

Environmental Economics and Technology Department

THESIS SYNOPSIS

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**Business Practice can be Changed
via the Dispositions of Executives
– Re-socialization towards Implicit Eco-sustainability**

synopsis of Ph.D. dissertation

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Abstract

My thesis assumes that – in addition to rational factors – the dispositions of management also decisively affect business decisions, and thus business executives' mindset and behavioral patterns (their 'habitus') should be the target of the influence of society whenever societally important changes depend on current business practice. I outlined an institutionalized framework of re-socialization to influence the CEO subculture (and suggest it as part of the CSR agenda). The ecological sensitivity and awareness of industry are treated as a societal issue in the thesis. I have carried out research into the presence and functioning of dispositional logic (the Bourdieusian habitus) in managerial practice with the help of a few narrative interviews. | The basic statement analyzed is how the dispositions of senior management form and guide practice. Following Pierre Bourdieu: dispositions – these stereotypes of behavior and comprehension – are collective phenomena, the components of collective behavior and they function as a system (as habitus). The logic of dispositions and the logic of rational calculation (deliberation) appear as equally important driving forces behind collective practice. Thus the regularities that are feasible for sociology – beyond the rules preferred by mainstream economics – seem to describe business reality equally well. These regularities are the dispositions, as well as the history and the experiences of a community. I have used narrative interviews to detect (interpret) dispositions belonging to the logic of practice in the stories five business executives told about their organizational life-world. | The second statement analyzed in the dissertation concerns ways of influencing dispositions and manipulating them from outside of the organizations. I have formulated a normative idea that if the dispositions of executives have a significant impact on the orientation of corporate behavior, then they themselves should become the targets of policies focusing on the development of the social and environmental responsibility of their companies. I have suggested establishing super-organizational institutions for the executive subculture where the collective environment and events help the adoption of new dispositions. | My concepts partly follow one of Bourdieu's last books dealing with 'economic habitus' and I used the practice-based approach in organizational studies too. My own approach has also been affected by Baudrillard and Deirdre McCloskey (in her view, the effectiveness of capitalism has always needed actors granted with personal, social and cultural virtues). Some of my interpretations appeal to other authorities: Keynes, Mintzberg, Schein or Chia. | As regards current popular concepts, I used a view in which corporate social responsibility (CSR) appears as an extended model of corporate governance. Therefore, the notion of fiduciary duty fits into the picture, with the vision of the executives who – besides the duties owed to the owners – take care of social matters in this particular style of trusted service, given that their company is a party evidently involved in the issues of society and ecology. I conclude that ecological responsibility has to become an embedded part of executives' professional identities and their practical agency – as a disposition of stewardship. In a society leaving the economic theology of needs behind, the adequate adaptation of the executive subculture develops historically, but if the ecological crisis makes an expedited procedure reasonable, the role of new institutions to socialize their social responsibilities may come into the foreground ('guided re-socialization'). | The question of auxiliary socialization of senior managers may further be complemented with the theme of executives' mask or character, that is, of professional and personal identity, which theme is touched upon in the empirical material.

Absztrakt [hu]

Dolgozatom feltételezése szerint – racionális tényezők mellett – a management diszpozíciói ugyancsak döntő befolyással bírnak a gazdálkodási döntésekre, ezért a vezetők gondolkodásmódjának és magatartási beállítottságainak (a 'habitus'-uknak) a társadalmi beavatkozás célpontjává kell válniuk olyankor, ha fontos társadalmi változások a gazdálkodási gyakorlattól függenek. Felvázoltam egy intézményesített re-szocializációs keretet a felsővezetői szubkultúra befolyásolására (és ezt CSR jellegű intézkedésként vetem fel). Az ipar öko-érzékenységét és -tudatosságát a dolgozatom társadalmi ügyként kezeli. Néhány narratív interjú segítségével kutattam a diszpozíciós logika (a bourdieu-i habitus) jelenlétét és működését a vezetői gyakorlatban. | A kutatásomban vizsgált alapállítás a felsővezetők diszpozícióinak gyakorlatot alakító hatására vonatkozik. Pierre Bourdieu-t követve: a diszpozíciók – a magatartás és fogalomalkotás ezen sztereotípiái – közösségi jelenségek, a kollektív magatartás alkotói, és rendszerként (habitus-ként) működnek. Itt a diszpozíciós logika a kollektív gyakorlat egyenértékű mozgatójaként és irányítójaként játszik szerepet a tudatos mérlegelés logikája mellett. A szociológia számára megfogható szabályosságok így a gazdálkodási valóság egyenértékű leíróiként tűnnek fel a főáramú gazdasági tudományok által preferált szabályokon túl. Ilyen szabályosságok a diszpozíciók, valamint a közösség története és élményei. Narratív interjúkkal próbáltam tetten érni a gyakorlat működési logikájához tartozó diszpozíciókat öt vezető szervezeti valóságról mesélt történeteiben. | Értekezésem másik vizsgált állítása a diszpozíciók befolyásolására vonatkozik, a szervezetten kívülről való manipulálhatóságukra. Normatív jellegű felvetésként fogalmaztam meg, hogy ha a vállalati magatartás orientálásában jelentős hatással bírnak a felsővezetők diszpozíciói, akkor indokolt, hogy maguk is célpontjává váljanak azoknak az intézkedéseknek, amelyek a vállalatuk társadalmi és ökológiai felelősségének fejlesztésére irányulnak. Ilyen intézkedés lehet a felsővezetői szubkultúra olyan speciális intézményeinek kialakítása, ahol a közösségi környezet és események az új diszpozíciók adoptálását segítik elő. | Fogalmi rendszerem részben Bourdieu 'gazdasági habitus'-szal foglalkozó egyik utolsó művét követi, felhasználva a (korábbi elméleteitől sem független) 'practice turn' szervezetkutatási áramlat megközelítését. Szemléletem kialakulására hatott Baudrillard és Deirdre McCloskey is (utóbbi szerint a kapitalizmus működőképessége mindig is személyes, társadalmi és kulturális erényekkel megáldott aktorokat kívánt meg). Egyes interpretációimat más autoritásokkal támasztom alá: Keynes, Mintzberg, Schein vagy Chia. | Aktuális fogalmakkal operálva felhasználok egy nézetet, miszerint a vállalatok társadalmi felelősségvállalása (CSR) a corporate governance (vállalati irányítás, ellenőrzés) kiterjesztett modelljeként tekinthető, miáltal felmerül az ügygondnoki felelősség fogalma, és vele a tulajdonosok ügyén felül a társadalmi ügyekről úgyszintén ilyen bizalmi szolgálat stílusában gondoskodó vezetők képe – hiszen a vállalatuk társadalmi és ökológiai ügyekben ugyancsak evidensen érintett. Következtetésem, hogy a vezetők szakmai identitásának és gyakorlatbeli ügynökségének beépült részévé kell válnia az ökológiai felelősségnek is – mégpedig gondnoki beállítódásként. A szükségletkielégítés teológiáján túllépet társadalomban a vezetői szubkultúra ennek megfelelő alkalmazkodása történelmi fejlődés útján zajlik, de az ökológiai krízissel indokolható gyorsított eljárás érdekében felmerülhet a társadalmi felelősségüket szocializáló új intézmények szerepe (mint 'irányított re-szocializáció'). | A vezetők kiegészítő szocializálásának kérdéséhez adalékként szolgálhatnak az empiriámban született eredmények a vezetői maszk, karakter, azaz a szakmai és személyes identitás témájában.

“Every economist readily recognizes that social decisions have economic consequences, in that they cost resources. So how can any economist or business executive fail to recognize that economic decisions have social consequences, in that they directly impact human beings?”

Henry Mintzberg et al. (2002: 69)¹

1 Aims and content

1.1 Overview

In my research I regard business reality as a collective phenomenon, within which the role of shared dispositions and stories has to be emphasized. Let us call this approach to the logic of collective practice as 'dispositional'. I use this method in the interpretation of organizational functioning, and especially of the workings of corporate governance. Based on the conclusions drawn from this interpretation, I have worked out a draft concept of 'auxiliary social development' of corporations so as to make them more engaged socially and let them undertake their social roles, that is, be socially responsible. The research was inspired by the same dispositional sentiment towards the societal and economic roots of the ecological crisis.

