



THE KENAN INSTITUTE FOR ETHICS

To: The Provost's Common Fund

From: Noah Pickus, Kenan Institute for Ethics, Public Policy, and Business
Suzanne Shanahan, Sociology
Changing Institutional Cultures Steering Committee

Date: February 12, 2007

Re: Changing Institutional Cultures Initiative Request for 2007-08 Common Funds

Moments of crisis offer opportunities for ethical reflection. Yet there is little consensus about the best strategies to create effective change in these moments. The Provost's Common Fund provided the support in 2005-2007 for the Kenan Institute for Ethics to begin addressing this issue through *Changing Institutional Cultures* – a lecture series and research initiative exploring efforts to strengthen the ethical cultures of military, religious, business, and educational institutions.

This initiative has been successful in engaging faculty across Duke in an interdisciplinary conversation and research agenda around these important and timely topics.

We now write to request a second grant from the Provost's Common Fund to continue the *Changing Institutional Cultures* initiative in 2007-2008. Key products of our work will include two edited volumes – a conceptual volume on institutional change and a volume of case studies – as well as two courses for Duke students, and web materials that reach scholars, policy makers, students and a broad general audience. In our proposal below we also outline a plan for continuing this project beyond 2008.

The initiative's co-directors are Noah Pickus (Kenan Institute for Ethics; Public Policy; Business) and Suzanne Shanahan (Sociology). Steering Committee members are Ed Balleisen (History), Phil Costanzo (Psychology), Peter Euben (Political Science), Steve May (Communications, UNC), Alex Roland (History), and Sim Sitkin (Fuqua). We have attracted faculty participants from Law, Business, Divinity, Public Policy, Political Science, History, Sociology, and Psychology and expect to add additional participants from different disciplines for the 2007-2008 academic year.

In this proposal, please find:

1. Project Overview & Work to Date
2. Objectives & Work Plan: 2007-2009
3. Timetable
4. Faculty Participants, Co-Convenors, Steering Committee
5. Large Group Meeting Summaries

We hope this information is helpful to you as you consider our renewed request for \$50,000. If you have any questions or would like additional information, please let us know.

1. PROJECT OVERVIEW & WORK TO DATE

In response to a series of notable public scandals – accounting fraud at Enron, plagiarism at the *New York Times*, torture at Abu Ghraib, sexual abuse in the Catholic Church, – the Kenan Institute for Ethics organized an interdisciplinary group of two dozen faculty and graduate students from across the University in the fall of 2005 to begin a conversation about ethical crisis and change. Is society, as David Callahan would claim in *The Cheating Culture: Why More Americans are Doing Wrong to Get Ahead* (Harcourt 2004), in an unprecedented moment of ethical decline? Do these ethical crises share a single underlying cause? How might these crises be addressed both individually and collectively?

Over the past 18 months this interdisciplinary consortium has explored these questions seeking how best to understand, assess and improve the ethical cultures of military, religious, business, and educational institutions. Through more than a dozen discussions (four per semester) and eight public lectures featuring a diverse array of experts, we have collectively begun to develop a novel approach to ethical culture and ethical crisis. In contrast to most work on organizational and ethical culture, our work is explicitly comparative. We seek to understand ethical dynamics across a range of social institutions, a series of organizations, and a set of historical periods. Institution, firm, and time period are all consistently critical axes of comparison for our work. We ask, for example, how the introduction of women into higher education institutions is similar or dissimilar to the racial integration of the military several decades later. Or why was the racial integration of the Army in the 1950s more successful than gender integration of the Army in the 1990s?

Our approach is also rigorously interdisciplinary, integrating philosophical and theoretical frames across disciplines and combining normative, analytical and policy studies. A key component of our discussions, for instance, has been to recognize circumstances in which an ethical crisis may be a necessary prelude to significant changes in structures of governance and rules of engagement, rather than treating crisis as always and in every case a discrete “problem” to be remediated. We see the core value of our analyses as enabling faculty and others to more effectively participate in both normative and policy debates about institutional cultures—what they are and how they can and should be better.

There have been four phases to our work to date:

Fall 2005: Internal Education: Disciplines and Institutions
Spring 2006: A Common Language: Alternative Theories of Organizational Change
Fall 2006: Cases and Concepts: Ethical Crises and Institutional Responses
Spring 2007: Analytical Framing: Five Components of Institutional Ethos

Fall 2005-Spring 2006

In Fall 2005, our Steering Committee set the agenda over the course of three meetings. The larger group then met three times to share individual ongoing research across these four institutions and to begin to understand our varied theoretical and methodological approaches to ethics, culture and change (see Meeting Summaries below). These larger group meetings were led by a pair of rotating faculty members, who focused on particular institutions and highlighted different disciplinary approaches to that institution. A series of general questions guided our discussions of ethical cultures in business, higher education, military and religious institutions:

- What are the commitments and principles that inspire and sustain these different institutions? How do these ethical commitments vary both within and across institutions? How are they differentially manifest in the form, structure, and practices of these institutions?

- How have the ethical cultures changed over the history of these institutions? Were these changes a product of internal or external drivers? How do these institutions differentially negotiate competing (internal and external) demands? Are certain ethical cultures in certain institutions more adapted and, if so, why?
- What are the prospects of “ethical” reform across these institutions? What are the mechanisms for change? What are the constraints on change?

In Spring 2006, we began the second phase of our project. Having established important cross-disciplinary, cross-institution linkages, we quickly realized the need for a common intellectual foundation for our future work. While we share an interest in ethical culture, we are a group of scholars with highly diverse theoretical and empirical backgrounds who needed to establish a common language and shared conceptual framework. Toward that end, we arranged three working sessions with faculty at Duke and at other universities to identify generalizable theories of organizational change (see Meeting Summaries below).

David Frank, an institutional theorist and comparative historical sociologist from UC Irvine, focused the conversation on sweeping transnational and historical changes in the basic logic and structure of higher education—an institution we did not systematically address in the Fall. In Frank’s account the dramatic changes in curricular emphases in higher education worldwide over the past 500 years reflect and reinforce broader societal/cultural and epistemological changes and priorities.

Duke’s own Ruth Grant, Phil Costanzo, and Jim Cox next offered three different disciplinary perspectives (political theory, psychology, and law) on the potential of incentives (in lieu of or in conjunction with persuasion and coercion) in creating ethical change at both the individual and societal levels. Finally, Frank Dobbin, an institutional and economic sociologist from Harvard, identified four different approaches to understanding institutional change – law and economics, organizational psychology, network theory, and organizational sociology – and applied these approaches to the study of anti-discrimination practices in the American business.

As a set, these discussions have provided us with four different (and competing) approaches (theoretical and methodological) to understanding how institutions change. The institutional cultures group then met in May to evaluate the applicability of these ideas and discussions. First, we assessed their relevance for our collective endeavor of understanding the general questions of why and how ethical change occurs across institutions as well as how they might forward our own more specific research agendas in the context of particular institutions.

Second, we reflected on the exercise itself. Is there a way these different perspectives might offer a point of shared departure while enabling us to maintain the nuance of our own narratives and the texture of the different institutional practices we explore? What is gained and what is lost in such analyses? We concluded our Spring work by identifying five components of a common framework for our work: complexity within institutions, models and narratives within and outside the institutions, institutional uniqueness vs. historical pressure, speed of change, and attention to the individual and collective dimension of change.

Fall 2006-Spring 2007

In Fall 2006, we focused attention on applying our shared understanding to a series of clearly defined ethical crises and the institutional responses to them. Intentional efforts at institutional change are continuous and ubiquitous. Moments of crisis, however, offer unusual opportunities for ethical and cultural change. Yet there is still little consensus about the best strategies to create effective change in

these moments. (Indeed, it often seems that the particular responses to ethical crises are unexpected and sometimes even illogical.) Our group sought to fill this gap and identified five questions to guide our discussions: 1) How can we explain the standard responses to institutional ethical crises? 2) What are examples of these responses (and are there useful counter-examples)? 3) What are the models of institutional change? 4) How do we evaluate these models and the standard responses to ethical crises in institutions? 5) What should be done?

To address these questions we sponsored five University-wide public lectures and six breakfast discussions on ethical crisis and response (see Meeting Summaries below). In the Fall, we launched our meetings with a discussion of a working paper drafted by Luc Perkins and Steve Sacco. The paper frames an understanding of crisis in general and ethical crisis in particular and provides a broad analytic framework for understanding ethical response to crisis across institutions. Perkins and Sacco note how various institutions have a fairly similar repertoire of responses but that their differing organizational forms and structures make certain interventions more or less likely. Based on this analysis, faculty participants hypothesized that institutions with hierarchical organizational structures may be more prone to crisis while also more able to respond quickly to crisis. They also speculated that institutions where civil society writ large is the primary stakeholder (in military institutions for example) reforms following crises tend to be more comprehensive.

The relationship among organizational structure, mission, and leadership shaped ensuing discussions with six external visitors: David Callahan (Demos) on the moral crisis in America; David Kirp (UC Berkeley) and Peter Lange (Duke) on the marketization of higher education; Kambiz GhaneaBassiri (Reed College/Dar Al Hadith Al Hassania, Morocco) and Peter Skerry (Boston College and the Brookings Institution) on the changing nature of Islam and Islamic organizations in the United States; Jonathan Sacks (Chief Rabbi of the UK) on religious conflict in global society and institutional reform in religious institutions; and Nancy Sherman (Georgetown) on medical ethics and prisoners of war and on ethical change within the military and military academies. Public lectures by each of these speakers preceded a morning seminar with participants in the Changing Institutional Cultures Initiative. The public lectures attracted audiences ranging from 75 to 750 attendees.

These five university wide lectures and initiative seminars provided both concrete examples of ethical crisis as well as a set of general principles to understand and address those crises. In dialogue with these six very different scholars of ethical crisis and organizational change we have begun to develop a set of working hypotheses about five key components that make certain institutions both more susceptible to crisis and amenable to redress: accountability, organizational structure, social contract, mission and identity. These components constitute the ethos of the institution.

Five Components of Institutional Ethos

Accountability:	Tightly/Loosely Coupled
Social Contract:	Formal/Informal
Identity:	Strong/Weak
Organizational Structure:	Hierarchical/Horizontal
Mission:	Detailed & Explicit/Diffuse & Implicit

Accountability refers to whom an institution is beholden and can be either tightly coupled or loosely coupled. Militaries with their strict, clearly defined chains of command have tightly coupled accountability regimes while universities, which foster considerable organizational autonomy among professional spheres, tend toward more loosely fashioned accountability regimes. Indeed within universities the different professions tend to be beholden to different communities. Crises within the

military are then harder to obscure, more totalizing but may also enable quicker and more far-reaching responses to ethical crisis.

Organizational Structure ranges from hierarchical to horizontal. The Catholic Church, for example, is a hierarchical organization, while Islam often assumes a more horizontal or network form. Dissent—political or ideological—is more routine in network forms and may diffuse crises before they reach a critical stage. In contrast, a crisis anywhere in a hierarchical organization represents a more systemic crisis. Hierarchical organizations, like organizations with tightly coupled accountability regimes are, however, more amenable to speedy intervention following crisis.

Social Contract refers to the formal or informal relationship an institution has with its stakeholders. Military and business institutions, for instance, have formal social contracts with their stakeholders while higher education institutions have more informal social contracts with their stakeholders. Ethical crises—violations of the social contract—are more readily observed in military and business institutions and there are formal (if difficult to negotiate) channels for efforts to address such violations. In higher education, the social contract is loosely held amongst a variety of constituencies – students, faculty, parents, alumni, government regulators, civil society – which makes swift identification and remediation of an ethical crisis more difficult. Whether an institution has a formal or informal relationship with its stakeholders, however, ethical crises often lead to explicit efforts to clarify the social contract, as recent calls for greater accountability in higher education indicate.

Identity refers to an affective sense of belonging that institutions generate and perpetuate. Identity can be a more or less salient component of institutional culture and can span the spectrum from strong to weak. Business organizations, for instance, typically have weaker affective identities than religious organizations. Affective identity and a sense of psychological ownership can also vary significantly within institutions. Islamic institutions in the United States, for example, represent a strong sense of communal belonging that is coupled with a highly decentralized and diffused organizational structure. This combination of strong identity and weak structure has enabled Islamic institutions to respond well to the tensions and strains of a post 9/11 America.

Mission refers to the implicit and diffuse or explicit and detailed statement of being and purpose. What does an institution actually say it does? Business organizations tend to have explicit and detailed mission statements and deviations from the mission are more quickly observed and more quickly addressed. Higher education institutions, by contrast, tend to have implicit and diffuse mission statements such that while crises may arise less frequently they may also be far more difficult to confront and remediate.

We can begin to see the explanatory value of these characteristics both *within* institutions and *between* institutions. For instance, a weak organizational structure and strong identity helps explain why Islamic organizations in the U.S. may be relatively more resilient to ethical crises in contrast to mainstream Protestant organizations. Or, to take another example, the loosely coupled accountability regime and informal social contract of universities may make it more difficult for these institutions to respond to ethical crises than the more tightly coupled accountability regime and formal social contract of the military.

We see further utility of this analytic framework when we explore how these characteristics might combine to create divergent results. The case of ethical codes (variously termed honor codes or codes of conduct) provides an interesting example. The strong sense of mission and identity often associated with militaries--and embodied in their ethical codes--can provide a highly effective tool in responding to certain kinds of ethical crises. Indeed, ethical codes appear a more effective tool for some crises than the parallel codes within universities where the mission and identity are more diffuse. However, this same clearly defined mission and identity represented in an ethical code can also serve as a significant barrier to

change in certain kinds of ethical crises. Here a comparison between attempts to integrate women in the military and into higher education institutions is instructive. In this case, a strong mission and vibrant, well articulated identity was a significant impediment to necessary change. It is precisely these moments of institutional crisis and change that we hope to explain. Toward this end, a key task moving forward is further development of this framework.

