

Ethics and Leadership

EDM DSBA T3 2020 / 2021

Session 3 reminder

April 27th, 2021

Session 2 structure

- Reminder on ethics : norms and behaviour contrasted with the tension between the need for simplicity and the need to recognize complexity
- Organizations :
 - Preliminary remarks on « tensions » and « size »
 - 5 basic tensions
 - Ethics : norms, values, behaviour, conflicts, misunderstandings
 - All the tensions are true together
 - But in real life, a unilateral attention to structures
 - The need to take into account all of them

Session 2 structure

- There is a tension between the tension concerning structures and the 4 others. This tension is coeval to the tension between simplicity and complexity
- The short-term / long-term tension
 - Characteristics
 - Overlap of discussed tensions
- The necessity to balance each tension
- It is impossible to know in advance when we become unbalanced
- Being moderated even with moderation (cf sometimes disobeying the rule : « *Thou shall not kill* »)
- Ethics are about trying – e.g. taking risks and responsibility on real time

Initial reminder : on Ethics and Complexity

- The tension between the two original definitions of ethics - as behaviour and as grounded on norms - overlaps the tension between the human need for simplicity and the need to recognize complexity
- The approach of humans as responsible on real time of their decisions taking into account the circumstances, norms and potential spontaneous behaviour is coeval to saying that the real complexity concerns the relation between the need for simplicity and the need to recognize complexity

On organizations

- Organizations concern collective life – from 2 people to the whole world. They are independent of any size issue.
- Organizations will be approached on the basis of the notion of « tension » - like the blood pressure, the « tensions » get spontaneously unbalanced, and they need to be continuously re-balanced
- Balancing the organizational tensions amounts to managing and leading organizations
- There are a huge amount of tensions. 5 basic ones will be presentend.

5 basic organizational tensions

- Tasks division
- Individual interests
- Change
- Competition
- Disagreement
- Tasks coordination - structures
- Collective interests - motivations
- Stability – practices, behaviour
- Collaboration – power issues
- Agreement - communication

Ethics and the 5 basic organizational tensions

- Division
- Individual interests
- Change
- Competition
- Disagreement
- Coordination – structures
 - Norms
- Collective interests, values
 - Values
- Stability – practices, behaviour
 - Behaviour
- Collaboration – power, conflicts
 - Fairness / Unfairness
- Agreement – communication
 - Mis-understandings

Ethics and the 5 basic organizational tensions

- Ethics and the organizational tensions overlap
- People do not need to talk of ethics to be concerned by ethics
- Ethics are not about any specialized field : they concern the whole human life
- In the real world, the 5 tensions are real and « active » together – the presentation separates them for theoretical reasons (clarity etc)
- *But in the real life as well, people will spontaneously manipulate only the first tension, relative to structures, to manage / lead organizations*

Ethics and the 5 basic organizational tensions

- People will spontaneously only manipulate the structures tension *because it is the most simple* – it is the only one which is potentially under control and visible
- The 4 other tensions – on motivations, behaviour, power relationships and communication – are quite « complex » : e.g., less if not not visible, not under control, and the effect of manipulating them is much less clear
- Manipulating exclusively the first tension provokes *umbalance* in organizations – cf the France Telecom / Orange example

On a structural difficulty to « see » balanced organizations

- Many companies indeed succeed in smoothly balancing the various levels altogether
- This is nevertheless very difficult to observe, because complex actions cannot result in clear and simple communication
- To really observe companies, people need to be on place
- Added to this, most of the time, *when things go well, they go « without saying »*. People will talk of what does *not* work, not of what works
- A crucial sign of right organizational balance is clear communication between people in their daily lives

Introducing the short-term / long-term tension

- Only manipulating the first tension – on structures – amounts to being exclusively short-term oriented
- Most of the time, *ethical issues result from unilateral short-termism*
- We humans cannot avoid dealing with short-term issues. But if doing so we forget about the long-term issues, our actions and their consequences are sooner or later deeply deleterious
- Emerges an *added crucial tension* to constantly balance as well : *between short-term and long-term*

The short-term and long-term tension

- Short-term

- Maximum efficiency – « perfection »
- Immediate efficiency
- Constant efficiency
- Visible effects, « transparency »

- Long-term

- In-class suggestions : eliability, innovation, making errors
- Uncertainty
- Looking at the whole picture

The already discussed tensions overlap

- Short-term
- Control
- The need for simplicity
- The structures tension (tasks division and coordination)
- *Norms*
- Long-term
- Uncertainty
- Recognition of complexity
- The 4 other tensions (motivations, practices, power, communication)
- *Behaviour*

On Ethics : the necessity to make steps back

- Being traced back to the control and uncertainty tension, the short-term and long-term tension is not exclusively related to duration: control and uncertainty are constantly true and active *here and now*
- The normative approach of reality never fulfills ethical goals, even if it is a human spontaneous tendency
- There is an indomitable necessity to balance between short-term and making steps back
- Added to this, it is impossible to know in advance when we become unbalanced
- We even need to be moderated with the idea of moderation itself (cf ex / « Thou shall not kill »)
- Ethics are about trying – consequently about taking risks, and our responsibilities on real time when it comes to make any decision