The sentiment presented in the thesis is mostly based on Pierre Bourdieu's concept of the '**habitus**', and is primarily derived from one of his last works, “The Social Structures of the Economy” (2000/2005)². I attempt to interpret economy, business practice and organizational reality as a social, sociological phenomena – as it is meant by the theory of collective reality developed by the French sociologist. If we follow this theory, we do not need to invoke either the rational rules of conscious games or the invisible hand (this statistically feasible but abstract social logic) in order to formulate *the functional principles of a structured and self-reproducing social reality* and to correlate its events more realistically. The basic question here is: how do *the collective stereotypes of behavior and comprehension, the stories and experiences of communities* contribute to the actual realizations of the economic reality. For

1 Henry Mintzberg, Robert Simons, Kunal Basu (2002) “Beyond Selfishness” MIT Sloan Management Review, Fall

2 Bourdieu (2000/2005) “The Social Structures of the Economy” Polity Press, London

instance, society itself, a whole industry, a corporation or the CEO subculture can all be communities which construct reality.

The thesis introduces a normatively useful point as well: *how could the forces of societal change responsive to the ecological crisis be implemented and actuated from inside organizational and business practice in the form of behavioral dispositions sensitive to the matters of ecology*. Not by forcing the organizations to implement the agenda of change but by institutionalizing the vectors of change into the implicit mechanisms of their practice. A related question is how will such aspects as the public opinion (which is becoming more and more sensitive to environmental issues), the social engagement of corporations (which is growing in its legitimacy) and the ecological orientation of business executives (which is here conceived of as conditionable) – be all *synchronized with* such aspects as *the working principles of an organizational community*, the *regularities* of practical coping, and the style of management and operation? By using the terms 'regularities' and 'style' here I refer to the collective behavioral mechanisms described in the Bourdieusian theory by the notion of 'habitus', while I am trying to avoid the broader notion of 'organizational culture'.

The thesis aims to synthesize an analysis about the determinative role of dispositional logic in business practice, and about the *substantive (practical) significance* of this particular **mechanism which animates the collective action within the workings of organizations** – especially the current importance of this mechanism in the adaptation to the ecological crisis the economy has to face.

This “synthesizing” analysis takes up the first part of my dissertation and could best be described as reflecting the explorative-integrative research method. The second part begins with the introduction of the empirical research based on the narrative interview method, and concludes with the interpretation of the answers to the research questions by going through the application of the synthesized theory to the material gathered in interviews.

The research questions – defined later in this text – are derived from the following two statements:

'A' **The dispositions of business executives** (*their mindset, habits, habitus*) **form and guide business practice.**

'B' There are ways to influence change in these dispositions (to manipulate them) from outside.

In my understanding, the empirical results support that it is reasonable and realistic to study – and try to detect – dispositional logic in business. The results confirm that dispositional regularities have played a significant role in the cases told by the interviewees, experienced by them, and conceived by me as reports about the collective corporate functioning as seen from the executives' point of view. It emerged as a valid interpretation that *the mindset and the dispositional action patterns form an ingrained system within the interviewees' executive professional identity, and as such they determine the involved behavior exhibited by the executives within the organization*. In my judgment – formulated upon the empirical material –, *the dispositional interpretation of the professional identity is not compromised by the observations that the regularities of the executive identity are conscious and instrumental to a significant extent*. Plus, I construe from the results that the dispositions of the executives obtain their practical significance if and when they *interreact (interplay) with orientations and choreographies functioning in the culture of the organizational milieu* (Bourdieu describes it as a relationship between 'habitus' and the 'field').

This way the results obtained through the empirical research are in unison with the normative idea formulated in the synthesizing part of the thesis, which advocates the establishment of super-organizational institutions which are capable of influencing the mindset and the practice of the senior management. Firstly, in such institutions *the executive subculture (the intersection of their identity) could be oriented according to the critical issues of the society*. Secondly, *the executives' action potentials oriented this way* – that is, in those institutions – could be synchronized with *the organizational functioning* (the practice of the actual executive's company) *more open to social involvement*, and with *the concrete issues of societal importance* the given corporation is implicated in.

According to the view represented in the thesis, *it is the companies who are involved in social matters – for example as a result of their external effects* – and not vice versa. In other words, we can interpret corporations as being stakeholders of society, whose actions affect societal issues, instead of interpreting society as being a stakeholder affecting the corporations' actions. Thus

it seems to be logical, that **it should be the corporations' high priority task – their duty – to process societal issues**. A draft of **one possible institution promoting the formation and reproduction of this corporate engagement is sketched out** in the thesis, which also tries to empirically confirm that *it is possible to make the dispositions of the executives (senior managers) more socialized*. We can conclude from the empirical material of the research that it is possible to detect these dispositions, which could then become the targets of the oriented, **guided re-socialization** as well as its results to be phased in.

1.2 Explanation of the adopted approach, style and terminology

1.2.1 Approach, style

It must have struck the reader as obvious by now that my statements carry some sort of uncertainty and that these statements – just as the research itself – cover a 'soft' field. The deliberate use of the terms reflecting uncertainty – “my understanding”, “try to confirm”, “attempt to”, “mostly” or “seems to be logical” – is in line with the *approach* adopted in my dissertation. As per this approach, social reality cannot be examined objectively, since this kind of reality is intersubjective, constructed by the community. It is a phenomenon which mutates according to its interpretations. Therefore it is partly determined by the researcher's attitude. Social reality is undetermined, transient, perpetually re-interpretable – something which calls for an approach labeled '*postmodern*'. My '*soft*' approach is not merely a researcher's pose but it happens to coincide with my current way of looking at things.

Being part of social reality, the nature of economic reality and the regularities of its functioning cannot differ substantially from those of its broader context (that is social reality) – especially *if we look at economy as a phenomenon constructed in communities and woven of interpretations and stories*. The conclusions (interpretations) drawn using this kind of approach – e.g. a great deal of emphasis on the significance of dispositional logic – might seem self-explanatory for those whose worldview is affected by their sociological studies or by their readings of contemporary literature, but if viewed from the perspective of the ruling business and economic approach, these conclusions are debatable.

Concentrating on the role of “soft” community logic in business practice, I use a matching style throughout. My research methodology is also in line with the 'soft' approach and message – there is more on this issue in a later subsection.

The dissertation's approach was meant to fit with the '*practice turn*' school of thought too, which has been gaining ground in social sciences, and therefore in organizational studies as well in the past few years. This approach holds – to put it simple – that reality is not really to be described by some sort of grand logic or high-level interrelationships. Rather, it is the internal logic, the micro-processes and stories of prosaic, everyday practice which came to the forefront of research. For instance, organizational behavior, including strategy making and implementation, can realistically be described as an interplay of the smaller activities of everyday organizational practice rather than as a “landscape of targets to be achieved”.

1.2.2 Socialization

The introduced terminology – “guided re-socialization”, “auxiliary socialization” and “more socialized” – requires some explanation. I use the term '*socialization*' to mean learning and adoption of mindset and behavioral patterns taking place in the very community which is experienced by the subjects as the medium of their existence (their milieu). The community conveys the patterns and serves as a habitat for those to become part of the individual's thinking, behavior, identity. It is important to note here that some of the individual patterns are adopted by the community as a whole.

The business executives' professional identity is shaped – among other things – by the communities of executive subculture. These communities have existing institutions e.g. conferences, clubs, the professional press, fairs, trainings and other professional events. Thus I conceive of the institutions of '*guided re-socialization*' put forward in the thesis as being analogous to these institutions, with the clear aim of *planting the matters of the broad community (the society) into the executives' identity*, that is into the behavioral orientations of their identity.

The notion of 're-socialization' is to be understood as an iteration of socialization,³ that is, a kind of auxiliary socialization of executives already socialized within their organizational situation with the aim of adjusting them to new circumstances and developing a certain kind of 'otherness' in them.

