The Ethics and Ethical Implications of Management Guru Philosophies and Practices

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Abstract

The purpose of this paper is to explore the place of values and ethics in the development and introduction of management philosophies and gurus to businesses. These philosophies are usually embedded in management education and practice with varying results and have in some cases been referred to and indeed adopted and discarded as fads. This paper aims to critique the values and ethical underpinnings of some influential philosophies proposed by the gurus. Much of the literature covers the effectiveness of the philosophies without an emphasis on the values or ethics guiding them. Oftentimes, gurus categorize success by how positive the bottom line is, regardless of the means, but the repercussions of unethical philosophies and behaviour on organizational performance are evident. There is, therefore, a need to critically evaluate the ethical dimensions of these philosophies to increase the prioritization of ethical considerations in guru teaching, adoption, and practice. The research relies on the use of an integrative literature review lens to synthesize existing knowledge in order to generate new knowledge. There is a need to ensure that the application of guru theory is humanistic and not mechanistic. If management theories from gurus are ethically assessed before adoption and transmission, we are more likely to attain sustainable organizational integrity where person-centred, ethically upright decisions are the norm. This contribution is a theoretical one and further studies can be done to test the questions against management theories as they emerge.

Keywords: Ethical Implications, Management Guru Philosophies

INTRODUCTION

Management education has been geared towards ensuring that leaders can steer businesses sustainably and responsibly. However, there are often misalignments between that intention and the results. Several management theories have been proposed as lenses through which leaders can be formed. This paper provides an ethical checklist for managers attempting to adopt guru theories. Management gurus have their place in business education and leadership. However, it is difficult to ignore the perennial failings of students or examples of these gurus, leading to a lack of business sustainability (Collins & Collins, 2022). Many scandals are still unfolding in the corporate world, despite being led by graduates of business who have been guided by the philosophies of these gurus (Piazza & Abrahamson, 2020). The question therefore arises about what exactly is going wrong with either the philosophy or the application of lessons learnt from gurus. A school of thought assumes that a business’s most important element is to win. However, several researchers (Solomon, 1992; Melé, 2012; Melé, 2016) have demonstrated that this is not a justifiable or sustainable way to run a business. Focussing on winning or profit alone creates more harm than good, in the short term sometimes, but certainly in the long term. Even if the guru theories provide a winning formula, there is a need to understand what drives the relationship between the guru and the followers of their ideas (Jackson, 1996), what drives the popularity of the theories, and understand what needs they fulfil (Piazza & Abrahamson, 2020). To understand what makes the philosophies so popular and decipher the needs they help to fulfill.

Management theories have become more widespread with popular management gurus having their theories uncritically adopted. (Clark & Salaman, 1998). While these theories offer valuable insights into organizational dynamics and mechanics, their adoption without critical scrutiny can lead to negative consequences in the long term (Ghosal, 2005). This paper refers to negative consequences as outcomes from theories that reinforce and propagate a ‘mechanistic’ attitude to business. A mechanistic attitude focuses on the profits, products, and processes above the persons and the common good (Mele, 2016). On the contrary, humanistic management is a people-oriented management that seeks profits for human ends (Mele, 2016; Dierksmeier, 2016; Laszlo, 2020).

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It could therefore be pertinent to test the theories developed by the gurus against a standard that safeguards personal and organizational flourishing considering that the well-being and development of the human beings involved in an organization is of great importance to the manager (Mele, 2016). We propose that to arrive at the standards for the adoption of a management theory, an ethical theory or framework needs to act as a guide. Despite the publications that have scrutinized the philosophies of such gurus, there is scant literature on the ethics of their theories and the impact on businesses that adopt their philosophy. In particular, there has been limited research on the relationship between ethics and management philosophy (Rendtorff, 2017). This research therefore asks the question: How are the ethics of management guru philosophies tested before their adoption by managers? Is there a framework to evaluate how ethical these philosophies are?

This paper is structured as follows. The first section provides a background to the research area. The second section examines some predominant management guru theories. In the third section, we examine a few guru theories in management and corporate leadership. The fourth section explores the need for ethical frameworks and principles in the development of guru theories. In the fifth section, we attempt to apply the principles of natural law to prevalent guru theories. Finally, we conclude by discussing the limitations of the research and recommendations for future research.

