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Responsible Leadership in a Connected World

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Abstract

We argue in this paper that responsible leadership in a connected world requires global leaders who think and act as *cosmopolitan citizens* ─ that is leaders with responsible mindsets who are aware of the pressing problems in the world, care for the needs of others, aspire to make this world a better place and act in words and deeds as global and responsible citizens. We contend that responsible leadership requires business leaders who have a cosmopolitan mindset, live by and enact cosmopolitan ethics in an increasingly complex global stakeholder society. Our contribution is organized into five parts. Following some introductory remarks we highlight key leadership challenges in a connected world, then give a definition of responsible leadership. In the third and fourth part of this contribution we sketch core elements of what might best be described as a first attempt to define principles of *cosmopolitan business ethics*; starting with a 'tour d'horizon' in cosmopolitanism and then defining the normative foundation of a citizenship approach to responsible global leadership. We then seek to identify some competence areas that are required for leading responsibly in a connected world and conclude this paper by addressig an important area of concern, namely the question whether business leaders at all should have a role in addressing some of the world's most pressing problems.

COSMOPOLITAN BUSINESS ETHICS:

Responsible Leadership in a Connected World

"If our world is to be a decent world in the future,
we must acknowledge right now that we are citizens of one interdependent world,
held together by mutual fellowship as well as the pursuit of mutual advantage,
by compassion as well as self-interest, by a love of human dignity in all people,
even when there is nothing we have to gain from cooperating with them."
Martha Nussbaum (2005, 217f.)

Introduction: Global Fairness, local integrity and the quest for responsible leaders

One of the key lessons to be learnt from Enron and other corporate scandals in recent years is arguably that it takes *responsible leadership* and responsible leaders to build and sustain a business that is of benefit to multiple stakeholders; and not just to a few risk-seeking managers. The scandals have triggered an ongoing and broad discussion on the role of business *in* society: on its legitimacy, obligations and responsibilities. As a result, businesses and their leaders are increasingly held accountable for what they do ─ and fail to do ─ by multiple stakeholders and society at large, both locally and globally. Moreover, given the increase of power and influence of large multinational corporations in particular, some expect that business leaders take a more active role and acknowledge their co-responsibility in solving the world's most pressing problems such as protecting and promoting human rights, global warming, contributing to poverty alleviation and the fight against diseases like Malaria and HIV/AIDS. In fact, there is widespread agreement that multinational corporations and their leaders have both power and potential for contributing to the betterment of the world.

Consequently, recent developments and initiatives such as the multi-stakeholder forum UN Global Compact, the Global Business Coalition on HIV/AIDS, the Business Leader's Initiative on Human Rights (BLIHR), or the European Foundation of Management Development's (EFMD) "Call for Responsible Global Leadership" are clear indicators that more and more organizations are actively seeking ways to promote responsible leadership in business and that multinational corporations and their leaders are beginning to answer the call for more accountability.

However, we argue in what follows that being responsible requires global leaders who think and act as *cosmopolitan citizens* ─ that is leaders with responsible mindsets who are aware of the pressing problems in the world, care for the needs of others, aspire to make this world a better place and act in words and deeds as global and responsible citizens. We contend that responsible leadership in a globalized world requires business leaders who have a cosmopolitan mindset, live by and enact cosmopolitan ethics in an increasingly complex global stakeholder society. Our contribution is organized into five parts. Following these introductory remarks we highlight some of the leadership challenges in a connected world, then give a definition of responsible leadership. In the third and fourth part of this contribution we sketch core elements of what might best be described as a first attempt to define principles of *cosmopolitan business ethics*; starting with a 'tour d'horizon' in cosmopolitanism and then defining the normative foundation of a citizenship approach to responsible global leadership. We then seek to identify some competence areas that are required for leading responsibly in a connected world and conclude this paper by addressig an important area of concern, namely the question whether business leaders at all should have a role in addressing some of the world's most pressing problems.

