know which rule applies in any given situation, but if a decision has ethical implications, some unproblematic rule *must* apply. From this perspective, ethics requires not imagination, but persistence. Ethics is the search for predetermined rules.

Ethics *is* the search for pre-determined rules, but it is not *only* the search for predetermined rules; metaphors matter. Ironically, this insight can be best illustrated by examining the recent book, *Ties That Bind: A Social Contracts Approach to Business Ethics*, one of the best examples of the rules-only approach to business ethics. The book is authored by two of the top business ethics scholars in the world, Thomas Donaldson and Thomas W. Dunfee, both of the Wharton School. Donaldson and Dunfee's arguments are well-reasoned, tightly debated, and illustrated with numerous helpful examples. It is one of a handful of books that everyone interested in business ethics must read. Many of their conclusions are original and convincing. Nevertheless, their approach is deeply flawed.

According to Donaldson and Dunfee, local communities retain the right to establish neighborhood norms that are morally binding on all community members. They call this right "moral free space." The authors correctly spend a good deal of time arguing that local norms must satisfy universal requirements of morality—what the authors label *hypernorms*. For example, the authors take a strong attitude against the payment of a $5 million bribe to a government official of a foreign country in order to obtain an airplane contract. Such an egregious bribe violates principles set down by "Transparency International, the OECD, the OAS, the Caux Principles, leaders of major accounting firms, major religions, and major philosophies."[1] So far, so good. Further, Donaldson and Dunfee assert that local norms are "authentic" if, and only if, the norms are accepted by a clear and uncoerced majority of community members. It is this last aspect of their theory that is more controversial.

According to their theory, it turns out that in the area of moral free space, the search for obligatory norms is reduced to a numbers game. According to Donaldson and Dunfee, majority rule is both a necessary and a sufficient condition for "authenticity."[2] Although the authors acknowledge that it is not always easy to determine attitudes accurately (in fact, big chunks of the book are spent on this problem), the process of determining business ethics can be reformulated into some fairly simple rules or "routines."[3] Oddly enough, according to Donaldson and Dunfee, the most important aspect of ethical reasoning resides in survey technology. "Direct

research on attitudes competently done is surely the best evidence for the purposes of identifying ethical norms."[4]

Although the above quote I believe fairly represents the major practical conclusion of their study, and although the quote surely places Donaldson and Dunfee comfortably in the rules-only camp, their own approach is built upon the foundation of metaphor. Let's go to the opening paragraph of *Ties That Bind:*

> In downtown Dallas, Texas, stands a statue of two businessmen in the act of shaking hands. The statue and the idea it expresses have deep importance for ethics, and even greater significance for business ethics. People shake hands. They give their word. No writing; no lawyers. Their word is enough. Even this simple concept of the sanctity of a handshake can ennoble business.[5]

I quote this opening paragraph not because I disagree with it. To the contrary, it is a most creative and useful image to put at the very beginning of a book on business ethics. Business ethics is like a handshake! Much can be learned from examining the "implication of such a handshake."[6] What the authors fail to remember, however, as the text continues, is that the handshake upon which everything else depends remains a metaphor. Consider the following quotation, also from *Ties that Bind:*

> 1. Within G1, recurring S1 (through whatever means influences members of Group G1) produces;
> 2. CAx, when future instances of S1 are encountered;
> 3. leading to CEx that CAx established right (wrong) behavior for S1,
> 4. then Anx supporting CAx for S1 has been established.[7]

The language has altered dramatically from the opening pages of the book. I believe it is fair to question whether the authors themselves have forgotten that all of this technical material is derived by way of metaphor and human interpretation. No matter how precise the language becomes, this cannot alter the fact that the analysis is all built upon a literary comparison between business and handshakes.

Business ethics is like a handshake, but it is like other things, as well. The metaphor of the handshake may in fact ultimately tell us that local norms are "authentic" if, and only if, the norms are accepted by a clear and uncoerced majority of community members. Other metaphors, however, yield other "rules." In addition to taking their own metaphor too literally, another major limitation of the Donaldson and Dunfee approach is their seemingly complete lack of interest in examining alternative metaphors. In order to distinguish between competing sets of rules we have to evaluate competing metaphors. Even from the rules-only perspective, metaphors matter.

Arguably one of the most often-cited and important business sources from a Jewish perspective is the following story about Shimon ben Shetach, a rabbinical sage and leader who lived, worked, and taught in Palestine in the first century B.C.E.:

> Shimon ben Shetach was occupied with preparing flax. His disciples said to him, "Rabbi, desist. We will buy you an ass, and you will not have to work so hard." They went and bought and ass from an Arab, and a pearl was found on it, whereupon they came to him and said, "From now on you need not work any more." "Why?" he asked. They said, "We bought you an ass from an Arab, and a pearl was found on it." He said to them, "Does its owner know of that?" They answered, "No." He said to them, "Go and give the pearl back to him." "But," they argued, "did not Rabbi Huna, in the name of Rab, say all the world agrees that if you find something which belongs to a heathen, you may keep it?" Their teacher said, "Do you think that Shimon ben Shetach is a barbarian? He would prefer to hear the Arab say, 'Blessed be the God of the Jews,' than possess all the riches of the world. . . . It is written, 'You shall not oppress your neighbor.' Now your neighbor is as your brother, and your brother is as your neighbor. Hence you learn that to rob a Gentile is robbery." [Bava Mezia, ii, 5, 8c, Jerusalem Talmud]

My main reason for quoting this story here is to suggest that such a narrative can and does serve as an alternative and competing metaphor to Donaldson and Dunfee's handshake. The process of business ethics can also be fruitfully compared to what rabbinical sages are doing when they argue over the best interpretation of biblical verses.

Further, this metaphor clearly implies an alternative to Donaldson and Dunfee's "rule," which states that the existence of a significant majority provides both necessary and sufficient conditions for authenticity. Though this is the position of the students of Shimon ben Shetach—"all the world agrees that if you find something which belongs to a heathen, you may keep it"—it is clearly not the position of Shimon ben Shetach and his innumerable rabbinical followers.

Surely, Shimon ben Shetach understands the power of the students' argument, but he does not view it as the trump card. In ethics, the majority rule matters, but it is not the only concern. Majority rule is backward-looking. The exclusive use of the handshake metaphor implies that we are always trying to figure out what we would have agreed to if there really had been a primordial handshake. Or, alternatively, it is at best an attempt to figure out what we once thought we might eventually become. Such an approach is useful, but limited. The rabbinical metaphor of covenant, among other implications, recognizes that ethics in general and business ethics in particular can and must also be forward-looking.

Business ethics is not only about who we were, but it is also about who we are becoming (or, what we think we are becoming today). "Do you think that Shimon ben Shetach is a barbarian?" The implication and power of this question is that Shimon ben Shetach believes that in simply following the majority, he will become a barbarian. It is a position that recognizes that some ethical choices are so important that they determine our identity.

Shimon ben Shetach believes that he has found a better understanding of their shared biblical inheritance, an interpretation that fits the biblical material but promotes the inherent interests of the Jewish community in a more profound and fundamentally ethical way than his students' interpretation does. Most important, his interpretation expands and stretches the concept of covenant to explicitly recognize that all humans are created in the image of God and deserve to be treated fairly and equitably. Before Shimon ben Shetach, there is no tradition that requires him to return the pearl to its original owner. The binding norm derives from a creative and novel interpretation on Shimon ben Shetach's part. He recognizes that ethics is not only about following well-trodden rules but ethics depends on

how one frames a question. History remembers Shimon ben Shetach as a paradigm of the covenantal leader in business precisely because of the moral imagination his decision exemplifies.

The overriding point here is not to use the rabbinical example to club and beat the handshake metaphor into submission. To do so would be to fall into the same trap that ensnares Donaldson and Dunfee and all rules-only advocates. Rather, the point is to complicate purposely the ethics discussion in an attempt to bring alternative perspectives into play. Both of these metaphors, and many others, are important and useful for contemporary decision makers. For those in the rules-only camp, it is dangerous to point out the metaphoric underpinnings of ethics. Nevertheless, a greater danger is inherent in denying what it is that we are all doing, and prematurely halting the search for better and more humane metaphors.

2. Multiple Viewpoints Are Always Better than Single Viewpoints.

Imagination requires an ability to compare two things that, on the surface, are quite different. In addition, imagination allows for and requires an ability to put one's self into someone else's head. The business ethicist Patricia Werhane, the leading proponent of moral imagination in business, emphasizes this aspect of moral imagination. She writes that what is really interesting about this idea is that it allows one "to step back from one's situation and view it from another point of view. In taking such a perspective a person tries to disengage herself from the exigencies of the situation to look at the world or herself from a more dispassionate point of view or from the point of view of another dispassionate reasonable person."[8]

Is such a perspective really possible? And, even if it is possible, does it undercut the notion of "objectivity" in ethics? From a Jewish perspective, I believe that the answer to the first question is "yes"—such a perspective is possible, although it is not always expected. And the answer to the second question is "no," it does not undercut a traditional Jewish definition of objectivity.

In the talmudic narrative cited earlier, what motivates Shimon ben Shetach to reject his students' conclusion and to return the pearl to its

original owner? From Shimon ben Shetach's perspective, keeping the pearl would mean that he could give up the flax business and devote himself full time to the study of Torah. Such a possibility must have been extremely tempting to Shimon ben Shetach, especially after his students pointed out that "all the world agrees that if you find something which belongs to a heathen, you may keep it." As the story makes plain, however, Shimon ben Shetach is concerned not only with his own well-being but with what the heathen thinks. In fact, it is of paramount importance to Shimon ben Shetach (so much so that he risks his relationship with his own students) that the heathen acknowledge and bless God. In his own words, he would "prefer to hear the Arab say, 'Blessed be the God of the Jews,' than possess all the riches of the world." Shimon ben Shetach is convinced that the heathen will be so thankful for the return of his pearl that he himself will come to understand that such action requires a belief in God. The heathen will begin to wonder himself about what motivated Shimon ben Shetach and will conclude that Shimon ben Shetach went beyond the requirements of the law specifically so that he the heathen would understand the centrality and power of God in Shimon ben Shetach's world. Perhaps Shimon ben Shetach overestimates the cognitive abilities of the heathen in question. Nevertheless, his decision makes sense only if we ourselves imagine that Shimon ben Shetach empathetically attempted to project himself into the heathen's world. To describe Shimon ben Shetach's decision as more artful than logical is not to criticize him, but is to begin to understand the case for moral imagination in business.

This interpretation is not meant to imply that everyone is always expected to act like Shimon ben Shetach. In fact, the position of the students is clearly at odds with the position of their teacher and is recorded by the talmudic editors just as carefully as Shimon ben Shetach's own position. The editors of the narrative could have easily removed the students' objections from the final version of the text. In fact, if morality consisted of nothing other than rules it would seem hard to justify the inclusion of this material in the "rule book." In order to understand why both positions are carefully recorded for posterity, one has to understand how the notion of "objectivity" is understood in traditional Jewish sources. Eliezer Berkowitz,

a leading twentieth-century, modern-Orthodox scholar, clearly articulates in his book, *Not in Heaven*, the talmudic perspective:

> Since the Torah was not given to angels but to human beings, and since it depends on interpretation and understanding by human beings, whatever is discovered in it by human beings who accept the Torah as God's revelation to the Jewish people at Sinai and study it is indeed the truth of the Torah. . . . Once a Jew accepts the Torah from Sinai, whatever it teaches him in his search for its meaning and message is the word of God for him.[9]

Such a position obviously implies that in interpretive matters there can exist more than one truth. In fact, it would be surprising if a difficult principle or text did not have more than one true interpretation. From a traditional Jewish perspective, one might even be suspicious about the integrity of the study methods if, after the fact, all members of a given community shared uniform beliefs. Objectivity in traditional Judaism does not imply a single output so much as a single process. As long as all members of the community accept the Torah as authoritative, and as long as all members are engaged in good faith in the study of the text, the resulting meanings are all the words of God.

This principle of pluralism is most famously expressed in the following talmudic tale in which God himself recognizes multiple layers of truth:

> For three years there was a dispute between the school of Shammai and the school of Hillel, the former asserting "the law is in agreement with our views" and the latter contending, "the law is in agreement with our views." Then a heavenly voice issued announcing, "*Both are the words of the living God, but the law is in agreement with the School of Hillel.*" [Emphasis added, Erubin 13b]

The Talmud continues by asking an obvious question: If both views are indeed the words of the living God, why then is the law established in accordance with the view of the school of Hillel?

Whatever the answer to this question is, it must make sense in exclusively human terms; after all, from God's perspective both views are equally true. In fact, the talmudic response corresponds well with the purely human-

istic position of Patricia Werhane, quoted at the beginning of this section. Objectivity is not so much God's view, but is a form of what the philosopher Mark Johnson calls "transperspectivity," which he defines, in part, as the ability to "imagine other values and points of view and to change one's world in light of possibilities revealed by those alternative viewpoints."[10]

According to the Talmud, the school of Hillel determined the final law because (1) they were kindly and modest, (2) they did not study only their own views, they studied the views of Shammai's school as well, and (3) they mentioned the views of the school of Shammai before they articulated their own views. In other words, the school of Hillel attempted to look at the world from the perspective of the school of Shammai, while the reverse was presumably not the case. From a human point of view, Hillel's perspective is closer to an objective one than Shammai's, even if from God's perspective it's an exact tie. It makes sense to say that Hillel's perspective is more objective than Shammai's because it contains a piece of Shammai's. To some it may seem odd, but imagination is hardly the enemy of objectivity. Properly understood, objectivity actually requires an imaginative leap! Given this view of objectivity it is no wonder that the rabbis include not only the view of Shimon ben Shetach but also the view of his students. From God's perspective both views are true.

3. Creativity in Community.

Moral imagination suggests that multiple viewpoints are better than single viewpoints. Objectivity, in human terms, is not the search for a single truth, but a search for truths from many perspectives. The creativity being called for by advocates of moral imagination is not "make it up as you go along," but is best described as creativity in community. Great leaders apply their imaginative abilities in order to discover or even invent common purposes and interests. Moral imagination does not separate members of the community, but strengthens, enlarges, and even defines communities.

Again, Shimon ben Shetach's decision is illuminating. He intuitively recognized that even if he was legally entitled to keep the pearl his students found, such a decision would ultimately create more barriers between him

and his heathen neighbors. Shimon ben Shetach could have framed this decision using the same terms as his students. The decision he faced might correctly have been coded in either-or terms. The fact is there is one pearl. Either Shimon ben Shetach gets it or the heathen gets it. That's the bottom line. In this frame, familiar to most mainstream economists, ethical decisions are always like the decision about how to slice up a pie into fair size pieces. If one person receives a bigger piece, someone else gets a smaller piece, and everyone always wants more pie. Though many ethical issues are fruitfully described in this way, economists and many others often forget that there are alternatives.

Shimon ben Shetach carefully chose to view this particular decision not as an allocation problem at all, but as a significant opportunity to express his view of what it means to be a member of the community. Identity is not something that should always be taken as self-evident; identity is not fixed, once and for all, but is often problematic. On the one hand, Shimon ben Shetach is an optimist. He entertains the possibility that the heathen does not always have to be a heathen. Perhaps even a heathen, under the appropriate circumstances, might someday come to recognize God. On the other hand, Shimon ben Shetach is also a pessimist. Perhaps the real power of the narrative is Shimon ben Shetach's realization that had he kept the pearl, he himself might be the real heathen in the story, even as he devotes himself full time to the study of Torah.

At Exodus 19:6, the Bible teaches that "You shall be a kingdom of priests and a holy people." This call has been traditionally interpreted as a demand for "covenantal ethics" beyond rule-following.[11] The Bible itself recognizes that no set of rules, no matter how carefully specified can meet the needs of all people for all times. Hence, the requirement for a general and overarching call to be holy. At the very heart of covenantal ethics is the capacity for moral imagination. This idea is explored further in the section below.

IMPLICATIONS FOR ETHICAL LEADERSHIP

Although the discussion so far has been mostly theoretical, the concept of moral imagination implies a number of specific and practical implications for business leaders.

MORAL IMAGINATION, NOAH, AND THE RE-CREATION OF THE WORLD

Were there other potential Noahs? At the end of the first section of Genesis, the Torah writes that "God repented that He had made man on earth, and it pained his heart" (Gen. 6:6). God despairs of his human creation after noting in the previous verse that "every imagination of the thoughts of his [man's] heart are only evil continually." These are harsh words of condemnation. Further, the message of the verse is emphasized in that it is *every* imagination that is *continually* evil.

At this point, God begins a kind of reverse Creation. As the biblical scholar Nachum Sarna has aptly noted, the two halves of the primordial waters of chaos that God had separated as a first stage in the creative process were now in danger of reuniting. God's seeming intention is to blot out everything "from man, to beast, the creeping things, and to the fowls of the heaven; for I repent that I have made them" (Gen. 6:7).

The rabbis in Erubin (13b) pick up on God's melancholy judgment when the Talmud meticulously records the famous vote that concluded somewhat surprisingly for the normally optimistic rabbis, that it would have been better had God not created the world at all. The severity and duration of the Flood underscore the fragile quality of existence. It dawns on us that what God brought into being is not necessarily a permanent thing.

Seen from this perspective, the story of Noah is a second version of the Creation narrative. In other words, the story of Noah is about re-creation. This version, unlike the original, emphasizes not only man's dependence on God, but God's dependence on man. Noah, according to the Torah, literally saves God's world: "But Noah found favor in the eyes of the Eternal" (Gen. 6:8).

Presumably, without Noah the world would have been obliterated once and for all. But were there other potential Noahs? And, if

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so, how did our Noah distinguish himself from all of his contemporaries? "Noah was a righteous man and perfect in his generation, and Noah walked with God" (Gen. 6:9). How so?

Noah received detailed information and specific commandments. "Build an ark of gopher wood" (Gen. 6:14). "The length shall be 300 cubits, the breadth 50 cubits, and the height 30 cubits" (Gen. 6:15). Is it possible that other potential Noahs received the exact same message and might have even followed the instructions down to the last letter, just as Noah himself did? If this is conceivable, as I think it is, then what makes Noah Noah?