Management Gurus

The term guru means someone who is a teacher and a remover of darkness. It has its origins in the East and refers to religious leaders whose teachings offer insight to their adherents (Chaharbaghi & Newman, 2007). They are successful authors in management whose books are seen as a script to be followed as an action plan. Management gurus are also orators with powerful and persuasive performances (Clark & Salaman, 1998). They are typically skilled at marketing and gifted at self-promoting (Jackson, 1996). Their ideas rely on the authorization of the person who generated it (Huczynski, 1993) and gurus have a witchdoctor like magical and mysterious performance with an emphasis on the irrational and emotional aspects of organizations that captivates and transforms the consciousness of managers (Clark & Salaman, 1996).

In business parlance, it has come to represent leaders who influence how business is conducted. Management gurus are so described because they are revered as thought leaders who have adherents who then develop conceptual models, prescriptions, and routines that organizations can embrace (Chaharbaghi & Newman, 2007). Although the term guru might have esoteric connotations, there is no mystery involved in their practice. Instead, they use excellent writing and speaking skills to present their innovative insights persuasively in a wide range of social contexts (Clark et al., 2013) and can combine some features of a winning formula with the capability of defining management challenges in a way that only this winning formula can resolve (McGovern, 1997).

Management opinion leaders that have risen to guru status, for example, Drucker, Peters and Waterman, Porter, and Covey have attracted large audiences at speaking engagements and their publications attract a wide readership. However, while gurus sometimes have longevity, other times, their popularity wains quickly, with their ideas being termed management fads (Parker & Ritson, 2005) in spite of their adoption by universities and business schools (Piazza & Abrahamson, 2020). The growth of these ‘fads’ has been on the increase as a result of capitalist economies that fuel the desire for companies’ competitive advantage (Huczynski, 1993).

Perhaps one reason for the faddy nature of the management guru's ideas and theories is the fact that gurus typically reject previous principles of organizational features and current ways of thinking, in favor of their new direction (Clark & Salaman, 1998). Rejecting the old ways could also contribute to a lack of historical awareness, consequently leading to a lack of clear explanation and limited understanding of their own data and approach (Keulen & Kroese, 2012). Indeed, gurus are important when the presentation is far more important than the fact (ten Bos & Heusinkveld, 2007). Although it is true that the empirical evidence might not be fully confirmatory, guru theories should not be discarded merely for that reason (McGovern, 1997).

There are arguments that guru theories undermine management practice and do not present the reality of organizations (Collins, 2005). Indeed, a considerable proportion of guru theories is usually not substantiated with real evidence or is wrongly inferred from data (Barabba et al., 2002), or the methodology used and accounts
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presented are questionable (Keulen & Kroeze, 2012) and in many cases, some of the guru theories have lost their usefulness or have become a hazard for organizations’ survival (El Namaki, 2012). Management gurus claim an overly ambitious ability to magically transform organizational culture, structure, and performance by rejecting the past and providing recommendations of miracle pills that can reinvent features of organizations (Clark & Salaman, 1998). Even so, it is difficult to blame the gurus for the blind acceptance of their ideas as the absolute truth, because the followers are the ones enthralled with accepting their theories as though they can do no wrong (Goldman, 2012).

Frequently, gurus present a message with values that do not necessarily stem directly from their main proposition or vision (Greatbatch & Clark, 2003). However, it is difficult to blame the gurus for the blind acceptance of their ideas as the absolute truth, because the followers are the ones enthralled with accepting their theories as though they can do no wrong (Goldman, 2012). Criticisms notwithstanding, management guru theories are highly appealing to organizations and inform organizational changes (ten Bos & Heusinkveld, 2007). Bearing in mind these criticisms, it is worth noting that one risks equating managers to victims, lacking agency, who have been fooled by gurus (Van Elk et al., 2023).

