

The Shadow of Sophocles: Tragedy and the Ethics of Leadership

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ABSTRACT: This article explores how the idea of tragedy can highlight some of the complex and paradoxical aspects of the relationship between ethics and leadership. First, it offers a comparative analysis of the way in which questions of leadership are addressed as a practical and theoretical concern when leaders are confronted with situations of moral crisis. The context is provided by a critical reading of the MBA oath, a student-led pledge that tries to establish a higher moral standard for leaders, and by Norman Bowie's attempt to develop a Kantian theory of leadership. Second, it introduces a novel philosophical approach based upon Hegel's interpretation of tragedy and ethical life developed in his theory of aesthetics. Through the idea of tragedy, the concept of ethical leadership could also encompass those ambiguous situations when good conflicts with good and when a possible reconciliation of a moral conflict might require the sacrifice of otherwise legitimate ends.

KEY WORDS: management, morality, MBA oath, Bowie, normative, Hegel

On September 12, 2008, forty-eight hours before the collapse of Lehman Brothers, the leaders of major financial institutions were summoned to the Federal Reserve Bank of New York. Their task was to come up with a plan that would avert a global financial catastrophe. According to *New York Times* journalist Andrew Sorkin,

By 8:00 a.m. [September 13, 2008], the grand lobby of the New York Federal Reserve was teeming with bankers and lawyers. They had gathered not far from a giant bronze statue of young Sophocles, his outstretched arm holding a tortoiseshell-and-horn lyre. The statue was a symbol of victory after the Battle of Salamis, a clash that saved Greece and perhaps Western civilization from the East. On this day the bankers assembled at the Fed had their own historic battle to wage, with stakes that were in some ways just as high: They were trying to save themselves from their own worst excesses, and, in the process, save Western capitalism from financial catastrophe.¹

It seems strange that an investigative attempt to describe the events at the height of the 2008 financial crisis would be based on an image of a young Sophocles towering above a group of banking executives and on a language that makes liberal use of the tragic idiom. Perhaps, as is quite customary in popular texts, the author is simply trying to capture the imagination of his readers. Nothing sells like a good tragic story. However, a closer reading of Sorkin's entire account reveals that elements of tragedy are being employed not only as rhetorical devices but also as a way of foregrounding the character of eminent individuals and the ethos embodied in key social institutions. For example, this is how Richard Fuld, the CEO of Lehman Brothers at the time, is portrayed as a tragic hero,

He did make errors, to be sure—some out of loyalty, some out of hubris, and even some, possibly, out of naïveté. But unlike many of the characters in this drama, whose primary motive was clearly to save themselves, Fuld seems to have been driven less by greed than by an overpowering desire to preserve the firm he loved. As a former trader whose career was filled with any number of near-death experiences and comebacks, he remained confident until the end that he could face down this crisis, too.²

Fuld seems to emerge as a tragic character in a drama. A few months earlier, he had been named in the *Barron's* list of the world's best CEOs.³ In a sudden reversal of circumstances, his actions are no longer those of an exemplary leader but of an individual who is motivated by hubris. His destiny does not lie in a distinguished leadership position in a global financial institution but points towards a seemingly heroic downfall. Organisations also participate in the same tragic entanglement. This is how Sorkin attempts to capture the sobering, almost desolate atmosphere inside the courtroom, when the sale of Lehman Brothers was being negotiated between the firm's lawyers and the bankruptcy judge:

Signaling to Harvey Miller of Weil Gotshal, Judge Peck said: "You may approach, if that's what you're doing. I can't really tell..." Miller, even under these circumstances dapper in a gray suit, red tie, and blue shirt, outlined the deal: Barclays would pay \$1.75 billion for Lehman's North American operations. "This is a tragedy, Your Honor," Miller said of what had happened to Lehman Brothers. "And maybe we missed the RTC by a week," he added, referencing the development of the new TARP program. "That's the real tragedy, Your Honor." "That occurred to me as well," Judge Peck said sympathetically.⁴

Sorkin's use of the tragic idiom is not uncommon. On the contrary, it is indicative of a much wider rhetorical trend. Cohan calls his account "a tale of *hubris*" and refers to one of its main characters, the CEO of Bear Stearns, as "a Sophoclean tragic hero, ruined by his own terrible choices".⁵ Similarly, Tett prefaces her book by referring to "the real tragedy of the story," which "was that most of the folly was not *due* to a plot; instead, it was hidden in plain sight," or "that so many of those swept up in the lunacy were not acting out of deliberately bad motives."⁶ Rajan, one of the few economists to publicly forewarn of the impending disaster, accuses Greenspan of hubris, while Lewis calls the crisis "a tragedy" generated by "the doomsday machine."⁷ Finally, Lowenstein identifies certain elements of a symbolic ritual in the turn of events, arguing that "Lehman could serve as a catharsis, its bankruptcy a purifying fire."⁸

Attempting to grasp a situation of great ethical complexity, these authors have recourse to the language of tragedy. All the elements that constitute its idiom—reversal and recognition, tragic flaw and hubris, catastrophe and catharsis—are being invoked in order to reveal the depth and gravity of the moral predicament. According to their accounts, the sequence of events unfolded in a typical tragic fashion; a dramatic change from a state of economic prosperity to a state of adversity that no one was able to foresee. Leaders had to confront contradictory moral claims, reflecting the diverse yet interconnected domains of business, politics, and society as a whole.⁹ Their virtues were exposed as flaws that led to transgression

and catastrophe. Leading financial institutions were made to account for practices that appeared, in hindsight, as morally illegitimate and as threats to the stability of the general political and social order. Ambiguity crept into customary distinctions between good and bad, and ethical disorientation emerged as the outcome of various conflicting voices attempting to defend their equally legitimate moral positions. Finally, a resolution to the crisis seemed almost impossible without the need for some painful sacrifices and for the re-establishment of limits.

