Environment-oriented Management and Philosophical, Ethical Innovation

Teruso TANIGUCHI

I. Introduction

The purpose of this paper is to clarify a theoretical basis to innovate the environment-oriented management.

Nowadays, the issues of integrating "greening of business" as well as "global environment" into "business strategic planning" have aroused a lively concern in industry. In order to resolve the issues raised by the integration, we, including business organizations, should incessantly innovate the existing philosophical and ethical premises in which we have had confidence. We hear people often say now is the time to put the concept of the environment-oriented management into practice, instead of wasting time to merely discussing about the concept. I can agree with this opinion in a sense. However, the issues of the environ-

* This is an expanded and revised version of the paper read at The Silver Anniversary International Whitehead Conference held in Claremont School of Theology, USA, August 4-9, 1998. I am indebted to a number of my fellow members of The Japan Society for Process Studies, especially to Yoshisuke Inoue (Professor of Momoyama Gakuin University) and Akiko Tsukamoto (Professor of Tokyo University), who gave me constructive criticisms and helpful suggestions for English expressions in my paper. But responsibility for the text with any surviving errors rests entirely upon the author.
ment not only involve various kind of elements but also are keep changing. Therefore, in case of dealing with the concept of the environment-oriented management with its practice, we have to take into consideration both processes from the concept to the practice and the practice to the concept. It is more realistic and meaningful to conceive that the both processes make a spiral-shaped progress. In the processes, the concept and practice introduce the new issues, which should contain more deepened context.

Issues to be considered in this paper are philosophical and ethical innovation of the environment-oriented management, which consists of the spiral processes from the concept to the practice, and vice versa. I want to explore the following four sub-issues: To begin with, I want to make clearer the concept of the environment-oriented management. Next, I want to adopt the perception theory of Whitehead to provide the philosophical basis to comprehend the concept of the environment, as the first step to innovate environment-oriented management. Furthermore, I want to enunciate a new conceptual framework to comprehend the environment, based upon the perception theory and the process thought of Whitehead. Finally, I want to try to clarify the direction, for which the philosophical and ethical innovation of the environment-oriented management are heading for.

II. The Concept of the Environment-oriented Management

Business organizations consist of a part of the society in the stream of history. And new management concepts have been introduced along with the stream of the history. “Strategic management,” “corporate identity,” “corporate culture,” “self-organizing,” “networking,” “philanthropy,” “corporate citizenship,” “reengineering” and so forth repre-
sent some of the new concept.

These concepts or topics are eager to be treated as a kind of fashion. Nevertheless, these concepts or topics are the essential elements of the business organization as well as management. They are interrelated each other. "Strategic management" and "reengineering" are regarded as the positive adaptation to the environmental as well as social changes, by means of realizing "self innovation." "Corporate identity" and "corporate culture" should be recognized as the basis as well as the outcome of the formation and reformation of such positive adaptations. When we observe these relations, "self organizing" should have significance. The concept of "self organizing" increases the effectiveness, when the concept (i) recognizes the interrelation between "business organization" and others, and (ii) can be related to the "social fitness." Otherwise, the concept loses the effectiveness. Thus, the phrases represent "social fitness" such as "networking," "philanthropy," "corporate-citizenship" and so forth should be considered. These concepts or topics imply that business organization is behavioral subjective entity through interrelating with environment, creates society and history and vice versa.

If we agree with these assumptions, we can understand that the environmental-oriented management should be the essential element of the business organization. In reality, however, the society has been recognized that the situation has been far from it. Nevertheless, as we mentioned above, we should not keep "environment-neglected management" existence. Even though we did not use the word "environment," or we were not conscious of the word, we have been and should have been referring to the "environment elements." Otherwise, we can not refer to nor participate in any activities of "management by business
organization” regardless of the issues concerned. The word “environment-neglected” has not been used as the literal sense. That is, the larger the discrepancy between the level of “environment consciousness” conceived by the society and by the business organization, the more the business organization was condemned to be “environment-neglected management.” Hereafter, I want to clarify the meaning of the “environment oriented management” from three angles:

With the first angle, I want to unfold the sense of the “environmental-oriented management” based on the “discrepancy of the environment consciousness among the concerned people.” It is rather difficult to objectively distinguish the “discrepancy.” However, the discrepancy can be implicitly clarified by recognizing the difference of the recognition between society and business organization on the issue of “corporate social responsibility.” The process of “corporate social responsibility” has fundamentally three development stages: (i) social obligation stages where legal and economic requirements should be observed, (ii) in the stage where business organizations accept current social norms as the corporate responsibility, (iii) and the stage where corporate responsiveness for the anticipated social norms can be observed\(^1\). Here, the responsiveness specifies proaction. In order that this proaction is widely accepted, social rectitude is obviously indispensable\(^2\). The discrepancy of the recognition of responsibility between society and business organization can explain, at the same time, both what is “environment-

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neglected management” and what is “environment-oriented management.” When society expects business organizations to carry on “current social norm,” while business organizations are interested only in social obligation, the business management is regarded as “environment-neglected management.” On the contrary, even society’s expectation is the same, but business organizations proactively realizes “anticipated social norm” with “social rectitude,” it can be the “environment-oriented management.” We should keep in mind that the meaning and the contents of the “environment-oriented management” change with history.

With the second angle, we will deal with the issue of what is meant by “environment,” in the phrase of “environment-oriented management.” “Environment” in general can be defined concretely as “external world which surrounds the behavioral subjective.” In management, environment in general can be regarded such stakeholders as stock holders, stock holding groups, employees, labor unions, customers, consumer groups, local societies, environmentalist groups, government, cabinet etc. Also, “environment” can be abstractly defined as the space where the reactions among stakeholders and the management can be taken place. Generally, the space can be analyzed as such space structure as economical, technical, political, social, and natural environment. In a word, “environment” can be defined widely or narrowly depend upon the importance of the relationship between business organization and the environment. However, historically, targeted “environment” varies with time, and management environment is surely enlarging.

Nowadays, issue of global environment becomes keen concern. As a result, mutual reaction between natural environment as an ecological system and business organization is being reconsidered. Now that the
environmental issue is important one, no more merely for environmentalist group, but also common for all social people. This tendency can be observed in such cases: (1) appearance of groups, which withdraw the capital from organizations to avoid natural destruction reflecting the stockholders social responsibility, (2) increase of such consumers who prefer to purchase "environmentally friendly articles" from "environmental-oriented" organization, (3) other stakeholders are going to contribute to better environment. As the situation is such, natural environment will have a significant meaning for the management. From now on, with the investigation on mutual interaction between management and natural environment, the relationship between management and other space environment will be argued.

With the third angle, the final issue to be explained is the concrete contents of the "environment-oriented management." To explain this issue, we have to consider the two fore-mentioned issues. Thus we can get the conclusively that "environment-oriented management" means the conversion from "end-of-pipe technology" to "cleaner production" in the case of production field\(^3\). The former represents the adapting-type technology. Here, production processes are regarded as pipes, and at the end of the pipes or of the production processes, some devices to remove waste noxious materials such as desulfurization devices are installed at the stuck. They are two problems to be solved in this solution. The first problem is we have to continue to use large amount of energy for a long run. Therefore, even we can cope with the environment problem in local sense but not in global sense. The second problem is the economical one or it continues to consume running cost in a long run. We can define

"cleaner production" as the production with minimum waist material, which consists of total production function from input, process, to output, in full use technology to reduce input by reuse and recycle of materials. This method requires a fair amount of primary investment, but we can expect, in a long run, better economical and global results for we can save waist-handling cost.

III. Perception Theory of Whitehead as the Philosophical Basis for Conceiving Environment

The reason we have to argue "environment-oriented management" is the fact that the subject has not been realized yet. Since the decade of starting 1990, "environmental crisis" has become one of the key issues. Environmental problems have now become the outcome of the interaction among human being and/or business organization and environment. And this interaction, in turn, is effected by how business organization or we conceive environment. As a result, "environmental crisis" can be said to be "crisis of conceiving environment." Then, we have to say that environmental problems enforce us to solve "crisis of conceiving environment". First of all, we have to investigate what has been the "conceiving environment" which caused our present "environmental problems." In a word, the "conceiving environment" has depended on the

"perception process" based on the modern science. If this is the case, investigation should start with overcoming this "perception process." It is no exaggeration to say that "environment problems" requires the reconstruction of the perception theory.