Responsible leadership in a connected world

Leadership challenges in a connected world

The past decade has seen a seminal shift in the business environment: global interdependence and interconnectedness are a reality; the world is getting "flat" (Friedman, 2005). Leading a business in such an environment means navigating in a world of complexity, diversity and uncertainty, requiring from leaders an appropriate cross-cultural perspective (Bartlett & Ghoshal, 1998; Black et al., 1999) and the ability to deal with a high level of complexity (Hooijberg et al., 1997; Dalton, 1998). It also means leading diverse people across distance, businesses, countries and cultures; selecting, developing and retaining competent people; leveraging the potential inherent in a diverse workforce; creating a multicultural (Cox, 2001) and inclusive (Gilbert & Ivancevich, 2000; Pless & Maak, 2004) environment, in which people find meaning, feel valued and respected and can contribute to their highest potential. Moreover, since "values are everywhere" (Diermeier, 2006), it also requires a *values radar*, that is, the ability to scan moral, social, ecological and cultural developments, and to assess and weigh the impact of organizational behavior on all relevant stakeholders (Pless & Maak, 2005).

There is widespread agreement that the stakeholder framework has proved useful in the analysis of the strategic and normative challenges organizations face, and that good stakeholder relationships are key to organizational viability and business success (Freeman, 1984, 1994; Donaldson & Preston, 1995; Wheeler & Silanpää, 1997; Post, Preston & Sachs, 2002). Still, there are both theoretical and practical challenges with respect to stakeholder salience (Jones et al., 2007; Mitchell, Agle & Wood, 1997), and evaluating and balancing the often conflicting claims of multiple stakeholders (like e.g. employees, clients, shareholder, suppliers, NGOs, etc.). It is a key task of responsible leaders to enable *inclusive* stakeholder en-

gagement and dialogue to help balance these diverse claims, ensuring ethically sound decision making. To achieve this purpose organizations and their leaders face the challenge of weaving a web of *sustainable stakeholder relationships* (Maak & Pless, 2006b) to create trust and ultimately *stakeholder social capital* (Maak, 2007).

Still, in an interconnected and multicultural global stakeholder society moral dilemmas are almost inevitable. How can one adhere to fundamental moral principles while still respecting cultural differences and taking into consideration different developmental standards? (Donaldson, 1996; DeGeorge, 1993) What needs to be done to secure "uncompromising integrity" (Moorthy et al., 1998) on a global level, while leaving leeway for discretion in matters of particular corporate values and culture-specific decision-making? What is required to secure ethical sourcing? Leadership failure in any of these exemplary areas may create significant reputational damage, leading to consumer boycotts or, worse, to the loss of the license to operate. Communication technologies and an activist global civil society have led to a historically unique level of transparency in matters of (global) business ethics. Today's corporations, although complex and diversified, are transparent, see-through organizations. Thus, meeting multiple *moral challenges* leaders have to make sure that both individual and organizational actions are ethically sound.

Last but not least, balancing different stakeholder claims, including those of the natural environment, future generations and less privileged groups "at the bottom of the pyramid" (Prahalad, 2005) creates *social, ecological and humanitarian challenges*. While many corporations have adopted a "triple-bottom-line" approach (Elkington, 1998) and have started to integrate social and environmental considerations into their values creation, few have yet taken on humanitarian challenges ─ poverty, hunger, diseases and injustice ─ which still prevent large parts of the human community from participating in the global economy, let alone benefiting from it. The actual challenge at hand is twofold ─ on the one hand to ensure *active*

global citizenship and live up to legitimate stakeholder expectations; on the other hand to actively engage in novel ways of doing business in less privileged regions of the world by building and supporting human capabilities (Nussbaum & Sen, 1993) and by assisting in eradicating world poverty.

Responsible leadership

In light of these leadership challenges we define *responsible leadership* as a values-based and principle-driven relationship between leaders and stakeholders who are connected through a shared sense of meaning and purpose through which they raise one another to higher levels of motivation and commitment for achieving sustainable values creation and responsible change (Maak & Pless, 2006b; Pless 2007).