Evidently, the narratives referenced here are not constructed as tragedies in the technical sense of the term.¹⁰ Nor do they claim to offer a particular view on ethical leadership. However, they do draw attention to an important connection between the idea of tragedy and the ethics of leadership in organisations central to contemporary societies. It is this connection, which has received little theoretical attention, that the article will seek to explore. The questions that arise are twofold: First, can the idea of tragedy enrich our understanding of the relationship between ethics and leadership? And secondly, what is the nature of ethical life that the tragic brings into view, which might enhance existing approaches to ethical leadership? It is worth mentioning that contemporary studies in philosophy, the social sciences, law, and literature have provided fertile ground for exploring the link between tragedy and ethical life.¹¹ In the field of leadership studies, a tragic perspective on ethics occupies a marginal place in spite of the significant and multidisciplinary body of scholarly work encompassing both normative and social scientific perspectives.¹²

Thus, the aim of the article is to explore some of the constitutive elements of the tragic in order to gain a deeper understanding of the ethical problems and challenges that leaders and followers face in the world of organisations. In other words, the article aims to offer a novel philosophical approach through which ethical life manifests as an irreconcilable conflict between equally powerful and justifiable moral standpoints. Certain aspects of ethical leadership could then be viewed as a dramatic unfolding of organisational lives entangled in a collision between contradictory and irreconcilable goods. Further, attempts to resolve the conflict would presuppose an inevitable sacrifice of legitimate moral ends—a sacrifice that often makes the actuality of ethics for leaders and followers such a painful and tormenting experience.

The article is divided into two interrelated sections. The first section examines how ethics is posited as a practical and theoretical concern when business leaders confront critical moral situations. The context is provided by the MBA oath that tries to establish a code of conduct for leaders based on consequentialist principles and by Norman Bowie's attempt to establish a Kantian, that is, a deontological theory of leadership. The section concludes by tracing the idea of tragedy in Robert Solomon's work that alludes to the possibility of a tragic encounter with ethics in the world of organisations. The second section seeks to expand on Solomon's insights by developing the main elements of a philosophy of the tragic. Its basis is drawn from G.W.F. Hegel's interpretation of tragedy in his theory of aesthetics.¹³ The conclusion explores the possible horizon that might be offered by an attempt to account for the agonising ambiguities of those situations when justifiable ethical actions collide and whose resolution is only thinkable through a painful yet humanising recognition of ethical limits.

RESPONDING TO CRISES OF ETHICAL LEADERSHIP

The moral ramifications of the financial crisis have elicited a response from investigative journalists suggesting the possibility of uncovering certain tragic elements in the turn of events. A group of MBA graduates from the Harvard Business School also felt that the crisis engendered an overwhelming sense of ethical disorientation and ambiguity:

Without a doubt the financial crisis changed our experience at business school. Companies once thought to be examples of great achievement suddenly failed. Executives once hailed for their business acumen quickly lost their jobs. Financial models once taught as the cutting edge in risk management were abruptly shown to be deeply flawed... Suddenly the solid ground beneath our feet was giving way.¹⁴

In response, they drafted an oath aiming to set a higher moral standard for future business leaders. Their attempt attracted considerable attention from the press and rekindled the debate about the role of leaders as moral agents in society. An abridged version of it reads:

As a manager, my purpose is to serve the greater good by bringing together people and resources to create value that no single individual can build alone. Therefore I will seek a course that enhances the value my enterprise can create for society over the long-term. I recognize my decisions can have far-reaching consequences that affect the well-being of individuals inside and outside my enterprise, today and in the future. As I reconcile the interests of different constituencies, I will face difficult choices. **Therefore I promise: I will** act with utmost integrity and pursue my work in an ethical manner. **I will** safeguard the interests of my shareholders, coworkers, customers, and the society in which we operate. **I will** manage my enterprise in good faith, guarding against decisions and behavior that advance my own narrow ambitions but harm the enterprise and the people it serves. **I will** understand and uphold, both in letter and in spirit, the laws and contracts governing my own conduct and that of my enterprise. **I will** take responsibility for my actions, and I will represent the performance and risks of my enterprise accurately and honestly. **I will** develop both myself and other managers under my supervision so that the profession continues to grow and contribute to the well-being of society. **I will** strive to create sustainable economic, social, and environmental prosperity worldwide. **I will** be accountable to my peers and they will be accountable to me for living by this oath.¹⁵

The oath prescribes a set of core moral principles that ought to regulate the conduct of leaders with regard to various stakeholders. As de Bruin argues, it seeks to establish those “general rules of conduct that provide oath-takers with a general normative vantage point.”¹⁶ In this case, a normative vantage point is secured by a combination of consequentialist and, to a lesser extent, deontological principles.¹⁷ The oath requires leaders to reflect on the potential consequences of their actions and evaluate how these can affect the interests of different constituencies. It approves or disapproves an action based on its utility, that is, its tendency to augment or diminish the well-being of the constituencies whose interests are in question.¹⁸ If an ethical reconciliation is to be achieved then a leader ought to be able to perform this moral calculus. The hope is that by signing the oath, individuals will commit to

more ethical behaviours. It would also be an important step towards rebuilding the trust between business and the wider social body, which is often cynical or even hostile towards business as a moral principle. Thus, the oath could act as a code of conduct that would overcome all the moral imperfections that the crisis had brought to the fore and that had dealt such a severe blow to the prestige of future business leaders.