If by doing so we could orientate the executives' dispositions – otherwise narrowed down to the (strictly) economic context – towards dealing with, and more importantly taking care of business' wider and softer relations to society, we could then talk about a “more socialized” disposition **actively open to the issues of the broader community**.

1.2.3 Disposition

Disposition is X's tendency as well as his capacity to act in a certain (ingrained) manner under given circumstances. Disposition is in fact a *potential to react*, whose key components are tendency, stance and sentiment. This potential forms the nature of its own carrier (aka the agent) and it can determine the agent's behavior when facing a situation (contextual pattern) associated with a particular disposition. For someone to be able to react, his orientation needs to be coupled with certain capabilities. Likewise, in Bourdieu's interpretation, the dispositions of habitus – beyond the tendency to act in an ingrained manner – are also coupled with (or interplay with) a capacity. It might shed more light on the role of *capacity*, that disposition also means a *readiness* to act – and thus a tendency towards some specific reaction. For instance, people are hardly able to act without preconceptions, that is without an actual tactical concept.

Disposition can manifest itself in judgments, decisions, actions, position, style or taste. It is important to note that disposition involves *inertia* too. The interpretation of disposition as a *behavioral orientation* validates the use of the metaphor of behavioral 'vector'.

³ For a similar usage of this term, see: Zachary P. Hart, Vernon D. Miller, John R. Johnson (2003) “Socialization, resocialization, and communication relationships in the context of an organizational change” *Communication Studies* 54

1.2.4 *Habitus*

I interpret Bourdieu's notion of **habitus** as a concept of a 'methodological format' adequate to describe reality (practice) through its 'community format functioning'*. This mode of depiction can make both human and organizational behavior palpable through their external (societal) determination and internal (individual) stories, identities, bodily realities, and it can *explain the logic (the functioning) of practice* by using these very factors, not denying that “one quarter” of rationality either.

Following the French social scientist, let us view the practice through the metaphor of *game*. Consequently, there must be (social) spaces where these games take place, and there are also explicit rules and established regularities. Then there are players (agents) together with their positions in this space, their capacities, strategies and interests. And there are situations as well as other constructs created by their relationships. Habitus is one – for us the most decisive – of *the mechanisms, components or basic principles behind the behavior* of agents (humans, institutions) on the playing field. This principle is based on a system of dispositions (*or regularities*) *arising exactly due to the agents' involvement (engagement) in the game* – a system which is formed from the players' *shared* cognitive and action schemata. Bourdieu uses his bare technical term '*field*' to provide a structured view on a playing space, a social arena. These fields – from the point of view of the agents who maneuver within the system of fields – are objective constructions of their social environment, of the social game. This setting is primarily outlined by the agents' positions and the power relations between those positions – to which the agents are connected through their 'interests' (e.g. advantage, calculation or competence) too. In the context of the fields, agents hold certain (e.g. cultural, symbolic or financial) capitals – these serve as resources and also as the stake in the struggle. The dispositions applied in several fields at a time aggregate into habitus and thus form a distinct system. This ensemble of comprehension and action vectors *reproduces* the whole game, that is the logic and the scenes of the collective behaviors.

* Community (or collective) format – is my own wording, mentioned on page 29 here.

Using the format of habitus, we can describe the workings and the reproduction of the game without having to resort to the simplifying notions of payoffs, needs, rules, equilibria and expectations.

1.2.5 Engagement

The thesis features several aspects of the concept of **engagement**, in other words involvement, commitment, duty and role assumption. Firstly, this notion stands for the 'social engagement' of corporations (in addition to the concepts of their responsibility, and instead of the concept of stakeholding). And it also appears in the formula of “active engagement” (following Robert Chia⁴), which describes the dispositional logic of the internal functioning of organizations. At which point the notion of engagement can be linked to the vision of the professional identity of an executive who assumes the role of a steward in relation to social issues and takes on his involvement and his initial otherness. Yet another aspect of the concept of engagement is Henry Mintzberg's peculiar interpretation of management and leadership called the '*engaging management*'⁵, in which view organizations are no longer efficient machineries. Rather, corporations should also be institutions in which stakeholders cooperate in activities collectively regarded as meaningful; institutions where the leader sets the tone and maintains the interplay of the co-workers' capacity for participation and their customs to participate (something which is hard to measure). And where – whether this is idealism or not – long-term considerations are also prominent.

1.3 Illustrations

1.3.1 Rules vs. regularities

Let us consider the following example first: even though unambiguous rules regulate every possible road traffic situation, road users need to know many practical regularities as well, things they are not fully conscious about. We memorize the rules for the driving test and then forget a significant percentage afterwards. We get to learn the regularities in practice: at first systematically,

4 Chia (2004) “Strategy-in-Action: Towards a Phenomenology of Practical Coping”, manuscript

5 Mintzberg et al. (2002) “Beyond Selfishness” MIT Sloan Management Review, Fall

under the guidance of the instructor (e.g. how to keep distance), and then in live situations (at which speed can we make a turn in rain) – partly following the examples set by the behavior of other drivers (when to let someone join our lane and how to signal it by flashing the headlights). Moreover, the rules we have learnt will transform into tacit, ingrained patterns of behavior and gut reactions in daily practice. The driving culture of a metropolis differs from that of a village in the country and it also varies considerably from country to country (e.g. how drivers let pedestrians cross, how they coexist with bikers). The micro-situations of traffic are often more efficiently regulated by the participants' interplay, which is based on shared patterns, than by the formal choreography of the Highway Code (e.g. the aggressive and yet peculiarly cooperative driving style in Russian cities forms the lanes by spontaneous coordination in those places where the original road markings are not visible anymore.) We do not – for the most part – gain experience in a profession or learn the operational regularities of an actual workplace from manuals either but we fill the schematic rules with content in practice – adopting the actual behavioral and cognitive patterns, routines of the immediate environment.

One of my top manager interviewees reported that when he tried to introduce the “standard format for the flow of requests, questions and commands” he had acquired in a multinational corporate environment, the idea met with strong resistance in a Hungarian firm which has grown from a small family enterprise to a larger than medium business. Apart from the conflicting interests, the mindset and the customs of action – the collective regularities – also proved to be a major obstacle. The institutionalization of the new “reporting schema” and communication practice would have required broader changes, the adoption of a “new style of functioning”. Even though the new reporting rules were reasonable in themselves.

1.3.2 Dispositions and masks of executives

It is the executive directors (the senior managers) who lead talks with business partners and other relevant parties, and the result of their activities is most probably influenced by whether they regard the external parties as opponents or whether they are disposed to deal responsibly with the problems of those parties who are affected by their business activities. Similarly, what a manager assumes about his employees' nature, whether he subscribes to 'Theory X' or

'Y' is a matter of disposition. Organizational studies and consulting must have played a role in that this latter approach (Y) was slowly gaining ground in the second half of the 20th century.

My empirical material shows that the executives *exercise their professional identity through a personal bearing* marked by sharp features, something I am going to refer to by the 'mask' metaphor. My interviewees appear to be contra-selected in e.g. that the term 'cooperativeness' describes their stance towards both their external partners and their colleagues more or less adequately. In their executive masks, we can find such “soft skills” as cool professionalism, suppression of the ego, active listening, didactic communication, irony, cleverness. Among these there are several traits which are instrumental, justified by being expedient and consciously developed. And several of these traits are coupled with an orientation which is beneficial for the development of the 'engaging management' – these are partly dispositions 'von-haus-aus', patterns acquired prior to or outside of the corporate socialization (e.g. dispositions which make them capable of involving colleagues in managerial situations, enhancing mutual tolerance and letting the sense of justice prevail).

1.3.3 Dispositions towards others

One of the cases discovered during the interviews tells us how crucial the role of the local senior functional manager's (the PR chief's) personal approach was in defining the manner the Hungarian division of an MNC followed the central policy and in how they filled the 'downloaded' instructions of the parent company (a giant corporation, which itself is a global role model in building the corporate image of social responsibility) with specific content. My interview subject attributed this particular person's approach to his “upbringing and cultural background” and last but not least to the dramatic record of his life, to his personal story. “*There are lots of ways to realize*” the central policy (and goals) or to follow the orders – this particular person does it by disseminating progressive patterns in the local corporate culture. For instance, by simply forcing that when it comes to events that manifest the company's social responsibility, the executives should rather represent their company through their personal presence (than merely through logos).