First, drawing on both, Burns (1978) and Ciulla (1998), it is important to understand that leadership is a social and normative phenomenon that is based on values and driven by ethical principles. Moreover, to qualify as *responsible,* leadership needs to be based on the "right" values; values that enable both leader and followers to find a common meaning and purpose, such as contributing to a sustainable future; values that leaders live and incorporate in authentic ways (George, 2003).

Second, leadership occurs in interaction between leaders and followers. As obvious as this may sound, in a stakeholder society followers are not necessarily subordinates but also other internal or external constituencies (Maak & Pless, 2006b: 106; Freeman et al. 2006), who have a stake in the leadership project. Broadening the view from a leader-subordinate relationship to a leader-stakeholder relationship challenges some of the basic assumptions in traditional leadership theory which to date understands the leader-follower relationship as an unequal relationship with the leader being in charge (Bennis and Nanus, 1985) and followers being dedicated to "do the leader's wishes" (Rost, 1991: 70).

Third, since the relationship is not driven by short-term, quantifiable goals but by a commonly shared and ethically sound purpose (Rost, 1991) it satisfies a fundamental human need that mobilizes people towards higher commitment (Kets de Vries & Florent-Treacy, 2002). People are neither forced nor contracted (by punishment or rewards) to contribute to the leadership project, but raise one another ─ on "level playing field" in dynamic ways "to higher levels of motivation and morality" (Burns, 1978: 20).

Fourth, as Pless (2007) has argued, the outcomes of the leadership process shall not only be effective and ethical in general terms (Ciulla 2006), but given the above challenges also contribute to sustainable value creation. The notion of sustainable value creation comprises the production of economic value (products, services, profits, reputation, etc.) and equally important the creation of social and ecological values; and ultimately also of meaning. In other words, given the problems and challenges that we as humans face, business organizations and their leaders have to make sure that they contribute to a sustainable future and don't hinder it from emerging.

Lastly, inherent in this definition and connected to the idea of a sustainable future is also a normative aspiration for achieving responsible change for the betterment of this world in general and the needy in particular. Given the much discussed power shift from nation states to the economic sector, especially to multi-national corporations, companies and their leaders arguably have not only a *co-responsibility* for solving some of the world's most pressing problems (e.g. global warming, poverty alleviation), but also the *potential* to contribute to problem solutions and to foster sustainable development on a global scale ─ as "agents of world benefit" (BAWB, 2006). This does not imply that leaders are responsible for *all* the problems; they are, however, given their power, potential and abilities and the fact that they, like everyone else, are citizens of the world, *co-responsible* for addressing *some* of them.

The leader as citizen

Maak & Pless (2006a, b) have argued that given the diversity and complexity of leading responsibly in a global stakeholder society we need not only leaders who act as role model, but also a "*roles* model of responsible leadership" The roles model of responsible leadership is composed of nine roles which form a *gestalt* and describe different characteristics of a responsible leader. Among the key roles is that of being a good *citizen* and thus an active and caring member of communities (including the global community).

Let's assume, for the sake of the argument, that leaders *are* in fact concerned about civic health (Schudson, 1998) as they are about business matters. This means that they are committed to a greater common good and will engage in activities to further the well-being of the communities in which they operate both at home and abroad. Citizens know that they need to balance various responsibilities, especially with respect to integrating business *and* civil duties. Citizens value political, economical and intellectual freedom as well as their moral free space (Donaldson and Dunfee, 1999). These freedoms, however, are *conditional,* secured by, and cultivated in, a healthy community in which civic virtues like mutual respect and recognition, tolerance, fairness and inclusion are valued (Dagger, 1997). Such *republican civility* (Barber, 1999; Maak, 1999; Ulrich, 1997) is not only morally desirable; it is also key for a leader for being and staying connected to multiple stakeholders, in particular those outside the organization. As a member of civil society a leader looks at stakeholders not as 'aliens' but as equally integrated members of the (political) community in the pursuit of both individual freedom and flourishing and the common good.