In terms of the argument developed in the article, the MBA oath illustrates how questions of ethical leadership are being translated into concrete action when leaders confront critical moral situations. The instinctive reaction is to reach for a normative code of conduct, which is invested with the hope of guaranteeing the stability and order of the ethical domain. In other words, ethics is translated into a technical problem that has a possible solution. The solution lies in the application of a moral calculus that will alleviate some of the contradictions and ambiguities inherent in ethical life. Most important, the figure of the leader is constituted in terms of his or her power to take command and control every domain of moral action: from safeguarding the interests of shareholders, co-workers, and customers, to creating sustainable prosperity and well-being for the economy, the society, and the environment. He or she becomes the focal point of moral reconciliation and harmonisation. Thus, the contradictory ethical demands stemming from such conflicting and ambiguous spheres of human endeavour (e.g. on the one hand, profit generation, self-interested acquisitiveness, corporate growth, and on the other, global sustainable development, environmental protection, social, and economic equality) could be reconciled and be made to reach a state of equilibrium as long as every potential leader wills it. Leadership itself is thought of as a principle that can secure their destiny, since both past and future are invoked, and it is made to act as a moral power able to establish, estimate, and align their true value.

The MBA oath provides a useful illustration of a practical response to questions of ethical leadership that is based upon utilitarian principles. From a deontological perspective, the thinking of Norman Bowie has provided an additional normative framework aiming to address the philosophical ground of the relationship between ethics and leadership.¹⁹ His work has also inspired a type of analysis seeking to demonstrate not only that certain financial practices leading to the crisis were inconsistent with “Kantian capitalism principles,” but had these principles been applied, the crisis itself would have been averted.²⁰

According to Bowie, minimising the possibility of moral crises requires individuals or organisations morally bound by the three formulations of Kant’s categorical imperative:

1. Act only on maxims that you can will to be universal laws of nature.
2. Always treat the humanity in a person as an end, and never merely as a means.
3. So act as if you were a member of an ideal kingdom in which you were both subject and sovereign at the same time.²¹

Adherence to, or deviation from them becomes the criterion for judging moral or immoral business conduct. They also provide the possibility of establishing

a set of duties that ought to guide the conduct of business as a whole. Bowie then proceeds to develop a Kantian theory of leadership, which stipulates that a leader ought not to violate the three formulations outlined above.²² Leaders ought to respect the dignity and autonomy of their followers, who as rational human beings, are to be treated as an end and never as a means. The aim is to allow followers to become leaders themselves.²³ The same principle applies to a leader considering the role of various stakeholders; they should never be treated as a means for achieving the aims set by the shareholders. Also, such a theory should highlight the importance of participation and should acknowledge and respect the voice of organisational minorities. The organisation itself is to be viewed as a community bound by rules that every rational individual should accept freely and without coercion. Against a hierarchical, elitist, or instrumental view of leadership, Bowie's vision is that of egalitarianism, where values such as dignity, respect, and individual autonomy provide the basis for moral conduct.²⁴ He then concludes by formulating the general principles that ought to guide a moral leader:

The following principles may guide a leader as he or she attempts to transform an organization into a kingdom of ends:

1. The leader should consider the interests of all the affected stakeholders in any decision he makes.
2. The leader should have those affected by the firm's rules and policies participate in the determination of those rules and policies before they are implemented.
3. It should not be the case that the leader always gives the interests of one stakeholder group priority.
4. When a situation arises where it appears that the humanity of one set of stakeholders must be sacrificed for the humanity of another set of stakeholders, the leader cannot make a decision on the grounds that there is a greater number of people in one stakeholder group than on another.
5. Every leader must in cooperation with others in the organization establish procedures to ensure that relations among stakeholders are governed by rules of justice.²⁵

Despite some important conceptual differences that set the MBA oath and Bowie's theory apart, a more careful analysis might reveal certain elective affinities that point to a shared understanding of the relationship between ethics and leadership. The first is indicated by an attempt to configure this relationship through the establishment or adoption of a moral principle (e.g. utility or the categorical imperative) that would act as a standard and measure for distinguishing between good and bad, right and wrong. The meaning of a principle has to be secured against any form of internal ambiguity and contradiction. It should not lead to an ethical oxymoron²⁶ or an insoluble paradox and the moral knowledge produced by it should be free from vagueness or confusion. On the contrary, a principle ought to provide a firm conceptual basis for an understanding of leadership ethics as a balanced and stable order, which can be captured through clearly delimited and differentiated moral categories.