To reconstruct the perception theory, we have to clarify the feature and the defects of the "modern scientific perception theory." The conclusion is as follows: the feature of the "modern scientific perception theory" is to put too much emphasis on eyes or visual perception. It is true that in the visual perception is the core of the perception. However, the defects of the "modern scientific perception theory" is to rely too much on visual perception or sight and less on other perceptions like smell, taste, hearing, and touch, thinking they have less reliability. With other senses than sight, one can "feels" that "one is using his/her body." However, we rely too much on sight, only these "can be seen" or sight gives significant message and gives slight message of "feeling the body as functioning." As sight has active features, and other senses are relatively passive in nature, if we rely more on sight, it gives more of activity side and less of "feeling the body as functioning" side. This means, because as Whitehead pointed out, we are engaged in the environment and other world through our body, so that feeling about oneself is cut off from environment, which is referred as "self-centralization of perception." The concept of "self-centralization of perception" is referred to as the idea of focusing on one's own experience, while acknowledging the influence of the environment.

7) Whitehead, Ibid.
9) Tuan, Ibid.
perception” is said to be one of the “subject to be overcome” in the modernism, and is closely related to “anthropocentrism” which is also “subject to be overcome” in the environmental problems. Furthermore, if we think of the continual interactions among environment and human being, human being can exist between active and passive relations. Or in other word, as Merleau-Ponti has mentioned\(^{10}\), human being can be active and passive at the same time, and “self-centralization of perception” tends to cut off of the “correlation between passiveness and activeness,” which is the fundamentals to be human being. We can find here the latent real problem of the modern scientific perception theory.

To cope realistically with “environmental problems,” we have to exercise perception through not only sight but also other senses. Through the exercise, one can obtain better perception of the sight as well as the other senses so as to get the feeling of togetherness with environment. Through it, one can obtain the perception in which one can strengthen “correlation between passiveness and activeness,” and thus open the way to overcome the difficulties related to the modern scientific perception theory.

Whitehead opened the way through analyzing the perception dynamism using (1) “causal efficacy,” (2) “presentational immediacy” and (3) “symbolic reference”\(^{11}\), of these three Seisaku Yamamoto named “triple layered structure of perception”\(^{12}\).

\(^{10}\) Cf. Merleau-Ponty, M., Chikaku no Genshougaku 2, Misuzu Shobou, 1974 (Phénoméno- logie de la perception, Gallimard, 1945), p.333.


“Causal efficacy” is the feeling of our body as functioning, and is to receive “incitement” from the environment for its own sake. Whitehead expressed these phenomena as “physical experience” and said “can be conceived as the transference of throbs emotional energy”\(^{13}\). The perception gained from “causal efficacy” is obscure and difficult to process but abundant in its contents. The perception gained by “causal efficacy” is the kind of perception by the sense where, human being as subject, is being together with environment as an object.

“Presentational immediacy” means the direct perception of the geometric relations of sensa spread out before eyes. Whitehead say that the knowledge perceived through the “presentational immediacy” is vivid, elaborated, and barren\(^{14}\). The reason to say barren is that if we conceive “presentational immediacy” apart from “causal efficacy” (or bodily experience), it becomes merely phenomena. “Presentational immediacy” depends upon person who perceives and the space where the person is located, and location can be defined by “causal efficacy.” Therefore, if we focus only on “presentational immediacy” neglecting “causal efficacy” the perception becomes excessive abstraction. It is important that “presentational immediacy” should be based on the “causal efficacy.”