Professor Deirdre McCloskey, the internationally known economist and historian argues that it is a mistake of the dominant judgment to attribute the well-

functioning of the market-based bourgeois society to the sovereignty of prudence (“know-how, competence, a thrifty self-interest, 'rationality' on a broad definition”)⁶. Whereas other personal, “civic, social and cultural” **virtues** are also prerequisites for the genesis and the stable functioning of capitalism. Reinterpreting McCloskey, I regard a good part of the explanatory variables she terms 'sacred' – e.g. stewardship, service, sharing, sympathy, sentiment, stories – as the regularities of collective existence. These variables are excluded from the formula of economic behavior, if we try to explain the behavior through the 'individualistic format'. In a 1930 essay, Keynes puts that there will come a turning point sometime at beginning of the 21st century, when the individualist behavioral and moral principles which used to be to society's benefit will make way for a disposition (my wording) of being “*economically purposive for others*” (original wording); simply because the evolutionary role “of being reasonable for oneself” (selfishness) – a driving force that has served capitalism for centuries – ceases when wealth becomes a given thing and not something to pursue.⁷

Returning to the executive subculture, what one of my interviewees has to say seems be in line with the above ideas: “If someone becomes a senior manager by his late twenties, he has to make a decision whether to become a yuppie or not.” In his observation, yuppies “are likely to plan in much shorter terms and have much less structured ideas about 'why they are here' – because they do not have to think about it.” In my dissertation's tone this statement is free from moral judgment – the question to be asked here is, **which dispositions shape practice and which ones are left out of the script for practice**. Even though the dispositions they inherit from home are important, *the behavioral recipes and mindset which are ingredients of the ongoing socialization of the senior managerial subculture* are presumably the critical factors in the realization of the practice – in how the frames set by the rules will be filled with a specific content:

To what extent the interpretation of the owners' interest in a stock-market style and timeframe shapes the corporation's internally made decisions. Whether the executives' stewardship-like disposition currently exercised towards the own-

6 McCloskey (2006) “The Bourgeois Virtues: Ethics for an Age of Commerce” The University of Chicago Press

7 John Maynard Keynes (1930) “Economic Possibilities for our Grandchildren” in JMK (1963) “Essays in Persuasion” W.W.Norton & Co., NY, pp.358-373

ers – as required by the company law too – is extended to other 'company-to-its-environment' relationships as well and what level of priority this disposition enjoys. What kind of abstract ideas are there about costumers and their needs. To what extent the corporation feels responsible for the quality – e.g. whether a construction company is demanding about man-made environment. Who takes care about how the products of culture considered to be commodities shape the taste and lifestyle of the public concerned. Whether an executive ever considers a project which significantly alters the panorama or the natural surroundings of his very own settlement as a possible alternative.

The current regulations by public and supervisory authorities as well as the self-regulation of market players orient companies toward 'compliance' and this is where we can detect the encouragement of the companies' minimalist attitude. In Ray Anderson's bitter wording this regulation encourages them to be “as bad as the law allows”.⁸ In other words, it makes them aim at the worst results permissible. In contrast to the case of **active engagement**, when we would expect the actors to behave with eco-sensitive orientation, be demanding, creative and proactive. Being the founder and chairman of a giant carpet tile company, Anderson came out as an environmentalist. His company intends to be the first environmentally restorative company, that is, they want to eliminate their own environmental load. In the meanwhile, regardless of their radical environmental views they retain their profit making function. The converted entrepreneur summarizes what he realized about his own former *role* – and that of *the whole top managerial profession* – having read an ecology book: “Some day people like me will end up in jail”.

The reference to yuppies and the Andersonian reference do not provide practical recipes for *the ways to orientate the executive subculture towards a caring, day-to-day treatment of societal issues*. We have to find practical, socially 'realistic' and not just superficially indoctrinating ways to do this. Professor Edgar Schein, as prominent researcher of organizational culture is contemplating in his 1996 paper what he was inquiring into during his fieldwork in the 50s: what exactly happened to the brain-washed American POWs in North Korea, what was the role of 'milieu control' as an organizational phenomenon. When it comes to business organizations, we tend to disapprove of

⁸ in: Mark Achbar, Jennifer Abbott (2003/2004) “The Corporation” Special Edition Two-DVD Set, Disk 2 (the interviews of the documentary)

such methods – and of similar controlling or controlled community influences/coercion –, nevertheless we do use them in boot and training camps and in academies to achieve 'cognitive redefinition'.⁹ The institutions which adopt similar techniques of influencing can achieve – while making a much shorter and more concentrated expenditure – the development of common beliefs and habits through the tuned construction and dramatization of the re-socialization process.

1.3.4 Guided re-socialization – “The nautical division”, draft

Côte d'Azur, 22nd April, late afternoon. A gathering in the hotel Majestic Barrière kicks-off the conference tour for bosses from the European business sector. The “survivors” of the tour expect to receive the 'E1'-type top managerial qualification. The 80 executives running for the title are addressed by the president of the Economic Policy Committee (EPC), and they are the first to be presented with the action plans taken by the EU on the basis of the Stern-report. The travelers put their telephones, notebooks, all the communicational and IT-tools, as well as their valuables aside, instead, they receive a dictaphone and a spiral-bound notebook. 20 more people join the company: 6 charismatic writers, theatre directors and university teachers (they are “the teachers”), but also come young writers, sociologists, project managers and functionaries, mostly from outside the continent (they are “the witnesses”). Together they sail on yachts to a luxury sailing ship where, after the welcome evening, a “schooling” phase begins the next day.

Then while they proceed skirting the shore towards Algeria, (multimedia) presentations on natural environment, its crises, civilization-environment relationship before the Industrialization are held, the witnesses tell stories of their world. TV, radio or other mass media are not available on the ship, in the interactive library one can watch episodes of TVE Earth Report, as well as other selected documentaries, cinema films and recorded theatrical performances. A spacious library hall can be used for further investigation into the topics. One can also order a copy of the books and materials found in the library for home delivery, in case the topics are worth returning to. The education days are closed by literary evenings and discussions. After a day of preparations the

⁹ Edgar H. Schein (1996) “Culture: The Missing Concept in Organization Studies” *Administrative Science Quarterly*, 41

travelers themselves hold presentations to the others on one of the five thematic sections. Finally, for half a day the managers are brought together in moderated small groups, where they are encouraged to tell stories about their own professional lifeworld and then their colleagues are to reflect thoughtfully on the experiences heard – this is the first organized chance for professional introduction. The gastronomic niveau at this phase is all along similar to that of the academy of EDAMBA – almost lavishly exclusive.

Coming closer to the shores of Algeria, 20 local tour guides join the company. Among others, they are proficient in Gestalt-therapy, executive coaching and first aid. People on board team up into 6-person groups and plan the “nomadic” phase. The first stage is a four-day long desert tour, a survival trip with team building included. Then comes a rest day, spent by visiting roman ruins and the market place. Afterwards the teams spend another four days with a specific rural activity that necessitates physical contact with the nature, e.g. fishing, shepherding, done together with the locals, under their vocational guidance (in Algerian, Tunisian and Libyan settlements). Staying at these labor locations one more day is given to replay and complete their dictaphone memos about the experiences and flip through their notes, possibly in undisturbed solitude.

At the “return” phase evidently more humble circumstances are awaiting the travelers on the luxury vessel: they are still classy, but lack the previous lavishness, and the multimedia environment is not working anymore. For the elaboration of the things learned and experienced the parlor, the auditoriums, the whiteboards, the notes and the library are still available. The serving staff is as attentive as before. The organizers facilitate discussions between the travelers – sometimes on the themes brought by the teachers, sometimes talking among themselves but with the moderator, sometimes when left on their own. In the bigger group sessions the talks focus on the experiences of the “nomadic” phase, while in the teams spontaneously picked themes are debated. A compulsory assignment for everyone is to hold a comprehensive presentation on the topic “The next five years of an imaginary company under my leadership”. The discourse is documented by the assistants in a structured form, then the ideas and statements set forth are discussed (again) and evaluated by the teams. The mooring is nearby Monaco. The personal coaches who already have a record of counseling with the CEO-s arrive on board. In the

process of tête-à-tête work, the executive and his coach prepare a structured, documented version of the memos, notes and thoughts of the executive.