Pless (1997) has recently shown how the late Anita Roddick, founder and former leader of The Body Shop, as a concerned and committed citizen, created a culture of citizenship, communicated that citizenship is an integral part of doing principled business at the Body Shop (and elsewhere) and used her influence as a leader to mobilize different stake-

holders to take coordinated action for the common good (e.g. gaining support from NGOs to become alliance partners, mobilizing staff to run the campaigns and inspire customers to support them). Roddick, as a citizen and leader, helped to set standards in the business world (fair trade business practice) and contributed to awareness raising on social, environmental and human rights issues in business, academia and society. In fact, her notion of being an active and activist citizen can be understood as "transforming leadership" (Burns, 1978), with the leader acting as responsible change agent. Roddick implicitly embodies many of the hallmarks of a cosmopolitan citizen. Yet, to better understand what these are, let's turn more explicitly to cosmopolitanism as source of responsible global leadership.

Cosmopolitanism

What does it mean to think and act as a cosmopolitan citizen? Are we not all *cosmopolitans*, citizens of the world? As Martha Nussbaum argues in the quote that started off this paper, cosmopolitanism is about creating a decent world; a fair, just and thus principle-driven global community that enables human flourishing and seeks to build human capabilities. In this endeavour we, as human beings, depend on each other, whether rich or poor. Yet, it is the distant needy in least developed countries who deserve our special attention. It is *one* world, after all, and its sustainability requires care and inclusiveness for both people *and* planet.

Lately, the effects of global warming and global terrorism have added a heightened sense of risk and insecurity. Not surprisingly, the German sociologist Ulrich Beck (2006) uses the term "risk-cosmopolitanism" in presenting his argument for a "global risk society". Ironically, then, and to a certain extent, 21st century cosmopolitanism is triggered by a collective risk experience. In other words, the fragility of the human condition on this planet has led to a

revitalized sense for the importance of a more active cosmopolitanization ─ socially, environmentally, and politically.

At the same time it can be argued that the world is getting more cosmopolitan every day. Economic globalization, the internet, a rapid increase in air travel, an emerging class of cosmopolitan managers, and the active experience of other cultures and consumption of cultural differences (in music, food, style, etc.) have led to a 'life-world' which appears to be increasingly cosmopolitan. Yet, as Beck (2006: 19) argues, these are side effects of global trade, travel and consumption, it is passive or "banal" cosmopolitanism. Given this argument, "real" cosmopolitanism apparently needs to reflect more than aesthetic and cross-cultural experience: namely, ambition, commitment, action and vision to be at home in the world and make this world a better place.

There is widespread agreement that cosmopolitanism goes back to the Stoics in ancient Greece; Diogenes is to have said, when asked which city he belonged to: "I am a citizen of the world." It was a bold statement at that time and reflected a rejection of the communitarian confines of the Greek city republics. In his "Perpetual Peace" (1795) the father of modern-day cosmopolitanism, Immanuel Kant, imagined a cosmopolitan right ("Weltbürgerrecht") that ought to govern the global relations of citizens worldwide; a right that belongs to all human beings as potential participants in a world republic. Kant's pioneering work may be seen as a key reference for mid-20th century cosmopolitanism, as reflected by the UN Declaration of Human Rights; but also by the work of Hannah Arendt, in particular her discussion of the atrocities of Nazi-Germany in the context of the Eichmann trial (1963). "Following Kant, Arendt likewise argues that 'crimes against humanity' are not violations of moral norms alone, but violations of the rights of humanity in our person" (Benhabib, 2006: 22), and thus need a special frame and treatment on a global, human scale.

With globalization becoming an ubiquitous phenomenon, we witness an intensified discussion on promises and perspectives of cosmopolitanism in a globalized world, e.g. with respect to national attachment and patriotism (Nussbaum, 1996), multi-cultural citizenship (Kymlicka, 1995), global governance (Held, 1995), and philosophical world-views (Bohman & Lutz-Bachmann, 1997); a discussion that lately has gained significant speed (Vertovec & Cohen, 2002; Brock & Brighouse, 2005; Appiah, 2006; Beck, 2006; Benhabib, 2006), not at least in light of world poverty and the Rawlsian (1999) inspired "duty of assistance" (Pogge, 2002; Chatterjee, 2004).