Our knowledge becomes obscure if it is perceived only by “casual efficacy,” and becomes excessively abstracted if it is perceived only by “presentational immediacy.” In either case, it becomes unrealistic. Therefore, more reliable and realistic knowledge can be perceived from the combined one. Whitehead wrote, “The unravelling of the complex


interplay between two modes of perception-causal efficacy and presentational immediacy is one main problem of the theory of perception."^{15} The interplay is "symbolic reference". "The species from which the symbolic reference starts is called the 'species of symbols,' and the species which it ends is called the 'species of meaning."^{16} Percipient object of either "casual efficacy" or "presentational immediacy" becomes "symbol" and the other becomes "meaning." However, the relation can not be fixed. The relation "depends upon the experimental process, constituting the precipient [percipient] subject."^{17} "In general, the symbols are more handy elements in our experience than are the meanings."^{18} Therefore, those percipient objects which we can be communed become "symbol" and the other becomes "meaning."

As we have mentioned, "symbolic reference" is the integration of the "causal efficacy" and "presentational immediacy," and is the transfer from "symbol" to "meaning," and is the connection of the two. "Accordingly, while the two pure perceptive modes are incapable of error, symbolic reference introduces this possibility."^{19} This is because symbolic reference based on an interpretation, and "the meaning are often shifting and intermediate."^{20} Errors in symbolic reference crop up when we miss mach "symbol" and "meaning." As we mentioned above, if we follow the criteria that those things which are easier to experience is "symbol" and the other is "meaning," we can show the two typical "error" cases. One is the case where things are experienced with more of "causal

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16) Ibid., p.209.
18) Ibid., p.211.
19) Ibid., p.196.
20) Ibid., p.212.
efficacy” than “presentational immediacy,” and the second case is the opposite situation. In the former case, perception object perceived through “causal efficacy” becomes “symbol”, and through “presentational immediacy” becomes “meaning.” However, because of the obscurity of the perception object, one fails to find the “meaning,” or even one could find the “meaning,” it often ends up with the improper “meaning.” In the latter case, perception object perceived through “presentational immediacy” becomes “symbol” and through “causal efficacy” becomes “meaning.” In this case also, the similar error crop up as is the first case. Thus, we cannot avoid errors by any means. However, there is a possibility to gradually improve to be a more reliable one by thinking that the interplay between “causal efficacy” and “presentational immediacy” has the circular nature and the spiral process. The process is of mutually fortifying the content of experiences derived from two modes of perception. Whitehead wrote that because symbolic reference can not be performed without errors, justification is necessary, and “The test of justification must always be pragmatic”\(^{21}\). When he wrote this sentence, he might have in mind the above mentioned spiral process even though he did not mention it.

If the process of interplay between “causal efficacy” and “presentational immediacy” denies and excludes the experience obtained through each perception process, the “symbolic reference”, which should be outcome of the process, can not be justified. Development of science as well as technology, penetration of modern scientific thinking approach into society as well as people, advanced the perception through “presentational immediacy” into higher level. We can surely conclude

that this situation in turn has weakened the perception through "causal efficacy" and has led to the unbalanced "symbolic reference." Environmental issues of today can be traced back to this situation. In other word, we may say that today's serious environmental issues arose with the outcome of the pragmatic justification test of the "symbolic reference," which has been duly proceeded to make the situation clearer.

Recently, with regard to the environmental issues, the importance of five senses, which was once widely accepted as a common sense, has seemingly revived. If we make a theory based on the common sense, it might be similar to the perception theory of Whitehead. He developed the above-mentioned "triple layered structure of perception," and tried to overcome the limitations of the modern scientific perception theory. His approach was not to separate perception subject from perception object, and was to confront with the reality where human beings live together with environment. His approach was also to take the perception theory respecting the five senses of human beings. By preparing this kind of perception theory, one can find at last the way to overcome the "anthropocentrism." And only through this perception theory, foundation of recognizing environment of persons or various organizations (as behavioral subject) will be accomplished.

IV. New Conceptual Framework for Conceiving Environment\textsuperscript{22)}

Whitehead, as it is well known, conceptualized "actual entity" as "the final real things of which world is made up"\textsuperscript{23}); thus he generalized these

\textsuperscript{22)} This chapter extends and enlarges upon the ideas discussed in my paper "Kankyou to Keiei no Imirenkan to sono Henkaku Katei"("Complex of Meaning between Environment and Management, and Its Innovation Process," \textit{Organizational Science}, Hakuto-Shobo, Vol.30, No.1, September 1996).
conceptual types as the whole creation and existence, based on such recognition types as the creation and existence. Actual entities are “drops of experience, complex and interdependent,” and are “self-creating creature” limited by themselves as well as by the world 24). Actual entities make themselves to be substances and existences, which participate in creating the world.