Noah allows the world to be re-created through an act of moral imagination. In this view, Noah's choice, after the rains stop and the waters begin to recede, to finally open up the window of the ark and let the "light in" (as the preeminent biblical commentator Rashi points out) constitutes the real drama of the story.

Noah has just witnessed man's brutal inhumanity to man and God's just but harsh retribution. Indeed, it must seem to Noah that the process of Creation has been reversed. In spite of all of this, Noah—on his own with no divine communication or instruction—chooses to begin a process of re-creation. This is not a simple aside in the story, but rather is a necessary step for man's story to continue at all.

A careful reading of the surrounding verses reveals that God does not command Noah to exit the ark until Noah himself has made the first move. In order for the re-creation process to take hold, this time it is necessary that man explicitly "choose life." God has learned, so to speak, that life is not something that can be imposed fully from above; man must be a covenantal partner with God.

Noah's pro-life decision, even in the face of what must have seemed like overwhelmingly negative odds, is revealed not only in his opening of the window, but perhaps even more so in his choice to send out not one, but three birds to test the waters. Further, in his

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"removing the covering of the ark" (Gen. 8:13), Noah demonstrates that he is willing to open himself up to the risk of another rain for the sake of continuing his and his family's life.

Noah, no less than God, imagines that things can be different this time around. This conclusion is not the last line in some logical proof, but rests on man's ability to extricate himself from his past and to see things in a different way. If real progress is to be made in the real world, it starts first in someone's head as an idea.

God's commandment to leave the ark comes only after Noah has committed himself to the re-creation project and thus confirms Noah's own intuition. Noah's choice and action anticipate the rabbinical position I cited—but only in part—above. On the day that the rabbis took the vote concluding that it would have been better had man not been created, they quickly added a caveat: Given that he was created, his actions—both past and future—are supremely important.

We can now understand a difficult verse. God promises, "I will not again curse the ground anymore for man's sake; for the imagination of man's heart is evil from his youth" (Gen. 8:21).

Although, on the surface, this seems like a further criticism of man's imaginative capacity, if we compare this verse with God's original description, before the flood, it is subtly but importantly different. Before the flood, God says that *every* imagination is *continually* evil. After the flood—and in the face of Noah's decisions—the description is softened considerably. God has noticed that, at least on occasion, man can surpass himself through an imaginative leap, and this makes all the difference in the world. In light of everything we know about human history since the flood, the understated compliment in verse 21 hits just the right note.

Were there other potential Noahs? Though the biblical narrative might be consistent with this reading, there is little positive evidence to support this. Nevertheless, it is not overly dramatic to suggest that today there is a whole world full of potential Noahs.

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> Many feel trapped in arks of their own making. Some are trapped in the ark of consumerism and Babbitry. Others are trapped by drugs or alcohol. Some may be mesmerized by weak leaders or imprisoned by past decisions, and still others are locked into inherited and dysfunctional wars. The good news, as the story of Noah reminds us, at least for those who believe that re-creation is a continuous possibility and promise, is that it may not be too late.

1. If You Want to Be an Ethical Leader, Don't Always Paint by the Numbers.

The views of the majority are an extremely important element in business ethics. Nevertheless, it is hard to believe that moral leadership can be reduced to reading and properly interpreting surveys. For example, most of us recognize intuitively there is something very wrong when a political leader relies too much on pollsters and spinners. We sense that leaders are abdicating their elected role if all they are doing is reflecting back the views of the majority. It seems that we expect political leaders to not only consider poll results but to creatively set the agenda.

A famous Harvard Business School case provides a strong reminder that ethics is not just about taking the pulse of those around you.[12] Numerous managers at H. J. Heinz allowed their divisions to engage in practices that resulted in unrecorded assets and false accounting entries. Some might suggest that the fact that the majority of managers condoned such behavior implies that it was the right thing to do. After all, the argument continues, the corporation itself had a perverse incentive plan in place that seems to have encouraged and even rewarded such behavior. Donaldson and Dunfee, for example, plainly write that "The reality was that an authentic ethical norm forbidding double bookkeeping did not exist at Heinz."[13] The conclusion follows directly from their belief that a norm is authentic if, and only if, a significant majority embraces it.

I would suggest that this example, far from providing convincing evidence for a majority-rule approach to ethics, actually provides a fairly obvious example of what can go wrong when the only thing that matters is what everyone else is doing. Minimally, managers and their accountants at Heinz should have asked themselves, "What really entitles us to call ourselves managers and accountants?" Though there are many answers to such a purposely open-ended question, surely a necessary condition would be honest and unbiased communications to interested parties. Authenticity implies, above everything else (as the dictionary definition reminds us), "being worthy of trust." In the case at hand, this implies a single set of accurate accounting records, even if it is a personally costly decision to implement.

From a Jewish perspective, majority rule is certainly a consideration, but when it comes to the ethical realm, it is hardly decisive. Rabbi Walter Wurzburger summarizes this position:

> Halakhah (Jewish law) contains provisions (for example, majority rule) for the resolution of conflicting opinions in the realm of practice. But no such procedure is available for nonlegal issues. Theoretical truth cannot be determined by majority vote. Moreover, even in matters of conduct there is no guarantee that the majority is right. Moral propriety, as opposed to legality, cannot be based on processes patterned after legal institutions.[14]

2. Seek More Sources.

In order to exploit the full benefits of moral imagination, decision makers must actively seek out more sources and more perspectives. Moral growth is often the result of creatively integrating traditional points of view with previously underappreciated sources of insight. Max De Pree, former CEO of Herman Miller, talks about how he learned to appreciate and to become more sensitive about racial diversity in the workplace.

He tells the story of Carla, an African American forklift driver, who came into his office one day, plunked herself down in his office, and made herself comfortable. Carla was upset about a new minority program that had recently been established in the main plant. She didn't yell or protest, but merely related an episode from her childhood:

> "We were driving through a county in the Deep South states," she said. "My father was wearing his white cowboy hat. It seemed like I never saw my father without his cowboy hat. A deputy sheriff stopped our car. In those days, we knew that black people should not roll down the windows or unlock the doors at a time like this. The deputy rapped his nightstick hard on the window next to my dad's head and said to him loud enough for all of us to hear, 'Boy, when you're in this county, you drive with your hat off.' My dad put his hat on the seat beside him and left it there until we passed the county line. I made up my mind then that I would always speak up against that kind of treatment."[15]

Max De Pree is a master of moral imagination. He could have easily dismissed this story and its implications, and moved on to the "real" business of business, as most managers would have. But this was not his way. In fact, De Pree states that from Carla and her story, he learned to "appreciate the sacred nature of personal dignity."[16] Successful managers don't follow the crowd, but they do learn from everyone.

3. Keep in Mind: Moral Imagination Is What Makes Us Human.

It may very well be the case that our ability to deliberate in terms of moral imagination will prove to be our species' most unique gift. The highly successful computer entrepreneur and futurist Ray Kurzweil recently wrote the following:

> If I scan your brain and nervous system with a suitably advanced non-invasive-scanning technology of the early twenty-first century—a very-high-resolution, high-bandwidth magnetic resonance imaging, perhaps—ascertain all the salient information processes, then download that information to my suitably advanced neural computer, I'll have a little you in my personal computer.[17]

What I find really scary about this scenario is the fact that from a rules-only perspective the logic is impeccable.

Read the above carefully. Kurzweil is boldly predicting that in the early part of this century human beings will evolve into software! While he

recognizes that some technical problems still need to be overcome, he is confident, based on past successes, that these issues will be easily resolved one way or another (three-dimensional chips, nanotubes, DNA, and quantum technologies). It would be easy to dismiss this view as pure science fiction and nothing more. However, before one casually rejects such a prediction it is worthwhile to consider some of the incredible advances in software development cataloged by Kurzweil. He points out that computers are now competent or better than competent at language recognition (Kurzweil himself is active in this area and has put his money, reputation, and time where his mouth is), medical diagnosis, musical composition that can fool all but the experts, and chess playing. He even provides examples of Ray Kurzweil's Cybernetic Poet's output.

If one points out that computers, no matter how sophisticated they become, how fast they operate, or how much memory they possess, in the final analysis are still only rule-followers and nothing more, this does not faze Kurzweil in the least. In fact, Kurzweil's prediction rests on the assumption that human beings are also, in the final analysis, nothing but sophisticated rule-followers. Or, even if today some are not, we all should be. Kurzweil is extremely straight-forward on this point. He states clearly that it's absolutely wrong to suggest that no simple formula can emulate the most powerful force in the universe, the process of human intelligence.[18] All one needs to solve problems are simple methods combined with heavy doses of computation. From this perspective, it is hardly a limitation to suggest that computers can do nothing but follow rules. According to Kurzweil, that's their ultimate strength relative to their human creators.

Kurzweil understands well that human beings mature, grow, and develop, but this learning process itself, like everything else about human intelligence, is the output of following rules and can be built into computer software. Kurzweil and his followers believe that the more we learn about ourselves, the more we learn that ultimately everything that human beings value (or at least everything that human beings should value) is programmable. Accordingly, even human consciousness is something that will be fully described in language suitable for a computer.

The proponents of moral imagination start with the insight that moral imagination begins where the rules end. Kurzweil might challenge this as-

sertion by directly questioning whether, in fact, the rules must end. Proponents of moral imagination are faced with a difficult challenge that has no easy solution. Ironically, the issue becomes even more difficult as advocates clarify what they mean when they use the term "moral imagination." The more carefully one defines moral imagination the more one undercuts the original assertion that it cannot be translated into a set of rules. The Kurzweil-style challenge is seemingly unbeatable.

The best defense against this formidable rules-only assault begins when we realize that seeing it as an "assault" is a needlessly provocative metaphor. Here, what this implies is that Kurzweil and others are displaying a zero-sum mentality. Much of what human beings do can be rewritten as a set of rules and input into a machine. Rather than regard this as a kind of assault, advocates of moral imagination should applaud this development. The conclusion that this will necessarily mean less room for human imagination to maneuver is untrue. The fact that a computer program has now beaten the world champion in chess perhaps simply means that we need to reevaluate the importance of chess as a human activity. The ability to excel at chess once really was a unique accomplishment of human minds. We have now discovered—through human ingenuity and imagination—that this is not so.

It is almost surely the case that computers will become more and more powerful in the next few decades. On this point, it is silly to debate Kurzweil. Much of what human beings are doing today, including much that we take great pride in, will be done by the descendants of today's robots. This is a challenge to humanists, but it is also a tremendous opportunity that opens up the possibility of devoting even more of our precious time and energy to those things that matter most to us. I have yet to meet anyone who has ever told me that following the rules is on the top of this list. If you listen carefully to people, though, you will often hear them speaking about creativity, inspiration, originality, and community—all of the main ingredients that make up moral imagination.

CONCLUSION

In the opening paragraph, I raised a number of issues. This chapter was not meant to answer these questions, but to help us view them in a different

way. In raising the questions about firing longtime employees, satisfying implicit contracts with local communities, and producing socially useful consumer products, it seems impossible to believe that what one is looking for is a set of rules that will automatically provide the answers. What on the surface might seem a clash of interests, upon closer scrutiny and with the help of moral imagination might turn out to be opportunities. Moral imagination is not a panacea, but it does help to remind one to look beyond the status quo, to seek out additional perspectives, and to recognize the centrality of community. At minimum, viewing an ethical problem through the lens of moral imagination might help one see that what seems a clash of interests is actually an opportunity to enlarge the community. Shimon ben Shetach embraced moral imagination after realizing that we often find ourselves in possession of pearls that really don't belong to us alone. Metaphorically speaking, might corporations and their managers also come to similar conclusions?

SIX

THE PATH OF THE ROLE MODEL

There is one who sings the song of his own life, and in himself he finds everything, his full spiritual sufficiency. There is another who sings the songs of his people. He leaves the circle of his private existence, for he does not find it broad enough. . . . He aspires for the heights and he attaches himself with tender love to the whole of Israel, he sings her songs, grieves in her afflictions, and delights in her hopes. . . . Then there is one whose spirit extends beyond the boundary of Israel, to sing the song of man. . . . He is drawn to man's universal vocation and he hopes for his highest perfection. And this is the life source from which he draws his thoughts and probings, his yearnings and his vision. But there is one who rises even higher, uniting himself with the whole existence, with all creatures, with all worlds. With all of them he sings his song. It is of one such as this that tradition has said that whoever sings a portion of song each day is assured of the life of the world to come.

—Rabbi Abraham Isaac Kook

Organizations are tools and are created through the conscious effort, skills, and abilities of people working together to promote their own interests. Tools are invented by tool-makers in order to produce something useful. If these products can be obtained in more efficient ways, the tool is improved

or abandoned. A tool possesses no intrinsic value; its value is derived completely from the value of its outputs.

A tool is valuable if and only if it produces valuable outputs. Much of the huge literature on organizations begins with this insight and then examines its implications for organizational goals, design, structure, and leadership (among many other issues). Consistent with this strictly utilitarian viewpoint is a comment by Gary Wills in a newspaper op-ed piece. The "test of a leader," Will writes, "is not temperament or virtue, but the ability to acquire followers. . . . The point is that such leaders connect with others and influence them."[1]

If it were true that organizations were *only* tools, then Wills's rule of leadership would follow. If we accept the stripped-down view of organizations as tools, leaders of organizations are simply those individuals who can get many others to follow them. It is true that for some limited aims this purposely value-neutral definition of leadership is helpful. On the other hand, telling us to ignore leadership character altogether for every purpose is symptomatic of a deep misunderstanding of both leadership and organizations (in the above quote, Wills was specifically talking about citizens' decisions on how to vote in presidential elections). Throughout history there have been many men and women who have acquired huge numbers of followers for evil purposes. Are we prepared to say that these individuals were great leaders?

If the answer to this question is no, then we need to begin thinking about how best to integrate our understanding of leadership with our understanding of morality. Gary Wills and many others are trying to disentangle leadership and morality. They want to loosen the already tenuous connection between them. According to this view, organizations need leadership and religions need morality. The call is to keep everything in its appropriate box!

An increasing number of organizations are beginning to embrace a more complex view. While not denying that organizations can be usefully compared to tools for many purposes, these organizations openly recognize that they are also *living communities.* Among other things what this implies is that not only do organizations produce things, but organizations also affect their human members in profound and, sometimes, unantici-

pated ways. For example, there is no doubt that an organization that tells its new recruits that their future compensation will be dependent only on individual contribution to organizational profit and nothing else will affect how its recruits view teamwork and a host of other issues. I recently overheard a recruiter for an investment company interviewing one of our finance seniors at the school where I teach. The recruiter asked the student how much money he expected to earn after five years on the job. With a slight hesitation, the student, thinking out loud, mentioned that in five years time he expected to be married. At this point in the conversation, before the student even had a chance to answer the original question, the recruiter interrupted and shouted, "Our company doesn't give a ______ whether or not you plan on getting married. Around here the only thing that matters is whether or not you are producing results!" I don't know whether or not this student got a job offer, or if he did get an offer, whether he accepted. My point is simply that an organizational culture which encourages recruiters to talk to prospective employees in this way is a culture that will have a huge impact on the character of those employees it does finally hire and the many other stakeholders who come into contact with the organization.

We make organizations, but it is just as true that organizations make (and remake) us. In this enlarged view, the act of organizing is thought of as a voluntary agreement among independent but equal agents to create a shared community. At their best, such *covenantal* agreements provide a stable location for the interpretation of life's meanings in order to promote human growth, development, and the satisfaction of legitimate human needs. Creating and sustaining such organizations is hard and subtle work.

Covenantal organizations require covenantal leadership. This insight has numerous implications. On the negative side, it surely suggests that Wills's thin rule of leadership—leaders are those who get others to follow—is woefully inadequate. From a covenantal perspective, getting others to follow—simply for the sake of following—is obviously an insufficient criterion. Such leadership may easily come to violate the ideal of a shared community and provides little assurance that it will lead to growth, development, and the satisfaction of legitimate human needs.

On the positive side, one of the implications for those organizations that recognize themselves as living communities is that leaders must always view themselves as role models. From this perspective, preferences and character are not fixed once and for all, but are always subject to change. Leaders in covenantal organizations will almost always have huge and lasting influence on their followers. The covenantal perspective purposely blurs the distinction between leadership and morality. Great leaders, among other things, must be great *moral* leaders. Or, in other words, a theory of leadership must contain a moral theory (and vice versa).

From a prescriptive standpoint, the essential practical lesson to be examined here is succinctly stated as follows: *Those actions and attitudes that make great leaders great must satisfy the following condition. If the actions and attitudes are emulated by an organization's followers, they will be predicted to enrich organizational life and enhance organizational effectiveness.*

Pointing out that this prescription is obviously subject to interpretation and debate (after all, what does it mean to enrich organizational life? or, how does one define organizational effectiveness?) is not a criticism here. In fact, this observation is meant to underscore the idea that leadership is not a thing apart (there is no separate box for leadership, after all). In part, great leadership is what the organization and all of its members say is great leadership. There is no "magical" final definition of leadership. Covenantal organizations are locations where the human debate about what constitutes leadership is always taking place. This is not to say that leaders are not better at certain activities than others in the organization. Rather, leaders are better at a certain *subset* of activities—namely those activities that if universally adopted by organizational members will serve to encourage members to live meaningful lives and to promote organizational interests.

IS THE ROLE MODEL CONDITION UTOPIAN?

Pointing out that an organization's leaders must serve as role models is not meant to imply that they must be perfect. Many of the actions and attitudes of leaders will probably fail this test. Therefore, an important corollary to the above rule is that leaders and their followers must always strive

to distinguish between those actions that make the great leaders great and those that are beside the point. This corollary suggests a certain ambivalence regarding leadership. Though it recognizes that leaders do possess certain special abilities and qualities that set them apart from followers, it also suggests that followers have a responsibility to determine precisely which characteristics are unique.

This hesitant attitude toward leadership is built into the covenantal model and has been recognized right from its beginnings. Consider Deuteronomy, chapter 17, verses 14–15: "When you come into the land which the Lord your God gives you, and you possess it, and you dwell therein; and you will say: 'I will set a king over me, like all the nations that are around me,' you shall make him king over you, whom the Lord your God shall choose." In Judaism, the interpretation of these verses remains controversial to this day. Do these verses require the covenantal community to select a king to rule or is it a discretionary matter? If you want a king, here's what you have to do. According to the first reading, the community *must* appoint a king to rule. According to the second reading, it is only *if* the people request a king that a king becomes necessary (see also 1 Sam. 8).