Some Essential Ideas of Management Gurus

Drucker is considered the father of modern management and a leading analyst of social change (Turriago-Hoyos et al., 2016). His view of management is in consonance with Aristotle’s virtue ethics theory (Kurzynski, 2009). He believed that businesses needed to be well managed. He believed in empowering staff to ensure that they feel valued and argued that the purpose of the companies is to make a profit in order to enrich lives and society. Drucker’s view of how businesses should be run placed emphasis on the need for managers to “assume responsibility for the public good, that he subordinates his actions to an ethical standard of conduct, and that he restrains his self-interest and his authority wherever their exercise would infringe on the commonweal and the freedom of the individual” (Drucker, 1954p. 382). Drucker posited that the core responsibility of businesses is to create meaning thereby staying the destructive nature of capitalism (Toubiana & Yair, 2012).

One of the often-cited management guru theories is Michael Porter, who provided a well-regarded framework for analyzing the competitive environment of industries. He argues that five competitive forces determine the financial success that a company can achieve. These forces include rivalry between already existing firms within an industry, the bargaining power of buyers and suppliers, the threat of new entrants and substitute products or services (Porter, 1980). The theory has been applied for decades without modification, cementing its status as authoritative (Isabelle et al., 2020). However, the five forces may not always be applicable because cooperation is sometimes needed along with competition in different settings. For example, in China, good relationships, e-commerce, innovation, and quality services are top strategic forces, as the Chinese business philosophy recognizes that rivalry does not last forever, and cooperation is key, as the industry is an ecosystem where all players grow together to enrich the economy (Shi et al., 2021).

Another often-cited management guru theory is that of Peters and Waterman which posits that experience begins with action and decisiveness, it is crucial to understand and meet customer needs, employees should be empowered for innovation and decision making, investing in employees yields increased productivity (Peters & Waterman Jr, 1982). While this theory is undoubtedly influential, there have been several criticisms as well. The gurus have been accused of faking the data to appear like rational researchers who have applied scientific quantitative methods to test their propositions (Keulen & Kroeze, 2012). Furthermore, their guru status has been questioned (Collins & Collins, 2022). Indeed, many of the organizations that were touted as success stories by Peters and Waterman (Peters & Waterman Jr, 1982) were in financial straits within two years of the book’s publication, indicating that the book’s argument was inconsistent and flawed.

Covey’s Seven Habits is another proposition that earned the author guru status. His work distinguishes itself by putting the onus for effectiveness on the individual, not the organization. The seven habits provide an integrated approach to the development of personal and interpersonal effectiveness. The initial habits ponder self-mastery and latter involve teamwork, communication, and cooperation (Stephen, 1989). Covey’s work appears to go beyond the emphasis on efficiency and productivity and includes a moral dimension that other
gurus disregard. However, its application does not always reflect this. In some circumstances, the prescriptions are adapted to the extent of bearing little semblance to the original idea, thus indicating the difficulty of controlling how guru texts are applied (McCabe, 2011).

Though some of the ideas in and of themselves may be useful and pose no threat to the organizations that choose to adopt them, the results are usually context-dependent and also could depend on who is applying them. Even if these ideas are marketed as one size fits all, in practice, it is usually not applicable as such. A shortcoming of guru ideas therefore, is that organizations cannot afford to accept them as standardized solutions. Each business must have an understanding of the context of the guru’s ideas before it can be used to solve the practical problem that may have arisen (Slender & De Vries, 2008). There is therefore a need to understand how these guru ideas are given meaning by the adopters. This can provide useful insight to managers and their organizations (Heusinkveld et al., 2011).

While gurus may have no control over how their ideas are adopted, adapted, and applied. They may also have no control over what the response of employees would be, to these ideas. However, it is important to understand the reasoning behind the use of guru ideas (McCabe, 2011). Leadership rooted in good judgment and morality is a serious necessity, however, there is a dearth of such leadership (Kurzynski, 2009).

Management guru philosophies sometimes have an element of values but the question of what ethical underpinning guides the philosophy is a valid one. The basis of their judgment and decision-making is often rooted in the teachings of gurus, which can be fraught with inconsistencies, and contradictions and can also be perverse and dangerous (Melé, 2008). Ideally, following (Schwartz, 2007), just as one should not teach management theory without discussing the business ethics implications that are at the core of the theory, one should not apply guru theories in an organization without considering the ethical implications. This is particularly important, for the purpose of avoiding moral blindness, which is the inability of the manager to integrate moral and ethical thinking into decision-making (Rendtorff, 2017). Although some schools of thought still believe that the only measure of success is profitability and that the means to achieve this seem justified (Goldman, 2012), this cannot be achieved at the expense of the sustainability and well-being of the broader community (Kurzynski, 2009), hence the need for ensuring that guru ideas are applied within an ethical framework.