Before the travelers leave the ship, they are assigned the last task. Based on sympathy, common interests and experiences they need to team up into groups with those with whom they will make a “research” trip next year. At the new trip the already “adept” members will be joined by new top managers. The group should possibly enlist a teacher and a few witnesses. Beyond an agreement on the destination they must also compromise on a specific research task that would fit the “corporative world and the societal environment” topic, and must set it into a document of a certain format.

After the farewell dinner held at the Grand Casino and its surroundings the CEO-s get their valuables and ICT tools back at the hotels they have chosen (naturally they had a chance to procure such things earlier after the disembarkation). The budget of the conference tour also covers three days of recreation for the participants, as well as family members and partners joining them.

The “Habitus” program additionally supports (in the form of a 50% subsidy) a local project in the actual organization of the initiated boss which has to explore the CSR-like and ecological relations of the company, and design the possible future transformation policy. For this the program also supplies guidelines of implementation, an external consultant, and provides training to the company's organization- and business-development partners in advance. The results of this local project are then documented in a standard manner, and by the end of August the CEO himself presents them to the program committee and “defends” them. The committee decides on his 'E1' qualification. His company then can apply for a partial funding of the implementation.

1.4 Research questions

My broad research question was whether one can synthesize an analysis which describes and empirically supports: on the one hand, that dispositional behavioral mechanisms play a crucial role in business practice; on the other hand, that this principle of collective behavior and organizational operation should not be disregarded during the development of ecological sensitivity in the economy. Thus, **the habitus can and should be used as the medium of ecolo-**

gical regulation, as well as in other directions of measures, other directions of the CSR agenda (Corporate Social Responsibility).

I have put down statements 'A' and 'B' above, in the first subsection [p.2]. These are the statements my empirical research focuses on. In my research, I originally committed myself to the examination of the interrelations of statement 'A' – the *role of the executives' dispositions* in business decisions. Statement 'B', which raises the possibility of the *external manipulation* of the executives' dispositions, initially played an ancillary role. However, at long last the 'synthesizing' part of the research has led to a palpable idea about how to institutionalize the guided re-socialization of executives – something I regard to be a significant result of my work.

Before I started writing the dissertation and carry out the empirical research I assigned the following questions to the statements:

- A1. Is the **effect of the executives' dispositions** significant in their decisions?
- A2. Do these have a **multiplicative effect** on the dispositions of the organization's operational staff?
- B1. Can similar **influencing mechanisms** be detected in the executives' practice?
- B2. Can an **influencing program** be sketched up to change dispositions which have an effect on decisions – particularly in relation to ecology?

Then I contrasted these questions with the raw interview material – taking these narrative interviews with top managers to be reports of organizational and business reality. Relating my interviewees' observations on their own (managerial) lifeworld to question 'A1', I believe that the empirical material supports with substantive significance¹⁰ *that dispositions play a decisive role in the executives' behavior (the consequences thereof), and therefore in the actual materialization of reality created by their decisions* (as well as other factors). During the interpretation of real-life stories and managerial insights, I could identify several forms of effects that dispositions might have. Naturally,

¹⁰ For the definition of substantive significance (following McCloskey) see the end of the next subsection.

question 'A1' requires further research looking at an even more direct relationship between decisions and dispositions.

In the interview material I also managed to detect multiplicative effects – the spread of the executives' mindset and behavioral patterns to their colleagues. The results, however, do not render broader generalizations possible. I would follow up on this research question by looking at the interplay or interaction between the executives and the organizational field.

Similarly, my empirical material did not refute the conjecture behind question 'B1' either; we can detect certain components of the external determination of dispositions which have an effect on the specific realizations of the organizational business practice. The carriers and cultivators of the dispositions in question are the executives themselves. In this case, however the empirical data gathered was not enough to support the significance of external influence.

During the examination of statement 'B', the answers to question 'B2' came from the theoretical part of the dissertation, not the empirical one. This is the normative idea of *guided re-socialization shaping senior managerial practice*. And the answer is that *the oriented and guided socialization which serves the social and ecological adaptation of companies could be mainly carried out in the executives' own subcultural (“CEO”) communities*.

2 Methodology applied

My research was built up of two parts: one of them being a 'synthesizing' analysis, and the other being an empirical analysis of the (above) research questions in accordance with a legitimate research methodology. The empirical part explores these questions using narrative interviews. The questions that are closely tied to the theme analyzed in the rather theoretical synthesizing part of the thesis.

2.1 Synthesizing part

In the very beginning of the first half of the thesis, I set out to create the context for the discussion, since otherwise it is not self-evident. For a start, I explore an episode from an interview, which deals with the use of air conditioning. Within the domain of ecological problems, I attempt to interpret the role of the economic mindset and its tendency for intervention. I then outline an alternative (to the individualistic) methodological format, the 'community' approach, and through this lens I present a view of our functioning, which imposes a burden on the environment and which is not conditioned by the need for goods anymore, but by our socially negotiated identity. Turning to CSR, I follow a view that construes it as an extended model of corporate governance and so the concept of fiduciary responsibility arises – just like the image of executives who take care of social matters in this particular mode of trusted service. Then comes the discussion of Habitus, the key topic of the research. Finally, I outline an idea of guided re-socialization shaping senior managerial practice and thereby I try to provide a speculative answer to question 'B2', relevant in the CSR context – a question which sets out to investigate if there is a program available to influence change in the dispositions that construct business practice.

As for the method applied, I was anxious to compile a *unified problem approach* from several diverse sources, and then draw conclusions on its basis, trying to think laterally. In a practical sense, this part was meant to attach meaning to the questions addressed in the empirical part. It was necessary to elaborate aspects of the problem approach intensively, since the thesis tackles questions without being able to rely on the predefined and shared ontology of one particular discipline. Specifically, I was looking for ecologically relevant

readings of the role of dispositional logic in the realization of business. This way, I associate the synthesized approach and the questions researched with the main project of the department I am affiliated with – namely, *the management of tension arising from the cohabitation of economy and natural environment*.

As regards the research methodology, I could best describe the synthesizing part of the research as reflecting an *explorative-integrative approach*. I got to know this approach from an EDAMBA workshop reading material of Professor Erik Maaløe. He formulated this methodology in a structured form for case study research.¹¹ Many of us follow this particular methodology in practice without following it consciously. To put it short: in case we do not keep to the linear path of first articulating the theory, and then doing the empirical testing of this theory and subsequently moving on to the the analysis of the results, nor do we stick to a “grounded theory” scenario with similar determination – then we roam around amongst ideas, experiences and encounters. According to Maaløe, we have to go through this cycle intentionally over and over again – like in a hermeneutic research –, and in the meanwhile experiment with our theories too. This latter guidance particularly fits my own story; just like the one about having to face the findings sensibly, contrasting them immediately with our preconceived notions and expectations, which we have to remain aware of.

While writing the dissertation, I periodically revised my conceptions according to the findings emerging from the literature, the critical remarks and my experiences. This is obviously true for almost all researchers. What may be special about my case, is that I set about the task of exploration and integration with the help of a rather loose theory and ideas. Conceptions emerged and faded out: the theme began with my extravagant essay on the possibility of virtualized economy. The first leading ideas came up later on while reading Jean Baudrillard, and then they were distilled in a paper written about the economy of illusions for the EDAMBA Research Summer Academy. My dissertation proposal mainly discussed the theory of action and the practice-based approach, and finally, before defending my proposal, the dispositions came to be the main theme. I scrapped the text of the proposal, thus the thesis was

¹¹ Maaløe (2001/2005) “Approaches to Case Research – with a particular emphasis on explorative integration, a cyclic design”, draft, manuscript

written anew after the interviews had been conducted. The various chapters of the thesis were written in parallel, and thus in interaction with each other.