In addition to these five components of an institution's ethos, we have identified a standard repertoire of organizational responses to crisis that includes changes in incentive structures, leadership styles, increased regulation, education and training programs, and replacing the relevant population. Of particular significance is the relationship – in theory and in practice – between how an institutional ethos is configured and the choice of response within the repertoire. We have also begun to identify critical elements of the social and organizational context within crises emerge and change occurs, elements ranging from psychological filters to sociological tipping points.

Our central task in the coming months is to continue developing this framework and the ways that the components of the operational ethos create crisis and response conditions. Understanding this relationship will be our core theoretical contribution to the literatures on crisis, organizational culture and ethical change.

2. OBJECTIVES & WORK PLAN: 2007-2009

The most difficult challenge in this project has been to develop a common language across the highly diverse theoretical and empirical approaches that participants bring to the discussion. This challenge has been compounded by the range of institutions under review and by our desire to bring a historical and comparative sensibility to our work.

While casting a wide net – both in terms of disciplines and institutions – has had its challenges, it has also had the benefit of allowing a direction to emerge organically from our deliberations. A common set of hypotheses have developed on the relation between institutional structure and purpose on the one hand and ethical crisis and the response to it on the other; between self- and external-regulation; and between the psychological determinants of change and perceptions of the need for change. These hypotheses seek to account for the changing nature of the social contract, the possibilities for the re-professionalization of institutions, and the need for, and limits of, incentive systems as a means for change.

As we enter the second year of our project, we are finding that our strength lies in the diversity of our approaches. Our interactions are proving most fruitful when the various perspectives characteristic of different disciplines are giving rise to something new, rather than reinforcing a single dominant paradigm of thought. Having navigated some interdisciplinary pitfalls, the next challenge before us is time. As rigorous conversation and new ways of thinking require a delicate balance between structure and serendipity, a key determinant of our success will be our ability to sustain the conversation.

Our core objective is to employ our collaborative working group to make Duke University and the Kenan Institute for Ethics an international center for innovative scholarship and policy on institutional ethical culture. We want to make Duke *the* place to pursue research on ethical culture and *the* place to advance policy on ethical crisis. Toward this end, in the next 36 months we anticipate three core products from this interdisciplinary consortium. Note importantly, that here we are seeking funds for the 2007-2008 academic year only. We plan in the fall of 2007 to apply for external funding to support the final 18 months of the project.

First, we will produce a scholarly volume. This volume will employ our shared theoretical framework to test empirical arguments about ethical crisis, ethical culture and organizational change. The volume will be organized around a set of paired comparisons—juxtaposing historical periods, institutions, or normative lenses. Our expectation is these chapters will each include some element of new research or original analysis. Contributors will include members of the Duke community, previous speakers from other institutions, and other experts in the field. We expect to provide small research grants for faculty to cover direct research expenses associated with the researching and drafting of these chapters. In order to formalize the process, establish clear expectations, and expand the range of potential contributors, we will issue a Request for Proposals in Spring 2007. We plan to have a working conference in Spring 2008 where draft chapters are presented and critiqued by discussants in the field. Authors would then take the summer of 2008 to revise their chapters with an eye to submitting the volume in Fall 2008 for publication the following year.

Second, we will produce a series of organizational case studies suitable for the classroom, which will also form the core of a second volume. This volume will target advanced undergraduates and first year graduate students with interests in ethics and/or organizations. Starting in Spring 2008 and continuing through Spring 2009, vertically integrated teams of faculty, graduate students and undergraduates will develop a series of case materials on different moments of institutional crisis across business, higher education, military and religious institutions. We expect to have these case studies compiled and submitted for publication in the Spring of 2009 for publication the following year. We anticipate a simultaneous launch of a section of the Kenan Institute for Ethics website with a continuously updated archive of individual cases of crisis and response. This site will be a resource for student, educators and practitioners across a range of fields including business, history, law, philosophy, public policy, and sociology.

Third, we will design and launch two new courses—one for advanced undergraduates (Crisis in America: The Changing Ethics of Social Institutions) and one for graduate students (Institutions and Ethical Change). The undergraduate course will employ case method as its principle pedagogy. The course will also have a significant research service learning component where students will collaborate with local organizations on a project that seeks either to create some element of cultural change within that organization itself or in some other field of interest. The interdisciplinary graduate course will explore the theoretical and philosophical bases of ethical crisis and the empirical efforts to redress them. We expect to offer these co-taught interdisciplinary courses for the first time in either in the Fall 2008 or Spring 2009.

These three activities will be supported by a year long, monthly faculty/student seminar where we present, discuss and critique chapters for our scholarly volume and our case materials. This three-fold agenda – a conceptual volume that establishes our intellectual trajectory, a volume of case studies and related website, and new courses – we seek to make Duke and the Kenan Institute the central node in debates on ethical crisis and remediation and the first place where students of organizational culture and practitioners alike will turn for advice and counsel.

This project and our ongoing agenda fit squarely within the University's new strategic plan emphasis on "Making a Difference." We expect this project to 'make a difference' in three specific ways. First, is the social relevance of our intellectual agenda. We have a clear focus on identifying: a) a repertoire of organizational responses to crisis; b) the best strategies within this repertoire to create effective change given a particular institutional ethos -- an institutions configuration of mission, identity, social contract, accountability, and organizational structure; and c) specific examples of *successful* ethical reform within institutions. Second, we plan to shape public understanding of ethics and organizational reform by disseminating the results of the project via publications, case studies, and web materials that reach scholars, policy makers, students, and a broad general audience. And finally, we intend to make a difference at Duke by enriching and no doubt also challenging practical efforts in organizational change

that some project participants are involved in leading, including faculty and practitioners from the Kenan Institute for Ethics, the Fuqua School's Center on Leadership and Ethics, the Divinity School's Pulpit and Pew Initiative and the Center for Academic Integrity. We also see our work as providing a useful framework for ongoing discussions at Duke about changing campus culture.

3. TIMETABLE

Timing	Objective	Funding
Spring 2007	Request for Faculty Proposals Proposals Selected	Common Fund (granted)
Summer 2007	Research for Comparative Chapters	Common Fund (current application)
Fall 2007	Faculty/Grad Student Seminar Featuring Work In Progress; Apply for External Funds for July 1, 2008-Dec 30, 2009	Common Fund (current application)
Spring 2008	Seminar Continues Vertically Integrated Teams Formed for Case Studies Working Conference w/ Draft Chapters	Common Fund (current application)
Summer 2008	Vertical Integration Teams: Case Research; Revise Chapters	External Funding (TBD)
Fall 2008	Edited Volume Submitted for Review; Faculty/Student Seminar Featuring Presentation of Case Research	External Funding (TBD)
Spring 2009	Organizational Ethics Course(s) Faculty/Student Seminar Featuring Presentation of Case Research	External Funding (TBD)
Fall 2009	Edited Volume Published; Case Volume Submitted for Publication	External Funding (TBD)

4. FACULTY PARTICIPANTS, CO-CONVENERS, STEERING COMMITTEE

Faculty Participants

Kathy Bradley, Law School; Ken Carder, Divinity School; Jim Cox, Law School; Robert Cook-Deegan, Genome Ethics Law and Policy Center; Christopher Gelpi, Political Science; Ruth Grant, Department of Political Science; Amy Laura Hall, Divinity School; Ole Holsti, Political Science; Richard Kohn, UNC, Department of History; Joseph Leboeuf, Business; Gil Merkx, International Studies and Sociology; Luc Perkins, Department of Political Science; David Schanzer, Public Policy; Tianjian Shin, Department of Political Science; Scott Silliman, Law; Allen Verhey, Divinity School; Sam Wells, Divinity School; Peter Wood, Department of History.

Co-Conveners

Noah Pickus (PhD, Princeton University), Associate Director of the Kenan Institute for Ethics and Adjunct Associate Professor of Public Policy. Pickus's scholarly interests include normative and policy issues concerning citizenship and nationalism, and he has written on a variety of issues including immigration and ethics and public policy. His publications include *True Faith and Allegiance: Immigration and American Civic Nationalism* (Princeton University Press, 2005); *Immigration and Citizenship in the 21st Century* (Rowman and Littlefield, 1998); "A Ethics, Civic Life and the Education of Policymakers," (*The Good Society*, 2002); and "Rethinking the Role of Ethics in Public Affairs Education," (*Journal of Public Affairs Education*, 2002). Pickus directs the Kenan Institute's business ethics program *Ethics at Work*. He has consulted for a range of public and private entities, including the Department of Homeland Security, the A. Philip Randolph Educational Fund, PricewaterhouseCoopers, and the Pew Charitable Trusts. He was the founding Director of the Institute for Emerging Issues at NC State University and is a board member of the Institute of Forest Biotechnology and the Program in Cross-Sectoral Public Policy, and a program committee member for the Oak Ridge Center for Advanced Studies.

Suzanne Shanahan (PhD, Stanford), Assistant Professor of Sociology. Shanahan's comparative historical research explains how collective identities are created across time and space through legal (state and international) discourse. This work is represented principally in four projects. The first is a recently completed manuscript, *Grammars of Differentiation, State Sovereignty and Cultural Boundaries since 1590* that examines the rise of nationalism across the North Atlantic. Second, is a series of papers examining the effect of racial legislation on collective urban violence in the United States since the Civil War. Third, with Sanjeev Khagram she is completing *The Great Re-Transformation: Transnational Architectures of Economic Life* (University of Minnesota Press), a study of corporate social responsibility in Brazil, India, South Africa and Thailand. And finally, her next book project examines transnational "family markets" and the role of brokers in international adoption and surrogacy contracts.

Steering Committee

Ed Balleisen (PhD, Yale), Associate Professor of History. Balleisen's research explores the evolving "culture of American capitalism" - the institutions, values, and practices that both structure and limit commercial activity. Balleisen is fascinated by the shifting meanings of "success" and "failure" in America's business culture, and by the intersections among economic, legal, social, and cultural change. Having completed a major study of individual bankruptcy in nineteenth-century America (*Navigating Failure: Bankruptcy and Commercial Society in Antebellum America*, UNC Press, 2001) he has turned his attention to the history of commercial fraud in the United States, from the early nineteenth century through the present. One dimension of that research has resulted in a series of case studies on a 1990s

Medicare fraud scandal at a leading hospital company (*Scenes from a Corporate Makeover: HCA and Healthcare Fraud, 1992-2001* [Durham, Fuqua School of Business, 2003]).

Ken Carder (D. Min. Vanderbilt Divinity School), Professor of the Practice of Pastoral Formation and Director of the Center for Excellence in Ministry, served as bishop of the Mississippi Area of the United Methodist Church from July 2000-2004 and before that was bishop of the Nashville Area for eight years. He has been the pastor of Church Street United Methodist Church in Knoxville, Tenn. and in Oak Ridge, Concord, and Bristol, Tenn., Abingdon, Va.; and Rockville, Md. He is the author of three books, *Sermons on United Methodist Beliefs*, *A Bishops Reflections*, *Living Our Beliefs* and a study guide for *Who Are We? The Doctrine, Mission, and Ministry of the United Methodist Church*. He has also contributed articles to several journals, including *Christian Century*, *Circuit Rider*, and *Christian Social Action*. During the 2000-04 quadrennium, Bishop Carder served as president of the General Board of Discipleship and chair of the Council of Bishops Committee on Theological Education.

J. Peter Euben (PhD, University of California, Berkeley), Research Professor of Political Science and the Kenan Distinguished Faculty Fellow in Ethics. Euben specializes in ancient, modern, and contemporary political thought; literature and politics; political education; democratic culture and politics; and the politics of morality. He is the author of *The Tragedy of Political Theory*, *Corrupting Youth*, and *Platonic Noise*, editor of *Political Theory and Greek Tragedy*, and co-editor of *Athenian Political Thought and the Reconstitution of American Democracy*. He has published articles in numerous journals, including the *American Political Science Review* and *Political Theory*. Euben has received fellowships from the National Science Foundation, the Social Science Research Council, the National Humanities Foundation, and was a Laurence Rockefeller Fellow at the Princeton Center for the Study of Human Values. He has also won five teaching awards and is presently working on a book entitled *The Necessities of Utopia and the Prospects for Rationality*.

Steve May (PhD, University of Utah) Associate Professor of Communication Studies at the University of North Carolina at Chapel Hill. May's research focuses on the relationship between work and identity, as it relates to the boundaries of public/private, work/family, and labor/leisure. Most recently, he has studied the challenges and opportunities for organizational ethics and corporate social responsibility. His publications include *The Debate Over Corporate Social Responsibility*, *Case Studies in Organizational Communication: Ethical Perspectives and Practices* and *Engaging Organizational Communication Theory and Research: Multiple Perspectives*. He is a Leadership Fellow at the Institute for the Arts and the Humanities and an Ethics Fellow at the Parr Ethics Center. In addition, he serves as an ethics advisor for the Business Ethics program at Duke University's Kenan Institute for Ethics. He is a past editor of *Management Communication Quarterly* and the associate editor of *The Journal of Applied Communication Research* and *The Journal of Business Communication*.

Alex Roland (Ph.D, Duke University), Professor and Associate Chair of History. Roland studies military history and the history of technology. His focus has ranged over all of Western experience, and he has recently converted his undergraduate course in military history to a comparative world military history course. Roland has written about chariots in the second millennium B.C., Greek fire in medieval Byzantium, and computers and aerospace technology in the twentieth century. Recent publications include: *Strategic Computing: DARPA and the Quest for Machine Intelligence, 1983-1993* (MIT Press 2002); *The Military-industrial Complex* (American Historical Association, 2001); *Atmospheric Flight in the Twentieth Century* (Dordrecht, Ned.: Kluwer, 2000); and "Introduction." *War in the Modern World* (2000). He has served as Harold K. Johnson Professor of Military History, Military History Institute, U.S. Army War College, 1988-1989 Fellow, Dibner Institute for the History of Science and Technology, Massachusetts Institute of Technology, 1994-1995 Dr. Leo Shifrin Professor of Naval-Military History, U.S. Naval Academy, 2001-2002.