Business organizations, which are expected to be environment-oriented behavioral objects, can be one of the actual entities with the features mentioned above. If it is the case, business organization can be created and continue to exist in the process of interplay between environment and business organizations. “Interplay between business organizations and environment” can be expressed as follows 25):

Business organization conceives and comprehends the meaning, which is generated by environment, and then they create and add the new meaning to the environment. In the meantime, the environment changes itself to the new environment by receiving the new meaning from business organization. And then, the environment adds the new meaning to the business organization. By conceiving and comprehending the new meaning, the business organization becomes the new existence. Interplay between the environment and the business organization is a kind of circulating process of creations toward a higher level.

24) Ibid., p.23.
Here, "addition of the new meaning" means a kind of signal or "incitement" from the environment to the business organization and from the latter to the former. A kind of signal or "incitement" is not the one given by outside, but should be the one which has a nature of the outcome of "interplay between the environment and the business organization." For the business organization, "addition of the new meaning" from the environment can be regarded as the active function of "incitement", which is the compound outcome of the business organization's past creation of the meaning and the reaction from the environment to the organization's creation. It is nothing but the activeness itself possessed by the environment. Referring to the previously mentioned "triple layered structure of perception," this corresponds to the "causal efficacy." "To conceive and to comprehend the meaning" by the business organization through interplay between the environment and the business organization can be realized by "symbolic reference" which combines "causal efficacy" and "presentational immediacy."

Previously mentioned circular process of interplay between the environment and the business organization can be recognized as integration process of subjective process and objective process, if we view it from the business organization side. There are synchronic process and diachronic process. These processes are also the processes of correlation of meaning between the environment and the business organization. Therefore, environment recognition by the business organization is how to conceive and comprehend the synchronic correlation of meaning between the environment and the business organization with the anticipation of diachronic correlation of meaning between the environment and the business organization. In other word, these processes are the analysis of
"symbolic reference" itself. Therefor, if we follow the classification of the environment as discussed in II, we can not conceive well the correlation of meaning between the environment and the business organization. They tell us what is the environment that we should conceive, but do not tell us how and why to conceive. They are merely an analysis of either "causal efficacy" or "presentational immediacy" in the business organization's perception process. In order to analyze what, how, and why one conceived something as the environment, one has to make an analysis of "symbolic reference" of the business organization. This requires semantic classification of the environment. This classification will become a new conceptual framework to conceive environment, supplementing the classification of environment by stakeholders, by element or space.  

As it became obvious, the meaning of the environment for the business organization should be originated from "interplay between the environment and the business organization." Defining the "meaning" different from the above mentioned process can not be escaped from being arbitrary, because it can be some given condition without historical viewpoint or generalization of some restricted experience. Semantic classification of the environment by the business organization is to comprehend the "interplay between the environment and the business organization" from the viewpoint of the business organization. There are four aspects to be considered from this viewpoint of the environment classification. We must recall that the business organization as a behavioral subject entity in the integrated process of objectification and subjectification. Then, as the first aspect, we have to consider the difference and the relationship between the "meaning of environment in objectification

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26) Cf. Ibid.
process” and “the meaning of environment in subjectification”. The second aspect is to find out what is meant by the “interplay” in a business organization from the viewpoint of “prerequisite of existence”. The third aspect is the importance of interpreting the “interplay” from the viewpoint of “time structure”. The final and the fourth aspect is to find out (1) business organization as well as environment change through interplay and (2) conceiving environment is an endless process or the limitation of perception caused by (1).

From the first aspect, we can think of “fundamental environment” and “environment of action and/or function” as a semantic environment of business organization. In this case, the former is “as mother’s body” for the business organization, and the latter is the environment of business organizations’ “object of action” and/or “field of action.”