Now one can question the role the empirical material plays in all this. While the systematic analysis of the empirical content was written after the synthesizing part, the earlier empirical research stages such as the narrative methodology based design, the interviewing and the first interpretations preceded the composition of the “textual” part, and thus they underlie it. I also consider it to be important that I was not testing a 'small-theory' – in the sense that the subject of my study is not a peculiar (specific or local) phenomenon. Even though I have narrowed down the application of the theory researched to corporate executives, the presence of dispositional logic in behavior – a proposition to be proved in itself – is a pervasive phenomenon, it explains the regularities behind the functioning of things. Consequently, we are dealing with a *universal*. I would like to remark, that I have been confronting my own lifeworld too with this proposition for a while now, and this introspection proved to have explanatory power, it has resulted in apparently valid and trustworthy experiences supporting the theory. My immediate lifeworld includes experiences about corporate officers – mainly mid-level business leaders and a few senior officers –, which I have been gaining for several years now, through our shared business practice. Even if it is not the CEO subculture itself, as a participant in a permanent case study, I have the means to observe the managerial subculture in action – the milieu from where the senior executives emerge. These practical experiences are also contrasted with what I write.

2.2 Empirical part

The *narrative interview method* of the other part of the research is based on the (now fundamental) book of Steinar Kvale (1996).¹² Being a *subtype of qualitative interviewing*, the specific methodology of the narrative interview fits with the narrative logic of social/organizational reality (which is considered to be particularly important), with the social-constructivist and post-modern approach and also with that of practice turn.

¹² Kvale (1996) “Inter Views: Introduction to Qualitative Research Interviewing” Sage Publications, Thousand Oaks

2.2.1 Narrative interviews

While conducting the interviews, I aimed at obtaining illustrations, field samples from the lifeworld of mid- and senior-level business executives, in which samples one could capture the 'Habitus' conceptualized by Bourdieu. My technique was to *make my subjects tell short thematic stories*. I asked them to recall memories from their present management practice that “*rhyme*” with the motif featuring in the question, and to deliver it in 5-20 minutes, exclusively through storytelling. I found motifs which were assumed to bring ingrained patterns of judgment and action to the surface; motifs which seem to have a strong relationship with the actual realization of business, which could indicate the reproduction of schemata, which are associated with responsibility, and indirectly also with the matter of ecology through the context elaborated in the theoretical part. It was during a later phase of listening to and transcribing the recorded interviews, when I located the patterns that may indicate dispositions and dispositional logic. During the actual conversations I tried to avoid directing the interviewees' account to these patterns in an explicit (transparent or obvious) way. The interview questions were also designed not to raise the subjects' awareness of the theme researched, or at least to make it quite ambiguous. Thus I planned to elicit the answers to the research questions by means of the indirect effect of meticulously designed questions, and then to detect them later on in the texts of the interviews.

According to Kvale, it is typical to conduct 15 ± 10 interviews in interview-based research today. In the case of the present dissertation, five of my friends came to be my conversation partners, all of whom are mid- or senior-level executives, and even those who operate in middle management, are involved in strategic decisions and not in “micro-managing”. Additionally, they were either part of the senior managerial subculture or were close to that in their style. Further criteria were that their decisions have rather important influence on the organization, and that the assumed degree of their *decisional freedom* ensures sufficient leeway for them to assert their mindset and behavioral regularities.

Barbara Czarniawska (whose approach was normative for me too) claims in her article (2000) on the uses of narrative in organization research that, in her interpretation, “narrative analysis does not have a 'method' [..., and no] set of procedures to check the correctness of its results”. According to her, narrative

analysis is far from the idea that strictly “applied procedures would [render] 'testable' results”, but there are methodological “tricks” at our disposal, such as critical and formalist analysis or deconstruction.¹³ This has to do with the view that narratives “do not speak for themselves”. They are believed to be communicated by those who formulate or investigate them too. I understood the method according to what has just been said.

Almost all my interview questions required a narrative answer, but I did not force this too much, when someone tended to give theoretical or interpretative replies instead. I considered the natural flow of conversation a very important criterion so that the empirical content is not affected by the subjects' presumed inclination to conform to a scientific research situation. According to one of my preconceptions, I expected the subjects to be inclined to cooperate in exploring the phenomena designated in the questions, that is, to make their accounts involuntarily tendentious due to their intention to conform. For this reason, I used metaphors that were not referring directly to the theoretical subject of my research (i.e. dispositions and habitus), stimulative metaphors like 'sense of the game' or 'choreography', or the concept of 'mask'. I believe that these *metaphors* elicit experiences and concepts intrinsically related to the phenomenon I was researching, and they do so from an idiosyncratic perspective.

2.2.2 Interpretation

I processed the content of the interviews based on the following categories (aspects, dimensions):

- The non-rational principles of functioning behind organizational practice,
- Dispositions,
- Habitus, the style of collective behavior,
- The executives' professional character, identity (the mask)
- The spread of the executives' mindset and behavioral schemata (multiplication),

¹³ Czarniawska (2000) “The Uses of Narrative in Organization Research” Gothenburg Research Institute

- CSR compliant practice and mindset.

The interview questions were meant to inspire the narrator to deliver accounts that would contain the above aspects.

In detecting the dispositions, I relied on the understanding of this subject that had been formed during the theoretical analysis of the themes relating to dispositions (in the synthesizing part of the thesis). When “intuitively” identifying dispositions in the cases found in the reports on business reality or when locating the phenomena classifiable as habitus, I deliberated the reasons behind the classification. When interpreting the presence of habitus, I consciously considered such criteria as: *the identifiability of the milieu and field of practice, with which dispositions have to have an orchestrated interplay, and the identifiability of the milieu of the habitus' origin*. A report by Gill Callaghan was quite exemplary for my inquiry into habitus, especially the way he detected habitus in his interviews.¹⁴

2.2.3 Validity, reliability, generalizability, significance

“From a dialectical perspective, a truth criterion based on being free of contradictions in a contradictory world is false.” – claims Kvale (1996: 57), then he cites a critical remark by Frigga Haug from 1978, in which she referred to the demands of consensus and harmony in qualitative research: *“If social processes are essentially contradictory, then empirical methods based on an exclusion of contradictions will be invalid for uncovering a contradictory social reality.”*¹⁵

It is reasonable to believe that the content of a qualitative interview is not going to be more consistent than people themselves are in their views and actions. Since I was not looking for answers to my research questions in the explicit meaning or message of the interview texts, the analytical results of the actual research should be less affected by the inconsistencies (unreliability) of the explicit textual content.

The “scientific holy trinity” of positivist methodology – validity, reliability and generalizability – is viewed as a disputable and soft issue by postmodern

¹⁴ Callaghan (2005) “Accessing Habitus: Relating Structure and Agency Through Focus Group Research” Sociological Research Online, 10-3

¹⁵ Haug (1978) “Dialektische Theorie und empirische Methodik” in *Das Argument*, 111, “Methodenprobleme der Sozialwissenschaften” Berlin, in Kvale (1996) p.57

qualitative research anyway. In this approach we diverge from the usual statistical interpretation of these concepts, and the originally clear distinction between them also become blurred. If we diverge from the statistical, econometric, sociometric, psychometric methods, and then apply the above concepts to accounts of real life – the notions of validity and reliability might easily be confused. For me the frankness of the interview material was also a key issue, which means that reliability can actually be understood as *trustworthiness*. As for the verification of validity and reliability, I could reasonably rely on my own knowledge about business reality and the reality of my conversation partners (which knowledge I used to verify what was said, not to re-interpret it).