Whatever side one takes in this ancient dispute, one of the core issues here is whether a king can even theoretically satisfy the strict requirements of a role model. In the spirit of the role model, Deuteronomy immediately warns that the king must be one from among his brothers, and must not multiply horses, wives, or wealth of any kind. In fact, the king must write a copy of the Torah and "he shall read it all the days of his life" (Deut. 17:19). Why? "So that his heart not be lifted up above his brothers" (Deut. 17:20). These warnings are relevant not only in the specific context in which they were first formulated, but in any contemporary organization modeled along covenantal lines. Today we might put these insights into positive terms. In order to be a role model, a covenantal leader must strive to help lift the hearts of his or her brothers and sisters.

THREE LEADERSHIP OBJECTIVES

A number of specific implications follow from these introductory remarks, including three specific leadership objectives. Each of these objectives is

consistent with the idea that leaders must be role models and promotes the assertion that organizations are best thought of as living communities rather than mere tools. The objectives discussed below were selected to promote and illustrate the human side of organizational life. Specifically, the following objectives underscore the belief that we choose to organize ourselves not only to produce goods and services, but also in an attempt to explore values, to examine beliefs, to learn new skills, to relate to others, to be with others, and to enlarge our understanding of what it means to be human among other human beings. In other words, role models guide all of us in the search for meaning in organizations.

Objective One: Find Truth Everywhere

No one person or one group of people has a monopoly on truth. In fact, covenantal leaders are committed to seek and to find truth everywhere. This first objective underscores a major difference between covenantal leadership and its competitors. Covenantal leaders don't seek to impose their will on others, by way of a top-down model of leadership, but try to learn from and incorporate everyone's ideas and beliefs. This is a difficult task, but it is exactly what covenantal leadership entails. Leaders' stories are big enough to incorporate everyone else's. Since it is impossible for followers to emulate an autocratic leadership style, authentic covenantal leaders necessarily reject the top-down model. Obviously, if everyone in an organization tried to become an autocratic leader, organizational effectiveness would be severely compromised by the resulting free-for-all. This is not true for leadership dedicated to seeking truth from everyone. From an organizational standpoint, the more people involved in this task, the better. There is little doubt that this first objective is consistent with the leader as role model viewpoint and is a fundamental tenet of all covenantal organizations dedicated to the proposition that members possess equal value.

Among twentieth century Jewish religious leaders, no one exemplified and expressed this first objective better than Rabbi Abraham Isaac Kook, the first chief rabbi of Palestine, a post he held for 16 years before his death in 1935. Rabbi Kook, born in 1865 in Grieve, Latvia, was a rare individual who combined a world-class intellect with pragmatism and practical

savvy. Even while serving in numerous rabbinical posts (his first was at the age of 23 in Lithuania), and being deeply involved in Zionism and international politics during the British mandate period, Rabbi Kook was a prolific writer whose voluminous writings include a treatise on repentance, a treatise on ethics, three volumes of reflections on God and man, numerous essays, and a collection of poetry.

His biographers compare the quality of his work and thought to that of the greatest Jewish leaders of all time, including Philo, Judah Halevi, Maimonides, and the mystic and Cabbalist Rabbi Judah Loew of Prague, who himself served as an inspiration to Rabbi Kook. It is impossible to summarize Rabbi Kook's thought here, but a few carefully chosen passages demonstrate his generous spirit and his unswerving commitment to humanity. His was not a world in which everyone selfishly pursued his or her own interests, but rather one in which our common interests and our common humanity are what make us most human.

According to Rabbi Kook, our blindness to others is the source of our modern problems:

> All the defects of the world, the material and the spiritual, derive from the fact that every individual sees only the one aspect of existence that pleases him, and all other aspects that are uncomprehended by him seem to deserve purging from the world. And the thought leaves its imprint in individuals and groups, on generations and epochs, that whatever is outside one's own is destructive and disturbing. The result of this is a multiplication of conflict.[2]

Rabbi Kook was convinced that the solution to this blindness would be found only when everyone, including leaders, recognized the need for searching out truth beyond our normal boundaries. Rabbi Kook gives nearly perfect expression to the first leadership goal under discussion:

> A chaotic world stands before us as long as we have not attained to that degree of higher perfection of uniting all life-forces and all their diverse tendencies. As long as each one exalts himself, claiming, I am sovereign, I and none other—there cannot be peace in our midst. All our endeavors must be directed toward disclosing the light of general harmony, which derives

> not from suppressing any power, any thought, any tendency, but by bringing each of them within the vast ocean of light infinite, where all things find their unity, where all is ennobled, all is exalted, all is hallowed.[3]

For Rabbi Kook this was not merely a matter of theoretical interest. At the practical level, Rabbi Kook is probably best known for his heroic attempts to befriend the young secular Zionists who, at the beginning of the twentieth century, dedicated their lives to rebuilding a Jewish state but, as a matter of principle, rejected traditional Judaism. Rabbi Kook's open attitude toward the young secularists brought him abuse and scorn from his less tolerant rabbinical colleagues who preferred to frame issues in black and white terms. Nevertheless, Rabbi Kook wrote a glowing letter of welcome to Hayim Nahman Bialik, the national Hebrew poet, upon his *aliyah* (immigration) to Palestine. He warmly welcomed the establishment of the Bezalel School of fine arts, especially noting the need for aesthetic enrichment in Jewish life. And unlike the pietists who rejected him, he even participated in the establishment of the Hebrew University on Mt. Scopus. Rabbi Kook often cautioned that the pursuit of Hebrew culture must avoid falsifying the Jewish tradition, but he always spoke with respect and kindness. Most important, he always discovered the spark of holiness in his opponents' arguments and projects. In a letter written to the Agudas Yisrael annual conference, Rabbi Kook explicitly stated, "We must take whatever is good from any source where we find it to adorn our spirit and our institutions."[4] To Rabbi Kook, this was not a matter of politics, but a matter of principle.

Rabbi Kook was no secularist. He understood that "secularists discarded everything holy to us. . . . It tends to undermine and destroy the foundations of religion and alienates great numbers of our people . . . from the light of God and His holy Torah." In spite of this, however, Rabbi Kook also saw a truth inherent in the secularists' approach, a truth missing from a purely religious perspective. Rabbi Kook wrote:

> Nevertheless, it cannot be denied that, with all this, we have here also a great positive force, a deep love for our people, a firm dedication to extend the practical work of rebuilding Eretz Yisrael (the land of Israel), to

> direct the spirit of our generation to draw closer to the land and the nation, in keeping with the historic character of our people. We have here a force that despite all estrangement, contains a vital spark of holiness, waiting to be fanned into fuller life, through faithful and loving hands.[5]

Rabbi Kook's message and actions have repercussions beyond the world in which he developed them (as he would have been the first to note). It is a particularly timely message in today's increasingly pluralistic and diverse business environment. A leading organizational consultant has correctly pointed out:

> The ethnic, cultural, and gender characteristics of America's population and labor force are rapidly changing. Largely because of the emigration of nonwhite ethnics from Asia and Southeast Asia, the Pacific Islands, Central and South America, the Caribbean, and West and East Africa, the representation of these groups in the American "melting pot" is rising relative to that of Americans of European descent. . . . It is estimated that nonwhite ethnic and cultural groups will exceed one-third of all new entrants to the labor force. . . . One clear and overriding implication of this fact is that the United States will have a new face. Moreover, dramatically increasing numbers of women are entering the work force in roles they would have been precluded from playing just a few decades ago.[6]

One of the most difficult tasks, given the contemporary business environment described in the quote above, is keeping organizations composed of people from many different backgrounds running smoothly and preventing them from exploding under the weight of a cacophony of multiple interests, multiple goals, and different cultural assumptions. While there are no easy answers to this problem, certainly those organizations fortunate enough to have leaders who seek out truth everywhere and encourage all members to do so are more likely to succeed than those organizations still using a top-down approach to decision making.

It may even be the case that those companies that seek out a diverse workforce perform better financially than their traditional counterparts. In 1999, *Fortune* reported that the companies included in its list of America's 50 Best Companies for Asians, Blacks, and Hispanics (the list

includes Union Bank of California, Fannie Mae, Toyota Motor Sales, Lucent Technologies, Wal-Mart Stores, and many other familiar names) beat the stock performance of the S&P 500 over three- and five-year periods. Ivan Seidenberg, chief executive officer of Bell Atlantic—one of the companies included on the list—insists that diverse groups make better decisions. "Diversity is a competitive advantage. Different people approach similar problems in different ways."[7] While this has always been true, diversity becomes increasingly important for those companies doing business globally.

Objective Two: Be Original

Covenantal leaders who satisfy the role model condition embrace originality. To explain further, today's leaders are faced with a choice. Consider the following two options:

> Option 1. The main task of leadership is to determine what yesterday's heroic leaders would do today.
> Option 2. The main task of leadership is to determine what we should do today, informed by the actions of yesterday's heroic leaders.

Perhaps, at first glance, there seems to be little difference between these two options. After all, in both cases, the shadows cast by past leaders are great. I want to suggest, however, that in spite of the surface similarities, and in spite of the fact that many individuals (both inside and outside of religion) actively promote the first option, those who embrace it are actually embracing a subtle form of autocratic leadership at odds with the covenantal model. In fact, this first option fails the role model criterion. Only the second option, which necessarily embraces human creativity and originality, is consistent with the view of organizations as living communities. It is only when leadership openly recognizes that it is we—today—who are determining what we should do in organizations that followers can have a real say. To the extent that leadership is about determining what yesterday's leaders would do if only they were alive today, followers are necessarily cut out of the decision-making process.

The first option, in fact, comes perilously close to being completely incoherent. What might it really mean to say that leadership is about determining what yesterday's leaders would do now, if only they were still alive? For this "thought experiment" to make any sense whatsoever we must face several important questions. After these past leaders are transported in time, for example, how much information are they given about current human realities? Are the past leaders informed about scientific and technological developments? Are the past leaders given information about changes in social structures and developments in ethical thought? But, even assuming that we can satisfactorily answer these questions, a much deeper set of questions immediately emerges, especially from the covenantal perspective. How would this information affect the development and growth of past leaders? After all, no matter how great the great leaders of the past were, one must assume that their personalities and character would have continued to mature had they been exposed to the unfolding of history. Isn't this one of the things that made them great to begin with? But unless we assume at the outset that we are greater than the greatest leaders of the past, isn't this exactly what we can never know about them? And, of course, if we assume at the outset that we are greater, why choose the first option in the first place?

Indeed, why choose the first option? Those leaders who claim that the task of the hour is to reclaim the "correct" or "unbiased" vision of past leaders and nothing more are advocating a kind of autocratic, if not magical, leadership style. The second option avoids these problems. It recognizes that it is always we who are responsible for our choices, but it doesn't assume that we are better (or worse) than past leaders. And although today's covenantal leaders must respond to past leaders, they need not be imprisoned by those of the past. Today's leaders must be informed about the actions of yesterday's leaders, but today's leaders can never abdicate in favor of yesterday's leaders. Or stated another way, today's leaders are engaged in conversation and dialogue with past leaders.

Rabbi Kook embraced and illuminated the call for originality inherent in the second option. This explains how it is possible that one of his biographers could describe him as one of the most authentic Jewish leaders of all time. He was the most Jewish of all Jewish leaders, yet his writings are

almost completely devoid of religious polemics. He is also described as a "revolutionary" with a "unique identity" in "constant rebellion against all that restricts and narrows the human spirit."[8] Rabbi Kook understood that the more we appreciate our human differences, the more we can begin to see our similarities.

For Rabbi Kook, as for all the other covenantal leaders, the first option always cloaks an attempt to avoid the responsibilities of leadership. If an objective of leadership is merely to figure out what past leaders would have done, leaders are always tempted to say, "I feel your pain, but there's nothing *I* can do." The only way that leaders can serve as role models to everyone else is when they finally admit to what they are doing. When a leading modern Orthodox Jewish thinker tells followers that the task of the modern Orthodox community is "to live up to the vision of the Rav [Rabbi Joseph Soloveitchik, who died in the spring of 1993] in all of its breadth, depth, complexity, and grandeur"[9]—in other words, the task is simply to figure out what the Rav would say now if he were still alive—he is, at best, misrepresenting the role of the covenantal leader. At worst, he is purposely denying his own responsibility as a leader in order to control others without the burden of accountability. It represents a special kind of fundamentalism; the author is advocating an autocratic form of leadership without the courage to admit it. The irony in this case is that a strong argument can be made that Rabbi Soloveitchik himself would have rejected outright such pronouncements. Like Rabbi Kook in this regard, Soloveitchik emphasized in his writings the role of human creativity and innovation. For example, he wrote that the authentic Jewish leader walks *alongside* Maimonides and other heroic leaders of the past and *argues* questions of the law with them. It is not an overstatement to suggest that such an attitude reflects an altogether different worldview than merely living up to the vision of the past leader. Covenantal leadership requires more.

This kind of false and overly pious fidelity to the past is not restricted to the religious sphere. Robert Bork and his popular school of "original understanding" provide a textbook example of a contemporary leader adopting option 1. Bork suggests that contemporary judges, in interpreting the Constitution, must restrict themselves to determining the meaning as understood at the time the document was drafted. In this case, in deter-

mining justice, anything that happened after the eighteenth century is ruled out of bounds.

Bork has a peculiar understanding of "meaning." Meaning is something that is sitting out there in the universe, independent of human minds. One can discover meaning, but there is no element of human invention whatsoever. Meaning is not something that evolves and grows over time; rather, meaning is fixed and never changes. In Bork's view, the ideal leader rids himself of his own prejudices and biases and attempts to figure out—not what he or she must decide today—but what heroic leaders of the past decided yesterday. Bork himself comes close to admitting that his approach can lead to unethical outcomes, more often than not harming minorities by supporting the status quo, at least in the short run, until Congress can rectify a perceived injustice. Nevertheless, he believes that this is the price we must pay for "neutrality" in the judicial realm. The bottom line is that no matter how much Bork wants to say that his decisions are not really his, but belong to an era long dead, his critics (including the majority of senators who rejected his nomination to the United States Supreme Court) are absolutely correct when they hold him responsible for the unfair outcomes associated with his judicial decisions. Fortunately there is no theory, however ingenious, that allows contemporary leaders carte blanche.

Unlike the failed Supreme Court nominee, business leaders usually like to project an image of boldness and creativity. But even business leaders will adopt option 1 when it suits their perceived interests. The former chief executive officer of AT&T, Robert Allen, recently justified his decision to fire 40,000 employees by saying, "Increasing shareholder value is the right incentive for me to have at AT&T. Is it the right incentive for me to affect 40,000 people? *Hell, I don't know. Is it fair? Hell, I don't make the rules*"[10] (emphasis added). In this case, Allen is not claiming that he is following a heroic leader of the past, but he is claiming that he is simply following the norms of the inherited system. The net effect is the same as above—to shift the responsibility from his own shoulders to someplace else. When he was faced with a tough choice with unpleasant repercussions, Allen wanted to convince the public that there was no room for originality. In this case, his theory was, we're all followers. True covenantal

leaders never cop out. Even when making the unpleasant decisions, they recognize human responsibility as an integral part of the decision making process.

Objective Three: Create Organization with Room for Everyone to Grow

Chapter 27 in the book of Genesis recounts one of the last episodes in Isaac's life. The story begins by noting that "Isaac was old, and his eyes were dim, so that he could not see" (27:1). With this pessimistic introduction in place, the Torah records Isaac's request to his son Esau to go to the field and hunt venison. "And make me savory food such as I love, and bring it to me, that I may eat; that my soul may bless you before I die" (27:4). This familiar story continues by noting that Rebekah, Isaac's wife, overhears Isaac's wishes and alerts their second son, Jacob, about what is happening. Rebekah convinces Jacob that his only recourse is to fool Isaac "so that he may bless you before his death" (27:10). In spite of Jacob's initial protest, "I will bring a curse upon myself, and not a blessing" (27:12), Jacob willingly agrees to the subterfuge. Jacob puts on Esau's favorite clothes and brings Isaac the savory food which Rebekah had quickly prepared. Although Isaac is hesitant, "the voice is the voice of Jacob, but the hands are the hands of Esau" (27:22), he proceeds to bless his son.

One of the lesser-noted elements of this obviously tragic story is the actual content of Isaac's blessing. Perhaps Isaac's blindness is revealed not only in his inability to distinguish his sons from one another but also in his insistence to project their future relationship as a perpetual rivalry. When he blesses Jacob, thinking he is Esau, he doesn't content himself to ask God simply to give him "the dew of the heaven, and the fat places of the earth"(27:28), but insists that he will be lord over his brothers and that his mother's sons will eventually bow down to him.

Esau is devastated when he learns what has just transpired. "Have you not reserved a blessing for me?" (27:36) he pointedly asks his father with tears in his eyes. In fact, Isaac does have another blessing. "And by the sword you will live, and you will serve your brother" (27:4), Isaac intones alluding to the first blessing. But again, Isaac emphasizes the competitive

nature of the sibling relationship. "And it will come to pass when you will break loose, that you will shake his yoke from off your neck" (27:40). Isaac's inability to imagine an alternative to sibling rivalry, perhaps because of his own experiences with his brother Ishmael, becomes a kind of self-fulfilling prophecy. It is a major theme in the book of Genesis. Isaac's insistence, at this crucial historical juncture, that either Esau or Jacob will prevail, but not both, is in large measure the cause of Esau's hatred toward Jacob and, in turn, Jacob's decision to run away from his homeland to Rebekah's brother. Isaac's blindness prevents him from viewing family life in terms that would allow everyone a place to grow.

Years later, Jacob himself falls prey to a similar kind of blindness as he seemingly favors his son Joseph over his brothers. In the end, however, Jacob overcomes this trap. Chapter 49, the very last chapter in the book of Genesis, records Jacob's own blessing to his sons. "And Jacob called his sons and said: 'Gather yourselves together, that I may tell you that which will befall you in the ends of day'" (49:1). In this sequel to chapter 27, things are different. Everything is out in the open, and the sons are together as one. Strengths and weaknesses are honestly acknowledged. The overriding spirit is one of unity, mutual trust, and care. This time there is room enough for everyone to grow together. There is a place for Joseph and a place for Judah. The seeds for covenantal living have been planted.