The second affinity refers to a binary opposition, afforded by a principle, between the moral categories of the good and the bad or moral and immoral. In both cases, the ethical aspects of leadership are identified and examined when these are grounded in a moral dichotomy. The ethical appears in the antagonism of good and bad, or as Lewis put it in an earlier study, “the rightness or wrongness of behaviour, what is morally right or wrong, ethical or unethical.”²⁷ Actions, decisions and forms of practice ought to be placed on one side or other of a fixed system of moral references. A binary opposition also makes possible the framing and fixing of abstract conceptions into clear mechanisms for the resolution of ethical transgressions through ideal norms towards which every leader and business organisation ought to aspire to in their practices. The ethical appears as a deviation from norms, which requires further enforcement through increased regulation in various regions of practice. Resolving the bad becomes a matter of superimposing abstracted ideals crystallised in norms upon the actual practices constituting the conduct of leadership. By focussing on the binary good/bad or moral/immoral, ethics is delimited to singular moments of transgression of the good by the bad, when their opposition is highly visible through the scandalous and an ethical deviation from the accepted norms is evident and clear cut.²⁸

The third aspect of this manner of thinking is the telos of the proposed solutions. Both frameworks envisage a possible state of ethical purity in the domain of leadership if their precepts are applied. Aiming to minimise the possibility of transgression, they seek to accomplish a more harmonious relationship between individuals and organisations. This ideal state, which is rooted in a form of humanistic optimism, is expressed in truly utopian terms:

A universal morality of business, provid[ing] meaningful work for employees, institut[ing] firms as moral communities, and help[ing] establish a more cosmopolitan and peaceful world, Kantian capitalism shows everything a theory of business ethics could do.... This claim maybe incredibly optimistic, but then again so were Kant and the other Enlightenment thinkers.²⁹

Adherence to a framework would guide a leader to a place where the struggle between the good and the bad will be resolved. This utopia Bowie calls “Kantian capitalism” and it expresses a genuine anticipation of a realisable future.³⁰ As a concept, it points to a possible reconciliation of the contradictory and conflictual aspects of ethics. In other words, what these efforts have in common is a vision of leadership that would be freed from the paradoxical and ambiguous nature of ethical life. The solution lies in the application of a corrective model that would guarantee and safeguard the (re-)production of the good for the wider social body.

Finally, there is a fourth common characteristic that is identified by Robert Solomon in his attempt to reflect on the nature of normative ethics:

There is a further complication ... and that is the possibility of a clash of contexts, a conflict of duties.... Some of the pressure for very general principles that apply to all situations both in and out of business *comes from the desire to deny the possibility of such conflicts* (which in extreme cases are called “tragedy”).³¹

In this brief passage, Solomon suggests that a normative understanding of ethical life may stem from the desire to deny the possibility of tragic conflict. He argues, however, that “one of the most obvious discoveries of any empirically minded or practical virtue ethics is that there is often *a conflict of virtues, a clash of loyalties, a disharmony of equally valued values.*”³² Inspired by Unamuno’s *Tragic Sense of Life*,³³ Solomon is able to express what goes at the very heart of the idea of tragedy, namely, that ethics also includes those critical situations when equally legitimate moral claims or “equally valued values” conflict with each other. He then attempts to exemplify his insight into the nature of ethical life by referring to a few possible organisational scenarios where

one’s duty to superiors may well conflict with one’s obligations to subordinates, and in any but the best-organized company there is always the possibility of *conflicting, even contradictory but equally obliging orders* from two different superiors. One’s sense of loyalty to an aging and no longer effective manager who provided one’s job opportunity in the first place may well clash with a more general sense of obligation to the company.³⁴

It is rather unfortunate that a more comprehensive analysis was reserved for the theme of spirituality rather than for business or leadership ethics.³⁵ However, if the ethical aspects of leadership are to be considered in their full complexity, the idea of tragedy should be further developed. Accordingly, instead of denying the possibility of such conflicts the following section will examine how the ethical might present itself precisely as a collision between equally justifiable and interdependent moral standpoints.

HEGEL’S PHILOSOPHY OF THE TRAGIC AND ITS RELATION TO ETHICAL LIFE

Tragedy as a philosophical perspective re-enters modern thinking through the representatives of German Idealism at the end of the eighteenth and the beginning of the nineteenth centuries. It is a central theme for its three main figures: Schelling, Hölderlin, and Hegel. The return, so to speak, of tragedy marks a thoroughly methodical understanding of the historical novelty of the modern age, as well as a conceptual recovery of a way of thinking that had become marginal to early modern philosophy with its search for a grounding of ethics in systems of reason and rationality. These three figures were followed by others—Schopenhauer, Kierkegaard, and Nietzsche being principal heirs of the problematic of tragedy for the modern epoch.³⁶

Yet it was Hegel who made the interpretation of tragedy a central element for understanding ethics beyond the abstract rationalism of the philosophy of his day. Hegel’s attempts to understand the reality of human existence in its entire complexity and contradictory nature, made tragedy a predominant mode of framing his inquiries regarding ethics. His works relied upon tragedy from their inception: from the writings on natural law in 1802–1803, to the *Phenomenology of the Spirit* in 1807, and then on to the late works of his mature thinking, especially in the two volumes on *Aesthetics* covering an extended period from 1823 to 1829. Throughout his thinking, his understanding of the dialectic of ethical life is based upon the dialectic

of the tragic.³⁷ The *Aesthetics*, however, offer an image of Hegel's conception of the tragic and ethical life in one of its most developed expressions.