From the second aspect point, “symbiosis-environment” and “resource-environment” and/or “competitive-environment” are issues to be investigated. “Mutual dependence” is the prerequisite of “to live.” Therefore environment is innately the “field for symbiosis” and the “field to cooperate.” And at the same time, “to live” requires to get “food”27). Business organization requires “resource” as food to “live.” Therefore, environment means “resource-environment” and the more the business organizations live, and the less resource exists, it becomes “competitive-environment.” From the third aspect, “diachronic environment” and “synchronic environment” should be distinguished.

Lastly, from the fourth aspect, we can compare the “actual environment” and the “real environment.” The latter is truly “realistic” and “self-conceived” environment for the specific business organizations.

The former is environment as an actuality or as being environment independent from the specific organization’s conceived environment.

These semantic environments can be categorized into two. That is, from the viewpoint of business organization as a subject, the first category is the meaning of environment related to “aspect of to be made living” and the second one is the meaning of environment related to “aspect of to live.” In the former category we can include “fundamental environment”, “symbiosis environment”, “diachronic environment”, and “actual environment”. In the latter category we can include “action-and/or function-environment”, “resource-and/or competitive-environment”, “synchronic environment”, “real environment”. Conceiving of environment by business organization is, in a ward, how to comprehend the contrast as well as the relation between “aspect of to be made living” and “aspect of to live.” By doing so, business organization decides its management behavior and management philosophy. How to conceive the contrast and/or the relation between “fundamental environment” and “action-and/or function-environment” determines the quality of the business organization’s nature of independence. Also, how to conceive the contrast and/or the relation between “symbiosis environment” and “resource-and/or competitive-environment” determines the degree of “self-transcendental subject,” that is, “subject-superject” and the degree of “sympathy” of the business organization. If one try to consider the contrast and/or the relation between “diachronic environment” and “synchronic environment,” one can get certain “historical viewpoint.” And if one try to consider the contrast and/or the relation between “actual environment” and “real environment” one can get certain “onto-

28) Ibid., p.34.
logical viewpoint.” “Historical viewpoint” gives the viewpoint of the contrast and/or relation between “fundamental environment” and “action-and/or function-environment.” And “ontological viewpoint” gives the viewpoint of the contrast and/or the relation between “symbiosis environment” and “resource-and/or competitive-environment.” One should be careful in doing these considerations that the relation is not only one direction but also both directions. We can show the relation with the diagram shown below:

If we lie these semantic category of environment upon the fore menti-

oned “triple layered structure of perception,” “aspect of to be made living” corresponds to “causal efficacy”, and “aspect of to live” corresponds to “presentational immediacy.” How to relate “aspect of to be made living” to “aspect to live” as the contrast of pair environment is the issue of “symbolic reference.”

In the “symbolic reference” of traditional business organization which is related to the perceiving environment, the more one relies on the perception through the experience of “presentational immediacy,” the less
one rely on the perception through the experience of "causal efficacy," and thus the "symbol" tends to be the "meaning." In this situation, semantic perception of the "management environment" is pursued only related to the various environments related to the "aspect of to live." This kind of conception strengthen the "shortsighted thinking" in the historical viewpoint, and "self-fulfillment principle" in ontological viewpoint, and thus, make human being conceive the environment of the business organizations only from the "utility value." In this situation, environment tries to increase the benefit of the business enterprise, and prepare the active field (action-and/or function- environment), and prepare the object or situation (resource-and/or competitive-environment). Thus for the business organization, the "present" (synchronic environment) with some allowance is important, and there is nothing but the self-perceived "real environment."

On the other hand, from now on, when business organizations try to perceive environment, one may notice the following respects. One should take "long-spanned thinking" in the historical viewpoint, and "interdependence principle" in the ontological viewpoint\(^{29}\). And, If they are steadily practiced, it is no exaggeration to say that business organization reaches the stage of having higher sensitivity as the organization as a whole to the "outside" of itself, enlarging the "conscious horizon" as a organization, and always trying to go beyond one's self. Then business organization may perceive the environment as a field, which can enlarge self-identity\(^{30}\). This means that by improving the scarce experience related to the "causal efficacy," which is the object of the

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\(^{30}\) I want to express in other way, as one should perceive the environment as mutually dependent value.
meaning in perception, (1) to build up the "semantic inventory" or to make sure the transfer from the "symbol" to "meaning" and (2) to "normalize" the "symbolic reference."