**The Need for Ethical Frameworks and Principles**

Another reason why ethical frameworks are necessary is that the manager is often required to make decisions when facing complex and urgent matters (Tabesh & Vera, 2020). The myriad of decision-making moments encountered by the manager has led in the past two decades to scientific inquiry into the antecedents and consequences of measures taken by organizational leaders (Schaubroeck et al, 2020). Once the decisions have ethical implications, they become ethical decision-making moments. Ethical decision-making is a dynamic process acquired with practice and affects distal and proximal stakeholders in a business. (Nguyen & Crossan, 2022). Ethical decision-making builds on a foundation of what is right to do and when it is right to do so i.e. the knowledge of good and evil and the practical reason to act on that knowledge (Elegido, 2020). Without ethical frameworks and principles, it is more difficult to arrive at the right thing to do and to do it prudently as often as needed.

In the case of the manager who is beset by the constant need to make decisions, if there are no clear ethical guidelines, she can make wrong decisions or be reduced to a state of passive spectatorship where she allows the ethical dilemma to play out in its way or gives in to the social, technological, and economic pressures of the contemporary world. (Storey & Storey, 2020).

There has also been an ongoing debate about what ethical frameworks to adopt on different occasions and what makes those frameworks the most appropriate (Harmsling et al, 2009). Businesspeople, because of their training, are naturally prone to talk about concepts such as "maximizing profitability" and "concern for the bottom line" (Laczniak & Murphy, 1991). This is a utilitarian ethical framework. Many managers also employ the notion of what is expected of them and their first line of duty based on a deontologist framework. They are both helpful frameworks for developing accountability in one’s responsibility, however, they are insufficient
when holistically considered. They do not address the agent who decides given that our thoughts and actions either perfect or hinder the development of our human faculties. Personal flourishing is an important aspect of human action and whatever framework we choose needs to address the need to develop the human intellect, will, and affectivity integrally. It is only by choosing such a framework that we can bridge the age-old gap between what we should do and what we eventually do (Bazerman M, 2020). In this paper, we consider personal flourishing as well-being that encompasses happiness, life satisfaction, meaning, purpose, character, virtue, and close social relationships (VanderWeele, 2017).

We propose that a good ethical framework should foster a relationship between ethical knowledge and ethical action. The framework ought to help compare against a standard and build the personal qualities that result in awareness when an ethical principle is not rejected out of self-interest, lack of courage or rationalizations. This latter assertion is important because with ethical decisions, there is a phenomenon known as motivated blindness (Rendtorff, 2017). Motivated blindness occurs when there are biases, prejudices, and ignorance that limit cognitive vision. There are situations where the ethical implications of some decisions are not immediately apparent (Banks, et al 2022). In these situations, theories from gurus are easily adopted based on the popularity of the maxim without critical thought.

The skill for ethical decision-making involving the intuitive and deliberative rational processes is necessary and puts into action the human faculties of the intellect and will acting in unison (Lombo & Gimenez-Amaya, 2014). Therefore, habits need to be built over time to make it possible to translate rational decisions into ethical action in the subject (Malo, 2019). In addition to thinking and acting uprightly, managers and leaders are responsible for and influence the decisions and actions of others. Having frameworks and principles that have been reflected upon outside of an ethical dilemma will produce ethical leadership.

Proposal of an Ethical Framework for Assessing Management Theories

In the previous section, we argued that ethical frameworks or theories are necessary in the assessment of management theories before adoption. We want to propose an ethical framework that will act as a good guide in the presence of alternative options that may be equally good or bad. This framework should also unite rules, principles, values, and virtues so that theories are not isolated from the persons that propose or implement them (Pirson, 2019). When the goal is to unite knowledge and action, the ethical framework adopted should be a guide for all thoughts, decisions, feelings, and actions. This is what the classical virtue ethics from Aristotle proposes (Pakaluč, 2005). Knowledge and recognition of virtue ethics as an ethical framework facilitate deeper knowledge and action so that positive reinforcement results in habits that are not mechanical since human freedom is necessary for discernment, choice, and implementation.