Sim Sitkin (PhD, Stanford University), Professor at the Fuqua School of Business, founding Director of the Center of Leadership and Ethics, Director of the Center for Organizational Research, and former Director of the Health Sector Management Program. Stikin’s research focuses on leadership and control systems and their influence on how organizations and their members become more or less capable of change and innovation. He is widely known for his research on the effect of formal and informal organizational control systems and leadership on risk taking, accountability, trust, learning, M&A processes, and innovation. He has published over 40 books, book chapters, and academic and practitioner journal articles. He is currently working on two book projects, one focusing on leadership, and a second focusing on the development and use of organizational control systems. Sitkin currently serves on the Board of Governors of the Academy of Management, as Senior Editor of *Organization Science* and Associate Editor of the *Journal of Organizational Behavior*, and has served on numerous editorial and review panels and organizational boards in the U.S., Canada, Australia and Hong Kong.

5. LARGE GROUP MEETING SUMMARIES

A) Fall 2005

- Business: Ed Balleisen, Sim Sitkin
- Religion: Amy Laura Hall, Ken Carder, Allen Verhey
- Military: Alex Roland, Richard Kohn

B) Spring 2006

- Reconstructing the University: David Frank, UC Irvine
- Ethics, Incentives, & Mechanisms for Institutional Change: Ruth Grant, Phil Costanzo, Jim Cox,
- Diversity, Shareholders, & Theories of Institutional Change: Frank Dobbin, Harvard University
- Project Summary Meeting

C) Fall 2006

- “On Changing Institutional Cultures”: 2005-2006 Summary & 2006-2007 Trajectory
- Ethical Crisis and Response: Peter Euben, Luc Perkins and Steve Sacco
- From the Cheating Culture to the Moral Center, David Callahan, Demos
- Shakespeare, Einstein and the Bottom Line, David Kirp, UC Berkeley with Peter Lange
- Islam in Post 9-11 America Kambiz GhaneaBassiri, Reed College and Peter Skerry, Boston College

D) Spring 2007

- The Dignity of Difference: How to Avoid the Class of Civilizations, Sir Jonathan Sacks
- From Nuremburg to Guantanamo, Nancy Sherman, Georgetown (summary forthcoming)

A) FALL 2005

Ed Balleisen, Sim Sitkin

Business Institutions

October 21, 2005

On October 21, 2005, the Kenan Institute for Ethics convened the first meeting of the three-year, university-wide Theme Initiative on *Changing Institutional Cultures*. The Initiative, which has received support from the Provost’s Common Fund, examines intentional efforts to change the ethical cultures of corporate, religious, military, and academic institutions. It includes a core group of participants who meet monthly, a speakers series, and a working conference that leads to an edited volume. In addition, faculty

and practitioners will incorporate ideas from the Initiative into their programs and begin to disseminate the results of the project to a general audience via publications, case studies, and web materials.

The first meeting of the Initiative focused on business as an institution. Participants included faculty from Business, Law, Divinity, Political Science, Sociology, History, and Public Policy. Key categories in the discussion **included factors shaping changes in attitudes toward business ethics; ethics and the functional imperatives of institutions; and culture as an analytical category.** Ed Balleisen (History) and Sim Sitkin (Fuqua School of Business) led **the discussion.**

Balleisen offered a broad-based historical narrative of the relationship between business ethics and other historical forces. He highlighted two periods in United States history in which public concern surrounding business ethics has been particularly pronounced:

- (1) In **1900-1930**, corporate power was strongly on the rise in American life and issues of accountability, regulation, standards in advertising and salesmanship, and the attitudes of wageworkers toward their employers loomed large on the American political agenda. Enhancing social respectability became a paramount concern for American business in this period, and *self-regulation* within the business world, via institutions such as the Better Business Bureau, was a primary means of gaining social trust.
- (2) In **1980-2005**, concerns over business ethics again loomed large, as the social concerns that businesses must contend with have spilled over into the realms of environmental externalities and cultural diversity within firms, in addition to a renewed political preoccupation with standards of accountability. In this period, businesses tended to adopt a similarly self-regulating approach to appeasing public concerns, with most Fortune 500 companies hiring ethics consultants culled from a multi-billion dollar “ethics industry.”

More broadly, Balleisen attributed the periodic intensification of public concern with business ethics to three broad factors. Scrutiny tends to be heightened by (a) the business cycle, as downturns in economic prosperity prompt increased distrust of business and heightened scrutiny; (b) social movements that shine a spotlight on business for failing to meet transcendent ethical standards, for example evangelical Christianity, the civil rights movement, or the anti-slavery movement; and (c) the widespread consolidation of corporate power within a given period, which tends to spark anxiety within the democratic polity about inequality and other issues.

Sitkin analyzed the interplay between internal and external pressures in changing the ethical culture of business. He identified four primary forces driving these ethical changes:

- (1) **Performance:** Businesses often change ethical standards and behavior in an effort to sustain public legitimacy, although this often comes at the expense of making *fundamental* rather than cosmetic changes.
- (2) **Personal Initiative:** The desire to leave a legacy within a firm often drives change, as CEOs or other groups within a firm attempt to “make their mark” and memorialize themselves for future generations.
- (3) **Societal Pressure:** Businesses always function within both a formal and an informal regulatory environment, and changes in similar institutions can produce cascading effects across firms.
- (4) **Changing Demographics:** In response to a more diverse workforce, firms have been prompted to change their ethical culture internally.

Sitkin further suggested a number of other broad themes to be addressed by the Initiative, including the nature of the role of individual and collective actors in institutionalizing changes, and concomitant issues of responsibility and *fundamental* change; judging the success of change, for which he suggested a distinction between distributive, procedural, and processual (referring to how actors are *treated* in instituting change) standards; and the role of professional organizations within the firm, as employees often bring a number of ethical norms to the table inherited from external sources.

Participants discussed several core issues:

(1) Factors Shaping Changes in Attitudes toward Business Ethics

- **Generational Change:** Different generations have different experiences of capitalism and hence different attitudes towards it: those growing up in the era immediately following the 1973 oil shock, for example, may have different attitudes from those growing up in the more prosperous 1950's.
- **Popular Culture:** Anything from dramatic portrayals of CEOs and workers on television to news coverage of corporate scandals may have a profound effect on public attitudes toward business ethics, effects that may interact with generational effects.

(2) Ethics and the Functional Imperatives of Institutions

- Some participants argued that ethics cannot be conceived as a matter of following or not following *positive law*, as the very nature of ethics lies in determining *which laws* are to be obeyed. They suggested that business should not be held accountable to the same ethical principles as government or private individuals, since business have an ethical imperative to survive in a competitive environment, an imperative intrinsic to business as an institution that trumps all other ethical considerations.
- Other participants objected that ethics should critical reflection on the *ends* of institutions, not merely on their means. Some argued against a Kantian conception of ethics as autonomy in favor of a community-based conception of ethics that is sensitive to the wider *impacts* of individual behavior and not simply to its “free” character.

(3) Culture as an Analytical Category

- The functional imperatives of institutions are fundamentally interrelated: culture is a byproduct of institutional purposes and the ethical culture of many firms may arise out of the imperative to survive in the marketplace.
- Conceptions of what ethics *is* can differ markedly across space and time, and cultural conflict concerning ethics is likely to exist within and between firms. Institutions can be thought of as consisting of an umbrella culture or of multiple subcultures, which may frustrate or enhance changes in the ethical culture.

Amy Laura Hall, Ken Carder, Allen Verhey
Religious Institutions
November 10, 2005

On November 10, 2005, the Kenan Institute for Ethics convened the second meeting of its three-year, university-wide research initiative on *Changing Institutional Cultures*. The research initiative, which has received support from the Provost's Common Fund, examines intentional efforts to change the ethical cultures of corporate, religious, military, and academic institutions. It includes a core group of participants who meet monthly, a speakers series, and a working conference that will lead to an edited volume. In addition, faculty and practitioners will incorporate ideas from the research initiative into their programs and begin to disseminate the results of the project to a general audience via publications, case studies, and web materials.

This second meeting focused on religious institutions. **The discussion built on issues raised in the first meeting concerning the relationship among ethical culture, economic forces, and institutional imperatives.** The focus was on religious institutions in the United States, particularly mainline Protestant ones. Future meetings may consider other religious institutions, especially those with more orthodox or traditional cultures, both within and beyond the United States.

Amy Laura Hall (Divinity School) opened the discussion by highlighting the conception of religion in America espoused in two influential books: Samuel Huntington's *Who Are We?* and William Hutchison's *Religious Pluralism*. **Both works portray religion in America as having a fundamentally Protestant bent, emphasizing the voluntary nature of Protestantism and its emphasis on the individual.** Huntington, for instance, sees "Hispanization" as contributing to a crisis of national identity and a disintegration of America's moral core. Hutchison is more descriptive than normative, but both authors assess religious diversity in terms of its Anglo-Protestant frame. Hall closed her remarks by noting a recent shift away from the voluntarism of Protestantism and toward the anti-individualism of more evangelical strains of Christianity.

Ken Carder, director of the Pulpit and Pew Initiative at the Divinity School and a former Bishop in the United Methodist Church, emphasized the interplay between religion and economic forces in America. **He described an underlying tendency in American churches to increasingly follow a market model centered on growth and expansion.** The new "megachurches" have taken on an expanded set of roles and functions, including recreation, daycare, and religious instruction. Carder traces this tendency back as early as Methodism on the American frontier and its accommodation of individualism and capitalism.

Some participants noted that the individualism of Anglo-Protestantism that shaped the capitalist ethos in America now challenges the ethical culture of religious institutions. The influence of mainline Protestantism on society has declined while American culture increasingly poses challenges for Methodists and other mainline denominations. (By contrast, the influence of business and the market has increased.) Others agreed that that the "church growth movement" has become dominant, but pointed out that not all churches and denominations have followed this path. Some individual churches see the market growth model of religious success as an abandonment of religious purpose.

The comparison between business and religious institutions raised core points about marketing and about professional identity:

- **Sales and Marketing:** The distinction between a sales and a marketing approach has important implications for religious institutions. Traditional efforts to increase church membership – revivals, for instance – don't require fundamental changes in the church itself. By contrast, sophisticated marketing efforts can lead to changes in the core culture of what the church

professes to be. Changing who you are in response to market demand fits the institutional imperatives of a businesses, but poses foundational challenges for religious institutions.

- **Professional Identity:** Participants asked whether religious institutions can learn anything from the ways in which other professions have grappled with the advent of advertising and the tensions between practicing a profession and a trade. Others noted that while the military advertises extensively, it doesn't treat recruits as customers once they've joined the institution. In fact, the military, like most businesses, requires its members to fully adapt to its existing culture.

These comments raised broader cross-cutting themes about what factors enable institutions to both grow and maintain their core identity, such as: a) a non-inclusive core leadership (i.e. leadership changes slowly and so maintains the core identity of the institution, as, for example, with the Mormon church); b) a strong infrastructure, such as in the case of Open Source computing, in which clear structures and rules have played key roles in enabling the free flow of ideas and information.

This analysis further prompted comments about different ways to conceive of the relationship between ethical cultures and institutions including:

- **The relationship between religious and educational institutions, whose primary purpose is to transmit and transform culture, and military and business institutions for which culture is a means to another end.** (If this distinction is correct, what light does it shed on the relationship between ethical cultures and institutional imperatives – for example, why does it seem that the cultures of religious and educational institutions seem to be under the greatest pressure today from external forces?)
- **The relationship between internal institutional rules and the larger institutional culture of each institution**, such as the unintended consequences of how pastors are paid in the Methodist church. Religious institutions have typically been similar to military institutions, in that leadership has been seen as a “calling,” rather than as a lucrative career option. But the new market mentality of religious institutions in America has come into deep conflict with this ideal. Should the church develop a different incentive structure for attracting and placing pastors, such as paying all pastors the same regardless of placement?
- **The relationship between external and internal cultures**, such as the pressures that changing notions of the family and the rise in consumerism are placing on the ethos and infrastructure of religious institutions.

In addition to the focus on religion and economic forces, **participants also called attention to the relationship between democracy and the institutional life of religions.** Some suggested that the pressures for growth might issue more from the nature of democratic politics itself rather than from market: in majoritarian democracies, becoming a majority is necessary to increasing political and cultural influence. Others suggested that while this analysis might apply to Southern Baptists, Methodists have become comfortable in their minority status, allowing them to maintain their particular identity at the expense of shaping the larger culture and polity.

Richard Kohn, Alex Roland
Military Institutions
December 22, 2005

On December 22, 2005, the third meeting of the Kenan Institute's three-year, university-wide Theme Initiative on Changing Institutional Cultures focused on the military. Richard Kohn (UNC, History) opened the discussion by citing Samuel Huntington's **definition of a profession: a group of people who share expertise, corporateness, and responsibility**. The military as a profession involves the management of violence (which entails a different set of ethical criteria than is found in other institutional forms), strong solidarity, integrity, and loyalty within the group, common norms, values, and perspectives, and, in a democratic context like that of the U.S., a subordination to civilian control.

These values derive from the 18th century European aristocracy, as does the idea of a professional officer corps that is distinguished from subordinate members, who are generally likened to craftsmen or tradesmen. **Victory in battle is the ultimate end of the military as an institution, from which stems a number of interrelated ethical imperatives** including honesty, competence, sacrifice, subordination and discipline, service to society, and honor.