Returning attention to the contemporary scene: At the very heart of those organizations that are today self-consciously following the covenantal model is the idea that organizations can and should foster human growth and development. Organization members satisfy not only material needs, but organizations, conceived of as living communities, can help individuals satisfy higher-level needs, including the need for social interactions, the need for self-actualization, and spiritual needs. This is the preeminent distinguishing characteristic of the covenantal model. Great leaders are continually growing; great covenantal leaders, satisfying the role model criterion, must strive to create organizations that are big enough for every organizational member to grow.

Stephen R. Covey, an extremely popular author and business consultant, gives explicit directions about how "abundance managers" (those imaginative managers who eschew zero-sum thinking) can begin to create

such organizations. Among some of his intriguing ideas, he discusses what he calls the "performance agreement." According to Covey, the performance agreement is a "clear, mutual understanding and commitment regarding expectations surrounding roles and goals. . . . The performance agreement embodies all expectations of all the parties involved. And if these parties trust each other and are willing to listen and speak authentically, and to synergize and learn from each other's expression—then usually they can create a win-win performance agreement."[11]

Covey believes that such agreements encourage trust and open communication inside the organization. Although he encourages being extremely specific about desired results, he also emphasizes the need to allow organization members the flexibility to determine their own methods and means for achieving agreed-upon results. Further, he says that such agreements should be open and always subject to renegotiation. If the situation changes, both parties need to recognize the need for altering the terms of the performance agreement. In turn, a successful renegotiation encourages an even deeper level of horizontal communication and increases social capital and trust within the organization. A successful performance agreement allows everyone to articulate expectations and to participate in the process of helping to achieve those expectations. Ideally, it will incorporate not only financial concerns, but also psychological, spiritual, and social needs as well. A performance agreement alone will not solve every problem. It makes sense only if there is a supportive organizational culture in place and only if the reward structure reinforces the rhetoric of the original agreement. It is one piece of a much larger puzzle. Its strength and merit reside in the fact that it recognizes that organization members want to live balanced lives, are constantly learning, desire to help others as well as themselves, and are more than one dimensional. In short, the agreement is a necessary first step in recognizing that everyone is growing.

CONCLUSION

Covenantal leadership is not about getting others to do what you want them to do against their desires. That's naked power. Covenantal leadership is about actively helping everyone in the organization contribute to-

ward achieving organizational goals (everyone has a piece of the truth—objective 1). It is about encouraging members to be original and creative (objective 2). Finally, it is about creating a space big enough for everyone to thrive and grow (objective 3). Leaders must act in a way that demonstrates that they expect followers to emulate them.

In the epigraph at the beginning of this chapter, there is a final hint as to how all of this can be achieved. In this paragraph, Rabbi Abraham Isaac Kook identifies four kinds of people. The first is the one "who sings the song of his own life," the second "sings the songs of his people," and the third sings "the song of man." It is only the fourth, who rising even further, unites "himself with the whole existence" and with all of them "he sings his song." The paradox is that the true role model is not over and above the rest of us. Rather, the most effective leader recognizes the essential equality of everyone (and everything) even while he continues to sing his own unique song.

Seven

THE PATH OF MORAL GROWTH

Under appropriate internal and external conditions, organizations grow and develop. This growth occurs along many dimensions: size, goals, influence, responsibilities, and complexity. This growth is hardly natural. When it does occur, it is the outcome of, literally, thousands of large and small decisions by organization members and other stakeholders. When the effects of these decisions are beneficial, growth of the organization follows; otherwise, corporate decline sets in, and the organization's survival becomes a real question.

As organizations grow, corporate goals are altered, corporate structure is modified or drastically reengineered, and corporate culture matures and develops. Edgar H. Schein, in his 1992 book, *Organizational Culture and Leadership*, carefully documents this association between organizational growth and corporate culture. The relationship between these two variables is a two-way street. Though organizational growth demands an altered culture, it is just as true that adopting and embracing the "correct" culture enhances the probability of corporate growth. In short, growth and culture are interdependent variables.

As Schein's title implies, he focuses specifically on the link between leadership and culture. At the outset of his book, he writes that the ability "to develop the culture adaptively is the essence and ultimate challenge of leadership."[1] Here, Schein is painting with a broad brush appropriate for the purposes of his book. However, I believe that today one can be more precise than his original formulation suggests. The thesis offered here

states specifically that moral growth of organizations (one aspect of corporate culture) is the ultimate challenge of leadership. This is not to deny or downplay the significance of other aspects of culture, but to emphasize the singular importance of moral decision making in organizations. The foundation of organizational culture is morality. In the final analysis, great leaders ensure that their organizations are on the path of moral growth.

The sociologist and organizational theorist Philip Selznick has been the most articulate and successful advocate for the idea of the moral development of organizations. He provides a useful map to help navigate the terrain. He identifies at least three stages: organizing, institutionalizing, and community building. "To see these organizations as moral agents—participants in the moral order; as potential objects of moral concern—we may draw some insight from the sociology of institutions. A strategic focus is the transformation of organizations into institutions and into agencies of community."[2] In the following discussion, I elaborate on the importance of each of these three stages, and in the last section, I discuss how the developmental approach helps leaders overcome three pervasive myths associated with business ethics.

One of the overarching messages here is the need for leadership to become more aware of a development perspective—not only at the level of the individual—but at the organizational level. As innumerable business management texts have noted, management has become increasingly synonymous with "change management." The view argued here is that today's business environment is satisfied not just by any change but only by a particular kind of change that will become increasingly important in the new century, namely moral growth.

IN THE BEGINNING (ORGANIZING)

Initially, organizational culture is determined almost exclusively by the founding leader and a small group of organization insiders:

> Founders not only choose the basic mission and the environmental context in which the new group will operate, but they choose the group members and bias the original responses that the group makes in its efforts to succeed in its environment and to integrate itself. Organizations

> do not form accidentally or spontaneously. Instead, they are goal oriented, have a specific purpose, and are created because one or more individuals perceive that the coordinated and concerted action of a number of people can accomplish something that individual action cannot.[3]

Successful entrepreneurs typically possess a high degree of confidence in their ability to set and achieve goals. In addition, they bring to the organization a strong set of core values and cultural assumptions about how the world works. In this, entrepreneurs are influenced by their own cultural history and personalities. As Schein further notes, they often enjoy imposing their views on employees and other stakeholders and establishing organizations that reflect their own norms and values. One might guess that it is this ability to create an organization in one's own image that is a major motivating factor for the organizational founder, at least initially.

What is true for culture in general is true for moral decision making. Even where no moral element is openly recognized or consciously acknowledged, moral decision making in organizations is dominated by the leader and his or her closest aides. This first stage of the moral development of organizations is labeled here as *ethical improvisation.* As long as the founder, founding family, or a suitable surrogate still dominates the organization (the age and size of an organization are not determining factors here), ethical improvisation is likely. This stage can be characterized as follows:

1. As ethical problems arrive, leaders attempt to struggle with the implications of decision making with little or no systematic preparation.
2. Ethical decisions are often made on an ad hoc basis. There is often little connection between one decision and another.
3. Leaders attempt to solve ethical problems by invoking their own sense of right and wrong. This does not mean that they are making it up as they go along. Leaders may, in fact, be attempting in good faith to apply the ethical heritage in which they were socialized or a deeply held personal worldview or philosophy to new and emerging problems.
4. Ethical decision making may carry a high level of emotional salience for the decision maker.

5. There is little thought of publicizing the process or product of ethical decision making and no attempt to justify actions to internal or external stakeholders.

The Benign Side of Ethical Improvisation

Ethical improvisation is a necessary first step in any organization. One cannot criticize an organization simply on the basis that its ethical structure is not well developed any more than one can blame a young child for an ethical lapse. Every organization leader must, of necessity, begin as an improviser when it comes to decision making in the moral realm.

In Jewish thought, the Bible's Genesis narratives best capture the benign side of ethical improvisation. As Abraham, Isaac, Jacob, and their sons and daughters face life's inevitable difficulties, these prototypical leaders and founders of the people must struggle on their own to formulate appropriate responses to unpredictable challenges. There are no procedures in place and there is no legitimate tradition to invoke. Decisions need to be made quickly and there may be little or no connection between one decision and another.

Perhaps the most famous example of successful ethical improvisation is captured in Abraham's dialogue with God concerning the fate of the inhabitants of Sodom:

> And the Lord said: The cry of Sodom and Gomorrah is great, their sin is extremely grievous. . . . And Abraham drew near and said: Will You indeed sweep away the righteous with the wicked? Perhaps there are fifty righteous within the city; will you indeed sweep away and not forgive the place for fifty righteous? . . . Shall not the Judge of all the earth do justly? . . . Perhaps there will lack five of the fifty righteous; will You destroy all of the city for the lack of five? . . . (Gen. 18:20–28)

As the text continues, Abraham asks God if he will destroy the city if 40, and then 30, 20, and 10 righteous individuals can be found. Abraham stops with 10, and the chapter concludes, "and Abraham returned unto his place" (Genesis 18:33).

This text underscores three qualities of moral improvisation that serve to increase the likelihood of a beneficial outcome. First, Abraham's ethical

stance faces *outward.* His concern here is not directed only toward the safety of his own nephew Lot, who has chosen to live in Sodom, but encompasses the entire city. In this instance, it is as if Abraham's concern is more inclusive than God's. Second, Abraham's approach is self-consciously *experimental.* He makes no demands on God but merely poses his thoughts in the form of questions. Though in retrospect we read this narrative as providing an authoritative foundation for a definition of justice (whatever it is, God is bound by its rules), Abraham himself isn't (and can't be) so sure. Third, Abraham imposes his own *restraint* on his requests. Abraham does not push the case below 10. It is not explicit from the text why this is so, but the fact that he does stop at 10 suggests that Abraham understands that other values need to be taken into consideration as well. In this case, Abraham recognizes that a functioning community requires at least 10 members. Abraham's self-restraint thus underscores the promise that improvisation does not imply "no limits." In fact, the legitimacy of ethical improvisation must be judged in the context of the community in which it takes place.

The Negative Side of Ethical Improvisation

Abraham faces the realities and inherent dangers of ethical improvisation but tames them by facing outward and emphasizing the other, by approaching his role in a hesitant and halting manner, and by recognizing the restraining demands of community. Although it is a necessary beginning stage of all social entities, the stage of ethical improvisation possesses a darker side as well. Consider, for example, the behavior of Joseph's brothers. Their decision to sell Joseph to the Ishmaelites "for twenty shekels of silver" (Gen. 37:28) following Joseph's immature declaration of his dreams of dominating them emphasizes the negative side of ethical improvisation.

Just as Abraham has no guiding tradition in his confrontation with God, Joseph's brothers unexpectedly face a crucial and defining moment. Unlike Abraham, however, in this case, the brothers look *inward* rather than outward. The sons of Leah contemptuously dismiss Joseph, Rachel's son, as an outsider. In their words, "Behold, this dreamer cometh" (Gen. 37:19). The decision to sell Joseph exemplifies a *moral certainty* at odds

with Abraham's experimental approach. And although the brothers do restrain themselves from killing Joseph outright, the decision is much more symptomatic of an *anything goes* attitude than of a real search for a community-building solution. Judah's final argument emphasizing the profit to be earned from selling their brother is hardly the inspirational language demanded by the goal of successful ethical improvisation.

As organizations grow beyond the critical size (how to measure this critical size is by no means obvious), the temptation to abuse ethical improvisation looms great and perhaps unavoidable. The founding leaders and their close aides simply possess too much power and leeway. A leader's limited attention cannot possibly encompass the wide range of ethical problems that inevitably emerge as the size and importance of the organization grow. The leader's personal worldview, which worked so well in the early life of the organization (whether it derives from religion, a secular philosophy, or some other source), no longer provides the resources for solving the unique problems of contemporary organizations in an unproblematic way. The possibility of a moral crisis and significant lapses in ethical judgement becomes great. The attraction to abuse ethics in the service of organizational goals may become too powerful for the leader or leaders to overcome. The lack of a systematic and well-articulated tradition, the low level of public disclosure and justification, and the ad hoc nature of moral decision making—all fundamental characteristics of ethical improvisation—provide few breaks for leaders facing increased pressure to satisfy increasingly challenging organizational goals. Ends come to dominate means, and organizations begin to unravel.

Unfortunately, allegations (if true) made in the *New York Jewish Week*[4] concerning the Orthodox Union, a leading organization in North American Jewish life, perhaps best known for its outstanding work in certifying kosher food—reminds us that such problems are not restricted to the for-profit sector.

According to the newspaper report, the tightly knit leadership group of the Orthodox Union ignored for almost three decades scores of independent allegations that one of its employees, Rabbi Baruch Lanner, was committing sexual, physical, and emotional abuse of teenagers. Prior to the publication of the article, Lanner had served as one of the directors of

the National Conference of Synagogue Youth (NCSY), the youth outreach arm of the Orthodox Union. Before his resignation, the charismatic Lanner had organized and led hundreds of youth programs for the Orthodox Union across the country and in Israel, and deeply influenced the lives of innumerable young Jewish men and women. He remained in this sensitive and powerful position even while more and more allegations surfaced against him. In the Orthodox Jewish community, Lanner's strange and dangerous antics became an open secret. In fact, so much so that many of the NCSY's own local chapters banned Lanner from participation.

How did the leadership of the Orthodox Union ignore the reports of teenagers for so long? The answer seems to be that its leadership continued to embrace and use a form of ethical improvisation long after the demands of organizational legitimacy required a higher level of organizational integrity. The leaders of the Orthodox Union continued to enjoy what seemed to them at the time to be the virtually unlimited freedom inherent in ethical improvisation long after the costs of such freedom became prohibitively expensive. One openly wonders whether the leaders felt that the goal of the organization—persuading young Jewish men and women to adopt Orthodoxy—was so important that it trumped the importance of means. As long as Lanner continued to produce results—and no one disputes his success at persuading young people to accept Orthodoxy—Lanner's superiors may have willingly chosen to ignore the allegations made against him. In light of the public accusations against the Orthodox Union, its leaders have taken baby steps toward the institutionalization of ethics. In this case, the leaders chose to set up an independent commission to investigate—but only after the situation was publicized. If this commission is successful, the Orthodox Union will move deeper and deeper into the second stage of moral development. If not, the organization will dissolve.

INSTITUTIONALIZING ETHICS

Institutionalization is the emergence of orderly, stable, socially integrating patterns out of unstable, loosely organized, or narrowly technical activities. The underlying reality—the basic

> *source of stability and integration—is the creation of social entanglements or commitments. Most of what we do in everyday life is mercifully free and reversible. But when actions touch important interests and salient values or when they are embedded in networks of interdependence, options are more limited. Institutionalization constrains conduct in two main ways: by bringing it within a normative order, and by making it hostage to its own history.*
>
> —*Philip Selznick*, The Moral Commonwealth, *p. 232.*

Those organizations that successfully survive the stage of ethical improvisation think more systematically about the ethical values and procedures that guide and should guide the organization. The second stage of moral growth is dominated by the idea of *ethical institutionalization.* The founding leaders have been replaced or finally recognize that there is an organizational ethics somewhat independent of personal ethics. (I say "somewhat" because they may recognize a relationship between organizational and individual ethics even though it is now obvious that the organizational ethics has its own logic, identity, and rules.) Some of the characteristics of ethical institutionalization are:

1. A publicly available, shared tradition of ethical decision making exists in the organization. It makes sense to say, "This is how things are done around here."
2. An attempt is made to anticipate ethical problems before they arrive and to resolve similar cases in similar ways.
3. Leaders distinguish between their own sense of right and wrong and the demands of organizational ethics. A two-world theory emerges.
4. Ethical decision making is impersonal. Rules dominate. There is an attempt to bracket off organization decision making from demands of emotion.
5. The process and product of ethical decision making are made public and actions are justified to internal and external stakeholders.

If the Bible's Genesis narratives embody the logic of ethical improvisation, Exodus suggests the beginnings of ethical institutionalization as seen through a Jewish lens. The story of Jethro, the Midianite priest and father-in-law of Moses, provides a case in point. Immediately following the Exodus, the Bible recounts the following fascinating encounter between Moses and Jethro:

> And it came to pass on the morrow, that Moses sat to judge the people; and the people stood about Moses from morning until the evening. And when Moses's father-in-law saw all that he did to the people, he said: "What is this thing that you do to the people? Why do you sit alone, and all the people stand about you from morning until evening?" And Moses said to his father-in-law: "Because the people come to me to inquire of God; when they have a matter, it comes to me; and I judge between a man and his neighbor, and I make them know the statutes of God, and His laws." And Moses's father-in-law said to him: "The thing that you do is not good. You will surely wear away both you and this people that is with you; for the thing is too heavy for you, you are not able to perform it yourself. Listen now to my voice, I will give you counsel, and God will be with you: be you for the people before God, and bring you the causes to God. And you shall teach them the statutes and the laws, and you shall show them the way wherein they must walk, and the work they must do. Moreover, you shall provide out of all the people able men, such as fear God, men of truth, hating unjust gain; and place such over them, to be rulers of thousands, rulers of hundreds, rulers of fifties, and rulers of tens. And let them judge the people at all seasons; and it will be, that every great matter they will bring to you, but every small matter they will judge themselves. . . . If you do this thing then you will be able to endure, and all this people shall go to their place in peace." [Exod. 18: 13–23]

Jethro's scheme is impressive. It speaks to all five of the characteristics of ethical institutionalization as noted above. First, by requiring Moses to "teach them the statutes and laws" and by formally recognizing more than one out of ten members of the community as judges or quasi-judges, Jethro's plan ensures the growth of a publicly available shared tradition. Second, the plan represents an attempt to anticipate ethical problems before they arrive and to resolve similar cases in similar ways. Third, Jethro's criteria of leadership, "able men, such as fear God, men of truth, hating

unjust gain" addresses the requirement to separate self-interest from organizational interest. Fourth, as more and more members of the community become involved in the process, ethical decision making becomes more impersonal. If the process is to be successful, rules must come to dominate. This point suggests that despite the negative connotations of the two-world theory as discussed earlier, it is a necessary stage in an organization's development. Finally, as ethical decision making becomes the property of the social entity and not the sole possession of the leader of the entity, greater attention will be devoted to justifying actions to all involved parties. Interestingly, Judaism does not see ethical institutionalization as a Jewish invention. The Bible goes out of its way to attribute this plan to an outsider who chooses to be an outsider even after Moses requests that he stay. There is an ambivalence in the Jewish worldview about ethical institutionalization even while there is a seemingly grudging acceptance of it as a legitimate stage of the moral development of social groups.