If business organization continues to follow such approach, environment can be "action-and/or function-environment", "fundamental environment," and "symbiosis environment" as well as "resource-and/or competitive-environment." For this type of business organization, or management subject, "synchronic environment," which is "present," has a meaning as the integration with its "past" and "future," and how to make them in balance with the "diachronic environment" is critical issue. For that purpose, the management subject should retrospect and foresee "actual environment," which currently appears fuzzy, but may be much clearer in "the process of interplay between diachronic environment and business organization." The management subject should also distinguish between "real environment" and "actual environment, and should connect the former with the latter."

V. Creation of Organization Morality and Ethical Evolution\textsuperscript{31)}

In the real business management world, perception of environment, as we mentioned, is performed through deciding the mission and policy of the organization woven in the organization's value creation. Theoretically, one can distinguish recognition of environment and value creation, but actually they are inseparable. In other words, the recognition of environment has the meaning only when it has been concretized in the organizations value creation determines the feature and orientation of

\textsuperscript{31)} For further details of this subject, see Teruso Taniguchi, "Business Ethics to Organizational Ethics (Business Ethics and Organizational Ethics)," \textit{Kanto Gakuin Daigaku Keisai-kei}, No.194, January 1998.
the organization. In the academic and real management world, the issue of value creation has been recently brought to light as the issues of organizational culture or corporate culture.

Organizational culture can be defined as the way of thinking and of performing patterns fostered in the organization’s long history, and has “stubbornness or conservatism” as its feature. What we want to discuss here is the “fostered culture,” and stimuli towards spiral process of the “symbolic reference,” organizational value creation and innovation of “the culture,” and is not obstacles to the changes.

Here, we have to refer to C.I. Barnard and his imaginative and academic writing, *The Functions of the Executive*. He developed these problems as “creation of organization morality” from the viewpoint of “the nature of executive responsibility.”

Barnard thought fundamental and supreme responsibility of executives and/or managers were “the faculty of creating [new organizational] morals for others” [several contributors]. He noticed that the fact of “the reaction of specific formal organizations upon the psychology or morality of individuals who have close and lasting connections with them” and of “moral character of persons and the nature of personal responsibility” as a basis of his explanation. Barnard used the term “moral character of persons” to refer to “several sets of general

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33) Cf. Taniguchi, “Kankyou to Keiei no Imirenkan to sono Henkaku Katei” (Complex of Meaning between Environment and Management, and Its Innovation Process).
35) Ibid., p.272.
36) Ibid., pp.260-261.
propensities or codes in the same person, arising from different sources of influence and related to several quite diverse types of activities" \(^{37}\). He conceived these innate forces as "private codes of morals". The "moral" used here has more comprehensive meaning than generally accepted. Barnard criticized a popular view of "put into the realm of important moral codes those most publicly professed and believed most dominant socially, and rejects all others, assigning to them a variety of names—for example, attitude, influences, psychological characteristics, technological standards, politics" as "concealing the fact that these others are of the same nature even if of different origin or effect" \(^{38}\). He wished to interpret the word "moral" more extensively and generally. According to Barnard, the term "moral" was defined as "personal forces or propensities of a general and stable character in individuals which tend to inhibit, control, or modify inconsistent, and to intensify those which one consistent with such propensities" \(^{39}\).

If we accept the concept of above-mentioned "moral character of persons," we can easily imagine the following situations, where people are strongly governed by or obey faithfully to the moral code, or on the contrary, do not pay much attention to or not under the influence of the moral codes. Barnard perceived these situations and wrote "Responsibility, as I define it for present purpose, is the power of a particular private code of morals to control the conduct of the individual in the presence of strong contrary desires or impulses" \(^{40}\).

Here, I want to refer to the distinction between "moral status," "sense

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37) Ibid., p.262.
38) Ibid., p.269.
40) Ibid., p.263
of responsibility” and “capacity of responsibility”, by which Barnard tried to clarify “the nature of personal responsibility.” “Moral status” corresponds to the number of private codes of morals accepted by individuals, or corresponds to the number of organizations or the degree of human relations they are connected with. “Sense of responsibility” is the personal power by which one is willing to obey a certain code. But we must not forget that a height of moral status or moral complexity and the strength of sense of responsibility enhance the possibility of conflicts among private codes. “Conflicts appear to be a product of moral complexity and physical and social activity”\textsuperscript{41)}. To deal successfully with conflicts, we must create “capacity of responsibility.”