At the same time, there are **inherent conflicts** involved in these ethical strictures including:

- Careerism, in which attaining rank is highly sought after, leading to a high propensity for those in the officer corps to favor war, and in which pointing out flaws and "rocking the boat" is generally avoided due to the detriments it can have to one's career path.
- Conflict between branches of the service, which has occasionally resulted in a struggle over scarce resources and a failure to cooperate with one another in battle.

Recent attempts to transform the ethical culture of the military in the United States include:

- Racial integration in the 1950's and 1960's, which was an extremely difficult process that required deep transformations in all branches of the military.
- A renewal of professionalism in the military in the 1970's, which required a raising of standards, an all-volunteer policy, and a strengthening of professional training, to the end of enhancing the effectiveness of the entire institution.
- Gender integration in the 1990's and in the 21st century, which has so far been less successful than the first two efforts because of deeply rooted internal resistance.

The **mechanisms** that determined success and failure in these cases included:

- The extent of the pressure from outside the services from civilian direction, combined with negative publicity. When outside pressure was applied, reform occurred—varied with political party in power, congressional pressure. Also the threat of combat, the danger from the Soviets mattered.
- The adoption of reform by the leadership of the service: putting equal opportunity on the OER, insistence by unit commanders and senior officers, suppression of negative influences internally (discourse, harassment, punishment, meeting the needs of women and minorities, etc. etc.), imposing training regimens to negate outside racism and sexism; command influence in units and individual leadership (Dave Palmer vs Hermon Marmon).
- Outside and inside influences can merge or conflict, but **the inside influence most determinants**, after pressure applied from outside: Tailhook an example.

The military's relative autonomy worked both to effect change and to resist it, but the impetus for change always originated in the outside: Truman's order in civil rights; the emerging civil rights movement; the pressure of the Korean War; examples like Tuskegee airmen and black combat success in army; needs of propaganda of the Cold War; needs of recruitment then adopted inside for functional reasons of discipline, recruiting, efficiency (segregation costly); In the case of gender integration, society divided and mixed messages, plus belief that dysfunctional most progress was need for people after switching to all volunteer force in early 70s; Civilian control a factor.

Motivation for change was often crisis driven: needs of manpower; combat in Korea; racial unrest within the services; need for people in 1970s; embarrassment of illegal or unethical behavior like My Lai, Tailhook; need to strengthen service's ability to attract good people, perform in combat. A second factor often was efficiency and the lack or availability of resources cost of segregation, difficulty of using women on ships or fears of discipline problems of men/women together in units. Change was often driven by desire for efficiency. Also driven by pressure from political leadership, operating on professionalism of senior leadership and their desire for promotion and advancement, particularly in social issues important to outside political constituencies operating on Congress and a political administration.

The bottom line, Kohn argued, is that the military services believe in their essential professionalism and virtue such that **reform is almost impossible without a dramatic incident** to prove the existence of problems, **followed by extensive internal investigation** to discover the nature and extent of the problem, **and then pressure applied either from the outside or from the top leadership** to make changes.

Sometimes, Kohn noted, recognition of problems and a particular reformer can make a difference: Don Snider at West Point in contrast with Al Pierce at Annapolis. Concern of 1990s has led to much discussion and many programs also influence of evangelical religion, worry that society around them degenerating (and getting kids in who have insufficient ethical grounding or the proper values) and that military cannot function without ethical standards far higher than the surrounding society and institutions with which military deals.

Alex Roland (Duke, History) built on Kohn's analysis by characterizing the military as having a metaphorical social contract with the state which allows it **considerable autonomy in matters such as internal justice** in return for submission to civilian control and to the aims of democratic government. **In this regard, the military is unique:** business, religious, and educational institutions do not possess this sort of independence. Because of this relative autonomy, the values of the military are often discordant with those of society at large. In military institutions, individuals must subordinate themselves to the institution via an oath: a commitment that can potentially come into conflict with a commitment to the U.S. Constitution. Furthermore, distance from society at large can breed a sense of "superiority and defensiveness" toward society and a commitment to loyalty at all costs. This commitment can have significant ethical consequences, such as suppression of candid discussion following the My Lai massacre in Vietnam.

The discussion focused first on the essence of the military as an institution which is characterized by **hierarchy** (though it can allow for independent and dissenting views), **obedience** enforced by law (including an internal system of punishment), and its **public nature** (the fact that it is directly subject to civilian oversight). Participants further assessed the unique set of ethical commitments, dilemmas, and moral psychology that military service entails including: **differential standards** by which some actions are justified that would not be tolerated outside the military such as deception, sabotage, and killing; **the possibility of death** that makes military service qualitatively different from other forms of employment and may also create interpersonal bonds which challenge the formal structure of hierarchy; and **lifetime**

“employment” compared to the relative “free agency” of the job market and even of membership in most religious institutions and which can engender conflicts between solidarity within the military and commitments to those outside, most especially to one’s family.

A number of **comparative issues** also emerged. Participants suggested that both religious and business institutions, for instance, have taken on a “total” character similar to the military’s. This comparison suggests that the four institutions should be analyzed on a continuum rather than treating each as unique. Other participants noted that the voluntary character of the American military has shaped its separateness from society in contrast to armies that require compulsory service, such as Israel, in which democratic values are paramount. These observations initiated a discussion about clarifying the structure and the dimensionality of the groups larger conversation, as well as the axes upon which we evaluate institutions. Questions included: Does the language of obedience make sense outside of the military? Does the language of salvation make sense outside of a religious context? Should we assess all institutions according to democratic criteria? What boundaries does each institutional type set between the needs and imperatives of the individual and those of the organization? Under what criteria should we assess the functionality and dysfunctionality of the institutions in question?

B) SPRING, 2006

David Frank, UC Irvine
Reconstructing the University
March 31, 2006

On March 31, 2006, David Frank, Associate Professor of Sociology at the University of California-Irvine, spoke at Duke about his recent work with Jay Gabler of Harvard University, a book titled *Reconstructing the University: Worldwide Changes in Academic Emphases Over the 20th Century*.

Frank's talk assessed basic transformations that have taken place in higher education on a global scale over the past five hundred years, along with the accompanying social, cultural and epistemological changes. He associates the rise of the modern university with the onset of what he calls the "post-monarchical episteme," in which an epistemology firmly embedded in a theological framework was overtaken by a secular/empiricist framework. One of the most striking features of this historical transformation is what Frank describes as the increasing predominance of *action*. Human beings have increasingly come to assume "actorhood" over things that were once understood as controlled by gods, fate or natural law.

This epochal shift has given rise to (a) a Weberian "disenchantment" with the world, (b) a heightened capacity to transform the world to achieve human ends, and (c) a steep decline in norms prohibiting "interference" in certain realms of life (Frank gives the example of control over life and death through contraception).

A necessary consequence of this "disenchantment" of the world and of the rise of actorhood has been an increased tendency for humans to see the world as fluid and dynamic rather than inscribed in some sort of natural order or hierarchy. The world, at least for the university, is increasingly seen as a vast set of horizontally networked relationships—with a transcendent humanity at the center—rather than as a fixed hierarchical order. Politically, these changes mimic the rise of democracy and the disappearance of monarchy. In terms of geography, the effects of this shift have given rise to secular trends in the university that are truly global: today, universities nearly everywhere have astoundingly similar organizational characteristics and orientations toward reality.

When it comes to more specific changes within universities, a number of strong trends can be discerned. From the standpoint of number of faculty, number of degrees offered, and course composition, clear winners and losers have emerged in the last hundred years or so. The humanities (philosophy, classics, and theology) have lost significant clout in universities; in the so-called "hard sciences" zoology and botany have experienced a great deal of decline. This decline has been accompanied by the meteoric rise of informatics, economics/business/finance/marketing and medical sciences.

In the American political sphere, two basic narratives—which Frank calls the left-wing and the right-wing narratives—have emerged to explain these secular trends. The right-wing variant, espoused by thinkers such as Allan Bloom in his *Closing of the American Mind*, views the contemporary university with deep suspicion because it has buckled under multicultural pressure and now fails to carry the Western tradition of thought and to tell a civilizational narrative. The left-wing narrative also tells a story of decline, but sees the contemporary university with suspicion because it has become deeply sullied by the forces of the marketplace—commercialization, commodification, value neutrality, subordination to the profit motive—but the forces *behind* these changes have differed over time. In the Vietnam War era, the state was viewed as the primary agent of the "take-over" of the university. Today, it is primarily the large multinational corporation that draws the ire of this narrative.

For Frank, both narratives are largely correct. The traditional humanities are indeed on the decline, and have slowly been replaced by a vast retinue of new sub-disciplines, from queer theory to hip-hop studies. Traditional historical inquiry is also on the decline, giving rise to what Professor Frank calls the “globalization of knowledge.” Today, study of the language and culture of the traditional colonial powers is on the decline, while study of Islamic cultures, China, and others is finding new prominence. Both narratives are also correct that disciplines associated with capitalist production are indeed on the rise.

Yet Frank is also deeply suspicious of these narratives, on the grounds that both are almost exclusively anecdotal and case-study oriented, and have little grounding in systematic empirical research. Both narratives, in addition, describe the university in functionalist, stimulus-and-response terms: the university as an institution is seen as a passive receptor of inputs from the market, the state, or cultural pressure groups.

Discussion focused in two key areas:

- (a). The basic tenets of the narrative. Participants challenged and attempted to modify Frank’s overarching framework for understanding the university along a number of fronts. Some argued that Frank’s narrative understates the degree to which the business world values applicants with a humanistic/critical thinking-oriented education. This challenge was countered by the claim that the historical rise of scientific/calculative thinking, and hence of learning as specific skill acquisition, is a very real one, and that humanistic/critical thinking is slowly being pushed into the background. Many participants agreed that there is an increasing discrepancy between what they would like the university to be—a site of critical inquiry and integral thinking—and what the university has become—a site of predominantly “value neutral” science, even in the social sciences.
- (b). The geographical scope of the narrative. Participants with first-hand knowledge of university experience outside of Europe and North America also weighed in on the debate. They argued that universities in places such as China and India do not strictly adhere to the horizontal/democratic narrative that Frank put forth, and that universities in places like South Africa, where disciplines like biblical studies often predominate, do not easily fit a secularization scheme. In all such instances, Frank acknowledged the existence of idiosyncratic institutions, but continually stressed the dominance of the global trends that he and Gabler have identified.

**Ruth Grant, Phil Costanzo, Jim Cox,
Ethics, Incentives, and Mechanisms for Institutional Change
April 21, 2006**

On April 21st, 2006, the 5th meeting Changing Institutional Cultures initiative focused on incentives and their relationship to institutional structure and basic problems in ethics. Ruth Grant (political theory) spoke about the ethical dilemmas that are raised when dealing with incentives; Jim Cox (law) addressed the ethical and practical problems that have been encountered in providing compensation to corporate CEO's; and Phil Costanzo (psychology), discussed the relationship between incentives, consent, and coercion, particularly as they relate to human development and institutions.

Ruth Grant discussed some of the fundamental ethical problems associated with the use of monetary incentives. The standard argument against offering incentives is that they undermine altruism, a sense of duty, and generosity, and that undermining these aspects of character makes them less abundant in the future. Another problem with offering incentives is that they can send a message to the receiver that they cannot understand reasoned argument or that they would not be motivated to do good things otherwise; in both cases, incentives can be perceived as an affront to character. All of these ethical problems are predicated upon the idea that *why* people do what they do matters. If external behavior is all that matters, then incentives face few ethical problems in that they are not forms of unacceptable coercion (like, for example, the threat of violence).

Grant then distinguished incentives from wages or compensation, even though most people, she argues, accept incentives as compensation. Incentives are different because they are intended to provide the right amount of compensation to get someone to do something, while wages are not typically used with such precision. **Grant pointed out that educational and health institutions have often taken the lead in being more sensitive to the ethical problems associated with offering incentives, and then discussed the problem of incentives in some of the institutional types with which the Initiative has been dealing.** The military, for instance, is described as an institution in which incentives almost always take a back seat to coercion and duty as motivations, while the church is typically an institution in which incentives are at least ostensibly rejected as a proper form of motivation.

Jim Cox discussed the role of incentives in addressing ethical problems in the business world. He focused on the problem of CEO compensation and the frequent discrepancy between the amount of compensation and the performance of business organizations. Cox argued that the dominant shareholder model of the corporation holds that CEOs should be given appropriate incentive to engage in ethical business practices by receiving stock options and hence becoming partial owners. One of the major problems that has emerged is that the committees responsible for determining CEO compensation have often not been separated enough from the influence of CEOs themselves. In this situation, managers possess a great deal of say in how much they are compensated.

Instead, Cox suggested, what is needed within firms is a structural change: some sort of neutral arbiter or referee must exist to ensure that the incentive structure works properly and rewards CEOs according to performance. In far too many firms there is no mechanism whereby owners can nominate individuals to serve on boards of directors who would be able to police the incentive system. There are similar problems when it comes to detecting and exposing fraud and other unethical practices within corporations. Accounting institutions in particular have typically had little incentive to expose fraud. Cox argues that the current trend in corporate America, in which CEO pay has far outstripped all measures of corporate performance, indicates that incentive structures are not working. **In other words, having "adequate" incentives is not enough.** Stock options do function well as incentives, but when they are used improperly they can actually work *against* the best interests of the organization. There must

be agents within organizations that ensure that incentives are being used properly or they cannot possibly exist as transformative mechanisms.