For the most part, when one thinks of the business ethics movement in the United States and the growing interest in business ethics across the world, what one is really talking about is the institutionalization of business ethics. Almost all major U.S. corporations, for example, now have formal *codes of ethics* or *codes of conduct* in place. These codes deal specifically with a host of common issues, including conflicts of interests, the acceptance of gifts, the protection of proprietary information, sexual harassment, general conduct, and the proper use of company assets. In addition to the codes, many companies have given great thought to the issue of whistle-blowing and have put formal mechanisms in place to ensure that employees can report ethical and legal violations. One such mechanism is a corporate *hotline*. Consider the following description of what happens at the Xerox Corporation:

> Xerox Corporation has a complaint resolution process to handle reported wrongdoings. Xerox employs a four-step process. First, the company receives and examines a complaint. The complaint, or allegation, may come from its hotline, from outside sources such as vendors, customers, or former employees, from whistle-blowers, or from law enforcement agencies. Second, the company conducts an investigation. This is completed by a team—a senior manager, legal counsel, and a human resources executive. Third,

> there is a management review of the team's report. Finally, step four involves the resolution. Xerox thinks that the essential elements of the ethics investigation include adherence to plan, good management communications, and a dedicated interest in ensuring fair and impartial investigation.[5]

More and more, *business ethics training* has become an integral part of employee education programs. Such programs are meant to familiarize employees with the company's code of ethics, to emphasize the central role that ethics plays in the organization, to clarify the distinction between organizational ethics and personal ethics, and to help employees anticipate problems before they arise. *Ethics audits* and *self-assessments* are additional tools that many companies are exploring. The audits are attempts to begin to measure the effectiveness of the company's ethics programs. Ideally, an ethics audit will ensure that operating goals are in line with the company's stated values; incentive and reward schemes promote ethical behavior and not merely bottom-line thinking; ethics violators are punished; the company discloses information (perhaps even through the use of *corporate social responsibility reports)* to stakeholders in a timely, unbiased, and informative manner; and, more generally, the company is meeting perceived social and ethical responsibilities.

Finally, many companies have an *ethics officer* (there even exists now an Ethics Officers Association which is devoted to helping ethics officers accomplish their tasks) and *ethics committees* in place to oversee the ethics program. Motorola, for example, has established a three-person Business Ethics Compliance Committee as a subcommittee of its board of directors. It consists of the chairman of board, the chief financial officer, and the general counsel. According to business ethics experts Carroll and Buchholtz, the committee is charged with

> Development, distribution, and periodic revision of a code of conduct;
> Interpretation and clarification of the code to ensure that Motorola employees abide by these principles; and
> Examination of specific cases of potential code violations with the authority to pass judgment and impose appropriate sanctions.[6]

The committee, which has been in existence for parts of two decades, is touted by Motorola as demonstrating its unswerving commitment to ethics.

Each of the items briefly cited above is a tool of ethical institutionalization. Some of these may be more effective than others and some may be more common than others. There is certainly some truth to critics' arguments that much of the increased activity surrounding business ethics in the United States is a direct result of regulatory changes that make it in the self-interest of the organization to adopt an ethics program. Penalties to the organization may be less severe if the company can demonstrate that it took preemptive action. These same critics also point out that many companies adopt the rhetoric of ethics only after a well-publicized ethics failure. It is certainly the case that many of the companies that have been aggressively pursuing ethics programs have been accused of ethics failures in the past. None of this, however, changes the basic observation that ethical institutionalization represents an important stage in the moral development of organizations. It is a stage that no organization can afford to skip.

BEYOND INSTITUTIONALIZATION (COMMUNITY BUILDING)

> *Covenant presumes an act of faith and resolve, a self-defining commitment. It is a decision to embrace the pregnant premises of moral ordering. These include a sense of personal responsibility, an awareness of human frailty, and the aspiration to belong to a Kingdom of God, that is, to a community governed by moral ideals.*
>
> —*Philip Selznick*, The Moral Commonwealth, *p. 479.*

The limitations of institutionalization are notorious. I will focus on just three of institutionalization's most significant defects. First, as rules multiply and procedures beget more procedures, change becomes increasingly difficult. Corporate goals are taken as self-evident, and organizational learning is nearly impossible. The tradition, which in the early stage of institutionalization is correctly seen as liberating and an important source of corporate justice and fairness, becomes a straitjacket. Tradition cuts off important paths prematurely. Second, as organizations adopt, for bureaucratic reasons, inappropriate solutions, the humanity of the individual is undercut. The role be-

comes more important than the person (people are interchangeable, but roles are not). As institutions develop and harden, human imagination, creativity, and emotion are systematically avoided. Third, the search for meaning in life becomes increasingly difficult. The implicit contract between the modern organization and its members demands a high entrance fee. During working hours (and, in many cases, even beyond), members are expected to accept the corporation's instrumental version of truth rather than their personal and idiosyncratic interpretations. As the two worlds become increasingly distant from one another, organization members are asked to embrace a form of purposeful schizophrenia. The phrase "business is business"—at one time the encapsulation of pragmatic and wise advice—sounds increasingly harsh, and perhaps even borders on evil, to historically sensitive ears.

As it dawns on an increasingly large minority that it is not things but the meaning of things that captures our real attention and the best of our imagination, organizations begin to self-consciously *re-vivify* themselves. This constitutes the third stage of the moral development of organizations. Its main characteristics are

1. Tradition is no longer viewed as fixed and unchanging. Organization members inherit tradition, but also self-consciously produce tradition.
2. There is an enhanced appreciation for individual differences. Pluralism flourishes.
3. The rift between individual ethics and organizational ethics is seen as a problem, not a solution. Organization members search for integrative solutions.
4. It is openly recognized that ethical decision making is a product of human interpretation. *The search for meaning takes center stage.* Rules still matter, but they always require an interpreter subject to human emotions.
5. An ever-widening circle of internal and external stakeholders participate in the process of ethical decision making.

As organizations enter the third stage of moral development, the checklist mentality that dominates institutionalization recedes. John W. Gardner talks about the need for "renewal" that arises in the course of this process:

> Continuous renewal is necessary. Leaders must understand how and why human systems age, and must know how the processes of renewal may be set in motion. The purposes are always the same:
>
> To renew and reinterpret values that have been encrusted with hypocrisy, corroded by cynicism or simply abandoned; and to generate new values when needed.
>
> To liberate energies that have been imprisoned by outmoded procedures and habits of thought.
>
> To reenergize forgotten goals or to generate new goals appropriate to new circumstances.
>
> To achieve, through science and other modes of exploration, new understandings leading to new solutions.
>
> To foster the release of human possibilities, through education and lifelong growth.[7]

At this stage of moral development, it is now important to determine whether a corporate code of ethics exists and to know something about its contents and use. Social responsibility reporting is not merely a public relations tool but is seen by top managers as an unbiased measuring stick. In this stage, ethical audits can no longer accept corporate goals as self-evident; rather, such audits must provide a way for top managers to consider and evaluate these goals. As James March has noted, the limitations of instrumental reasoning are now openly acknowledged. Observing real-world decisions shows that on occasion, "Decision making shapes meanings even as it is shaped by them. . . . Action comes first, and premises are made consistent with them. Individuals and organizations discover their wants by making choices and experiencing the reaction of others as well as of themselves."[8]

A careful reading of the characteristics of ethical revival outlined above is meant to demonstrate how this stage is an attempt go back in order to move forward. In other words, ethical revival requires an integration of the best of ethical improvisation and ethical institutionalization, while never losing sight that what results is something altogether new. At its best, the organization evolves from institution to community. The social critic Charles Handy describes the process as follows:

> I want to see the development of the "existential corporation." By that I mean the corporation whose principal purpose is to fulfil itself, to grow and to develop to the best that it can be, given always that every corporation is free to do the same. It owes something to each of the ring-holders, but is owned by no one. It is in charge of its own destiny, and it is immortal or would like to be. It is not a piece of property, inhabited by humans: it is a community, which itself has property.[9]

In the biblical vocabulary, the transformation from institution to community is described using the term "covenant." At Exodus 24:7, in one of the most famous verses in the entire Five Books of Moses, the Bible describes part of this process: "And he [Moses] took the book of the covenant, and read it to the people; and they said, 'All that God has spoken we will do and we will understand.'" Note that the unusual phrasing of Israel's acceptance of the covenantal invitation—in which doing comes before understanding—foreshadows James March's observation cited above.

DEBUNKING THREE MYTHS OF BUSINESS ETHICS

Inherent in the Jewish perspective, as revealed through the basic biblical structure—ethical improvisation (Genesis), ethical institutionalization (Exodus, Jethro narrative), ethical revival (Exodus, covenant narrative) is a developmental approach to ethics at the individual, organizational, and societal levels. One is either going forward or backward; there is no stable status quo. A careful understanding of this idea of the moral growth of organizations helps leaders avoid three powerful and persistent myths concerning business ethics.

Myth 1: Personal Ethics Serves as a Substitute for Organizational Ethics.

This idea is patently false and extremely dangerous. A strongly felt personal ethics may not only fail to help organizational development—it may actually harm business ethics. A classic confrontation between personal

ethics and the requirements of institutionalization is eloquently captured in Samuel's bitter farewell address to his people in response to their demand to establish a king to rule over them.

As is recorded in Samuel I, Samuel was the last of the "judges" who ruled Israel. It was in a historical period of extremely loose national organization, bordering on anarchy—an ideal environment for ethical improvisation—that Samuel's genius emerges. Upon his retirement from the public stage Samuel can publicly announce without contradiction, "Here I am; witness against me before the Lord, and before His anointed; whose ox have I taken? Or whose ass have I taken? Or whom have I defrauded? Or whom have I oppressed? Or of whose hand have I taken a ransom to blind my eyes?" (1 Sam.12:2–3).

By all accounts, Samuel was a leader of impeccable moral credentials. His personal ethics were beyond reproach. Even those clamoring for the establishment of a monarchy willingly admitted this. Further, when Samuel began his career, he inherited a loosely knit body of tribes, but upon his departure he left a united people. The need for a monarchy represents a predictable (with the benefit of 20/20 hindsight) requirement for more advanced institutionalization. In the end, Samuel is clearly torn. On the one hand, he views the people's call to replace him with a king a bitter mistake. "You will know and see that your wickedness is great, which you have done in the sight of the Lord, in asking for a king" (1 Sam.12:17). On the other hand, Samuel himself calls the people together and declares, "Come and let us go to Gilgal, and renew the kingdom there" (1 Sam. 11:14). However ambivalent the Jewish tradition is concerning institutionalization, in the end, institutionalization, warts and all, necessarily trumps even the best of ethical improvisation. Tellingly, even while Samuel believes that his own personal rectitude is sufficient for the leadership needs of the growing nation, he willingly participates in the establishment of the king. In this way, Samuel, however reluctantly, overcomes the first myth of business ethics. In spite of his own words, his deeds acknowledge that personal ethics alone is insufficient.

MYTH 2: COMMUNITY PRECEDES INSTITUTIONALIZATION.

A perennial question for biblical commentators concerns the placement of the Jethro narrative, quoted at length above, before the material describing

the acceptance of the covenant at Sinai, also discussed above. In short, the question is, "How can one set up a system of justice before the revelation at Sinai?" The question is based on the myth that community precedes institutionalization. Many commentators, especially sociologists, have gone so far as to assert that eventually the community naturally and inevitably surrenders to the demands of institutionalization.

As the above discussion makes plain, however, the ordering of these two narratives is purposeful and quite sensible. Institutionalization must necessarily come before community. The establishment of the covenant at Sinai is possible only under the just conditions inherent in Jethro's plan. It is not that his plan must be perfect, but minimal requirements of fairness must be in place before a voluntary agreement among independent and equal agents to create a shared community becomes a live possibility.

Community is hardly the natural state of human beings. It is the culmination of rational beings struggling and reasoning together in the face of life's difficulties. Community is the result of institutionalization, not its cause. Selznick identifies the values of historicity, identity, mutuality, plurality, autonomy, participation, and integration as key building blocks of communities. None of these values is merely given; each is the product of hard-fought battles. "A fully realized community will have a rich and balanced mixture of these seven elements. We cannot ignore the givenness of received custom and decisive events, but the appeal to historicity must respect the other values, so far as they are affected. . . . In this normative theory, the moral quality of a community is measured by its ability to defend all the chief values at stake, to hold them in tension as necessary, and to encourage their refinement and elaboration."[10] Community building is an active process; one does not inherit a community as a birthright, but rather constructs community through ever more sophisticated mechanisms.

The failure to recognize that institutionalization must come before community can lead to questionable activities. For example, Ben & Jerry's, The Body Shop, and other organizations that make it a business to advertise their social consciences often attract a high degree of criticism—certainly more criticism than one would expect, given the relatively small size of such companies. A careful examination of the kinds of issues raised by the critics suggests that these companies, almost always dominated by a strong founder or founders, confuse ethical improvisation for ethical revival. In

other words, leaders are claiming that they have created moral communities when in fact they have failed to pass fully through the stage of ethical institutionalization. Consider, for example, how a company spokesperson defended Ben & Jerry's seeming boycott in 1999 of Israeli products from the Golan Heights: "We were getting a lot of e-mails protesting the deal and so we figured that, all things being equal, we might as well upset less people rather than more." [11]

Myth 3: Ethical Revival Is the End of the Story.

The truth is, as important as ethical revival is, it is best thought of as a new beginning rather than a final destination. Ethical revival is not so much a location as a process. This means:

> Successful ethical revival will lead to yet another round of institutionalization;
> Arguments and struggles will not cease, they will self-consciously revolve around human meanings and aspirations;
> Issues of corporate identity are under continual scrutiny.

The Talmud, at Berakoth 27b, describes an epochal story in Jewish history that took place nearly 2000 years ago in Palestine. Rabbi Gamaliel, the covenantal leader of the Jewish people and head of the academy, had adopted a restrictive policy concerning membership in the conclave. His standards were high and, according to his critics, arbitrary. More than once he used his position of power to humiliate his rivals in public. Finally, the members of the academy had seen enough. "How long is Rabbi Gamaliel going to continue insulting Rabbi Joshua? On New Year last year he insulted him; he insulted him in the matter of the firstborn in the affair of Rabbi Zadok; now he insults him again! Come let us depose him!" After considering other candidates for the top position, a consensus emerged around a relatively young unknown scholar named Eleazar, the son of Azariah, "who is wise and rich and the tenth in descent from Ezra." The elders of the academy approached Eleazar and asked him if he would consent to the leadership role. "He replied: I will go and consult the members

of my family. He went and consulted his wife. She said to him: Perhaps they will depose you later on. He replied to her: Let a man use a precious cup for one day even if it be broke the next." The story continues:

> On that day the doorkeeper was removed from the academy and permission was given to the disciples to enter. For Rabbi Gamaliel had issued a proclamation saying no disciple whose character does not correspond to his exterior may enter the house of study [the academy]. On that day many stools were added . . . and there was no law about which any doubt existed that was not discussed. [Berakoth 28:a]

As it turns out, Eleazar's wife was correct: A short while later, Gamaliel returned to his position after apologizing to Rabbi Joshua.

Nevertheless, Eleazar's impact was tremendous even if his tenure was quite short. According to Louis Finkelstein: "So deep an impression did this palace revolution make on Jewish scholars that for centuries they referred to that day without further specification. Soon after that day the conclave voted the Hillelite views binding on all Jews, setting on the Jewish religion the stamp which it has borne ever since."[12]

In this narrative, Rabbi Gamaliel temporarily succumbed to the third myth. In a sense, he took the covenant and the meaning-based academy for granted. He viewed it as his own personal fiefdom. Eleazar, on the other hand, recognizes that the length of his own tenure is not critical. He is willing to take the leadership position—even for a short period of time—because the principles involved are worth the battle. Eleazar admitted between 400 and 700 new members to the academy and set the stage for the further positive evolution of Jewish law by ensuring the dominance of the more progressive school of Hillel over the more conservative philosophy associated with the school of Shammai.

The battle recorded in this talmudic narrative illustrates nicely what is at stake during the stage of ethical revival. In large measure, this story has a successful conclusion because Rabbi Gamaliel quickly learned from his mistakes and almost immediately returned to the hard work of community building.

> The deposition of Gamaliel was a decisive event in his life. He seems to have realized at last that a Jewish conclave was not a Roman cohort, and

> that its president was not a captain. Whether in true humility or as a matter of policy, he reverted to the gentle manner of his famous ancestor, the meek, peaceful Hillel. No longer holding office, he attended all the meetings of the academy and took part in the discussions as an ordinary member. *His self-conquest melted the hearts of his opponents. They forgot his tyranny and remembered only his lineage.*[13] [emphasis added]

In many ways, Gamaliel's "self-conquest" and his opponents' short memories best exemplify the leadership qualities required to traverse the path of moral growth. The covenant survives and flourishes only as long as we choose to allow it.

CONCLUSION

Edgar Schein concludes his book by noting that "leaders of the future will have to be perpetual learners."[14] They will have to learn new skills, ways to involve others, and the assumptions of organizational culture. Schein offers profound and important insights, but an important element is missing from his analysis. First and foremost, successful leaders of the future will have to learn how to guide their organizations along the path of moral growth. In the absence of a well-articulated view of the moral development of organizations, leadership is a dangerous game to play.

EIGHT

INTEGRATION AND THE NEW RESPONSIBILITIES

This book has implicitly encouraged the use of traditional resources in contemporary organizations. In this chapter, this issue is taken up explicitly. Should leaders, and would-be leaders, use traditional religious resources to help formulate their organization's policies? Is there a role for religious language in day-to-day decision making? Or, alternatively, in carrying out their professional roles, should leaders of today's organizations self-consciously attempt to cut themselves off from their religious heritage, traditions, and roots?[1]

Although few spokespersons will put the issue into the stark terms of the last question, I believe it is fair to suggest that many, if not most, contemporary organizational leaders would answer this last question affirmatively. Answering this question with an emphatic yes does not imply that these individuals are not religious. Rather, the dominant creed of the modern age is that religion is exclusively a private matter. To these leaders it makes sense to say that I am a religious person at home and in the church or synagogue, but such beliefs are merely a matter of personal tastes and preferences. Good corporate citizens, like good political citizens, observe a kind of separation of church (synagogue) and organization.