In my research I use the concept of 'significance' to mean practical importance or societal meaningfulness (to mean that something matters). I adapt this reading from Deirdre McCloskey (1998), in accordance with the concept propagated by her: '*substantive significance*' (as opposed to statistical significance). While the latter comes from measured numbers, the former is assessed by common sense (i.e. the mattering is decided on the grounds of shared interpretations).¹⁶

¹⁶ McCloskey (1998) "The Rhetoric of Economics" The University of Wisconsin Press

3 Main observations and results

3.1 The idea synthesized

In the 'synthesizing' part of the dissertation I put forward the following idea not as a hypothesis but as a background assumption (in fact, this assumption is what justifies the research questions). And the idea is that it is reasonable to move the economy towards *ecological sustainability* from inside the practice of corporations, specifically **through the dispositions of the executive sub-culture**. I can see several points of support for this idea to start with: **a./** According to Bourdieu, the industry, the politics and the public mutually form each others understanding about what comes to be the norm and the practice on the market. Leaving the obsolete economic theology of needs behind, we can see that these norms of practice represent *a common social construction*, the actual realization of which may either entail a considerable burden on the natural environment or a much smaller one – and this is a question of the realization, that is of the practice itself. (In my dissertation I illustrate this topic with the issue of quality.) In this social game today it is the corporations who propel the course of common practice with an active engagement – and now they can guide it to a 'greener' region. The CSR agenda confronts them with this latter shift in the form of a requirement formulated *under social pressure with growing legitimacy*. **b./** Corporations represent one of the *most organized institutional system* and population of contemporary society, which are pragmatically capable of agile adaptation and which can internalize new circumstances with relative 'efficiency'. **c./** The functioning of the corporations is not inherently amoral (e.g. see McCloskey's reasoning¹⁷). It is not worth fetishizing their efficiency (e.g. there is much slack within, and the sense of their core activities is often questionable too). In addition, actually, it is the majority of the society who forms corporations during the day. **d./** Following Bourdieu, the functioning of the corporations, the organizational behavior and the decision-making it involves are just partly rational. For the most part, however, it is the *social scaffolding* and the non-conscious practical logic which narrow down the playing field of conscious deliberation. That is, the regularities of the business game are for the most part not economic. Most of

¹⁷ McCloskey (2006) "The Bourgeois Virtues: Ethics for an Age of Commerce" The University of Chicago Press

the economic regularities are *dispositional* too. e./ The CSR understanding today expects changes in the business practice; due to the urging environmental threats an accelerated course of the changes is much needed. Therefore we have to *find access points which provide an intensive impact* on the practice of corporations.

As we cast off the individualistic methodology, which gradually loses its general explanatory power and its topicality, the business sector does not any more appear to be a party which – due to its rational internal logic – can be isolated from the 'obscure' social matters. Nor does it appear to be a party which – due to its clear functional roles – enjoys immunity from dealing with these issues. The corporate practice, the organizational behavior and culture appear to be spheres where *direct* and intensive intervention is justified, *if* an accelerated procedure is legitimized. Within this sphere – according to the idea underpinning the topicality and importance of my research questions – the **business executives** themselves could become the effective access points to alter the shared mindset and potentials to act which determine the functioning of the corporations (in other words we discuss the alteration of organizational culture here). Their dispositions may 'multiply' in the community of a corporation, spread out to the super-organizational culture, to the subcultures which exist within the population of the organizations – and then to other communities of the public.

The reformation of the mindset and the behavioral culture of the senior management may take institutionalized forms. One such solution could be provided by the existing and the newly organized **communities of the executive subculture**. These would be analogous with the occupational (professional) communities popular today (palpable at their conferences, clubs or fairs for example). My concept, however, assumes specific communities, which are designed with professional assistance, provide experiences through well-dramatized events, focus on leaving the senior management with an impression of their implication in the matters, raise their ecological and social literacy, but also provoke practical involvement in the matters. The “lessons” learnt, the schemata obtained need to suit the actual case of the executives' corporation – the “learning” needs to be situationally embedded. Within the framework of these new and existing communities the development of a 'thematic community field' should be fostered, which would then serve as an

acting arena for the business and organizational leader role of the executives involved, that is, *as one of the playing fields for their professional mask*. Through this field they could get involved in further issues, the social ones and therefore it could structure their views and behavioral potential. The eco-sensitive practical ways of thinking and behavioral stereotypes acquired in their own subcultural milieu – through dramatized impressions and experiences, education, practicing and controlled intervention of organizational development – *can reproduce in other fields of practice, where the executives' professional identity normally functions* (see: multiplication).

The social prestige of the communities shaping the executives' practice is of great importance and it has to play an important motivating role based upon human frailty, along with the entertaining features of the community events (which feature has become the norm) – though both should only provide the frames of the measures which modify the professional identity and develop the literacy and the potentials to act. With regard to these latter measures, the *assistance of the organizational developers* seems to be a key issue in the institutions transforming the executive culture, since the engagement, the environmental literacy and the sentiment of being involved all provide a primary orientation, whereas the shift shaping the practice has to fit into the professional character and occupational subculture, the actual organizations, and the concrete organizational and personal situations. The *synchronization of the emerging orientations and the actual organizational practice* is to be intensively and professionally supported.

3.2 Main explanatory observations and conclusions

The significant conclusions and observations of the thesis can be categorized as follows: (1) those relating to the *logic of action*, (2) those arising from the application of the latter in *organizational management*, (3) those exposed in the context of *environmental economics*; and finally the last category deducible from all the previous – (4) conclusions related to a possible scheme for the *development of organizational and senior managerial responsibility*.

3.2.1 Logic of action

- a) I argue in my thesis that **the logic of dispositions is one of the driving forces behind collective behavior, just like the logic of deliberation, and that they are of equal importance**. Thus, the regularities feasible for sociology – beyond the rules preferred by mainstream economics – seem to describe business reality equally well. Besides the regular processes, the collective stereotypes of behavior and comprehension, the stories and experiences of communities (as regularities) are mechanisms that equally contribute to the selection of the *actual realizations* of economic institutions and practices. (Thus, a number of economically logical alternatives never get realized or even considered, these alternatives are often just ignored; whereas the rationality of a number of existing institutions, matters and customs can only be justified within the biased interpretative context provided by their actual realizations.)
- b) Portrayed more realistically, *the behavior of individuals who act collectively and have a common narrative* appears to be animated by a **plural mechanism**, a combination of mechanisms like: habitus; espoused social rules; discursive rationality (explicit collective calculation); selfish individual calculations; negotiation of meaning between the collective and the individual; creativity; judgmental heuristics; dispositions of interpersonal relationships; emotions and passions; bodily coded (psychical) behavioral deviance. These principles or modalities of behavior overlap, interfere with each other – they do not occupy certain time slices (with statistical frequency), but are *combined even within a snapshot of a situation*. In this approach, 'consciousness' is not distinguished as a behavioral mechanism, but it is *also made up of the above components*. (The list of ingredients is obviously neither exhaustive nor coherent, as it only serves as an illustration of the approach being outlined.)
- c) Such a socially realistic model (which complements the positivist view) can still remain a “useful theory” when reduced to the mechanism of **habitus** – my thesis represents this reduction. According to the concept of 'habitus', **there are shared dispositions inside individuals, which orchestrate and guide collective behavior with a certain structuring logic**. In this concept, people's activities are shaped by their own history and combine into a stably regulated reality. Habitus is one of the basic principles,

mechanisms behind the behavior of *agents* (humans, institutions) on the playing field, but we regard it as being the most decisive one (for our purposes). *This principle is based on a system of dispositions (or regularities) arising exactly due to the agents' involvement (engagement) in the game – a system which is formed from the players' shared cognitive and action schemata.* The dispositions applied in several (playing) fields at a time aggregate into habitus and thus form a distinct system. This ensemble of comprehension vectors – which are in fact action vectors too – *reproduces the whole game*, that is the logic and the scenes of the collective behaviors.

- d) The historical and narrative factors, plus the factors of origin – or under a common label – *the generative aspect* (which is becoming dominant within the above approach) *discredits the tendency to reduce the meaningful (significant) context of economic practice to a sphere interpreted as economy proper (or to the patterns of certain time-slices).* What is understood as the market-governed economic sphere of the economic practice is inseparable from the realms of anthropology, sociology and political science in terms of its genesis, reproduction and function, just as it is inseparable from its specific history.
- e) *In case we choose to depict both individual and collective behavior using the above described mode – which we can regard as socially more realistic – we have to emphasize the logic of **engagement** (involvement, role assumption, commitment, duty).* In this mode of depiction, behavior derives from the rules of **participation** rather than from the dimension of ends and means, or from following the calculable rules. Thus, we can outline the portrait of the '*individual embedded in its milieu*' and the '*agent carrying the history of the milieu*' – a form of representation (mode of depiction), which I have tagged '**community format**' (or collective format).