In the *Aesthetics*, Hegel argues that the core content of tragic conflict is provided by the substantive ethical powers that lay claim to the human will and its actions. State and country, family and kinship, friendship and love are some of these powers that manifest in individual characters, animating their passions and giving form and substance to their aims and fate. Innermost to the essence of tragedy is their movement when they actualise and particularise in individuals. Before being summoned into the world of human affairs, that is, when they become the concrete object of an individual's passion, these different powers exist in harmony and concord. They are the constitutive, complementary, and inactive parts of that concrete unity which Hegel calls the "ethical order." However, when they enter the world of action, that is, the mundane, earthbound world of human activity, they have to sacrifice their tranquil and undisturbed union, their sublime repose, and split into opposing and conflicting sides. In the worldly domain, their difference becomes an opposition and a collision. For example, the ordinances of the state might oppose and collide with the custom of familial duty and obligation, the abstract universality of law might oppose and collide with an individual's right for self-determination, or the law of the gods might demand what the law of nature forbids. It is this rupture of the ethical order that constitutes for Hegel a tragic moral crisis:

If this essential object of human feeling and activity is to appear dramatically, it must come on the scene separated into different and opposed ends, so that the action has to encounter hindrances from other agents and fall into complications and oppositions where both sides struggle for success and control.³⁸

However, the opposition that Hegel identifies is not based upon a distinction between good and bad, right and wrong. On the contrary, a tragic conflict erupts when the ethical powers and the individuals who identify with them have an equal share and an equal claim to moral legitimacy. In this view, tragedy becomes a conflict between good and good, and tragic opposition arises when the conflicting sides are equally justified in the pursuit of their moral ends. That is why, in Hegel's view, the conflict is insoluble and the opposition of goods irreconcilable. As he argues,

The original essence of tragedy consists then in the fact that, within such a conflict, each of the opposite sides, if taken by itself, has justification; while each can establish the true and positive content of its own aim and character only by denying and infringing the equally justified power of the other. The consequence is that in its moral life, and because of it, each is nevertheless involved in guilt.³⁹

For Hegel, at the heart of a tragic understanding of ethical life lies an opposition between equally justified ethical powers. Put simply, tragedy is an irreconcilable conflict between goods. It captures the ambiguity and paradox inherent in those critical situations when good conflicts with good. This insight into the nature of ethical life, afforded by a Hegelian reading of tragedy, problematises the normative understanding of ethical leadership, which manifests as a dichotomy between the moral categories of the good and the bad, moral and immoral.

Leaders often find themselves entangled in a tragic paradox. Their experience of ethics can also take the form of an opposition between goods. Their choice to act on behalf of a just principle can oppose the equally just principle upheld by other agents in the organisation. Of course, this opposition can extend beyond strict organisational boundaries to include diverse social collectives, i.e. various stakeholders. Its tragic nature, though, remains conflictual and contradictory. In order for a leader to accomplish a legitimate ethical end, he or she would have to deny and infringe upon someone else's equally valid position. A conflict between ethical positions that are justified and yet, at the same time, wrong because they refuse to recognize each other's validity is the main paradox that defines the tragic sense of ethical life. By defending one good, a leader or follower may be forced to violate another. As a result, he or she can be both innocent and guilty. In this sense, individuals, leaders, or followers can be morally worthy and flawed at the same time, since they act from the good but also against it. This tragic paradox often makes ethical leadership a painful and tormenting experience.

Against this backdrop, Hegel also argues that a tragic character "must be a man of worth and goodness himself."⁴⁰ For ethics to unfold in a tragic manner, the conflict of characters must stem from their commitment towards the good, which means that a moral crisis can occur without the intervention of a malevolent agent responsible for a wrongdoing or for transgressing a moral law. On the contrary, "the occasion for collision is produced by the moral justification of a specific act, and not at all by an evil will, a crime, or infamy, or by mere misfortune, blindness, and the like."⁴¹

In a crisis of conflicting goods, the binary characterisations of individuals, leaders, or followers, as ethical or unethical, moral or immoral, good or bad cannot be sustained. On the contrary, the tragic presupposes an individual's steadfast dedication to a just cause, which can lead to suffering and to a moral crisis. It could be possible then to consider crises in organisational lives that might not be the result of leaders or followers acting in an immoral or unethical way. This tragic paradox can be explained in the following way. In order for the conflicting parties to defend and accomplish their aim, they have to pursue it one-sidedly and thus deny the equal validity of someone else's claim. They have to assert the legitimacy of their position with an intransigence that cannot be appeased. Arising from the dignity of their cause, it forces them to an act of hubris, in other words, it forces them to exceed their bounds. However, a tragic flaw should not be interpreted as a condemning judgement against individuals but as a recognition of their paradoxical position. Critical situations may impose upon leaders to act out of moral necessity and if they do, they are bound to confront a moral crisis. It is this particular complication of human conflict and suffering that gives ethics its tragic quality. Hegel emphasises that, "in considering all these tragic conflicts we must above all reject the false idea that they have anything to do with guilt or innocence. The tragic heroes are just as much innocent as guilty."⁴²

The commitment to defend what is right means that tragic characters emerge as fully responsible and accountable for their actions. For Hegel, individuals come to be constituted as authors of their own actions, as well as agents of the powers that

shape and justify their moral resolve. He suggests that tragic action itself presupposes the unfettered resolution towards a legitimate moral aim and a willingness to accept freely the responsibility for those actions and consequences that might lead to suffering and to a moral catastrophe. Accordingly,

the individual identifies himself with their realization [of the ethical powers] and in it finds his own will and his own satisfaction, and now with his whole being must take responsibility for what the issue is in the external world. The individual dramatic character himself picks the fruit of his own deeds.⁴³

Individuals who freely accept their own fate and eventual downfall, who are neither villains nor victims, alongside an irresolvable conflict between ethical powers of equal strength and legitimacy, constitute in Hegel's account some of the principal elements of the tragic unfolding of ethical life.