One Jewish spokesperson who has raised this issue in explicit and uncompromising terms is Professor Alan Dershowitz of Harvard University Law School. In a recent book he raises the sensitive question of whether Harvard professors can be Jewish. At first glance this may seem an absurd

question—Harvard University has many Jewish professors, perhaps even more than Yeshiva University, where I teach. Nevertheless, one of Harvard's most famous, brilliant, and proudest Jews answered this question with an emphatic no.

In his recent book, *The Genesis of Justice*, Alan Dershowitz makes a strong and convincing theoretical case demonstrating the link between contemporary theories of justice and the art of ancient biblical narrative. He also reveals that he has twice taught an original and innovative seminar at Harvard Law School on the biblical sources of justice. Indeed, Dershowitz makes good on his introductory promise to provide us a fresh and innovative look at the book of Genesis. For better and for worse, Dershowitz himself has come to stand for the idea of *chutzpah*, which served him so well as the title of his earlier and better-selling book.

In spite of the link he discovers and thoughtfully documents between contemporary justice and his own biblical heritage, Dershowitz, in a seeming aside, declares that even he does not have the *chutzpah* to maintain his Jewish identity at Harvard. And if he can't be Jewish, can any Harvard professor?

I want to make sure that I get this right, so let me quote his exact words: "For purposes of the Harvard classes, I am neither Jew nor Christian nor Muslim."[2] Though I was certainly not surprised to learn that he was neither Christian nor Muslim, the pronouncement that Alan Dershowitz was not a Jew did shock.

Of course, he does attempt to explain his self-chosen schizophrenia, but his defense raises more questions than it answers. For example, Dershowitz states that in class he takes "no position on divine versus human or multiple authorship" of the biblical text. Nor does he take a position on the truth of traditional commentators. Rather, he judges them "by their contribution to the discussion and the insights they provide." Somewhat surprisingly, given his own pledge to keep religion out of the Harvard classroom, he even encourages each student to "bring his or her tradition to the reading of the texts."[3]

None of his stated reasons are very convincing. Certainly, the vast majority of American Jews would accept his pledge to open-mindedness, tolerance, and intellectual curiosity and still consider themselves good Jews. So what's going on here? Does Dershowitz's statement reflect an underly-

ing but unstated principle? Or is it simply a matter of practical and real politics at Harvard?

To be fair to Dershowitz, let's try to find the principle. Obviously, his statement is not meant to be taken literally, nor is it meant to apply only to Jews and Judaism. Further, if there is a principle here, it is directed not only to Dershowitz himself, but to all professors at the law school. It may even be the case that the principle extends to all professors at Harvard, and perhaps to all professors everywhere.

But, what is the principle? Here is a sample of some real possibilities:

> Principle 1: There is an intrinsic contradiction between the role of *university professor* and a *religious* worldview.
>
> Principle 2: There is an intrinsic contradiction between the role of *law professor* and a *religious* worldview.
>
> Principle 3: While there is no intrinsic contradiction, there is no well-accepted theory as to how to integrate the role of *law professor* and a *religious* worldview.
>
> Principle 4: Even if theoretically there is a way to integrate the role of *law professor* with a *religious* worldview, such an integration dilutes and minimizes both the law professor role and religion.

My gut feeling is that while many others might accept them, Dershowitz would sensibly reject principles 1 and 2 outright. He certainly provides no evidence to support them, and acceptance would be troubling indeed. Both of these principles might even imply a deep and overarching orthodoxy forcing all of us to choose between democracy and deeply held religious beliefs.

Principles 3 and 4 are more interesting and worthier of attention. Principle 3 is a kind of agnosticism. It says that we just don't know if there is a contradiction and then puts the onus of proof on religion. From the law professor's perspective, it is up to religion to prove its innocence. Until we know for sure how to integrate law and religion, we must self-consciously keep them separate. The real fear is that in the end, religion—and especially some versions of religion—will upset the delicate balance of democracy. While I still don't think we've gotten to the Dershowitz principle yet,

I think something very much like principle 3 is driving the Anti-Defamation League's recent criticism of former vice-presidential candidate Joseph Lieberman's call for increased religion in the public sphere.

Principle 4 explicitly recognizes that not only may there be no contradiction, there very well may be a real and substantive relationship between law and religion. Even so, intermingling the role of law professor and religious belief will harm both. It is a kind of contemporary *shatnez* (*shatnez* is a Hebrew term referring to the biblical prohibition of mixing linen and wool in the same garment).

Here, we're finally getting hot. Dershowitz is not antireligious and is unquestionably not anti-Jewish. His book, in fact, boldly holds as its main thesis that the genesis of justice is to be located precisely in the narratives of injustice found in the biblical Book of Genesis. He explicitly states, with no qualification, that to properly understand justice—"historical and contemporary—requires an understanding of the passions of the people of Genesis."[4] So, if in fact Dershowitz is right, there is a real historical link between religion and law. One might even say, following his own argument, that religion gave birth to law.

All of this is in the past though. Like a good parent, Dershowitz recognizes that religion should step back and allow her child to grow and flourish into an independent adult. Hence, Dershowitz's need to split himself in two. He is Jewish in the synagogue and home, but post-Jewish at work. I have called this kind of a solution the two-world theory, a psychological attitude that helps carve up the world into manageable pieces.

I don't think this is the end of the story though. My own experiences have been quite different. A few years ago, for example, I was asked by former Dean Paul Brest to address the Stanford Law faculty on the topic of business ethics. I believe the reason why Dean Brest asked me was not because I accept the Dershowitz principle, but precisely because I reject it. To quote one of Dershowitz's favorite song writers, Bob Dylan, "The times, they are a changin'." Consider one last principle:

> Theoretically the role of *university professor* (including law professor) can be integrated with a *religious* worldview in a way that enhances and deepens both the university professor role and religion.

Unlike the four principles identified above, this one implies that not only is it possible to be religious at home and in the synagogue, it is possible to be religious in the street as well. It goes further, though. It also claims that even today the secular world can be improved by religion and vice versa. This is the essence of the integrationist *Torah U'madda* ideal, which is the motto of Yeshiva University.

As Abraham Heschel famously noted, "The dichotomy of faith and works which presented such an important problem in Christianity was never a problem in Judaism. Deed and thought are bound into one. All a person thinks and feels enters everything he does, and all he does is involved in everything he thinks and feels."[5]

Rabbi Heschel did not reject the two-world theory because it is somehow incoherent or impossible. In fact, he recognized that it is all too possible to embrace it. Even my rabbinical students at Yeshiva University adopt a two-world theory as a matter of course. A couple of years ago, I taught a course on business ethics for a small group of our top rabbinical students as part of the multimillion-dollar Wexner Program. It was clear to me that when the students came across the street from the *beit midrash* (traditional house of learning) to the business school they changed not only locations, but worldviews. For example, if I brought up a specific case in business ethics, the students would discuss the case in an extremely articulate fashion. What surprised me, however, was that even at Yeshiva University, rabbinical students made a clear attempt *not* to invoke Jewish sources, but to couch the discussion in purely secular terms. The irony I felt was that it was a business school professor who had to challenge the rabbinical students to be Jewish.

It's not just the students, though. One of the top talmudic scholars at Yeshiva University's affiliated Rabbinic School has consistently refused to answer questions that I have posed concerning issues of corporate social responsibility. His rationale is that any answer he would provide would be "making it up" since the Talmud never directly discusses the concept of the corporation. This answer is, of course, a cop-out, and reflects an acceptance of the two-world theory.

When Heschel said that "all a person thinks and feels enters everything he does" he was not describing but proscribing. In other words, Heschel

lived inside two worlds as much as Alan Dershowitz, the Yeshiva University rabbi, or any of us does. The difference is that Heschel believed in and exemplified the possibility of an alternative and more meaningful vision. It is not a vision that looks back, but one that looks forward. As Rabbi Joseph Soloveitchik put it so profoundly, "the task of covenantal man is to be engaged not in dialectical surging forward and retreating, but in uniting the two communities into one community where man is both creative free agent, and obedient servant of God."[6]

My personal experiences as a teacher have also led me to embrace open-mindedness, tolerance, intellectual curiosity, and pluralism as non-negotiables in the modern university and in all contemporary organizations. Here, Dershowitz is completely correct. But an interesting question which he doesn't address, is where do *these* values come from?

I suggest that a complete and morally imaginative rereading of the Bible might uncover not only stories of injustice—as Dershowitz correctly found—but narratives of inclusion, love, moral growth, and community building. The Book of Ruth is one of many examples that might be offered here. These kinds of biblical narratives in hand with a seemingly infinite ocean of rabbinical material can provide us with the building blocks for a just society, and for an ethical, caring, and spiritually rich society.

No doubt Alan Dershowitz did not intend the line I am emphasizing here to become the major focus of his work. What strikes the reader as so amazing, though, is the disconnect between this line and the rest of the book.

This is not a purely academic debate, and the final conclusion is not obvious. Can Harvard professors be Jewish? Or for that matter, can Yeshiva University professors or any member of contemporary organizations be religious? I think the only plausible answer to these questions is yes.

THE NEW RESPONSIBILITIES

Even so, one should be extremely careful here. As the modern organization frees its members to identify themselves openly as religious men and women, it is also assigning to them new responsibilities. Unless religious men and women take these new responsibilities seriously, the project of integration will fail.

The Responsibility of Noncoercion

First, organization members must pledge that they will not use the power of the organization to coerce others into accepting their own religious practices and beliefs. If religion is going to play an active role in the modern organization, religious resources must speak for themselves. Members accept and sign on to the lessons embedded in traditional resources not because the texts are authoritative, but because the texts themselves (and the ideas inherent in the texts) are compelling. It is the text and the moral principles for which the text speaks and not a religious authority that pull the listener in.

Great care must be exerted here. Organizations are powerful tools, and there may be a fierce temptation on the part of leaders to use the power of the organization to demand adherence to a religious belief system. To deny someone employment on the basis of religious discrimination or to prefer one business over another because of the religious values the organization embodies would clearly violate the responsibility of noncoercion.

The Responsibility of Transparency

Moral arguments, whether conducted with religious vocabulary or not, must be subject to public scrutiny. In other words, organizational ethics is a public good. In fact, a good litmus test to discern whether religious ideas are being used in a fair, noncoercive, and legitimate way is to examine whether leaders are willing to make their arguments public. It is the height of hypocrisy for organization leaders to arrive at a conclusion through one set of criteria and then to publicly defend the decision with a vocabulary to which one does not subscribe. Here I am reminded of fundamentalist critics, especially in Israel, who use the language of democracy to criticize the state but who themselves do not accept democracy as a legitimate form of government. Further, to suggest that others simply won't "understand" one's arguments is a gross violation of the responsibility of transparency.

The Responsibility of Pluralism

All members of the modern organization must take the notion of pluralism seriously. Pluralism is a tough concept to define, and it is often a difficult idea for

the traditionally minded to accept. Minimally, pluralism requires one to accept the fact that different cultures arrive at truth in different ways. The first rule of thumb with respect to the responsibility of pluralism is a deep respect for the other. If one wants one's own position to be taken seriously in the pluralistic organization, one must begin by taking other people's views seriously.

The philosopher Robert Kane talks about some of the practical implications of pluralism:

> The way to access this higher dimension and reduce that narrowness of vision is by attempting to appreciate the excellences in different forms of life, not by claiming (as some premoderns did) that our own form of life has exclusive rights to the true and the good and is not also limited. . . . From this standpoint of praxis, the idea of overcoming narrowness of vision by initially respecting other persons and ways of life (to see what is true or good from other points of view) is put into practice as a way of living and acting relative to those other persons and forms of life (and not just as a way of observing them theoretically and at a distance).[7]

At first glance, Kane's prescription appears to lead to an extreme relativism, but this is not so. In fact, it turns out that one who adopts this perspective might quickly realize that not all perspectives deserve equal consideration. In practice, it is impossible to open one's mind to every point of view. "You cannot be open or neutral to every point of view. . . . When such situations occur, I say that the 'moral sphere' has broken down—the moral sphere being the sphere in which every way of life can be respected. When the moral sphere breaks down, some ways of life must be treated as less worthy of respect than others."[8]

Accordingly, the responsibility of pluralism should not be equated with relativism. In reality, one who accepts pluralism has to act in such a way as to help pluralism flourish. One has to help create a situation in which everyone has an opportunity to explore and experiment in order to discover what is objectively true.

The Responsibility of Compromise

In the modern organization, no one person or religious viewpoint will always win the day. In order for the organization to function and satisfy its

goals, members have to learn how to compromise with one another. Now, if one chooses to bring one's religious perspective inside the organization, an important implication is that one has to learn how to compromise even when it comes to one's religiously inspired beliefs—at least as those beliefs play out inside the organization.

This is always going to be a matter of degree, and at some point, one may have to seriously contemplate the option of leaving the organization. Under those circumstances, when being asked to compromise on a non-negotiable principle of faith, the individual may choose to exercise the right of exit, which in a pluralistic society must always be a sacred option. I do not deny that there may, in fact, exist non-negotiables.

There are two points, however, that I would like to emphasize with regard to the responsibility of compromise. First, we are doing ourselves a disservice if we turn every religiously inspired idea into a non-negotiable principle. In fact, such an attitude would probably prevent a person from working just about anywhere. And, second, it is equally a mistake if one assumes that his or her religion has nothing to say about the core issues of organization life. While claiming that religion and the modern, purposive organization represent two completely separate spheres of life may remove the necessity of ever having to compromise on either religious or organizational values, it is too high a price to pay for religious purity. Religious integrity does not call for jettisoning religion in public life; it calls for embracing a mature need to compromise in order to show respect for other people's viewpoints.

The Responsibility of Contributing One's Own Share

If we argue for organizations to allow their members to express their religious beliefs and convictions even inside the organization more freely, we must also accept the demand that organization members will embrace a high degree of personal responsibility for their professed beliefs. In other words, we have a responsibility to identify with and take ownership of our actions, even when we believe that such actions are demanded from a religious perspective.

We must recognize the human element of responsibility in the religious sphere, as well as in the organizational sphere. It is difficult to believe

that we will be able to create and sustain meaning-based organizations of the kind advocated here unless every participant recognizes the human element involved in the interpretation of sacred texts. If you take the alternative view that somehow religious knowledge is simply "downloaded" into your brain from on High, it is too easy to walk away from your own responsibility in all of this. Judaism's covenantal perspective, which insists that all participants agree to the terms of religious obligation and conviction, is a strong antidote to such magical thinking.

THE NEW RESPONSIBILITIES AND THE CASE OF YALE'S ORTHODOX STUDENTS

In the fall of 1997, five Orthodox Jewish students sued Yale University on the grounds that Yale's housing policy unfairly discriminated against them. The university requires all nonmarried freshman and sophomores under the age of 21 to live on campus in an area called "Old Campus." In their first year, men and women live on alternating floors of the dormitories with a unisex bathroom on each floor. The sophomore dormitories have single-sex suites connected by shared bathrooms.

According to one of the students, Jeremy A. Hershman, a biology major who was a sophomore at the time the suit was filed, the dorms do not meet the standards of privacy or separation of the sexes that Jewish law mandates. He stated that "students can come and go as they please, disregarding the single-sex floors and rooms; men and women may use the same bathrooms; and guests of either sex may spend the night. " He continued, "There is no way to keep female visitors away from rooms occupied by men, or male visitors away from women."[9] In his view, it is a violation of Orthodox Jewish law for men and women to be in a private setting if they are not related.

Mr. Hershman also believed that Yale was encouraging promiscuity among the students, citing a required lecture on contraceptives during orientation and the fact that condoms were available in dormitories.

According to the students' lawyer, Nat Lewin, "The conflict between Jewish law and the living conditions at Yale creates a situation in which the

student's constitutional right to the free expression of religious beliefs is being infringed."[10]

The case was finally dismissed by a Connecticut judge who rejected the students' claim that Yale, because of its historical and legal ties to the State of Connecticut, was a public institution and therefore must meet the U.S. Constitution's requirements for government policy. Further, in his decision, the judge specifically noted that the students were not forced to attend Yale and certainly could have opted to attend a different college if they were not happy with Yale University's requirements.

Yale's spokesperson, Thomas Conroy, expressed satisfaction with the judge's decision. "The university believes that residence life here provides a significant portion of Yale life. It is an opportunity to interact with fellow students, professors, and deans." According to the university, the housing policy is an integral part of an education at Yale. Furthermore, while the university continued to demand that students live on campus, Yale felt that its offer to house all four students in single-sex suites and to designate the adjoining bathrooms as single-sex could meet the religious obligations of the students.

For sure, there are important legal issues involved here, but it is also important to remember that this case involves ethical concerns as well. In hindsight, it seems that the ethical issues are more controversial than the final legal decision. Though it is hard to argue a neat moral can easily be derived from this tale, I do think the story is revealing and instructive.

John Garvey, writing in *Commonweal*, raises a number of core concerns no doubt shared by many religious men and women. Of the outcome of this case he writes:

> What is really being said here is that secularism has won. You are entitled to your beliefs, as long as you make them a matter of personal and not public concern. If you are someone who believes in a traditional religion, one that makes demands that may separate you in practice from many of your contemporaries, your only right is to keep this fact to yourself, or to make it an interesting part of your individual "lifestyle." But what really matters, from the point of view which rules, is that you—like the Amish and the Hasids—have the right to live at the margins of a world in which nothing matters but commerce and choice or whatever the hell you want

> to do, consistent with commerce. The idea that there might be more compelling truths is itself seen as a form of oppression.
>
> How do we reconcile a tradition which does not approve of premarital sex, abortion, and an attitude toward sex which allows anything short of nonconsenting violence, with secular society? According to the prevailing winds, by telling anyone who has another view to sit over there and shut up.[11]

While admitting that legally Yale is on solid ground here, Garvey seems to be trying to make a deeper point. I think he's wrong.