Turning onto a different track, Phil Costanzo discussed some of the cognitive and psychological dimensions of incentives, coercion, and ethics. Costanzo explicitly disavowed a hard and fast distinction between persuasion and coercion, because persuasion always takes place against a backdrop that has elements of coercion embedded within it. When people in positions of authority speak, for instance, they are often much more persuasive than those who are not seen as authoritative, and this is because of an initial identification with the figure. Persuasion has much more to do with heuristics than it does with the content of what is being said, and so coercion inevitably comes into play. This reality is not necessarily a bad thing: it simply means that we need to be more self-conscious about the *use* of coercion rather than seeking to eliminate it. Indeed, the absence of coercion is ultimately unethical, because it leaves decisions up to individuals whose characters have not been developed to the point where they can make decisions that serve the collective. Thus, any change of culture—particularly institutional culture—that only addresses the incentive structure does not go far enough. Character development is necessary, which itself requires the existence of exemplars and authority figures who shape identities. **In the end, the ability to make “free” decisions is dependent upon early identification with adult figures and the coercion of socialization, and it is this sort of arena in which real ethical transformation takes place.**

In the discussion session debate focused on how we define incentives and on the relationship between monetary and other forms of motivation. Participants stressed that shame, honor, approbation, condemnation, and the like constituted important forms of motivation that need to be addressed in any conceptual schema involving motivation. Some made a distinction between a rules and punishments-based approach to institutional change and exemplarity and background culture accounts of change, and argued that incentives are not enough since they always take part in a larger cultural/cognitive framework within institutions. This anthropological approach sees incentives embedded in systems of interpretation and challenges economic approaches to either expand the idea of utility or to look elsewhere. In response, some added that monetary and “other” incentives need not be substitutes for one another, but can actually be complementary and used in tandem to produce institutional change. **Overall, participants in the discussion seemed to agree that, one way or another, monetary incentives are not enough to produce fundamental, long-lasting shifts in ethical culture, and that an understanding rooted in other disciplines is demanded.**

Frank Dobbin, Harvard University
Diversity, Shareholders, and Theories of Institutional Change
May 5, 2006

On May 5th, 2006, Frank Dobbin, Professor of Sociology at Harvard University, spoke at Duke as part of the Changing Institutional Culture initiative. His talk dealt primarily with recent work he has jointly undertaken with other scholars on anti-discrimination in the workplace since the 1960's. Dobbin measures anti-discrimination in terms of the percentage of management positions occupied by women and African-Americans, the means that the American business community has used to address this problem, and the effectiveness of various modes of making management more diverse. **His basic finding is that approaches like diversity training and mentoring have been less effective than approaches that have emphasized the formation of *active* committees and offices within business organizations.**

First, Dobbin outlined some basic approaches to understanding institutional change, pointing out the mechanisms that each approach advocates for making institutions conform to models and meet goals that they are called on to fulfill:

- **Law and economics approach/agency theory.** Mechanism: Alter the *incentive structure* within the organization so that actors receive appropriate behavioral payoffs.
- **Organizational psychology.** Mechanism: Raise *awareness* of bias in the organization so that actors can self-correct their behavior.
- **Network theory.** Mechanism: Change the fundamental network *structure* of the firm in such a way that social groups within the organization receive necessary interaction with one another.
- **Organizational sociology.** Mechanism: Assign *responsibility* for change to particular actors within the organization by establishing agents of change.

Dobbin then applied these approaches to the study of anti-discrimination practices in American business in order to gauge the effectiveness of each. He outlined the most common remedies advocated by each approach, and collapsed law and economics/agency theory and psychology into one:

- **Law and economics approach/agency theory/organizational psychology:** Diversity performance evaluations; diversity training
- **Network theory:** Networking programs for women/minorities; mentoring programs pairing people from different groups
- **Organizational sociology:** Affirmative action plans; diversity committees; professional diversity-related staff

Dobbin has found in his research that the remedies advocated by law and economics/agency theory/psychology on one hand and network theory on the other were ineffective in increasing the number of women and African-Americans in management positions. Within these approaches, there were gradations of effectiveness. Affirmative action plans, diversity committees, and diversity-trained professional staff fared very well across the board, networking and mentoring programs produced mixed results at best, and diversity training and diversity performance evaluations were either ineffective or produced effects directly antithetical to those intended.

In order to make a more robust theoretical point, Dobbin briefly buttressed these results with findings from another article he co-authored on legal action and diversity efforts. His finding in this the article is that increasing punitive legal damages for failing to meet diversity standards, which is an approach advocated by the law and economics approach, has significant short-term effects that eventually die out in the long-run. But when businesses have been required to submit to federal oversight or to establish long-term positions within the organization devoted to diversification, the positive effects have been sustained

in the long term. Dobbin argues that his findings in both projects demonstrate that the approaches to institutional change advocated by organizational sociology have produced better results in the real world.

Professor Dobbin then closed with a brief outline of a general theory of institutional change. He argued that the best way to produce real institutional transformation is to establish (a) *responsibility* for such change within organizations and (b) *outcome-oriented oversight* that provides a continuous disciplinary effect on the behavior of institutions through time. In sum, changing incentives and consciousness is simply not enough. There must be permanent or semi-permanent centers of power *within* organizations that seek to establish necessary change.

After Professor Dobbin's talk adjourned, a question and answer session took place among involving professors involved with the Theme Initiative. The discussion dealt mostly with Dobbin's talk but expanded to touch on other work that he has been doing and to more general problems. Some of the issues include:

- Criteria. Are there consistent criteria that we can apply to all four of our institutional types? Does Dobbin's proposed theory of institutional change apply equally to all four? Or is it more relevant for business than for the military, or more relevant for the church than for the university? Dobbin's response was that sociology in general has been moving *away* from a sector-based understanding of institutions and *toward* a more all-encompassing view, a move that is due in large part to both a convergence of institutional characteristics in the world toward a business model (he said, half-jokingly, that MBA's have come to run nearly everything) *and* a related shift in sociological perspectives
- The problem of rhetoric and discourse. Is the increased privileging of economic perspectives due to a rise of corporate power and the discourse and rhetoric associated with it? Dobbin's response was that there have been spillover effects from economics, and that the prestige of economic analysis continues to both reign and expand. He then posited his own work as a very self-conscious response to this trend.
- Institutional specificity. At what point of generalization, in terms of institutional model-building, do we start to lose sight of the specific institutional types we're working with? How distant from specificity should we allow ourselves to become?
- Institutional culture and economics. How does Dobbin's earlier work on institutional culture, which was much less economic in approach, relate to his more recent work? Dobbin's response was that his work *has* been continuous because the workings of power are acknowledged and engaged with throughout his work. He argued that he will not settle for purely efficiency- and incentive-based accounts of institutional change, and that social construction is a power explanatory force, even when looking at economic institutions.

Spring 2006 Summary Meeting
May 17, 2006

At the beginning of the meeting, Noah Pickus laid down a basic timetable. The first part of the discussion was devoted to getting a basic sense of what Initiative participants have gained in understanding thus far. Prof. Pickus kicked off the discussion by pointing to what he thought to be a running theme: the issue of the business model, economic-oriented thinking and their effect on *all* of the institutional types at hand (and not just business itself).

From there, participants highlighted what they thought were important themes that need to be explored more thoroughly, including, but not limited to:

- Complexity within institutions. At what point do individual organizations within institutions become so different that we are forced to concede that we are really talking about different institutions? How are we to account for and to assess the coexistence of multiple and often competing ethoi within institutions? It was widely agreed that institutions are never monolithic, and that alternative models, self-understandings, and ethical frameworks exist within all of them, and that any account of institutional *change* will have to grapple with this complexity. Similarly, understandings of some of the basic concepts that we have dealt with—efficiency, specialization, ethical culture—differ within institutions and organizations in a way that we must be prepared to confront.
- Models and narratives within and outside the institution. It appears that the organizational models through which institutions construct themselves are continually coming into contact (and often collision) with organizational models proposed from outside. An example of this is the business/economic efficiency organizational model. How do institutions respond to these models and under what conditions do they adopt such models? In his talk, David Frank stressed the importance of deeply-rooted social trends that hold a great deal of sway in influencing the character of institutions. The question for us is *why* institutions acquiesce to becoming a part of such trends: what kinds of discussions go on within them? How much really is exogenous?
- Institutional uniqueness vs. historical pressure. It was widely agreed that each of the four institutional types we are dealing with possesses specificity vis-à-vis the others. What happens when that specificity comes in contact with wider social pressures? Under what conditions does an institutions cede degrees of uniqueness in the name of pursuing other goals? What forms of change can be enacted when this clash occurs? A more basic question was also put on the table: can we speak of institutional types as having essences? If institutions are always in flux, how are we to isolate unique characteristics?
- Speed of change. Is change rapid or glacial? In order to grapple with that question, we need an *ontogenetic* model of institutions. That is, we need to trace the developmental trajectory of institutions over time in order to chart the pace of change. Should we use the punctuated equilibrium model proposed by Frank Dobbin or a different model, or a model that emphasizes incremental change? Does speed seem to change along with other variables, such as hierarchy?
- The individual and the collective. When analyzing institutional change, is it possible to operate with individuals as the level of analysis, or are we incapable of extricating the individual from the collective? The problem of memory—transactive versus individual—was raised as an illustration of this problem. Does institutional memory reside within individuals that can unproblematically take that information elsewhere, or is memory indissociable from synergies between individuals?

This ties in very nicely with the concepts of specialization and professionalization that have been operative thus far: when we examine these concepts, at what level of analysis should we do so?

- Reintroducing the problem of ethics. The Initiative so far has been focused almost exclusively on institutional change and ways of effecting it, while ethics has perhaps been placed on the sidelines of the debate. It was widely agreed that the idea of ethics is very slippery and has been very elusive in the Initiative so far. But is it too soon to say that ethics has disappeared from discussion? Can we isolate ethics as a subject of discussion, or are other discussions concerning, say, the rise of the business model across institutions, intimately bound up with ethics already? Participants throughout the Initiative thus far have been virtually unanimous on the point that altering the incentive structure is not enough to induce ethical change. But what *is it* that is being changed? Just *what* are we seeking to transform in these discussions?

2005-2006 Summary & 2006-2007 Trajectory
“On Changing Institutional Cultures”
By Noah Pickus

Appeared in the Fall 2006 issue of InterConnection: Interdisciplinary Studies at Duke Newsletter

Moments of crisis offer unusual opportunities for ethical and cultural reflection. Yet there is little consensus about the best strategies to create effective change in these moments. The Kenan Institute for Ethics' Changing Institutional Cultures research initiative and lecture series focuses on filling this gap.

The research initiative brings together faculty from across the Arts & Sciences and the Divinity, Law, and Business Schools to assess efforts to strengthen the ethical cultures of four types of institutions: military, religious, business, and educational. The lecture series brings public intellectuals, practitioners, and scholars to meet with faculty and to explore these same issues in open forums.

Animated by a series of well-publicized recent scandals, much of the research discussion has focused on the contemporary American context. (Events at Duke have also given a practical and immediate focus to our work.) Each scandal has prompted demands for institutional reform and various strategies for accomplishing such change, from increased government oversight and regulation to stronger professional codes of conduct to creating institutional incentives to encourage ethical behavior and legal compliance.

The most basic challenge we've faced is finding a time when faculty from four different schools can meet. (Our best solution to this challenge has been to arrange for Friday morning breakfasts at 8:00 am.) The most difficult challenge has been to develop a common language across the highly diverse theoretical and empirical approaches that participants bring to the discussion. This challenge has been compounded by the range of institutions under review and by our desire to bring a historical and comparative sensibility to our work.

To avoid issues such as these, we began with a specific focus on the lack of candor across contemporary institutions. While this approach gave our work greater focus, it reduced faculty interest in the broad scope of the project. It also moved us away from a larger goal: to identify specific examples of *successful* ethical reform within institutions.

So while casting a wide net – both in terms of disciplines and institutions – had its challenges, it also had the benefit of allowing a direction to emerge organically from our deliberations. A common set of hypotheses have developed on the relation between institutional structure and purpose on the one hand and ethical crisis and the response to it on the other; between self- and external-regulation; and between the psychological determinants of change and perceptions of the need for change. These hypotheses seek to account for the changing nature of the social contract, the possibilities for the re-professionalization of institutions, and the need for, and limits of, incentive systems as a means for change.

As we enter the second year of our project, we are finding that our strength lies in the diversity of our approaches. Our interactions are proving most fruitful when the various perspectives characteristic of different disciplines are giving rise to something new, rather than reinforcing a single dominant paradigm of thought.

Having navigated some interdisciplinary pitfalls, the next challenge before us is time. As rigorous conversation and new ways of thinking require a delicate balance between structure and serendipity, a key determinant of our success will be our ability to sustain the conversation.

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Luc Perkins, Steven Sacco, Peter Euben Institutional Responses to Ethical Crisis September 29, 2006

Noah Pickus opened the meeting by stressing the need for developing a common language within the Initiative—a need that is especially strong given the deeply interdisciplinary nature of the project—and expressed a hope that some of the conceptual and methodological distance separating the Initiative’s participants can be bridged. To that end, Steven Sacco and Luc Perkins, graduate students in sociology and political science, respectively, presented the results of their summer research charting the range of institutional responses to ethical crises and Peter Euben served as a respondent.

Perkins and Sacco advanced two key points in defining an ethical crisis:

- Crisis can be framed in a way that more or less involves the *life and death* of institutions. If the life of an institution is threatened by ethical problems, we can then speak of crisis.
- Ethical crises are *systemic*. Although individual agency always plays a part in ethical crisis, the mal- or misfeasance of one “bad apple” is not sufficient: ethical problems must become deeply rooted in the *practices* of an institution. This framing also entails that the presence of scandal in itself does not necessarily evince the presence of ethical crisis, although it often does.

The most commonly found *responses* to ethical crisis discerned from the case studies included:

1. Muddle through/split the difference, in which institutions are very slow to make a definite response in the hopes that the problem will go away on its own.
2. Damage control, in which the response is to bury the problem and bring it out of public view.
3. Change of leadership, which can be best characterized as an effort to shift the essential direction and structure of an organization or institution.
4. Regulation, which is the submission of an institution to some form of external control.