Against this historical backdrop cosmopolitanism may be divided into four connected streams: *political* cosmopolitanism, *ethical* cosmopolitanism, a cosmopolitan *world-view*, and cosmopolitan *practice*. *Political* cosmopolitanism is concerned with questions of global governance, political agency and citizenship in a globalized, "flat" world (Friedman, 2005). *Ethical* cosmopolitanism captures the discussion on legal and moral principles in contemporary cosmopolitanism: cosmopolitan justice and thus human rights issues; cosmopolitan duties and principles (respect, recognition of difference, assistance, a.o.m.). When Diogenes said "I am a citizen of the world", his statement symbolized a specific cosmopolitan attitude and view of the world. This specific *mindset or world-view* is equally important since cosmopolitanism depends largely on how we think about cosmopolitanism. However, it is not only important to think as a cosmopolitan citizen, but also to act as one. What distinguishes twenty-first century cosmopolitanism from earlier forms in history, it might be argued, is the emerging cosmopolitan *practice* and its potential to improve the state of our globalized world.

Concluding our 'tour d'horizon' we contend that all four variations of cosmopolitanism are needed. In fact, all of them are part of what may be termed the 'twenty-first century cosmopolitan project'. In this sense, cosmopolitanism is a *project of mediations and integration*, not of reductions or of totalizations. (Benhabib, 2006: 20) It is not about the ultimate global

ethic, or the ultimate set of universalizable norms and values; nor is it equivalent to finding a mere modus vivendi among cultures. Rather, in the Kantian tradition, it describes the emergence of norms, values and ideas that ought to govern relations among individuals and non-individual actors in a global civil society. (ibid) These norms are moral, legal, political and behavioral and concern an actor's status, activities, and non-action, in a global context ─ which each and every human being as potential participant in a "world republic", to use Kant's term. Twenty-first century cosmopolitanism seeks to establish new forms of governance, transparency and accountability in both business and politics; it pursues the moral foundations of global citizenry ─ a regime of mutual respect and recognition, human rights and entitlements; and it envisions a fair, just, and inclusive global economic order, conducive to the life of the many. Because business leaders have the power, the means, and the potential to become *leading cosmopolitan citizens*, we argue, they have the responsibility and ought to do so. What they need is an appropriate *cosmopolitan mindset*, a firm grounding in *cosmopolitan ethics* and thus a set of cosmopolitan principles.

Towards Cosmopolitan Business Ethics ─ the Leader as Cosmopolitan Citizen

Cosmopolitan mindset

From an ethical perspective ─ beyond "banal" cosmopolitanism, cosmopolitanism requires a specific cosmopolitan *attitude* and *mindset*. It is the legal and moral challenges in establishing an inclusive global community, one that truly reflects our common humanity, which makes the cosmopolitan difference; not fusion food, airport lounges, or design retreats on remote islands. The quality and scope of cosmopolitan business ethics therefore ultimately depends on how self-conscious and -reflective leaders determine their place in the (business) world ─

and thus to a considerable extent on the leader's cognition. Accordingly, a cosmopolitan mindset would certainly need to include the following (these are exemplary key features and is not intended to be an exhaustive list):

- *inquisitiveness* as to what we share collectively, as human beings, and what we owe each other, as citizens of the world.
- knowledge about the state of the world, its most pressing problems, actors and partnerships in global civil society, and thus *cosmopolitan savvy*.
- as indicated, *reflection skills* to determine one's place in the (business) world and one's role ─ as well as that of one's organization ─ in living global (corporate) citizenship.
- a *sense of belonging* to the community of communities; that is the community of ideals, aspirations and human flourishing. This attachment is an important trigger for the moral motivation to care for others, to assist others (especially those in need) and to further the development of human capabilities at home and abroad.
- the acknowledgement that each citizen, as free and equal member of the global moral commonwealth, has a *political co-responsibility* regarding the state of the world and the well-being of communities in which one lives and operates.
- the willingness to participate in *deliberation* processes; not only regarding the world's most pressing problems, but also with respect to "what is common to all persons as citizens of reasons and the world" (Held, 2005: 10) and certainly regarding one's own action, or non-action, as leader and organization. In other words, the "discursive scope" (Benhabib, 2004) of cosmopolitanism, which implies to view moral discourse as potentially including all of humanity, requires each citizen (leader, or not; individual, or corporate) to justify his actions with reasons to any other citizen, human being and moral agent (Benhabib, 2006: 18). Cosmopolitanism is about integration and

wholeness; the cosmopolitan thinks in ones': one world, one humanity, one moral universe.