The lesson here is not that one must always keep religion out of organizational life. In fact, Garvey himself recognizes that religious students might opt for Yeshiva University, Notre Dame, or Brigham Young—to name just three schools that attempt to integrate the values of religion with the requirements of a modern, pluralistic organization. These schools—which are thriving in today's world—are hardly poor relations insulated from the rest of society, as Garvey seems to imply. Rather, I believe the lesson here is that the integration is hard work and requires acknowledgment and acceptance of a new set of responsibilities as discussed above.

At Yale, no student is being coerced into accepting a religious perspective. It is hard to believe that the availability of condoms, a lecture on contraceptives, or the existence of reading material about abortion rises to the level of organizational coercion as one of the Yale Five was quoted as complaining. In fact, it seems as though Yale is actively trying to create a pluralistic environment in which students not only tolerate one another in the classroom, but where students have an opportunity to learn to respect one another's differing beliefs and practices. The fact that Yale did make an offer to house the students in a separate suite and to provide single-sex bathrooms indicates Yale's willingness to compromise on an admittedly difficult issue. In fact, Yale's policy seems to be consistent with the legitimate goals of an educational institution in its efforts to help students learn how to accept personal responsibility for their actions.

By contrast, the students, in this case, seem to want the benefits of pluralism without paying the entrance fee. They would like Yale to alter its understanding of sound educational policy—as articulated by the Yale ad-

ministration and faculty—to fit their interpretation of religious requirements. The students' decision to sue the university over this issue demonstrates a rejection of their own responsibilities in this case. If the Yale experiment, or the Yeshiva University experiment for that matter, is to succeed, everyone must accept a responsibility for pluralism and compromise. In this specific case what these responsibilities imply is that the students have an equal obligation to take Yale's viewpoint seriously. It may even be the case that because the students chose Yale to educate them, the students may have a greater responsibility. If in fact the dean and faculty argue that the dormitory policy is part of the educational vision of the university encouraging multiculturalism and respect, the students have a prima facie obligation to attempt to understand this perspective. It seems outrageous that students should be dictating to faculty and administration the nature of an appropriate education.

These students may not have wanted to compromise as other Orthodox students at Yale and across the country have done. But if so, they need to recognize their own responsibility. No one forced these students to attend Yale, and one can presume that all of these students had an opportunity to visit the Yale campus and familiarize themselves with its dormitory and culture before they decided to come to Yale. If the students felt, even after Yale's attempt to compromise, that they were being asked to violate a non-negotiable principle, they could have used their right to quit Yale and attend college elsewhere.

Rather than seeing the Yale case as a victory for secularism, I believe it is a victory for all of us who still harbor the hope of creating contemporary organizations that satisfy the goals of its stakeholders but also are infused with value, religious and otherwise. From my own perspective, as a professor and academic leader at Yeshiva University, I need to know that just as the Yale faculty can determine the Yale curriculum and the Yale educational philosophy, so too can the Yeshiva faculty judge what it views as sound educational philosophy. It is the adherence to the responsibilities of noncoerciveness, transparency, pluralism, compromise, and personal responsibility that allows all of us to benefit. If the goal of leading an integrated life—inside and outside of organizations—is still worthy of our respect, these new responsibilities become ever more urgent.

Nine

CONCLUSION:
COVENANTAL LEADERSHIP AS TEACHING

In his loving and well-crafted book on leadership, Robert K. Greenleaf argues that the best metaphor for leadership is servitude. His insight derives from a creative interpretation of a familiar Herman Hesse novel titled *Journey to the East.* In the *novel* a group of men set out on a journey of mythic proportions. The main character of the story is a man named Leo, who accompanies the group as the servant, performing their menial chores but also sustaining them with his song and spirit. The group functions well until Leo leaves. At this point, the group falls apart, and the journey is abandoned. Some years later, the narrator of the tale (and one of the participants), discovers to his surprise that Leo, the man he had known only as the servant, was in fact the great and noble leader of the spiritual order that had sponsored the journey.

According to Greenleaf, this story exemplifies the true nature of leadership. Greenleaf argues that the great leader is first and foremost a servant. In Greenleaf's interpretation, "Leo was actually the leader all of the time, but he was servant first because that was what he was, deep down inside. Leadership was bestowed upon a man who was by nature a servant. It was something given, or assumed, that could be taken away. His servant nature was the real man, not bestowed, not assumed, and not to be taken away. He was servant first."[1]

One of Greenleaf's heroes is Thomas Jefferson. Greenleaf suggests that Jefferson's greatness does not necessarily reside in the fact that he

wrote the Declaration of Independence or in his accomplishments as president of the United States. Rather, Greenleaf highlights Jefferson's frantic activities during the War of Independence. Jefferson willingly chose to give up any kind of important role in the war. In fact, for the duration of the war, Jefferson was in his home state of Virginia.

> Jefferson believed that the war would be won by the Colonies, that there would be a new nation, and that the nation would need a new system of law to set it on the course that he had dreamed for it in the Declaration of Independence. So he went back to Monticello, got himself elected to the Virginia legislature, and proceeded to write new statutes, embodying the new principles of law for the new nation. He wrote one hundred and fifty statutes in that period and got fifty of them enacted into law, the most notable being separation of church and state. For many years Virginia legislators were digging into the remaining one hundred as new urgent problems made their consideration advisable. When the Constitution was drafted some years later Jefferson wasn't even around; he was in France as our Ambassador. He didn't have to be around. He had done his work and made his contribution in the statutes already operating in Virginia.[2]

Jefferson truly is one of the great leaders among the founding fathers of this nation. It is also unquestionable that he is, in part, correctly seen as a selfless servant to the embryonic state he helped to found. But is it really correct to think of him as servant first, as Greenleaf would want us to?

I think there is a better, more positive, more all-encompassing way of thinking about leadership. From a covenantal perspective, at times the leader is the servant of his or her people, but *all the time and in every place the leader is the teacher.* Even in Greenleaf's own examples, including the Jefferson example, the leader is either explicitly or implicitly demonstrating many of the same characteristics that one usually associates with teaching. Jefferson's beautiful prose, keen insights, unique articulation of fundamental principles of government, and ability to withdraw and let others draw appropriate conclusions is the work of a master teaching his students—not of a servant serving his master. From the covenantal perspective, the leader is teacher first.

In the Jewish texts, the one thing that ties together the many paths identified in the previous chapters is their remarkably close relationship to the process of education and teaching. In the end, Moses is not remembered as Moses the King, Moses the Priest, Moses the Prophet, or even Moses the Servant, although the Bible refers to him with all of these terms. No, in the end, the rabbis of the talmudic period and up until today refer to him simply and profoundly as *Moshe Rabbeinu*, Moses our teacher. If you want to find the real leader in a covenantal organization, seek out the teacher.

There is an old joke that is meant to be a put-down to teachers. "Those who can't do, teach." This joke, of course, is never told by anyone who has ever tried to teach, either formally or informally. For, of course, as experience demonstrates, teaching is doing, and in the covenantal perspective it is the most important doing of all. In the *Ethics of the Fathers*, one of the most well-known and important rabbinic texts, this point is made explicit in the introduction to the first chapter. It begins: "Moses received the Law from Sinai and handed it down to Joshua, and Joshua to the elders, and the elders to the prophets, and the prophets handed it down to the men of the Great Assembly. They said three things: Be deliberate in judgment, raise up many disciples, and make a fence around the Torah" (Tractace Avoth: Chapter 1, Mishna 1). Many have argued that this text is placed at the beginning of this book, which introduces some of the most important teachings of the rabbis of the talmudic period, to legitimize the authority of the rabbis. In their minds, there could be no greater legitimization of their own authority than the fact that they recognize Moses and his followers as their teachers. In a very real sense, one is a member of the covenantal people and is a participant in the same community merely by virtue of the fact that one recognizes the same teacher or teachers.

It should not be surprising that teaching is a helpful metaphor for understanding leadership in the context of covenants. In fact, our colleges and elite universities are about as close as one comes in the modern world to a purely covenantal organization. They are virtually the only organizations that openly recognize, with few or no apologies, that the primary function of the shared community is to provide a stable location for the interpretation of life's meanings so as to foster human growth, development, and the satisfaction of legitimate human needs. Not all colleges are

founded on covenantal principles, nor can one be assured that schools in the future will embrace these ideals—they are under constant attack by school administrators and some members of their boards—but certainly today's best universities accept a covenantal perspective as a guiding ideal, if not as a practical guide to policy and decision making.

In this book, I have identified six explicit paths to covenantal leadership: the paths of humanity, no illusions, integration, moral imagination, role model, and moral growth. While each of these of these paths is integral to covenantal leadership, I believe that each is also integral to the task of teaching. Teachers must always put the needs of their students first (the path of humanity) and must be dedicated above all to helping students overcome the constant traps of illusionary thinking (path of no illusions). Certainly, teachers are integrators both at the level of theory and at the practical level (path of integration). And just as moral imagination is at the heart of good leadership, it is also at the heart of good teaching. Of course, it is beyond dispute that a good teacher is also a good role model and that no real distinction can be made between education and moral education (path of moral growth).

It is helpful to look more explicitly at good teaching in order to see how this might help us gain a better grasp of covenantal leadership and its practical implications. Before discussing what good teaching is, though, let's consider what good teaching is not.

Teaching, contrary to what many nonteachers, and especially many politicians and bureaucrats might think, is not about filling up empty vessels with yesterday's and today's facts and figures. Nor is it merely imparting and demonstrating useful techniques and tools. If this were all there is to teaching, one could certainly imagine a time in the not-too-distant future when teachers might be replaced by computers. To the extent that teaching *is* reducible to a well-defined and scripted role, it *should* be done by computers and other preprogrammed techniques. Unfortunately, a cursory reading of the rabbinic statement quoted earlier from the *Ethics of the Fathers* might give the mistaken impression that teaching is only about "handing over" a fixed tradition from one generation to the next.

Looking at this text in isolation, it looks as though a teacher is merely a funnel—the Torah flows through the funnel from its original source into

the minds of the next generation. Nothing could be farther from the vision of the rabbis. It was precisely because they recognized the creative and human responsibilities associated with the process of teaching and legitimate leadership that the rabbis felt the need to continually remind everyone that their innovative teaching and understanding is really the same as the old teaching and understanding. Had the rabbis adopted the literalist tradition of their Sadducean peers and competitors, they would have felt no need to legitimize their claims as the rightful heirs to Moses and Joshua. Rather, they would have viewed their own legitimacy as self-evident, a fatal error in any covenantal arrangement.

As the *Ethics of the Fathers* continues, it is obvious that the rabbis are engaged in a process of interpretation. In every statement that follows, the identity of the rabbi is revealed, and his unique and distinct vision is captured in a pithy and memorable statement. The tradition is not a single voice, but rather a symphony of named voices. The rabbis included in the *Ethics of the Fathers* are the political leaders of the Jewish people during the rabbinical age—they are also the preeminent teachers of their generation. In a very real sense, from the covenantal perspective, this is one and the same thing or at least, this is one of the main proposals of *Ethics of the Fathers*. What the rabbis are not, however, are robots recreating new robots.

From the perspective of the rabbis, teaching is active. As they put it explicitly—a good teacher is like a sieve (not a funnel)—"which lets the coarse flour pass out and retains the fine flour" (*Ethics of the Fathers*, chapter 5, Mishna 15). What is great teaching about? First, teachers need to be technically proficient, or, simply put, they need to possess expert knowledge of their chosen topic. Second, teachers are model learners. Here, I am reminded of a fellow faculty member who, before he went up for tenure, described his research as "non-revenue-producing activity." What a stark contrast to those professors who correctly recognize the inherent connection between teaching and learning. It is a truism that great teaching derives from great research. Third, teachers need to communicate in novel and interesting ways. Nothing is more detrimental to the learning process than a boring presentation. Fourth, teachers are constantly pointing out the significance and importance of what it is that they are teaching. A teacher who shows the connection between the lesson and other

activities that the student might be engaged in is well on her way to a successful learning session. Fifth, great teachers are always aware of the fact that teaching is a two-way street. It is what I have called elsewhere a meaning-based exchange, in which one party to an exchange depends on the other party's understanding of the exchange. Finally, the ultimate goal of teaching is to help students become independent of the teacher/student relationship. The greatest achievement any teacher can have is the student who surpasses her. I think all of these additional characteristics of great teaching can help us think more clearly about great leadership.

LEADERSHIP AND TECHNICAL PROFICIENCY

If they are to gain the trust and confidence of their followers, leaders must exhibit technical proficiency with regard to the organization's goals. They must do their homework and demonstrate intimate knowledge of their industry and its practices. This point, however, should not be overstated either for teachers or for organization leaders. Though they must both possess technical proficiency, neither a teacher nor a leader necessarily possesses more technical proficiency than anyone else. Great leaders will often openly rely on others when it comes to purely technical matters, and managers may well be better able to find workable solutions.

LEADERSHIP AND LEARNING

A huge component of teaching is learning. It is equally true that a huge component of leading is learning. Unfortunately, being seen by constituents as a learner even today is often viewed as a sign of weakness and vulnerability. The press and other news media often hold political and business leaders to a standard of consistency that forces leaders to deny moral growth and the extended vision inherent in the change associated with any learning process. Great leaders need to remind all of us that inconsistency, in and of itself, is not bad. In fact, inconsistency may often be the result of a positive growing experience.

LEADERSHIP AS COMMUNICATION

Teaching is primarily a form of artful communication. So too, leading is primarily a form of artful communication. The business theorist Jeffrey Pfeffer has made this point a cornerstone of his vision of organizational life. "One of the tasks of management and a critical administrative activity involves the construction and maintenance of systems of shared meanings, shared paradigms, and shared languages and cultures. . . . Language, symbolism, and ritual are important elements in the process of developing shared systems of belief and meaning, and become the focus and object of much administrative work."[3] Martin Luther King Jr. is remembered as one of the outstanding leaders of the twentieth century for many reasons, not least of which was his masterful command of language, poetry, and rhetoric in the service of a clear moral cause.

LEADERSHIP AND DOING THE RIGHT THINGS

The only way for a teacher to succeed is to convince his students that what he is teaching is important and significant. Similarly, leaders teach followers how to distinguish the important from the unimportant. In more primitive times, the leader is the most aggressive and dominant male—the one who impresses and intimidates his rivals in the most efficient and low-cost way. The leader is big and strong and possesses a track record of being able to help satisfy his followers' most basic needs and urges. The leader feeds and protects his followers. But covenantal leaders don't have to feed and protect their followers—followers can feed and protect themselves. As cultures mature, the needs of the organization and its members mature as well. The real leader is not so much the person who get things done as the one who best helps us figure out which things are worth getting done.

LEADERSHIP AS A MEANING-BASED EXCHANGE

Leading, like teaching, is an example of a meaning-based exchange. What I mean by this is that a student is dependent, in large measure, on how the

teacher understands the meaning of the exchange. And, by the same token, the teacher is reliant on how the student interprets the purposes and goals of the exchange. The only way for teaching and learning to occur is against a backdrop of shared and mutually acceptable understandings, or in other words a common language and vocabulary.

Although this exchange can take place in a for-profit organization, it is different in kind from, say, the purchase of potatoes for tonight's dinner, what I call a plain exchange. When I go into a store, I don't care how the shopkeeper prepares his potatoes nor does the shopkeeper care what I am going to do with my newly purchased vegetables. He is indifferent as to whether I use the potato as an ingredient for a gourmet meal or for an art project. In a plain exchange of this sort, my utility is not a function of how the shopkeeper defines the relationship, nor is the shopkeeper's utility a function of how I understand the terms of the trade. In the teacher/student relationship the attitude of the other makes all the difference in the world.

In this sense, leading is very much like teaching and very different than buying potatoes. Legitimate leadership—if it is to move beyond the primitive view of intimidation, power, and brute strength—always requires shared language and mutual understanding. In this sense, covenantal leadership is hardly the work of one person, but in the end, is an accomplishment of a community of people bound together by covenant.

The book of Deuteronomy, which is a compilation of Moses's farewell speeches to the people of Israel, provides insight into this idea of leadership as a meaning-based exchange. Moses reviews, comments upon, and interprets the historical wanderings of his people. It is in Deuteronomy that Moses earns his reputation not only as a revolutionary and law giver, but as teacher par excellence and therefore covenantal leader. However, Moses's teaching is not simply a "handing over." It is a consciously human interpretation true to the actual history of the Jewish people and meaningful—not only to the generation to which he was speaking—but to all of us who consider ourselves bound by covenant. At least, this was Moses's aspiration:

> Ye are standing this day all of you before the Lord your God: your heads, your tribes, your elders, and your officers, even all the men of Israel, your little ones, your wives, and the stranger that is in the midst of your camp,

> from the hewer of your wood to the drawer of the water that you should enter into the covenant of the Lord your God—and into His oath—which the Lord your God makes with you this day. Neither with you only do I make this covenant and this oath; but with him that stand here with us this day before the Lord our God, and also with him that is not here with us this day. [Deut. 29:9–14]

In the biblical view, leaders do not make covenants; rather, the covenants make leaders. Moses is the leader by virtue of the fact that he helps all of us understand the nature of the covenantal relationship. In other words, the covenantal leader, taking the long term perspective, is the one who best expresses and teaches the meaning of the covenant. Certainly, Moses relies and depends on his followers just as the people of Israel rely on Moses and his interpretations. This is the essence of a meaning-based exchange and is the guiding insight of covenantal leadership.

LEADERSHIP AS LIBERATING

In the end, a teacher must teach in such a way that he will be no longer needed. As great as he is, Moses himself never makes it into the promised land. This is a key to understanding covenantal leadership. It has been argued that Moses's greatest and most independent act of leadership was in recognizing the importance of finding, selecting, and grooming his own replacement.

CONCLUSION

To many readers this whole discussion may seem oddly idealistic and not in tune with the real nature of organization life. Today's managers must meet bottom-line expectations or they won't be tomorrow's managers. Efficiency is our new god, and those administrators and consultants who can show us how to produce more for less are the true high priests. Even in our schools and universities, the language and culture of profit maximization is seemingly winning the day. If it can't be measured, it's not real. In the realm of politics, our so-called education candidates call for more testing

and more accountability in our schools—as if the problem of good teaching could be solved once and for all.