One common set of hypotheses that emerged from the discussion focused on the relation between institutional structure and purpose, on the one hand, and ethical crisis and the response to it, on the other. The set of hypotheses included:

- More hierarchical authority structures are more vulnerable to ethical crisis. Further, the more public scrutiny of an institution, the more likely a crisis will generate comprehensive reforms. Institutions for whom civil society writ large is a primary stakeholder, will respond with more comprehensive change following a crisis.
- By contrast, institutions which have a “looser” institutional mission and/or authority structure and which the public is less of a direct stakeholder, may be less vulnerable to crisis. Indeed, organizations that embrace diverse ideologies might well incorporate dissent in a way that makes for more routine preventative measures.

- At the same time, more hierarchical institutions may be more likely to respond comprehensively to ethical crises, while more pluralist institutions are more likely to respond piece-meal and incrementally. The greater dissent over the purpose of an institution the less likely it is to determine a clear and compelling response to ethical crisis.
- On this reading, the military may be most susceptible to ethical crisis and most likely to respond to that crisis with comprehensive reforms, business organizations may be somewhat susceptible to ethical crises and somewhat likely to respond comprehensively, and higher education the least susceptible to ethical crises and the least likely to respond comprehensively.

Peter Euben’s observations included:

- To the Chinese, crisis means danger and opportunity. There’s a long tradition of institutions reinventing or reinvigorating themselves.
- Crises *can* be described as systemic for the most part, but systems are never as monolithic as the paper made them out to be: one needs to understand the micro *and* the macro level. It is very often the case that a strong disjunction exists between what occurs at those two levels in terms of both the determinants of ethical crisis *and* the response.
- There may be a danger in the rhetoric of diseases, cures, and physicians used in the medical model of crisis described in the paper. What are the unintended consequences of casting institutional problems this way? Is the language of disease too forceful and evocative? The historical and political uses of that metaphor might make it deeply problematic.
- There may be a problem in the paper concerning two valences of the term “ethical.” When we understand ethics as *ethos* and hence as practice and habit, an institution may be living up to that ethos and yet acting unethically from an external ethics perspective. This begs an important question: by what criteria are we to judge ethical and non-ethical behavior? Are they immanent to an institution, do they transcend it, or both?
- Institutional memory is important, as people often see something happening and start to bail out – not because there is a crisis but because they remember a previous crisis.
- It may be in the best interests of the initiative to abandon religion as one of the institutional types since religion, unlike the other institutional types, seems to assign a centrality to ethics *as such* that the other types do not. In business we want a better product; in higher education we want better students; in the military we want better soldiers. But religion is about being better human beings – it’s explicitly about ethics. And there are so many religions, how do we decide which to focus on among them?

During the ensuing discussion, a number of issues emerged:

- How are crises framed cognitively? What role do stereotypes, cognitive dissonance, mental shortcuts, and other psychological factors play? If we understand environments in which crisis is taking place as anxiety-ridden environments, what are the implications for agency? The language of denial can especially inform our discussions, especially affirmative styles of denial. People often make consistent what they see as an ideal to whatever it is they are doing at the time. If you look at the rhetoric before and after lacrosse, you can see this clearly. Crises

make the less conscious aspects of the institution more conscious. We wake up in the morning and attempt to do what we want to do or be, to affirm the value of our lives.

- The distinction between the micro and macro level in institutions needs to be clarified a great deal. Although micro-level ethical problems can threaten institutions more broadly, we need to be able to define what we mean by local and to determine mechanisms that integrate the local with the more general levels.
- At this point, the Initiative needs to think more deeply about the *ideals* that undergird institutions. Can we typically ascribe a single organizational and ethical ideal to institutions? What is the relationship between ethical crisis and dissent from those defining ideals?
- Institutional “looseness” was also a contested issue. There seemed to be a lack of precision in determining the role of institutional cohesion, centralization, acquiescence, and the like in assessing determinants or and responses to crisis. The central questions were the following: how does tolerance for deviation within an institution affect the likelihood of crisis? Does centralization lead to better responses?

David Callahan, Research Director, Demos
From the Cheating Culture to the Moral Center
October 19-20, 2006

Key Points from the Faculty Breakfast Seminar, followed by a Summary of Callahan's remarks:

- Hierarchy. Are hierarchical organizations inherently better at responding to crisis? While one must acknowledge their cohesion, hierarchical organizations may actually *foster* a cheating culture because, absent consensus at the top of the organization, problems often remain unaddressed. On the other hand, once elite consensus does exist, hierarchical organizations do seem to possess superiority in problem solving (the most commonly cited example being the military and desegregation) and decentralized systems may foster a race to the bottom.
- Self-regulation. In the past, intra-industry watchdog groups have come to the fore in addressing ethical problems. Why has this become so rare? Congress and Major League Baseball, for example, have done little to bring themselves into decent ethical order. How can we encourage a return to self-regulation and decrease our reliance on the watchdog state?
- Professionalism. Is baseball, for example, truly a profession? What is the impact of professionalization (or the lack thereof) on the incidence of cheating? Law, for example, seems to be moving from a professional model to a business model, and the consequence of this has been a move to an "employee" or "occupational" conception of those who practice law. Cheating, in the form of fraudulent billing, has been sharply on the rise because of a decline in professionalism and the norms associated with it.
- The American ethos. Is there something intrinsic to American culture that invites the cheating culture? America seems to be peculiar in its tolerance for ethical violation. The meritocratic spirit seems to appreciate success and may not ask enough questions about wealth. As a nation of "hustlers," we typically forgive the "winners" in the social race and love rogues, mavericks, and outlaws. This spirit, however, coexists alongside much higher ideals. Does this mean that the American case is not exceptional?
- General applicability. Can the rising incidence of cheating associated with growing insecurity be generalized across space and time? We do not typically associate the Great Depression, to give one example, with a cheating culture. Today, however, the circumstance is different: growing insecurity is set against the backdrop of rising affluence. But the question remains: does the American experience of recent decades apply more universally?

Callahan's Remarks:

On October 18, 2006, David Callahan, a prominent commentator and a co-founder of the think tank Demos, spoke at Duke's Sanford Institute of Public Policy. His talk was titled "From the Cheating Culture to the Moral Center" and was centered upon a synthesis of some of the themes explored in his two most recent books, *The Cheating Culture: Why More Americans are Doing Wrong to Get Ahead* (Harcourt, 2004) and *The Moral Center: How We Can Reclaim Our Country from Die-Hard Extremists, Rogue Corporations, Hollywood Hacks, and Pretend Patriots* (Harcourt, 2006).

The central argument underlying his talk is that American culture has undergone a deep transformation in the last thirty or so years. In innumerable realms of American life, from professional sports to the classroom to the corporate boardroom, cheating has become disturbingly rampant. As evidence, Callahan

cites a barrage of statistics and a plethora of public scandals: baseball's doping scandal; the financial scandals of the early twenty-first century surrounding Enron, WorldCom and others; \$350 billion in tax evasion every year; and over \$600 billion in employee fraud. What is strange about this trend is that it does *not* coincide with a more general social and moral decline: the incidence of crime, domestic abuse, abortion, teenage pregnancy, suicide, and drunk driving, among others, has declined sharply in recent years. So why the meteoric rise in cheating?

Callahan attributes the rise in cheating primarily to three factors:

1. In so many areas of life, the *stakes* involved have never been higher. Enormous fortunes await those who make it to "the top:" compensation for CEOs is exponentially higher than thirty years ago and salaries in professional sports have risen dramatically even since the 1990's, to give only two examples. The result is a new Gilded Age dominated by a "winner-takes-all" spirit that often richly rewards those who cheat.
2. Despite a backdrop of rising affluence, socioeconomic *insecurity* is on the rise, which provides incentives to cheat for those who are not necessarily reaching for "the top." The new structure of employment in America, characterized by outsourcing and the recession of the social safety net, has made downward mobility an ever-present possibility for most Americans. Cheating has become normalized in many areas because it has become necessary to socioeconomic survival.
3. Accompanying the rise in incentives to cheat is the weakening of *enforcement*. Government deregulation nearly across the board has produced a situation in which private power has come to dominate the public sphere and given market players more clout than ever before. Not only has cheating become more attractive, but in areas such as finance and medicine the penalties for doing so have faded considerably.

Callahan thus attributes the rise in cheating to a new incentive structure that pervades the American social landscape. Market forces are ultimately responsible. Although Callahan castigates what he calls the "soulless logic of self-interest and efficiency" that can result what market forces are left to themselves, he is quick to note that capitalism *per se* is not necessarily to blame. It is the specific *variant* of capitalism that has come into being in the last several decades in America that is at the heart of the cheating culture. This variant came in existence alongside the acceptance of a 1980's "greed is good" mentality that alleges that naked self-interest outside the bounds of basic ethical limits produces social good. Namely, we have evolved into is the 'winner take all society', where the spoils are allocated to only the few at the very top.

Callahan alleges that this mentality has split the American "moral compass" in two. As a culture, we now see two separate moral spheres. One sphere incorporates most of what we do. There, values such as fairness, honesty, integrity, and altruism are held to hold sway. But there has emerged a different moral code that governs our pursuit of success, broadly defined. Within this sphere, anything goes: the pursuit of success justifies an "any-means-necessary" outlook. If success means steroids, paying doctors to over-prescribe medication, or misreporting financial statistics, so be it. Although this characterization exaggerates, the new "compass" characterizes the moral outlook of far too many Americans.

But for Callahan, there is reason to be hopeful. In addition to social improvement in the areas mentioned earlier, the cheating culture too can be confronted in meaningful ways. In the lecture, three deeply interrelated remedies were suggested:

1. Basic institutional change. In the last several years, the medical world has undergone a sea change. New rules concerning gifts from pharmaceutical companies to doctors have been introduced, such companies have received heavy fines, and the American Medical Association has introduced new ethical standards for doctors. Within this sphere, cheating, in the form of inappropriate incentives to doctors, has seen a sharp decline in recent years.
2. Social change writ large. The social contract underlying American social life needs renewal. Those who do good should be rewarded and should feel secure in their socioeconomic status.

Equal standards must be brought to bear on people of all classes and social groupings. To that end, the IRS, the SEC, and other regulatory institutions need to be revitalized.

3. Transformation of the individual. Employing a rhetoric of “personal responsibility” is not enough: concrete steps need to be taken to inculcate people with stronger values. To that end, the children should be our first target. The crisis of fatherhood in America’s families must be addressed and character education in schools needs to be revitalized.

In sum, those who cheat are not necessarily “bad apples:” far too often they are ordinary people that find themselves in positions where the stakes are high and the perceived benefits of cheating are enormous. American culture is not fundamentally corrupt, nor is it even in decline: the only thing that stands between us and overcoming the cheating culture is political will.

**David Kirp (UC Berkeley), Peter Lange
Shakespeare, Einstein and the Bottom Line
November 8-9, 2006**

Key Points from the Faculty Breakfast Seminar, followed by a summary of the Kirp/Lange discussion and the breakfast discussion:

- Universities operate in a market economy that affects its strategic decisions and priorities. But it also affects its basic structures and daily operations. There are markets for students, markets for faculty and markets for ideas. This fact has obvious consequences that warrant reflection. If you want to know what a university's values look not to their mission statement but to where they spend their money. Indeed, values as articulated in a mission statement may be at odd with values demonstrated by spending behavior. Faculty incentive structures, for example, way well bespeak values incommensurate with their express mission.
- Universities are profoundly conservative (and conserving) institutions. The resilience of tenure as a structure is a prime example of this imperviousness to changing context. This argument stands in contrast to previous discussions where the openness of universities was understood as one factor that made them sometimes more receptive to change (though perhaps less able to effectuate change).
- Universities as particular organizations are held less accountable than many other organizations because of the moral authority/mythic legitimacy of higher education as an institution.
- Culture's have *tipping points*. Changing a culture does not mean changing the behavior of all individuals but a certain proportion—a proportion that is not easily gauged. If Duke did nothing but bring in 200 very different students would the culture change? Note here that this argument is in part behavioral. That is, cultural change is about aggregating individual level changes. Incentives then are not a philosophical issue but a design challenge. There are however, more macro implications where self-interest becomes communal commitment over time or where compliance can become engagement.

Kirp's Remarks

On November 8, 2006, David Kirp, Professor of Public Policy at the Goldman School of Public Policy at the University of California, Berkeley, spoke in the Richard White Auditorium on Duke's East Campus. Professor Kirp discussed his book *Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education* with moderator Noah Pickus and Provost Peter Lange.

At the core of Kirp's work is the notion that the 'marketizing' of academia has profoundly changed the traditional construction of academic life, with consequent ethical dilemmas. He is careful to point out that there are some positive benefits to this process, and that the prior order had its own ethical issues. That being said, his work focuses on exploring the downsides of the commercialization of higher education.

The process he seeks to understand is how the imperatives of the market have displaced the traditional academic values of the 'life of the mind'. Under a market system, institutions compete to sell a package of knowledge to students. Just as in any other market, universities and colleges are expected to cater to their own comparative advantage and seize particular market niches. This construction of the purpose of higher education contrasts strongly with the older model that emphasizes the 'communitistic' idea that knowledge is open source and that the purpose of the academy is to disseminate knowledge, not to sell it.

On the one hand, Professor Kirp asserts, 'marketization' has led to some innovations in teaching methodology: competition has spurred greater innovation. On the down side, it seems that the bulk of the competition is not over knowledge per se, but on some of the other 'intangibles' of higher education, particularly in the elite research institutions. The number one reason students attend certain elite institutions is prestige, not 'learning for learning's sake'.