- *imagination* how the cosmopolitan ideal of a just, peaceful and flourishing world community could be achieved. The idea of community, like other human ideals, exists to a certain extent in our imagination; we inhabit imagined communities (Anderson, 1991). In other words, the state of the world depends in part on how we imagine it to be. If we imagine a flourishing global community as desirable, our attitude towards this community's most pressing problems will be receptive, responsive and responsible.

It is obvious that these features of a cosmopolitan mindset are rooted in specific norms and values about how we ought to live together on this planet, what we owe each other as human beings, and what people in privileged positions shall contribute to make our moral universe as inclusive as possible; given that in this moral universe every person, whether in Munich or Mumbai, Tokyo or Timbuktu, ought to be considered as equally worth of respect and consideration. In other words, this mindset is rooted in, and motivated by, a set of cosmopolitan norms and principles, i.e. by *cosmopolitan ethics.*

Cosmopolitan ethics

It is not our goal, nor is this the place, to posit *cosmopolitan ethics* as a new global ethic, let alone the ultimate set of principles in the age of connectedness and globalization. Rather, it is our aim to present a plausible case for basic principles of a specific *cosmopolitan business ethic* ─ guiding responsible global leaders in their attempt to contribute to the betterment of the world and act as agents of world benefit rather than mere self- or shareholder interest. As such, it is a *cosmopolitan moral point of view*, a point of reflection and introspection, of de-

liberation and moral ambition, from which to depart in order to act and lead responsibly in a connected world. Our goal, then, is modest: at this point we would like to emphasize *that* such a set of ethical principles is needed and *what* might be important in that respect.

Ontologically, it should be noted that this moral point of view is just that, a specific moral point of view, nurtured by the moral heritage of Enlightenment and modern moral theory alike. Thus, we don't consider the cosmopolitan perspective a replacement of moral traditions such as ethics of justice or ethics of care. Rather, the cosmopolitan moral point of view is rooted in these traditions but generates new, mediated and integrated moral perspectives for a globalized world. Against this backdrop we consider three core principles and complementary points of reference as crucial: *recognition, care* and *assistance*.

Recognition

To focus on mutual recognition as a cosmopolitan moral point of view implies to puts *human relationships and needs* at the center of our moral attention, e.g. the relationship between leader and follower or stakeholders in a globalized world. Mutual recognition means to recognize that we as human beings are equally vulnerable and mutually dependent on love, respect and self-esteem, i.e. on *emotional, political* and *social* recognition (Honneth, 1996; Maak, 1999). The need for recognition along these three core dimensions is a universal part of the human condition.

Moreover, to recognize each other implies the *process of recognition*: knowing that as human beings we all share the basic needs for recognition, the *I* recognizes the mutual interdependence in giving and receiving love and emotional appreciation; in respecting the *other's* human, civil and political rights; and in including the *other* in social groups or communities, showing respect and appreciation. If the I, or the other, does not receive any of these basic forms of recognition, or worse, if her/his needs are violated, e.g. through harassment, rights

violations or exclusion, then both have good reasons to feel morally disrespected and hurt. Thus, the need(s) for recognition are also a reflection of historically processed moral violations, of moral, social and political progress, and embedded in active mutual commitment to improve the human condition. Obviously then, *responsible leadership* is not about the ego or grandiosity of a leader, but about building and sustaining relationships between leader and stakeholders as followers, based on mutual recognition, to achieve desirable goals.