We are now able to say that persons in an executive position are “exposed to more and more moral conflicts the higher it is, and the process of decision becomes morally and often technically more and more complex”\textsuperscript{42)}. They must have a strong sense of responsibility counterbalance to moral status or to moral complexity, and a high capacity of responsibility counterbalance to the sense of responsibility to accomplish functions as an executive persons and/or a managers. Moreover, as Barnard acutely pointed out, “The distinguishing mark of the executive responsibility is that it requires not merely conformance to a complex code of morals but also the creation of moral codes for others”\textsuperscript{43)} [contributors and/or stakeholders to business organization].

The point I wish to emphasize here, is “creation of new organization moral” in this sense. A contributor, who is in connection with an organization, accepts his own as well as other’s organizational code in his pri-

\textsuperscript{41) Ibid., p.271.}\n\textsuperscript{42) Ibid., p.276.}\n\textsuperscript{43) Ibid., p.279.}
vate codes of morals. At that time, he may be in the midst of conflicts. If the contributor is exposed to the conflicts, in the worst case, he may be run into dissociation of personality barring to overcome the conflicts. If we view this case from business organization side, the organization may not only expect to keep contributions of good quality, but on the contrary to become an assailant of dissociation of personality. The best way for both sides, that is, contributor’s and business organization’s side, is to create new organization morals, which may not have contradiction between the both moral codes.

If we take this point of view, we may be able to create new organization morals, which provide climate to enhance the capability of responsibilities of contributors as well as of business organization. In other word, the creation of new organization moral is to creating the climate where contributors in an organization can contribute to the organization without conflicting to their own private moral codes. Furthermore, we may say that the expected environment-oriented business organizations must provide the climate, where the more individuals and groups contribute to the organizations, the more such contributors become to be responsible to their private moral codes, with social sprit or to “the ecological self”44). According to Don MacNiven, the creation of new organization moral is “to understand the moral world we inhabit”, and “experience into richer moral wholes”45). So the business organization comprehend the meaning of “to be made living,” and can execute “to live” in the higher stage.

VI. Conclusion

I mentioned the necessity, importance and the direction of philosophical and ethical innovation heading towards the environment-oriented management, by explaining dynamic processes of comprehending the environment and of creating organization moral.

Such philosophical and ethical innovation increases the responsiveness of the business organization to the environment, and contributes to pursue the responsibility of the corporation, or to form the corporate identity. At the same time, the innovation enlarges the responsibility of stakeholders related to the organization. In this sense, the philosophical and ethical innovation means to mange the responsibility of the corporation to its environment and to the organization itself. This is the "management by creating responsibility," and is the core of the environment-oriented management.

The twentieth century can be featured as the organization society, and it might continue to be so in twenty-first century. However, while the social society has been "closed cooperative society" within each business organizations in twentieth century, "open cooperative society" in the world will be the new type of network society in twenty-first century. The requisite for success of environment-oriented management is network between business organization and contributors or stakeholders, that is, green network. Whether we can enlarge the possibility to realize such "open cooperative society" or not depends on how far the dynamic processes of philosophical and ethical innovation, which is expected to create responsibility, will function. In reality, conservatism is dominant; therefore, the philosophical and ethical innovation should be realistic.
I want to conclude my presentation with the clause cited from a following phrase of C.I. Barnard:

I believe in the power of the cooperation of men of free will to make men free to cooperate; that only as they choose to work together can they achieve the fullness of personal development; that only as each accepts a responsibility for choice can they enter into that communication of men from which arise the higher purposes of individual and of cooperative behavior alike. I believe that the expansion of cooperation and the development of the individual are mutually dependent realities, and that a due proportion or balance between them is a necessary condition of human welfare.

(Teruo TANIGUCHI, Professor, Department of Business Administration. Received February 3, 1999)

46) Barnard, p.296.