If the manager remains fixated on one goal and does not realise how the decisions are affecting other stakeholders, he may maximize well-being and reduce suffering in one direction but be seriously limited in the good he attains for personal and organisational flourishing. Ethical decision-making is both reflexive and active because it requires the protagonist to recognize, monitor, and evaluate issues and the outcomes of actions and decisions as she acts. Ethical decisions affect the well-being of others and are influenced by the legal, professional, and cultural standards that are prevalent (Grants, 2022). This is why the individual qualities are essential and virtue ethics respond to that need.

If management theories made popular by the management gurus do not address the need to improve the intellect’s search for the truth, the will’s attraction to the good, and the overall desire to achieve personal and other growth they limited in their usefulness. We propose an ethical framework built on the Aristotelian virtue ethics. The Aristotelian virtue ethics is rooted in and inspired by the Natural Law Theory (Miner, 2011). The purpose of the framework is to provide a universalizable guide that can be applied to various situations and personalities. Even the tenets of humanistic management are founded on virtue ethics and the natural law. The tenets are dignity, care, and personal development. It is promoting human flourishing through commercial activities that add value to society and enhance human living (Pirson, 2019). In this way, a community of persons embedded within an organizational culture that fosters excellent moral character is achieved (Melé, 2003).
“We understand humanistic management on the basis of three interrelated dimensions. First, that unconditional respect for the dignity of every person is the foundation for interpersonal interaction, including any interactions taking place in business contexts. Second, that ethical reflection must form an integrated part of all business decisions. Third, that seeking normative legitimacy for corporate activities is crucial for assuming corporate responsibilities. This third dimension, which is to be understood as the dialogical extension of ethical reflection on corporate conduct, allows for the aligning of good intentions with activities that have the potential to produce good outcomes. Taken together, these three dimensions promote human flourishing through economic activities that are life-conducive and add value to society at large. Submitting business decisions to these three guiding principles is what we call humanistic management”.

(Ernst et al, 2011)

For the most part, managers do have occasion to evaluate the ethical content of their decisions even if, at times, they seem to lack an inner compass to guide them in evaluating the ethical dimensions of their business decisions. (Ernst 2011). Therefore, to move from the mechanistic or economistic mindset we need a change in our ideas, a change in the paradigm of what business is, can do, and can achieve to be more life-conducive and flourishing. (Ernst et al, 2011). Virtue ethics and natural law count on the capacities of the human ability to reason, will and achieve perfection of habits. It is not just a theoretical framework but should result in practical applications for equity in payments, social responsibility, and creating conducive environments for growth. Training and education are necessary because even where the framework and principles are identified and understood it is still possible to ignore situations that require ethical decision-making because of moral myopia (Grants, 2022).

However, if we do not act to shape our conditions and character and implement theories and policies unthinkingly, we experience disillusionment in the long term because of the frustration of not realizing the deepest capacities of our nature (Storey & Storey, 2020).

“Practical rationality discovers human good as something which should be done. According to Aquinas, “good is the first thing that falls under the apprehension of practical reason, which is directed to action: since every agent acts for an end under the aspect of good.” (1981, I-II 94, 2) This leads him to enunciate the first principle of natural moral law, which is founded on the notion of good, and expresses as a fundamental ethical duty inherent to good. “The first precept of law is that 'good is to be done and pursued, and evil is to be avoided’”

(Cesar das Neves, Domenec Mele, 2013)

Examining historical and contemporary cases where there was an uncritical adoption of some management theories is helpful in emphasizing the need for ethical standards. The Enron scandal epitomizes the repercussions of prioritizing profit centred theories since their adherence to financial methodologies advocated by gurus resulted in some fraudulent practices (Petrick & Scherer, 2003). Similarly, the exploitation of labor in global supply chains underscores the ethical implications of implementing cost-cutting theories at the detriment of the people who work in the organization.

The essence of adopting a virtue ethics approach is to focus more on the people than on the techniques or in this case, we can say on the theories emanating from the gurus. To make it practical we propose a ‘litmus test’ that can be used to test the management theories against a standard that will promote human flourishing through a growth in the virtues.