Further, there is a pessimistic feeling of inevitability in all of this. History moves in one direction. Meaning, spirituality, and religion are relics of a bygone era. Today they serve only an ornamental purpose. Those who take spirituality seriously are often viewed with a kind of suspicion. This may be unfortunate to some, but it is the outcome of historical reality.

This book will have served its purpose if it can merely get us to question this pessimistic and deterministic viewpoint. In arguing for a reengagement with traditional resources, I am suggesting that we can reinstitutionalize and reinvigorate our organizational life. Only in the not-too-distant past did humans come to recognize that they could bracket off economic activities from other human concerns. Today, the growing world economy is testament to the genius of this insight. However, we are also seeing the costs of this bracketing off. In many ways, our economic prosperity has been purchased through a lessening of our humanity. In order to move forward and build better and more human organizations in the future, we must creatively confront and reengage the spiritual resources of the past. We may finally learn that history is not a one-way street and that there are still choices to be made. As Moses reminded his followers who were on the verge of entering the promised land: "I call heaven and earth to witness against you this day, that I have set before you life and death, the blessing and the curse; therefore choose life, that you may live, you and your seed" (Deut. 30: 19). Covenantal leadership, as Moses our teacher taught, is every generation's communal and social responsibility to discover practical and life-affirming choices in new contexts. It is a continuous process of self-renewal. It is not servitude but freedom. Covenantal leadership teaches us how to use yesterday's language to solve tomorrow's problems.

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12. Ibid.
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20. Ibid., pp. 8–9.
21. Heschel, “Who Is Man?” p. 49.

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4. As quoted by Nehama Leibowitz in *Studies in Exodus* (Jerusalem: World Zionist Organization, 1981), p. 613.
5. *Mekhilta*, tractate Ba-Hodesh, 7, quoted by David Hartman in *Israelis and the Jewish Tradition* (New Haven: Yale University Press 2000), p. 137.
6. H. R. Haldeman, quoted in Irving Janis, *Groupthink* (Boston: Houghton Mifflin,1983), p. 216.
7. Ibid., p. 220.
8. Janis, *Groupthink*, p. 208.
9. *Congressional Quarterly*, quoted by Janis, *Groupthink*, p. 210.
10. Richard M. Nixon quoted by Janis, *Groupthink*, p. 229.
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12. Diane Henriques, “Three Admit Guilt in Accounting Fraud,” *New York Times*, July 15, 2000, p. C1.
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14. Jeff Skilling, quoted in Bethany McLean, “Why Enron Went Bust,” *Fortune* February 2001.
15. Paul Krugman, “A System Corrupted,” *New York Times*, January 18, 2002, p. A23.
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5. Ibid., p. 154.
6. Ibid., p. xiii.
7. Ibid., p. 237.
8. Ibid., p. i.
9. David Packard, quoted by James C. Collins and Jerry I. Porras, *Built to Last: Successful Habits of Visionary Companies* (New York: HarperBusiness, 1997), p. 58.
10. Harold Schulweis, *In God’s Mirror* (Hoboken, N. J.: Ktav, 1990), pp. 247–48.
11. Linda Grear, quoted by Barnaby J. Feder, “Chemistry Cleans up a Factory,” *New York Times*, July 17, 1999, p. 31.
12. Gardner, *Leading Minds*, p. 141.

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1. Thomas Donaldson and Thomas W. Dunfee, *Ties That Bind: A Social Contract Approach to Business Ethics* (Boston: Harvard Business School Press, 1999), p. 61.
2. In fairness to Donaldson and Dunfee, one should distinguish among the genesis, contents, and justification of ethical values and norms. Their notion of moral free space recognizes the need for moral imagination when it comes to the genesis and contents of ethical norms. Nevertheless when it comes to justifying these norms as “authoritative,” Donaldson and Dunfee retreat to a rules-only perspective. Most advocates of moral imagination see a role for it not only in terms of genesis and contents, but also in the area of justification of moral norms and aspirations.
3. Their term, not mine. See Donaldson and Dunfee, *Ties That Bind*, p. 210.
4. Ibid., p. 106.
5. Ibid., p. 1.
6. Ibid.
7. Ibid., p. 116.
8. Patricia Werhane, “Moral Imagination and the Search for Ethical Decision Making in the Organization,” *Business Ethics Quarterly*, (Ruffin Series special issue 1, 1998): 89.

9. Eliezer Berkovitz, *Not in Heaven: The Nature and Function of Halakha* (New York: Ktav, 1983), p. 51.
10. Mark Johnson, *Moral Imagination: Implications of Cognitive Science to Ethics*, (Chicago: University of Chicago Press, 1993), p. 241.
11. See Walter Wurzburger, *Ethics of Responsibility: Pluralistic Approaches to Covenantal Ethics*, (Philadelphia: Jewish Publication Society, 1994), p. 26.
12. See R. James Post and Kenneth E. Goodpaster, "H. J. Heinz Company: The Administration of Policy (A)," (1981) Harvard Business School Case 9–382–034.
13. Ibid., p. 104
14. Wurzburger, *Ethics of Responsibility*, p. 39.
15. Max De Pree, *Leadership Jazz*, (New York: Dell, 1992), p. 51.
16. Ibid., p. 52.
17. Ray Kurzweil, *The Age of Spiritual Machines* (New York: Viking, 1999), p. 65.
18. Ibid., p. 73.

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The epigraph is taken from Ben Zion Bosker's *Abraham Isaac Kook* (New York: Paulist Press, 1978).

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2. Rabbi Abraham Isaac Kook, quoted in Bosker, *Abraham Isaac Kook*, p. 7.
3. Ibid., p. 8.
4. Ibid., p. 15.
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7. Ivan Seidenberg, quoted in Geoffrey Colvin, "The 50 Best Companies for Asians, Blacks, and Hispanics," *Fortune* (July 13, 1999): 52–57.
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10. Robert Allen, quoted in *Newsweek*, Jan. 15, 1996.
11. Stephen R Covey, *Principle-Centered Leadership* (New York: Simon & Schuster, 1991), p. 205.

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1. Edgar H. Schein, *Organizational Culture and Leadership*, (San Francisco: Jossey-Bass, 1992), p. 2.
2. Philip Selznick, *The Moral Commonwealth: Social Theory and the Promise of Community* (Berkeley: University of California Press, 1992), p. 231.
3. Schein, *Organizational Culture and Leadership*, p. 212.
4. Gary Rosenthal, "Stolen Innocence," *New York Jewish Week*, July 7, 2000.

5. Archie B. Carroll, and Ann K. Buchholtz, *Business and Society* (Cincinnati: South-Western College Publishing, 2000), p. 163.
6. Ibid., p. 160.
7. John W. Gardner, *On Leadership* (New York: Free Press, 1990), p. 122.
8. James March, *The Pursuit of Organizational Intelligence* (Malden, Mass.: Blackwell Business, 1999), p. 27.
9. Charles Handy, *Beyond Certainty* (Boston: Harvard University Press, 1996), p. 70.
10. Selznick, *The Moral Commonwealth*, p. 364.
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12. Louis Finkelstein, *Akiba: Scholar, Saint, and Martyr* (New York: Atheneum, 1936), p. 127.
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14. Schein, *Organizational Culture and Leadership*, p. 391.

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3. Ibid.
4. Ibid., p. 258.
5. Abraham Joshua Heschel, *God In Search of Man* (New York: Harper & Row, 1955), p. 296.
6. Joseph Soloveitchik, *The Lonely Man of Faith* (New York: Doubleday, 1965), p. 84.
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3. Jeffrey Pfeffer, "Management as a Symbolic Action." *Research in Organizational Behavior* 3 (1981): 9.

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INDEX

Aaron, 32–34
Abraham, xv, 10, 11, 114–116
abundance manager, 107
accounting education, 44–47
Agudas Yisroel, 100
aliya, 100
Allen, Robert, 105, 158
American Express, 61
American Law Institute, 23
Ames, 28
Andersen, xvi, 42–48
Anti-Defamation League, 134
AT&T, 105

Ba'al Shem Tov, 53,55
Beckhard, Richard, 158, 162
Bell Atlantic, 102
Ben & Jerry, xvii, 127–128
Berger, Peter, 8, 155, 161
Berkovitz, Eliezer, 80, 158, 161
Berman, Saul, 29–30, 156, 161
Bezalel School, 100
Bialik, Haim Nahman, 100
Bilkovitch, Bill, 65
binding of Isaac, 10
Boatright, John R., 21–26, 30, 155, 156, 161
Body Shop, xvii, 127–128
Boeing, 61
Bork, Robert, 104–105
Bosker, Ben Zion, 158, 161
Brandeis University, 58
Brest, Paul, 134
Brigham Yount, 142
British Mandate, 99
Buchholtz, Ann K., 121, 159, 161
Buddha, 3
Burns, James, xvii, 26, 156, 161

Carroll, Archie B., 121, 159, 161
Carter, Stephen, 159
Caux Principles, 75
Certified Public Accounting, 46
change management, 112
Chappell, Tom, 1,3, 155, 161
chidush, 64
Christ, 3
chutzpah, 132
CIA, 38, 41
civil rights, 26, 55
CMP Media, 2
codes of conduct, 120
codes of ethics, 120, 123
Collins, James, 27, 29, 61, 156, 157, 161
Colvin, Geoffrey, 158
compromise, 138–139, 141–143
Conroy, Thomas, 141
Corigliano, Cosmo, 42
Corporate Credo, 1
corporate culture, 20, 28, 95, 108, 111, 151
corporate governance, 22–23
corporate social responsibility, 62–63, 121, 124, 135
corporate social responsibility reports, 121

Covey, Stephen R., 107–108, 158, 161
creation, 84–87
Crissey, Michael, 159
CUC International, 42–43

Dayton Hudson, 13
De Pree, Max, 1, 11, 13, 88–89, 155, 158, 161
Dean, John, 40
Declaration of Independence, 146
defining moment, 115
democratic capitalism, xvii
Dershowitz, Alan, 131–134, 136, 159, 161
Disney, Walt, 27
diversity, 13
Donaldson, Tom, xvii, 75–79, 87, 157, 161
Dow Chemical, xvi, 64–66
Drucker, Peter, 155, 161
Dunfee, Tom, xvii, 75–79, 87, 157, 161
Dunlap, Al, xvi, 22
Dylan, Bob, 134

Ecclesiastes, 6
economists, 20, 63, 83
Edah, 29, 156
Ehrlichman, John, 38, 40
Ehrman, John, 65
Elazar, Daniel, 15, 155, 161
Eldad, 12
Eleazar the son of Azariah, 128–129
Enron, xvi, 43–48
environment, 64–66
Esau, 52–55, 106–107
eternal light, 58
ethics audits, 121, 124
ethics committees, 121
Ethics of the Fathers, 147–149
ethics officers, 121
ethics training, 121
existential corporation, 125
Ezra, 128

family business, 15
Fannie Mae, 102
FBI, 38, 41
Feder, Barnaby, 157, 161
Federal Sentencing Guidelines, 23
Feuerestein, Aaron, 1, 7
Finkelstein, Louis, 129, 159, 161
Ford, 67
Fort, Timothy, 159, 161
Fortune, 7, 11, 101
Foucault, Michael, 73
Friedman, Milton, 21
Frost, Robert, 5

GAAP, 8
Gad, 15
Gandhi, Mahatma, 51–52
Gardner, Howard, 51, 52, 57, 157, 161
Gardner, John, xvii, 123, 159, 161
Garvey, John, 141–142, 159, 161
General Motors, 66–68
Glengarry Glen Ross, xi, xii
golden calf, 32–25, 37, 41, 48
Goldsmith, Marshall, 158, 162
Goodpaster, Kenneth, 158, 162
Greenleaf, Robert, 145, 159, 162
Grear, Linda, 64, 157
Grenawalt, Ken, 159

H. J. Heinz, 87
Haldeman, H. R., 38–40, 156
Handy, Charles, 124, 159, 162
Hannah, 59
Hartman, David, xvi, 14, 155, 156, 162
Harvard Business School, 87
Harvard Law School, 131
Harvard University, 132–133, 136
Hasidism, 53
health maintenance organizations, 25
heart of many rooms, 14
Hebrew University, 100
Henriques, Diane, 156, 162
Herberg, Will, xvi, 31, 32, 35, 156, 162
Herman Miller, xvi, 1, 11, 88
Hershman, Jeremy, 140, 159

Heschel, Abraham Joshua, xvi, 17–21, 25, 26, 30, 135–136, 155, 156, 159, 162
hesed, 5, 7
Hesse, Herman, 145
Hesselbein, Frances, 158, 162
Hewlett-Packard, 60–61
Hillel, 14, 81–82, 129–130
hotline, 120
human consciousness, 90
hypernorms, 75

idolotry, 31–44, 47–49
Integrity, 8
Isaac, 11, 54, 106–107, 114

Jacob, 52–55, 106–107
Janis, Irving, 39, 156, 162
Jaworski, Leon, 39
Jefferson, Thomas, 145–146
Jethro, 119, 126–127
Johnson, Mark, 82, 158, 162
Johnson & Johnson's, 1
Jonah, xiii
Joseph, 17, 115–116
Joshua, 12, 33, 35, 147, 149
Judah, 107, 116
Judah Halevi, 99

Kane, Robert, 138, 159, 162
Kant, Immanuel, 12
Kaplan, Lawrence, 158, 162
kiddush hashem, xiii
King, Martin Luther, 52, 55, 151
Kleppner, Brian, 159
Kohelet, 6
Kook, Abraham Isaac, xvi, 93, 98–101, 103–104, 109, 158
Krugman, Paul, 44, 156, 162
Kurzweil, Ray, 89–91, 158, 162

Ladd, John, 21
Lamm, Norman, xvi, 52, 157, 162
Lanner, Baruch, 116–117
Lay, Kenneth, 43, 47–48
Leah, 115
Lebowitz, Nehama, xiii, xvi, 156, 162
Lewin, Nat, 140, 159
Lieberman, Joseph, 134
lifnim mishurat hadin, 71
Loew, Judah, 99
Lot, 115
Lucent Technologies, 102
Luckmann, Thomas, 155, 161

Maimonides, xiii, xv, 51, 52, 56, 99, 104, 157
Malden Mills, 1, 7
Mamet, David, xi, xiii, xiv, xviii
March, James, 124–125, 159, 162
Marriott, J Willard, 28
McGovern, George, 38
McKnight, William, 27
McLean, Bethany, 43, 44, 47, 156, 162
Mead, Margaret, 51
Medad, 12
Menachem Mendel of Kotsk, 64
Merck, 61
Micah, 7
Michigan Source Reduction Initiative, 64
Moore, Michael, 68
moral free space, 75
moral markets, 21–26
moral sphere, 138
Moses, xv, xvii, 12, 15, 32–36, 48–50, 69, 119–120, 125, 147, 149, 152–153
Motorola, 121
Ms. Magazine, 58
multiculturalism, 143

National Resources Defense Council, 64
NCSY, 117
New York University, 45
Nixon, Richard, 38–42, 49, 156
Noah, 5, 84–87
noncoercion, 137, 143
Notre Dame, 142

objectivity, 81–82
Orthodox Union, 116–117
O'Toole, James, 12

Packard, David, 60, 157
Pava, Moses, 156, 162
Peli, Pinchus, 155, 162
Perry, Michael, 159
Pfeffer, Jeffrey, 151, 159, 162
Philo, 99
PLO, 59
pluralism, 5, 123, 137–138, 142–143
Pogrebin, Letty Cottin, xvi, 57–60, 157, 162
Pollard, C. William, 1, 162
Porras, Jerry, 27, 29, 61, 156, 157, 161
Post, R. James, 158, 162
Proctor and Gamble, 28
profit maximization, 8, 42, 48

Rabbi Akiva, xv, 69
Rabbi Gamliel, xvii, 128–130
Rabbi Joshua, 128–129
Rabbi Zadok, 128
Rachel, 115
racial diversity, 88, 101–102
Rackman, Emanuel, 50, 156, 162
Rashi, 54–55, 85
Raymond Fred West Memorial Lecture, 17
Rebekah, 54, 106–107
re-creation, 84–87
religious discrimination, 137
Reuben, 15
Rosenthal, Gary, 158, 162
Rosenwald, Julius, 9
Ruth, 136

Samuel, 126
Sarna, Nahum, 84
Schein, Edgar, 111, 113, 130, 158–159, 162
Schulweis, Harold, 64, 66, 157, 162
Sears, Roebuck, 9
Seidenberg, Iva, 102, 158
Selzncik, Philip, xvii, 112, 118, 122, 127, 158, 159, 163
ServiceMaster, xvi, 1, 4
Shammai, 14, 81–82, 129
shatnez, 134
Shimon bar Yohai, xiii
Shimon ben Shetach, xv, 77–80, 82, 83, 92
Skilling, Jeffrey, 43–44, 156
Sloan, Alfred P., 66–68
Smith, Roger, 68
social capital, 47, 108
Soloveitchik, Joseph, xvi, 6, 104, 136, 155, 159, 163
Sony, 28
Soviet Jewry, 26
stakeholder, xvii, 1, 121, 143
Stanford Law School, 134
Sunbeam, xvi, 22
Supreme Court, 2, 38, 105

3M, 27, 61
Ten Commandments, 34, 37
tikkun olam, 60
Tom's of Maine, 1, 3
Toyota Motor Sales, 102
transformational leadership, 26
transparency, 137, 143
Transparency International, 75
two-world theory, 18, 20–21, 30, 57, 118, 120, 134–135

Union Bank, 102
United Nations, 59
US Congress, 43, 105
US Constitution, 2, 28, 42, 141, 146
US Senate, 38–39

Wal-Mart, 28, 61, 102
Walton, Sam, 28–29
Watergate, 38–42
Werhane, Patricia, 10, 79, 82, 155, 157, 163
Wharton School, 75

whistle-blowing, 120
White, Theodore, 39
Wildavsky, Aaron, 156, 163
Williams, Oscar, 163
Wills, Gary, 94–95, 158
Wilson, Charlie, 68
Work, John W., 158
Wurzburger, Walter, 88, 158, 163

Xerox, 120–121

Yale University, 140–143
Yeats, William Butler, 57, 157
Yeshiva University, xii, 4, 8, 52, 132, 135–136, 142–143

Zionism, 59, 99–100