The final element this section seeks to explore relates to the nature of the "tragic denouement." Hegel conceives of tragedy as an irreversible movement towards a final catastrophe. The reason for such a dramatic resolution is attributed to the one-sidedness of the conflicting powers and individual characters. This means that each of the conflicting parties enters the scene seeking to secure exclusive control within a moral conflict by denying and infringing upon the equally valid claim of the opposing side. But when it comes to a tragic conclusion this one-sided, exclusive claim to validity is stamped out by the irresolvable nature of the conflict. In other words, individuals face their own destruction because of their one-sidedness, or they face the sacrifice of their own position and the acceptance of what they had opposed.

Therefore what is superseded in the tragic denouement is only the one-sided particular which had not been able to adapt itself to this harmony, and now (and this is the tragic thing in its action), unable to renounce itself and its intention, finds itself condemned to total destruction, or, at the very least, forced to abandon, if it can, the accomplishment of its aim.⁴⁴

As a result, the collision between justifiable moral ends culminates in the downfall of one of the opposing sides. The concept of the tragic does not allow for a resolution where conflicting moral standpoints can be accommodated and reconciled. A tragic conclusion requires that one of the moral ends reaches its utmost limit and collapses. In relation to the search for a business utopia, where irreconcilable ends are forced to become harmonious, a tragic conclusion is based upon a painful realisation of the impossibility of moral reconciliation and harmonisation. The admission of human limits and of the limits of moral ideals has an important additional feature. Tragic recognition is rooted in the full awareness of the ethical predicament facing the characters and not in a moment of ignorance regarding a supposed best path to moral excellence. As Hegel posits, in this moment of recognition of the irreconcilability of the conflict of goods, individuals realise that they are driven "back within [their] limits and destroyed by them if these are crossed."⁴⁵ In the end, the conflicting parties would "have to taste the bitter wine of a sense of finitude and to fight their way through difficulty, loss and sacrifice."⁴⁶ Suffering, pain, and sacrifice are often the unacknowledged but inescapable features of the complex relationship between

ethics and leadership. In a tragic resolution of conflicting goods, neither the good nor the bad can claim moral success. The good does not triumph over the bad or vice versa. Quoting a line from Schiller's poem "Shakespeare's Shadow," Hegel writes that "we should not interpret such a conclusion as a purely moral outcome where evil is punished and virtue rewarded, i.e. 'when vice vomits, virtue sits at table.'"⁴⁷

CONCLUSION

This article has attempted to problematise some of the binary oppositions that underlie certain normative approaches to ethical leadership and to challenge their vision of a possible ethical reconciliation and harmony in the business domain. It has sought to blur the boundaries between well-established moral categories, such as good and bad, moral and immoral, right and wrong, allowing ambiguity and paradox to come to the fore as equally important features of the conduct of leadership. Also, it has tried to highlight the fluidity and precariousness of these customary distinctions when leaders or followers are confronted with tragic moral situations. It was thus argued that through the idea of tragedy ethics can also appear as an irreconcilable conflict between equally justifiable moral ends; a conflict that often makes ethical leadership such a painful and incalculable experience. Most important, the tragic has spoken of a truth about the ethical conduct of leadership that is not disclosed through the abstract universality of reason or calculation but through the lived experience of pain and suffering.

One of the more insightful and pertinent summaries of the tragic condition can be found in Max Weber's text with regard to science as a vocation, which echoes Hegel's analysis. Addressing students at Munich University, who like the MBA graduates were also concerned about their own profession, he argued:

This proposition, which I present here, always takes its point of departure from the one fundamental fact, that so long as life remains immanent and is interpreted in its own terms, it knows only of an unceasing struggle of these gods [and "moral" forces] with one another. Or speaking directly, the ultimately possible attitudes toward life are irreconcilable, and hence their struggle can never be brought to a final conclusion. Thus it is necessary to make a decisive choice.⁴⁸

Against this background, the contribution of the tragic idea can be made more visible in the context of the important moral dilemmas captured by the future generations of leaders in their MBA oath. Claims to growth, to a sustainable future and to an equitable redistribution of wealth are equally justifiable; however, brought together by the urgency of the times, they collide in such a way that the prospect of a final resolution might require the painful sacrifice of one or other of these moral ends. These moral concerns mark concretely everyday systems of decision making, policy, and governance without lending themselves to normative formulations that present the good in unequivocal contradistinction from the bad. However, the concept of the tragic does not constitute a pessimistic outlook. Rather, it may explain the apparent difficulty of arriving at a position in which all moral demands on ourselves, our institutions, and the world could be reconciled without a painful recognition of limits and of necessary sacrifices.