Care

As indicated above, cosmopolitan ethics implies active agency and caring for the basic needs of others, e.g. followers and stakeholders, and for those in need in, but certainly not limited to, the countries in which a company operates. The care perspective finds it most elaborate discussion and expression in feminist (moral) theory and culture (Gilligan, 1982; Noddings, 2003; V. Held, 2005). However, it is neither limited to "feminine" attributes, nor to aspects of mothering (though the moral relationship between mother and child has been an important aspect of research). Instead, it draws our attention to the fundamental question about what and whom we really care. (Frankfurt, 1988) Is our caring attitude restricted to those close to us, or do we care about others, e.g. the distant needy, in equal ways?

A cosmopolitan citizen cares about others, especially those in need, and will demonstrate this caring attitude in all walks of life. If we project this onto the responsible leader, it implies that the leader should care about the needs of others, followers and non-followers alike. Thus, we should expect *empathy* towards others, especially those in need, based on mutually shared feelings of human flourishing and vulnerability, as laid out eloquently e.g. in Adam Smith's "Theory of Moral Sentiments" (1759). It implies to "take seriously the value not just of human life [in general] but of particular human lives, which means taking an interest in the practices and beliefs that lend them significance" (Appiah, 2006: xv); and, in the

conditions of their freedoms and livelihood. This sense of moral empathy then leads to a *caring attitude* about other lives, inside and outside the organization, at home and abroad. The cosmopolitan citizen cares not only about his own kin, but also about "strangers". Leaders in particular have both potential and means (especially in large corporations) to contribute to social betterment, to assist others in need, to further human capabilities and foster human flourishing. Accordingly, from priviledged members of our common moral universe, such commitment can reasonably be expected.

Assistance

In "The Law of Peoples" (1999) John Rawls develops principles of global justice. His suggestions have received considerable attention among philosophers and legal thinkers (see e.g. Pogge, 2002; Chatterjee 2004), most notably his eighth principle of justice: "Peoples have a duty to assist other peoples living under unfavourable conditions that prevent their just or decent political and social regime." (1999: 37) Rawls considers his suggestions to assist "burdened societies" a part of a liberal "ideal theory", which explains that his formulation is "thin" or weak in the sense that it aims ─ "targets" as Rawls puts it ─ to create conditions under which a peoples or society is able to help itself. In Rawls' view this requires first and foremost a minimal amount of justice and a decent political regime. However, "the aim is to realize and preserve just (or decent) institutions, and not simply to increase, much less to maximize indefinitely, the average level of wealth, or the wealth of any society…" (Rawls, 1999: 107). Thus, while Rawls recognizes a duty to assist those in need, he insists on setting clear targets to create basic decent conditions that may (or may not) enable them increase their level of "wealth".

Pogge (2002), Nussbaum (2005) and others have critisized Rawls for the "thinness" of the principle, arguing for a "thicker" conception (Walzer, 1994) of the duty to assist. In fact,

Pogge contends that *we,* the more advantaged citizens of the affluent countries, "are actively responsible for most of the life-threatening poverty in the world" (Pogge, 2005: 92) and thus have the moral duty to help and assist people in less favourable conditions. He suggests a "global resources dividend", which would amount to roughly 4$ per person and year, to redistribute resources in a more decent way. Nussbaum (2005: 214ff.) is less concrete but equally convinced that we have the responsibility to help poorer nations. In fact, she argues that "prosperous nations have a responsibility to give a substantial portion of their GDP to poorer nations", that "the main structures of the global economic system must be designed to be fair to the poor and developing countries", and that "multinational corporations have responsibilities for promoting human capabilities in the regions in which they operate."

While we can discuss neither Rawls' principle, nor Pogge's or Nussbaum's suggestions in more detail here, we agree with these authors that privileged cosmopolitan citizens have a moral duty to assist others, especially those in need. Yet, while Rawls' suggestion is arguably too thin to help leaders in fulfilling this duty, it is equally questionable if large-scale, "substantial" redistribution efforts can help to eliminate poverty und indecent disparities. We agree with Nussbaum, however, that we need fair structures and a more active responsibility from corporate citizens (MNCs and others) to assist poorer regions and nations in building human capabilities. What Nussbaum stresses is the cosmopolitan principle of *active agency* in assisting fellow humans ─ and citizens ─ in securing the basic needs and in acquiring human capabilities (Nussbaum & Sen, 1993) to lead a decent and ultimately flourishing life.