He is careful to point out that there are at least two distinct groups of schools to consider (and there are in fact more than this). There is the small group of highly prestigious elite institutions on the one hand (such as Duke), and then there are the large state schools (another group would be the small liberal arts colleges). As he notes, the success of higher education as a whole depends on all of these groups being able to carry out their mission. To a great extent, the elite institutions rely heavily on the state schools being able to absorb the bulk of the college admissions. In other words, he has a population perspective on schools that the competitive market system tends to ignore.

One of the upshots of this process has been the increasing bifurcation between the teaching and research roles of faculty at the elite institutions. He claims that there has been an unwritten compact between senior faculty and college administrators: elite higher education faculty gets to do research and teaching as they see fit, and the administration gets free reign over everything else (such as the broader process of subjecting academia to 'market discipline')

This has lead, amongst elite institutions, to an increasingly bifurcated system, with tenured senior professors eschewing teaching positions, causing universities to hire adjuncts for this purpose, who possess less political and economic power.

Professor Kirp then went on to a central claim, which is that the incentive structures that institutions create, even if largely symbolic, signals what the institution deems important. What followed was an exchange with Provost Lange, who countered that plenty of senior faculty want to teach, the problem is in motivation. Research universities cannot offer the same level of teaching as small liberal arts colleges, however, they can offer things that small colleges cannot. The issue is how to best leverage the institution's particular advantages.

Professor Kirp also indicated that the outward image projected by universities, such as in the promotional literature, shows a strong isomorphism towards certain expectations of what makes for a quality educational experience. However, the reality is that different institutions occupy particular niches, no university can possess all of the attributes that a quality experience is supposed to have. However, all institutions have a hard time making that trade off.

When asked how universities respond to crisis, Kirp first invoked the example of Donald Rumsfeld. For all of his assertiveness, Rumsfeld had a hard time changing the culture of the military. Likewise universities are very conservative and hard to change. As he notes as a measure of this conservatism, while the Fortune 500 from 1890 would not look very like the Fortune 500 of today, a list of the top 25 prestigious schools in 1890 and today would by contrast look remarkably similar.

A number of points came out of the floor discussion. When asked a very pointed question about athletics, Professor Kirp responded that athletics have long been a part of campus culture and this is not a problem of itself. The problem lies in when athletics becomes a central logic for the university in and of itself. This can set up a moral dilemma.

The question was posed about rising education costs. Prof. Kirp explained that much of the problem lies in the privatization of universities, including state universities. Berkeley for instance resembles a private university much more than a public one, despite being part of the California state university system. This

is in part the logic of prestige and commercialization, however, it is also the result of public policy, such as Reagan era cuts in federal funding for state university education. He asserted that the private institutions must look to the health of the public university system, because the current trend could lead to a systemic problem. Minority disparities have already been long noted, but class disparities are high too. For instance, at nearly all elite schools, only 3%-10% of undergrads are from lower income brackets.

Finally, the issue of survival is not a big one for elite schools, the bigger one is on the constitution of the school as an institution, i.e. what do these schools value?

Changing Cultures Faculty Discussion with David Kirp November 10, 2006-11-27 Rhodes Conference Room, Sanford Institute

This morning session centered on connecting Kirp's general argument back to broad themes raised this fall.

Noah Pickus led off with a question about how issues of organization and hierarchy affect higher education. Namely, since higher education tends to be less hierarchical than, say, the military, does this mean that it is simultaneously more able to address ethical crises in advance and less able to respond comprehensively to ethical crises that do occur.

Shortly thereafter began an extensive discussion about *incentives*. At one end, there was the idea that the market creates perverse incentives when applied to higher education, on the other side there was the rebuttal that the underlying task of the university is to attract top people, why should the market invalidate that aim? This led to the observation that the evaluation of talent relies on the metrics used. Market incentives force certain metrics of performance that may not correspond to the traditional mission of the university.

It was observed that Frank Dobbin, in his visit, indicated that incentive systems tend to be ineffective in promoting change. This led to a discussion over what can be relied on to cause change. Shaming was brought up, as was self-interest, which given the paucity of economists at the table was a non-starter. It was observed that self-interest, as used, is too often tautological, and that the actual phenomenology of self interest is too complex for it to be reduced to simple directives.

Another issue that was discussed was the issue of *specialization*. That is, which is preferable, a broad based education or a more specialized one. This led to a discussion of what it means to be interdisciplinary. As David Kirp observed, this concept is too under analyzed and as a term it is 'mischievous'.

Professor Kirp asked about how long the university could survive on 'moral credit'. While 'marketization' has wrought some changes on the institutional structure of higher education, there remains a significant social structural perception of the moral value of the university which is based on its 'traditional mission'. This led to a discussion of the broader context, social and political, of the rise of economic self-interest and its effects on the university. "What is the cultural tipping point?"

Finally, the question of differences between the various academic disciplines was raised. Science has a rather different set of institutional imperatives than does social science or the humanities, and how is this affected by the process of making the university more like a market?

Kambiz GhaneaBassiri and Peter Skerry
Islam in America post-9/11
November 30-December 1 2006

Key Points from the Faculty Breakfast Seminar, followed by a summary of the GhaneaBassiri/Skerry discussion and the breakfast discussion:

Summary Points:

- It is indeed possible/helpful to speak of religion as an institution. Their identity function (their spiritual role) does not necessarily make them different than other institutions.
- Identity is an important characteristic of institutions and the strength of an institutions identity is critical to how it responds to crisis. Islam has a strong identity component—arguably more so than Protestantism. For Muslims in America, being Muslim trumps other identities. For this reason, mosques tend to be very heterogeneous religious communities. Historically, and quite unlike their Christian counterparts, have served few social functions. This singularity of purpose facilitates strong loyalty. But as mosques in the Unites States come to assume increasing social functions—with reading groups, social hours, children’s play groups, etc.—social and political conflict appears to be increasing.
- Islam in the United States and indeed elsewhere is diffusely organized with a clear network structure. This network has enabled an agile (and relatively unthreatening) response to the recent ethical crisis of Islam in America.

On Thursday, November 30, 2006, Professors Kambiz GhaneaBassiri and Peter Skerry spoke in Perkins Library’s Rare Book Room on Duke’s West Campus as part of the Kenan Institute for Ethics’ Theme Initiative on Transforming the Ethical Culture of Institutions. Professor GhaneaBassiri is Assistant Professor of Religion and Humanities at Reed College and the Temporary Director of Academic Affairs at the Dar Al Hadith Al Hassania in Morocco, a Carnegie Scholar, and author of *Competing Visions of Islam in the United States: A Study of Los Angeles* (1997) and of a forthcoming book on the history of Islam in America. Professor Skerry is Professor of Political Science at Boston College and Nonresident Senior Faculty Fellow at the Brookings Institution. He is the author of *Counting on the Census: Race, Group Identity, and the Evasion of Politics* (2000), *Mexican-Americans: The Ambivalent Minority* (1993, winner of the Los Angeles Times Book Prize) and is completing a book at the Russell Sage Foundation on the social and political integration of Muslims in contemporary America. He has written for *The New Republic*, *Slate*, *The Los Angeles Times*, and *The Wall Street Journal*.

Public Discussion

The subject of the discussion was “Islam in America post-9/11,” and was structured in a question-and-response fashion, with Theme Initiative director Professor Noah Pickus providing questions to the two speakers. Professor GhaneaBassiri’s initial remarks centered around the complex political situation of Islamic groups in contemporary America and the historical trajectory that brought them to where they are. The events of 9/11 have been essential to the formation of this situation, but the story is much more involved than many accounts acknowledge. As it stands, Islamic institutions in America are highly decentralized and without a unified voice—a condition that has thus far been mostly intentional on the part of those institutions. In order to fully understand why, we must go back several decades, to events such as the Salman Rushdie *fatwa* affair, the publication of Samuel Huntington’s *Clash of Civilizations*, and the airing of Steven Emerson’s highly controversial “Jihad in America” documentary on PBS in 1994. These events deeply shaped American perceptions of Islam and produced in the 1990’s what Professor Ghaneabassiri calls a “period of anxiety” with respect to Islam. With the events of 9/11, this anxiety translated into a deep suspicion on behalf of many Americans toward Islam, to the extent that the

allegiance, obedience, and commitment to values like free speech by Muslims was brought into question by the American mainstream—the question of whether Muslims “belong” in America at all was the culmination of this line of thought. Within Islamic institutions themselves, the 1990’s was a period characterized by the birth of what some have called “American Islam,” which is marked by a localization of mosques and an emerging independence of American Islamic institutions from those of Muslim-majority countries. Today, the situation remains highly ambiguous. Muslims have acquired a great deal of political clout and, as Professor GhaneaBassiri says, a “unique position to influence world affairs:” the White House now recognizes Ramadan, and one can find Muslim chaplains in prisons, the armed forces, and elsewhere. Overall, the message of the professor’s remarks was that although “American Islam” does appear to be emerging as a powerful historical force, we cannot yet speak of Islam in America as a homogeneous, unified bloc. For Muslims in America remain clustered around local and very heterogeneous mosques and institutions, and the current theological fragmentation that is symbiotic with this situation reflects the extreme ethnic and cultural diversity of American Muslims, a diversity that will only increase in the coming years.

Professor Skerry’s remarks centered on similar themes, but were markedly different in tone in that they emphasized some of the continuing sources of difficulty confronting Islamic groups in America and their efforts at assimilation. He stressed that Islamic groups today often encounter deep suspicion in their efforts to influence foreign policy, and that smaller cultural issues often fall by the wayside when we consider the “place” of Muslims in contemporary America. Overall, assimilation is going well, but the questioning of “belonging” is one that *has not yet been settled*. On the issue of women, for example, it is not at all clear that most Muslims share a great deal of common ground with average Americans. This ambiguity is heightened by the fact that women are much more involved in local mosques than most Americans probably realize. Professor Skerry also pointed to some of the political tactics of contemporary Islamic groups as potentially detrimental to their perception by the broader public, including the widespread use of an “anti-Bush” message and overhasty condemnations of the Patriot Act (which has not been as detrimental to Islamic interests as has often been portrayed). Overall, Professor Skerry described himself as optimistic with respect to the prospect of Muslims achieving a significant role in American political life, but also expressed a great deal of simultaneous concern. The question of loyalty to the American state, for example, is one that American Muslims will likely continue to face for years to come. Particularly in light of 9/11, American Muslims are continually confronted not only with a great deal of questioning concerning “belonging” in an abstract and cultural sense, but also in the sense of where their deepest sympathies and attachments lie. In order to gain broader acceptance, American Muslims will have to demonstrate that they are fully loyal to the American political order—not to that of their home countries or to Palestine, Saudi Arabia, or other political bodies—and this task will surely be a difficult one.

Upon finishing their opening remarks, the two speakers engaged in a broader discussion of the unique political status of Muslims in America. Both scholars agreed that Islamic political institutions have made strange bedfellows in the American political landscape. Currently, these groups have cast their fates with left-of-center advocacy groups such as the American Civil Liberties Union without necessarily understanding the broader message of such groups. Both also agreed that Muslims in America currently lack, for good or ill, any unified voice or set of institutions with which to articulate a cultural/political position. The decentralization and diversification of Islamic institutions is largely responsible for this, and has produced a number of problems, including the alienation of many mosques from larger religious involvements. The overriding difficulty is that the position of Muslims in America is without precedent in our history. No other “immigration” movement can be called upon to draw a strict parallel. Furthermore, as Professor Skerry remarked, “there was no Catholic 9/11,” and the relationship between Islam and America is marked by a history of violence the legacy of which is difficult to overcome. Any number of events, from the first Gulf War to the first bombing of the World Trade Center, testify to this already strained relationship. At the same time, however, both scholars stressed that Muslims in America

have shown a marked tendency to have a great deal of faith in the American political process, perhaps reflecting a sense that they, like other minorities throughout American history, can achieve a political foothold via legitimate, peaceful means. It is this hope that at least in part sustains the possibility that the legacy of violence can be overcome, no matter how distant such a prospect may be.

In light of the aims of the Theme Initiative this year, Professor Noah Pickus asked the respondents in closing about the response of Islamic institutions to the “crisis” of 9/11. Professor GhaneaBassiri made the claim that institutions have responded very pragmatically. The decentralization spoken of earlier was one of the main consequences, as was the insistence by many American Muslims that they are American *and* Muslim, and that this hybrid identity should not be looked upon with immediate suspicion. Professor Skerry largely agreed, but stressed that Islamic institutions still have a long way to go in gaining full acceptance within American society. Among the barriers to such acceptance include the continued use of funding by some Islamic organizations from countries such as Saudi Arabia. Such moves have been viewed with extreme suspicion, especially from the standpoint of concerns over loyalty. Professor Skerry stressed that the cause of assimilation will be greatly benefited by the emergence of a domestic funding infrastructure and a diminished reliance on “foreign” sources. At this point, Islamic institutions are highly diffuse and fragmented, and will perhaps need to develop a more systematic and unified character if they are to portray themselves as fully Muslim *and* American.

Overall, the tone of the discussion was one of great hope and also of healthy concern. Both speakers agreed that the possibility of success for Islamic institutions in America is quite high given the political culture that exists and given the history of successful struggles by other “minority” groups. But both also asserted that American society has many prejudices that must be overcome if Islam in America is to become more than an “identity group”—a process that could take decades. With respect to 9/11, it remained unclear at the end of the talk whether or not a “crisis” situation came to bear upon Islamic institutions. Both speakers agreed that such institutions found themselves in a position in which they felt forced to “answer for” the atrocities perpetrated in New York and Washington. But this constituted a crisis only from the standpoint of society at large and not within the institutions themselves. In the end, there appeared to be a consensus that American Islamic institutions have managed to steer clear of ethical crisis *within* those institutions and will likely continue to do so. However, this task will also be a difficult one, and will require that American Muslims remain steadfast in their commitment to non-violence and to the American political process. This would likely mean severing ties with Saudi Arabia and other sources and also a great deal of self-policing in terms of doctrine at the local level. The situation gives reason for hope, but the example of European countries such as Britain and the Netherlands also suggests that there is a “wrong” way of incorporating Muslims into post-industrial, Western societies that must be avoided at all costs.