NOTES

1. Andrew R. Sorkin, *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System and Themselves* (New York: Viking, 2009), 311.
2. *Ibid.*, 535.
3. Les Coleman, *The Lunacy of Modern Finance Theory and Regulation* (London and New York: Routledge, 2015), 112.
4. Sorkin, *Too Big to Fail*, 454.
5. William D. Cohan, *House of Cards: How Wall Street's Gamblers Broke Capitalism* (London: Penguin Books, 2009), 328 (italics in the original).
6. Gillian Tett, *Fool's Gold: How Unrestrained Greed Corrupted a Dream, Shattered Global Markets and Unleashed a Catastrophe* (London: Little, Brown, 2009), x (italics in the original).
7. Raghuram Rajan, *Fault Lines: How Hidden Fractures Still Threaten The World Economy* (Princeton, NJ: Princeton University Press, 2010); Michael Lewis, *The Big Short: Inside the Doomsday Machine* (New York: Allen Lane, 2010).
8. Roger Lowenstein, *The End of Wall Street* (New York: Penguin Books, 2011), 198.
9. What is particularly interesting in moments of crisis is that they accentuate a condition first identified by Boltanski and Thévenot: "What is problematic in businesses is that they encompass resources that are heterogeneous in terms of their mode of coherence and the underlying principle of justice on which that coherence is based. In the business context, situations that are juxtaposed in time or place are justified according to a variety of principles; thus business offers a good context for bringing to light the various ways in which the different worlds make objects available for use in justification." The authors describe this condition as "a *clash* between orders of worth." A clash between "orders of worth" is the underlying principle of tragic conflict. *On Justification: Economies of Worth* (Princeton: Princeton University Press, 2006), 151, 134 (italics in the original).
10. Aristotle, *Poetics* (Cambridge, MA: Harvard University Press, 1999).
11. Dennis J. Schmidt, *On Germans and Other Greeks: Tragedy and Ethical Life* (Bloomington: Indiana University Press, 2001); David F. Krell, *The Tragic Absolute: German Idealism and the Languishing of God* (Bloomington: Indiana University Press, 2005); Charles Segal, *Tragedy and Civilization* (Norman: University of Oklahoma Press, 1999); Martha Nussbaum, "The Costs of Tragedy: Some Moral Limits of Cost-Benefit Analysis," *The Journal of Legal Studies* 29 (2000): 1005–1036.
12. It would be almost impossible to provide a comprehensive list within the strict economy of a journal article. An abridged version, arranged alphabetically, might include works such as: Michael E. Brown and Marie S. Mitchell, "Ethical and Unethical Leadership: Exploring New Avenues for Future Research," *Business Ethics Quarterly* 20 (2010): 583–616; Michael E. Brown and Linda K. Treviño, "Ethical Leadership: A Review and Future Directions," *The Leadership Quarterly* 17 (2006): 595–616; Melvin T. Brown, *Corporate Integrity: Rethinking Organizational Ethics and Leadership* (New York: Cambridge University Press, 2005); Joanne B. Ciulla, ed., *Ethics, the Heart of Leadership* (Westport, CT: Praeger, 2004); Joanne B. Ciulla, *The Ethics of Leadership* (Belmont, CA: Wadsworth Publishing, 2002); Joanne B. Ciulla, Mary Uhl-Biel, and Patricia J. Werhane, eds., *Leadership Ethics* (London: Sage, 2013); Katherine A. DeCelles and Michael D. Pfarrer, "Heroes or Villains? Corruption and the Charismatic Leader," *Journal of Leadership & Organizational Studies* 11 (2004): 67–77; Gabriel Flynn, ed., *Leadership and Business Ethics* (New York: Springer, 2008); Mick Freyer, *Ethics and Organizational Leadership: Developing a Normative Model* (New York: Oxford University Press, 2011); David Knights and Majella O'Leary, "Leadership, Ethics and Responsibility to the Other," *Journal of Business Ethics* 67 (2006): 125–137; Mitchell J. Neubert, Dawn S. Carlson, K. Michele Kacmar, James A. Roberts, and Lawrence B. Chonko, "The Virtuous Influence of Ethical Leadership Behavior: Evidence from the Field," *Journal of Business Ethics* 90 (2009): 157–170; Terry L. Price, *Understanding Ethical Failures in Leadership* (New York: Cambridge University Press, 2006); Linda K. Treviño, Laura P. Hartman, and Michael E. Brown, "Moral Person and Moral Manager: How Executives Develop a Reputation for Ethical Leadership," *California Management Review* 42 (2000): 128–142; Linda K. Treviño, Michael E. Brown, and Laura P. Hartman, "A Qualitative Investigation of Perceived Executive Ethical Leadership: Perceptions from Inside and Outside the Executive Suite," *Human Relations* 56 (2003): 5–37.
13. Georg Wilhelm Friedrich Hegel, *Aesthetics: Lectures on Fine Arts*, trans. Sir Thomas Malcolm Knox, 2 volumes (Oxford: Clarendon Press, 2010).