In this sense we posit that business leaders as (powerful and privileged) cosmopolitan citizens have the moral duty to assist others in much less favourable conditions, and the responsibility to assure that their organizations act in the spirit of this principle as good corporate citizens around the world.

Business leaders as agents of social justice?

While there is widespread agreement among stakeholders that corporations and their leaders ought to act more responsibly and engage in more active ways in tackling pressing problems, there is much less consensus on corporations acting as active proponents of human rights and agents of social justice. This scepticism is caused by the common perception that states are the "primary agents of justice" (O'Neill, 2004) and thus are "ontologically privileged" (Held, 2005: 10) in the delivery of equal liberty, social and humanitarian justice. Yet, Held argues that while "states are hugely important vehicles" to aid the delivery of cosmopolitan justice, contemporary cosmopolitanism must go further, "and build an ethically sound and politically robust conception of the proper basis of political community…" (ibid).

O'Neill (2004: 246f.) gives at least three reasons why states should not be considered the primary or sole agents of justice: one, many states in developing regions are simply unjust; two, there are "weak states and failing states" that fail to secure the rights of their inhabitants; and three, globalization has led to more porous borders, weaker power of nation states, "allowing powerful agents and agencies of other sorts to become more active within their borders." O'Neill posits therefore that multinational corporations in some instances like weak or unjust states cannot simply see themselves as secondary agents of justice; to the contrary: the need to shoulder active cosmopolitan duties in carrying *some* of the obligations of international justice, e.g. by actively promoting human rights in and beyond its own business; by instituting social and economic policies "bear on human rights, on environmental standards or on labour practices, and even on wider areas of life" (O'Neill, 2004: 253); by ensuring transparency and accountability, fighting nepotism and corruption; by implementing globally respectable social and environmental standards, a.o.m. Although corporations and their leaders at the end of the day can contribute little to basic political justice, there are the above mentioned areas, "to which they often can and ought to contribute a lot" (O'Neill, 2004: 256).

Thus, since corporations and their leaders are part of this global political community, and since they are able to exercise active agency and have the capabilities to act as agents and thus proponents of justice in the countries in which they operate, we follow O'Neill by arguing that they bear ─ as cosmopolitan citizens ─ a co-responsibility in promoting human and social rights. A responsible leader's choice is to support and promote the areas of justice, in which he is able to contribute. Being part of the global community means being part of a common moral universe and that allegiance is owed, first and foremost, to this universe of reasoning citizens of equal worth and dignity, not to shareholders.

Conclusion: Towards cosmopolitan business ethics

In this paper we have argued that given today's global leadership challenges business leaders should consider themselves as *cosmopolitan citizens*. Most business leaders, in particular those in multi-national corporations, have the means, the power and the potential to contribute to the betterment of the world ─ to act as "agents of world benefit". Business leaders are key actors and agents in realizing globalization with a human face and a more decent globalized world by establishing a *cosmopolitan business practice* in a connected world, "where a host of complex relationships link people across national borders, and the accident of birth in any given nation now looks in some ways as morally arbitrary as the accidents of race, class, and sex. We need to devote ourselves to working out new theories that will prove more fully adequate to this world" (Nussbaum, 2004: 171). We understand our effort to present key features of a *cosmopolitan business ethic* as an attempt to contribute to better understanding of the responsibilities of business leaders in a connected world and hope that it proves to be helpful for others researchers who agree with us that the global business world needs *cosmopolitan*,

rather then mere global business principles, and that business leaders ought to act as agents of world benefit rather than world misery. Yet, in the end "it is not so much a matter of having exact rules about how precisely we ought to behave, as of recognizing the relevance of our shared humanity in making the choices we face" (Sen, 1999: 283) ─ as leaders and cosmopolitan citizens.

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