Breakfast Session

On Friday, December 1, 2006, a faculty breakfast was held in the Rhodes Conference Room at the Sanford Institute of Public Policy at Duke in light of the previous evening’s discussion. At this event, faculty and graduate student participants had an opportunity to pursue avenues of questioning that were not fully addressed in the public session.

The first issue brought to the table was that of Islam as an “institution:” can we speak of it as an institution? If not, how are we to address its cultural/political impact? Both GhaneaBassiri and Skerry agreed that we *can* speak of Islam as an institution. The decentralization and diversity of organizations within it, as well as the lack of a single set of overarching principles, make it almost impossible to speak of “Islam” as an isolable category. Furthermore, Professor Skerry pointed out that there remain deep fractures within many mosques, insofar as many lack solid leadership and organizational capacity and

suffer from class and ethnic divisions. Within Islam, however, one *can* speak of Sufi orders, as well as most Shias, as constituting “institutional” forms.

The discussion then turned to organizational forms within Islamic institutions. Both scholars seem to wholeheartedly agree that mosques in America have typically been able to exist without high degrees of hierarchical organization *and* to sustain healthy membership at the same time. Professor GhaneaBassiri suggested that this may be due to the fact that Islamic practices are capable of accommodating those who disagree on a great deal of fundamental things: many Muslims in American mosques see them as sites of prayer and sources of communal belonging rather than doctrinal education. Professor Skerry then stressed that mosques, despite their diversity, have managed to produce a fairly standardized product in America: wherever one goes, one can have reasonable expectations of how a mosque is going to be run.

Echoing discussion from the previous evening, the question of “American Islam” was once again brought to the fore. Have Muslims in America begun to constitute a unique “brand” of Islam, with its own institutional forms, practices of accommodating diversity, and the like? Both speakers seemed to agree that while we cannot call Islam in America “an institution,” we *can* comfortably say that Islam has a much different tenor and sensibility than in many parts of Europe. One discussant argued strenuously that the United States has done a much better job of incorporating Muslims into the American polity as co-equal members than have countries like Britain and the Netherlands, where home-grown Islamic radicalism has reached a fever pitch when compared to radicalism in America, which has been extremely limited. Hence, the United States has done well in its relationship with Islam from a national security standpoint: whereas certain strains of Islam have amounted to real security risks in other OECD countries, the United States can, at least for the moment, be cautiously pleased with its “performance” in this regard. Both speakers agreed strongly with this proposition, and stressed that this process has been aided by a number of factors, including the non-emergence of a radicalized leadership within the U.S., as well as progress made by Muslims in entering the political process (for example the election of the first Muslim to Congress in November and the recognition of Ramadan by the White House).

To return to one of the fundamental thematic elements of the Initiative, the issue of crisis was once again brought to the fore by Professor Noah Pickus, who pressed the speakers to clarify the issue more than had been done the previous evening. Professor GhaneaBassiri acknowledged that in many ways an ethical crisis *does* exist within Islam in the form of the existence of a radicalized, potentially violent minority. Many Islamic groups, even in the U.S. support Hezbollah, the Mujahideen, and other organizations. He and others were quick to point out, however, that the Muslim “problem” does not exist in America the way that it does in Britain and elsewhere in Europe, where radicalization has taken a much firmer hold. Professor Skerry too acknowledged that large-scale violent plots like those uncovered in Europe since 9/11 have not yet taken place as in Europe, despite the presumption on the part of many Americans that Islam is an inherently violent religion that must continue to apologize for its more radical members. While the possibility of ethical crisis will likely continue to haunt Muslims given their current problematic status within the political life of Western states, so far Muslims in America have for the most part steered clear of crisis, and there is good reason to believe that they will continue to do so into the indefinite future.

D) SPRING 2007

Sir Jonathan Sacks

The Dignity of Difference: How to Avoid the Clash of Civilizations

January 18-19, 2007

Key Points from the Faculty Breakfast Seminar, followed by a summary of the Sack's lecture and the breakfast discussion:

Summary Points:

- Change is always a form of bereavement. The response to crisis and attempts to create change in the wake of crisis is always shaped by this fact. Understanding and attending to the social/emotional dimensions of organizational change are critical to effective ethical change.
- Leadership is critical. Leadership is at the heart of any ethical crisis and the ensuing response. We need to examine how leadership functions differently across institutions.
- Framing is critical to any effective intervention following ethical crisis. How the problems is framed—defined and articulated—in part determines the likelihood of any attempt to fix it. Many responses to crisis are ineffective per se, they merely miscast the problem itself. Effective leaders always need to mobilize sentiment around their framing of the problem **before** embarking on reform.
- Narrative is one of the most powerful tools of effective social change.

Sir Jonathan began by remarking that difficult moments are learning opportunities – they can cause growth. We are living at an extraordinary moment in history. There is terrible violence in the Middle East, there is the ongoing genocide in Darfur, there is terrible conflict in Chechnya, and so on. All countries are threatened by the new regime of violence. And violence extends beyond the military into the political, as evidenced by the ‘politics of anger’ raging in France and in Holland.

At the strategic level, it looks like America, Europe, and Russia are going their separate ways in terms of security policy. Next we have to ask about the ‘War on Terror’.

Here Sir Jonathan broke down the traditional definition of war. It used to mean:

First, it was an act between identifiable states. Second, it was between identifiable actors (a national polity or the like, a people). Third, it took place in an identifiable place, to wit, the battlefield. Finally, it had identifiable objectives and war aims

He then goes on to talk about the cause of the rise of religious rhetoric, which he traces to the increasing reach of global communications. In short, this wave (of religious mobilization) is being driven by technological change. We will not understand what is happening today unless we understand these processes.

He identified four ‘moments’ in literacy (meaning the ‘technology of the word’) The first moment was the birth of writing. Furthermore, writing coincided with the birth of civilization, and this was no accident according to Sir Jonathan. This in turn led to cosmological changes, the creation of articulated world views and so on. The second moment was the birth of the alphabet, which give rise to the ‘Book’, meaning the Bible, and thus to monotheism The third moment was the birth of printing, means that ordinary individuals can read in the vernacular, this brings about Reformation, and eventually revolution. And with revolution comes the free market. Finally the fourth moment is our own time, the media age of mass communications on a scale beyond anything hitherto.

This fourth revolution in literacy is profoundly affecting Islam, which is the youngest of the Abrahamic

monotheisms. The question is, what can we do in a world where events so easily become global? Have we actually confronted the problem at all? At this point Sir Jonathan expressed the opinion that all sorts of explanations have been advanced for the current state of global conflict, political, economic, sociological, psychological, and so on. What is missing in all this is the religious dimension. Sir Jonathan thinks this is a severe omission. We have attacked the problem in every way *but* religious.

He advances the claim that at least on one side of the conflict, the motivation is religious. The issue is that like with Christianity and Judaism before it, Islam must have its own revolution. Moreover, all the three Abrahamic monotheisms have always influenced each other, the faiths are interconnected. After all, they all share the same basic sacred text. This means that at the foundational level, that their narratives are intertwined. Sir Jonathan encourages us to return to this sacred text. And he recommends the use of a simple exercise, which is to interpret the texts.

Here Sir Jonathan goes on an extended discussion about the meaning of three biblical stories, all of which reflect back on the original brother conflict, Cain and Abel.

The other biblical stories he touched on were, in order: Isaac and Ishmael; Jacob and Esau; and Joseph and his brothers. Each of these were stories of the conflict between brothers, for various reasons.

Sir Jonathan thinks far too much has been made of the father son conflict in the bible, such as Abraham and Isaac. He thinks that the story of sibling conflict has been overlooked. He encourages reading the stories in several different lights. First, we can read the straight story, as it is in the text, without interpretation. Second, we can read from the vantage of the fathers. That is, how do they experience the story? Third, we can read the story in terms of the emotional impact, whose emotions are best described and why. This is particularly important in the case of Hagar and Ishmael, which Sir Jonathan claims gives most of the emotional story to Hagar and her son, not to Isaac. Four, we can read the story entirely in terms of the final scene. In Cain and Abel, Cain is banished, in the other stories, there is reconciliation at the end. Finally, we can read in terms of how Christians and Moslems read the story. Jews, especially after the *Midrash*, when the Torah was compiled, have interpreted the stories in a particular way, but the other faiths have their own interpretations.

Sir Jonathan thinks that the surface story does not contain the real action. He feels we need to read under the surface and grasp the sub text. In short, the surface story is just that, the thinnest interpretation of the meaning of the tale. In his view, the Bible stories about brotherly conflict show a progression in thinking. In the first story, Cain kills Abel, and Cain is banished. There is no chance at redress and understanding. Later stories show much more nuance, and there is no final banishment. Namely, Isaac and Ishmael reunite at the grave of their father, Jacob and Esau make up faster than Isaac and Ishmael, and Joseph forgives his brothers and shares what he has with them. In short, forgiveness is on the rise in these stories.

In all this, he thinks we are also addressing a key split in Western thinking. The Greeks went the way of logic and deduction, trying to derive the fundamental universals from the text. The Jews eschewed this approach, preferring to maintain their lessons in story form. Subsequently, he thinks that the inability to view others as human, which the narrative encourages but the logical universal approach does not, means that we can reinterpret people as less than human, and thus do violence to them.

Sir Jonathan encourages trying to examine the sub-text, which means putting ourselves, to use the cliché, into the other person's shoes. He says that we must see the world from our enemies' eyes, and we may not kill, wage war, or practice cruelty in the name of God. Short term battles are won by weapons, long term battles are won by ideas, and thus religious wars are won by religious ideas. Then he makes the strong claim that: secularization did not begin because people stopped believing in God, but rather they stopped believing that people of faith could resolve conflicts peaceably.

He says that anyone who kills in the name of god blasphemes, those who heal in the name of God brings life to the name of God. In conclusion, he remarks that organized religion may have never faced a greater challenge than in the 21st Century.

The floor was then opened for questions.

Q: Is it necessary in the revolution of consciousness to go beyond oral and written language?

A: Religious leaders are better speakers than listeners. We need more active listeners.

Q: what would you do if you were a diplomat, esp regarding the conflict in Israel?

A: Very few of the people involved are listening to the other side. The Israelis are not listening to the Palestinians and vice versa. And this extends beyond the Israeli-Palestinian conflict. Local communities are declaring peace, which national leaders are not. These locals may not like the other side, but peace is more important. Moreover, these 'unscripted moments' can have great symbolic value.

Hatred can't be ended quickly or easily, but it can be done. We can show understanding to each other. First we must understand, and then be understood. Not only have we not won the war, we haven't won the argument.

Also, in terms of language, we must speak in a language the other side can understand. We cannot start talking to Muslims by immediately bringing up 'freedom' and 'democracy', which are not central in Muslim thinking in a way that furthers our argument. Finally, it is more costly to fight wars with weapons than with ideas.

Breakfast meeting:

Noah Pickus again made some introductory remarks, framing what Sir Jonathan had to say with respect to the goals of the initiative.

Sir Jonathan then made some broader remarks on changing institutional culture. He enumerated some basic principles about affecting institutional change.

- 1) Know where you want to go (strategic plan)
- 2) Know that change is a form of bereavement, that even moving from a bad situation will cause emotional distress, people get used to what they are doing, even if it is bad. So, leadership is managing disappointment at a rate that people can stand. He then discussed by case study how organizational change can fail. One can do everything right, but if the context is not favorable (timing/culture) then change will not work. Sometimes issues have lock in, and the challenge is to reconceptualize the question, attack the issue from a different angle. Change the field of debate. Here he discussed reframing Jewish schooling in Britain into an issue of having Jewish children. He advised, if you are in a crisis, learn how to use it to your advantage, if you are not in a crisis, think about creating one.
- 3) Co-opt your most powerful potential opponents.
- 4) A great leader creates leaders, not followers

Professor Roland then asked: what is the relation between religion and ethics?

Sir Jonathan replied: Morality is not just a set of abstract principles, it is found in narrative, not rules but a voice. Don't just look at the overt structure, look at the underlying ritual/narrative.

Professor Roland then asked: Are there no universal moral absolutes?

Sir Jonathan replied: There are, but ethics must be implemented in time. This means that context matters.

Professor Costanzo asked: There seems to be an antinomy in contemporary psychology between solidarity in groups and individual ability to work across groups. Does religion have a problem with this social solidarity?

Sir Jonathan then employed a parable, he elaborated several different models for dealing with, in this case, asylum seekers. The upshot of his example was that the best way to create unity is to have people build something together. The exercise of building brings different people together. It utilizes diversity in solidarity rather than letting it divide people.

The comment was then made that a problem of this initiative is that it can be too abstract, perhaps the initiative needs to utilize narrative more.

Sir Jonathan replied that we all pay a price for abstraction. If we notice, we see that people at the top of their field have a tendency to speak simply. He then claims that the key is to capture the 'middle brow', those who are interested in issues, but not enough to become specialists. The key is for specialists to capture that middle market. Abstraction is fine for academia, the 'high brow', but not for catering to the middle brow.

Also, abstraction does not absolve us from listening to the silent

In some closing remarks, Sir Jonathan made the following points.

When talking about truly fundamental conflict, the fear of failure really impedes organizational change. He urges us to forget perfection, we need to fight that fear of failure. We can fail again and again and still achieve victory. What we want to accomplish is an environment that allows perfection to grow.

Nancy Sherman
From Nuremburg to Guantanamo
February 15, 2007
Summary Forthcoming