An Ethical ‘Litmus Test’ for Popular Management Theories (This can be put in a table)

Drucker’s management philosophy is synthesized with the moral philosophy of Aristotle to suggest a practical management framework for contemporary business practitioners. In providing a virtue-based moral framework for management grounded in a concern for character, communal well-being, and ultimate purpose, Drucker’s Aristotelian style of business management provides a viable, virtue-based management theory that contemporary managers should be able to embrace (Kurzynski, 2009). Following this example, our study aims to provide a checklist that could possibly be applicable to most management theories.
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The aim is to give clear go-to questions while assessing management theories for the busy manager charged with an ethical decision.

Is it in accord with reason, both theoretical and practical reason? Rationality is the key distinguishing factor for human agency (Lombo, & Giménez-Amaya, 2014). The human intellect can arrive at conceptual knowledge and thus transcend space and time (Feser, 2006). If rationality is applied to all management theories, we will invariably arrive at what is ethical (Elegido, 2024). Undoubtedly, education helps us to achieve deep thinking and refine the reasoning process.

Practical reason otherwise known as prudence is one of the cardinal virtues in classical philosophy (Pakaluk, 2005). It applies theoretical wisdom to concrete occasions to make practical decisions. (Pieper, 1990). In the case of management theories, it would help to deliberate on the right course of action after due consideration has been given. Therefore, it would resist the immediate application of theories before critical thought and evaluation.

Does it promote human dignity and human rights derived from this dignity? There are many ways to consider human dignity (von Kimakowitz et al, 2011). In this article, we refer to the underlying intrinsic value of all human life irrespective of social status, qualities, or achievements (Elegido, 2024). To promote human dignity would be to accord respect to human life simply because it is. In other words, dignity represents a pillar of our moral heritage and can serve as a benchmark for decision-making and action concerning others (Pirson et al, 2016).

Does it advance the common good and human goods especially the intrinsic ones related to flourishing? The common good is one of the concepts that is sorely affected by prevailing individualism (Realo et al, 2002). It builds on the social nature of human beings and directs itself to individual and societal flourishing. Any management theory that prioritizes individual interests to the detriment of common interests will be a threat for the common good.

Is it directly related to fundamental ethical principles such as concern for others, fairness, integrity, responsibility, ‘do good and avoid evil’? Ethical principles are necessary as a guide and foundation for human action. The above principles are universal although applications may vary in different regions however the fundamental concept remains and can guide decisions especially when there is a dilemma (Elegido, 2024).

Does it promote virtues such as charity, justice, humility, and sincerity? Practical reason or prudence is one of the cardinal virtues and reference has been made to it earlier. However, there are other virtues that are crucial for the effective manager and which are often not considered in expounding management theories. In considering, charity, justice, humility, and sincerity, we are espousing virtuous leadership (Havard, 2014).

Does it consider all stakeholders’ interests, well-being, and flourishing? Flourishing is the end of many human actions and decisions even when unconscious. In applying management theories, we will need to assess that all stakeholders have been considered and not simply a portion of them. The primary goal is to achieve a win-win for all even though it will take effort (Covey, 2020).

If management theories from gurus are ethically assessed before adoption and transmission, we are more likely to attain sustainable organizational integrity where person-centered, ethically upright decisions are the norm. The mode of assessment proposed in this paper is based on virtue ethics founded on the natural law. However, it is not the only possible framework that can be proposed. The argument is that one needs to reflect on ethical frameworks and principles and rationally decide on a set of criteria against which to compare popular theories. We consider it wise to aim to embed humanistic principles in our management practices so that the human person is front and center in all management decisions.

CONCLUSION

We explored management guru philosophies and practices with the aim of expressing the importance of ensuring that the application of such theories or ideas is humanistic and not mechanistic. The paper emphasizes the need to critique the values and ethical underpinnings of influential management philosophies proposed by
gurus. We explored the necessity of prioritizing ethical considerations in guru teaching, adoption, and practice and provided an ethical checklist for managers attempting to adopt guru theories.

This contribution remains a theoretical one, and further studies can be done to test the questions against management theories as they emerge. Case studies or empirical studies can be done to document the effectiveness of setting the theories against an ethical standard before implementation and transmission.

REFERENCES

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