14. Max Anderson and Peter Escher, *The MBA Oath: Setting a Higher Standard for Business Leaders* (New York: Portfolio, 2010) Kindle Edition, 7.
15. *Ibid.*, 259 (bold in the original).
16. Boudewijn de Bruin, "Pledging Integrity: Oaths as Forms of Business Ethics Management," *Journal of Business Ethics* 136 (2016): 23–42. According to the author, an oath consists of three main elements: the "beneficiaries," the "core principles," and "norms and values." The analysis in this section focuses on the core principles rather than the beneficiaries that can be conceptualised from the perspective of stakeholder theory.
17. *Ibid.*, 33.
18. The classical formulation of the principle of utility can be found in: Jeremy Bentham, *A Fragment on Government with an Introduction to the Principles of Morals and Legislation* (Oxford: Basil Blackwell, 1948), 126.
19. Norman E. Bowie, "A Kantian Theory of Leadership," *Leadership & Organization Development Journal* 21 (2000): 185–193.
20. Richard P. Nielsen, "Bowie's Kantian Capitalism and the Financial Crisis," in *Commerce in the Kingdom of Ends: Essays on Kantian Themes in Business Ethics*, eds. Dennis G. Arnold and Jared D. Harris (Oxford: Oxford University Press, 2011); Richard, P. Nielsen, "Bowie's Kantian Capitalism, high-leverage finance capitalism and the Great Depression," in *Kantian Business Ethics: Critical Perspectives*, eds. Denis G. Arnold and Jared D. Harris (Northampton, MA: Edward Elgar, 2012), 76. Bowie introduces some general principles that can protect the financial sector from a future crisis: "Our experience show there are three valuable and overarching ethical principles that can be applied to the majority of issues in the financial services: (1) avoid deception and fraud, and (2) honor your commitments. (3) fulfil the true purpose of your professional role." *Business Ethics in the 21st Century* (New York: Springer, 2013), 164.
21. Norman E. Bowie, "A Kantian Theory of Meaningful Work," *Journal of Business Ethics* 17 (1998): 1083–1092. See also: Norman E. Bowie, *Business Ethics: A Kantian Perspective* (Malden, MA: Blackwell, 1999).
22. Bowie, "A Kantian Theory of Leadership."
23. Bowie argues: "The leader should enhance the autonomy of his or her followers. At the extreme the leader transforms followers into leaders. The leader drives leadership down through the organization by making people at lower levels in the hierarchy decision-maker leaders themselves rather than mere followers ... The Kantian leader teaches followers to become leaders.... Rather, the Kantian leader seeks to increase the autonomy and responsibility of followers so that they in turn become leaders in their own right." "A Kantian Theory of Leadership," 191–192.
24. Bowie argues that "Kant's moral philosophy ... is basically egalitarian" and sets for himself the following task: "given these egalitarian commitments, how can Kant provide a theory of leadership when 'leadership' has connotations of elitism and hierarchy?" "A Kantian Theory of Leadership," 185.
25. *Ibid.*, 190.
26. For example, would it be possible to think of a crime committed out of *duty*?
27. Phillip V. Lewis, "Defining Business Ethics: Like Nailing Jell-O To A Wall," *Journal of Business Ethics* 4 (1985): 377.
28. For a systematic critique of masculine binary constructions in relation to organisational ethics see, David Knights, "Binaries Need to Shatter for Bodies to Matter: Do Disembodied Masculinities Undermine Organizational Ethics?," *Organization* 22 (2015): 200–216. Also, Hemming has sought to explore the relationship between tragedy and gender in an attempt to think of sexuality beyond certain performative taxonomies of power ("Thinking Being Together. The Politics of Us: Justice for The Errors of the Past," unpublished manuscript, February 23, 2016.).
29. Bowie, *Business Ethics: A Kantian Perspective*, 174.
30. *Ibid.*, 174.
31. Robert C. Solomon, *Ethics and Excellence* (Oxford: Oxford University Press, 1993), 166–167 (italics added).
32. *Ibid.*, 259 (italics added).
33. Miguel de Unamuno, *Tragic Sense of Life* (New York: Dover Publications, Inc., 1954).
34. Solomon, *Ethics and Excellence*, 259–260 (italics added).
35. Robert Solomon, *Spirituality for the Sceptic* (Oxford: Oxford University Press, 2002).

36. Szondi's history of the philosophy of the tragic begins with Schelling's *Philosophical Letters on Dogmatism and Criticism*, written in 1795, includes thinkers such as Hölderlin, Hegel, Goethe, Vischer, Kierkegaard, and Nietzsche, and concludes with Scheler's essay *On the Phenomenon of the Tragic* in 1915. Whilst thinking about the tragic has a long history, he argues that "the Hegel commentary ... constitutes the basis for the other interpretations, just as Hegel must be named before all others" (*An Essay on the Tragic*, 3). The importance of Hegel's commentary was also identified by Andrew Cecil Bradley who pointed nearly a century earlier that "since Aristotle dealt with tragedy, and, as usual, drew the main features of his subject with those sure and simple strokes which no later hand has rivalled, the only philosopher who has treated it in a manner both original and searching is Hegel." *Oxford Lectures On Poetry* (London: Macmillan & Co., 1919), 69.

37. Hegel's understanding of the tragic dialectic of ethical life is rooted in his interpretation of Sophocles' *Antigone*.

38. Hegel, *Aesthetics*, 1162.

39. *Ibid.*, 1196.

40. *Ibid.*, 1198.

41. *Ibid.*, 1212.

42. *Ibid.*, 1214.

43. *Ibid.*, 1161.

44. *Ibid.*, 1197.

45. *Ibid.*, 1216.

46. *Ibid.*

47. *Ibid.*, 1215.

48. Max Weber, "Science as a Vocation," in *From Max Weber: Essays in Sociology*, eds. Hans Heinrich Gerth and Charles Wright Mills (New York: Oxford University Press, 1946), 152.