3.2.2 Organizational Management

- f) The **dispositions** carried by business executives – to a large extent – *determine which alternatives get realized as the economic and organizational practice* out of the available ones. In addition, reality, in fact, adapts to the tendentious interpretations projected onto it. Therefore, *executives construct organizational reality*, and therefore economic reality in general, *through their mindset as well.*

- g) The *habitus held by executives* is of primary interest for my thesis (research). It follows from the 'community format' approach (mode of depiction), that this habitus is not the property or behavioral principle of executives as individuals or as an aggregate. *The executive's habitus is a feature of the given collective milieu, where the executive functions or gets socialized.* This phenomenon is tied to its carriers (the executive) as much as to the fields (organizations, subcultures, markets), where the executive acts or originates from.
- h) *The alteration of the executives' standards of thinking and reacting may serve as an efficacious field of measures for an auxiliary, more radical socialization of the corporate business.* Besides, according to reciprocal logic, the executives' mentality should change together with the environment and the organization anyway, just as the organization has to adapt to the transformation of its environment, according to the contingency theory. *The most critical area of transformation of the organizational environment currently seems to be the societal changes emerging due to ecological problems.*

3.2.3 *The concerns of environmental economics*

- i) In our symbolic, 'meaning-cultivating' economy (or I should say economy of illusions) – some of which takes place in hyperreality –, there are several ways to realize consumption/production in practice. The *currently popular, actual realization of consumption and production* is more a product of a specific historicity and culture (that is, determined much more subjectively), than it was in more “traditional” social frameworks of the past (i.e. in the 19th century). Today the economic system is *much less explicable by objective necessities* than the past ones. Therefore, the actual realization of certain goods and their role in the human functioning (such as the *quality* of goods and its practical role) are a product of “the negotiation of meaning”¹⁸ between the actors of the market. That is, the concept of '**collectively constructed reality**' is not only a methodological tool of post-modern theories (an interpretation), but rather *a real contemporary devel-*

18 Tim Jackson (2004) “Consuming Paradise? Unsustainable Consumption in Cultural and Social-Psychological Context” in Hubacek, K., Inaba, A. and S. Stagl (eds) “Driving forces of and barriers to sustainable consumption”, Proceedings of an International Workshop, University of Leeds

opment gaining ground in social reality, in practice (together with the expansion of hyperreality and the creative role of meaning-negotiation). **The advent of collective interpretation, hyperreality and meaning-negotiation redefine the social role of economy in practice** (especially when compared to the “more objective” societal setting of the period when the mainstream economic world view was being formed).

- j) Those behavioral, *lifestyle and business patterns* which have a negatively significant impact (*impose a burden*) on the environment are not merely superficial phenomena in contemporary society but constitute the *immanent nature of the current realization of societal functioning*. Since we can consider the (objective) economic problem solved according to the “Keynesian criteria of 1930”¹⁹, it has to be taken off the agenda, and hence the 'economy-fetishizing' social system may also be altered. One such consequence may be the model of a **more socialized corporation**, where a company *shall take care of social issues as a matter of course* whenever they get involved in such issues. The problem of ecology is a critical sub-case of the social issues.
- k) If the directive, which holds that – due to the ecological risks – companies should attach as high priority to the aspects of sustainable business as to their financial performance, becomes part of the social ideology and the conceptual culture, then there is a need to *establish the institutions of this social engagement within business organizations too* and make this engagement self-reproducing, in terms of sociologically realistic mechanisms. One such implicit institution can be the dominance of **dispositions which are significant for sustainable business** in the habitus determining economic activities. The latter development can be expected to happen (spontaneously) as conceptual and behavioral culture transforms but may also be inspired from outside.
- l) If the social responsibility of corporations is interpreted via the concept of 'stakeholders', then we somewhat distort the view preferred by environmental economics, according to which it is the external effects of economic activities which create the problems. In this respect it would be less distorting **if we interpret the corporation as the party who is the stakeholder**

¹⁹ Meaning: according to his train of thought published in: Keynes (1930) “Economic Possibilities for our Grandchildren”

in the issues brought up on the CSR agenda. This way *the processing of societal interests that are affected by the corporation's conduct should become part of the corporation's main activities* – as an institutionalized, intentional ingredient of decision making and mindset, and as the tacit practice in the interplay of everyday micro-activities within the organization.

3.2.4 The development of corporate and executive responsibility

- m) It would obviously be reasonable to move the economy towards ecological sustainability from inside the practice of corporations, specifically, *through the dispositions of the executive subculture. Ecological responsibility has to become an integral part of the executives' professional identity and their practical agency – in the form of a **disposition of stewardship*** (which is similar to the fiduciary responsibility, the due care normally exercised towards the owners). In case such a neutral (moral modality-free) disposition towards the stewardship of environmental matters is built into the behavior of corporate top management, it can become a potent element of the CSR-type practice and sustainable business – mostly by the way *the considerations of nature internalized by the decision-makers and their milieu will structure the approach to practice*, the strategy-making activities and the activities of others. The aim of instilling the disposition of stewardship towards environmental affairs in executives can be re-interpreted as the **socialization of ecological responsibility** (which is a sub-case of social responsibility) in the corporate executives' subculture.
- n) One possible *direction of measure* to make the cause of the natural environment an internal concern of corporations – that is, to be unconditionally dealt with whenever the corporation is involved in a matter – is *the guided re-socialization of corporate executives to shape their comprehension and practice accordingly*. The first step in this direction is to *set up the institutions* for such socialization – re-socializing communities shaping the executives' practice. These institutions could either be established and run as special 'community institutions' of the executive subculture or as an extension of their existing institutions' programs – *by analogy to the occupational, status and doctrinal communities popular these days*, and to the socialization practices and forms inherent there, such as the regular meet-

ings, conferences of industrial communities, their trade fairs, exhibitions, the trainings, the professional press and interactive forums (or programs offered by their local organizations, their clubs, other opportunities to meet and interact, content services, etc.). In **the institutions for the guided re-socialization of managerial practice**, it is worth having those kind of contributors who represent the *organizational development competency* – who do not champion the cause of the environment, but deal with the problems related to the context of organization and leadership, and therefore can assist in *the synchronization of the emerging orientations and the actual practice of the companies*, as well as in the representation of otherness within their companies, which is to be developed or is already emerging in the executives.

- o) Within such a framework of the new and existing communities the development of a 'thematic community field' should be fostered, which could then serve as *an acting arena* for the business and organizational leader role of the executives involved, that is, as one of *the playing fields for their professional mask*. Through this field they could get involved in further issues, the social ones and therefore it could structure their views and their behavioral potential. The eco-sensitive practical ways of thinking and behavioral stereotypes acquired in their own subcultural milieu – through dramatized impressions and experiences*, education, practicing and controlled intervention of organizational development – can in turn *reproduce in other fields of practice, where the executives' professional identity normally functions*. This **multiplication happens through the spread of regularities, which are necessary for ecologically positive organizational behavior and business practice**. Firstly, the dispositions of executives orient the decision-making processes, the strategy-making and its implementation in an essential way. Secondly, the dispositions of senior managers, when multiplied, become effective independently of their 'hosts' as part of the habitus of other organizational actors and subcultures. Thirdly, this new mindset and professional orientation shared by several executives becomes effective in several other organizations simultaneously, and these corporations, if they operate on common fields, can socialize the ecologically positive organiza-

* In "The nautical division" draft [p.13], I tried to illustrate the case of an oriented community field of this kind. The story told in this draft is fictional.

tional practice in a reinforcing manner, thus *propagating the effects to organizations where executives have not been exposed to the guided re-socialization*. Such a **setting, adoption and dissemination of standards** is voluntary, as it is implicit and not deliberate.

- p) An other implication arises from my empirical material: *the personalities who show the “non-yuppie” mentality, but nevertheless have a strong character and a proactive (model-setting) attitude would most probably play an important role in the initial propagation of the mindset and behavioral modes demanded by the CSR agenda*. Just as certain characters played a defining role in the 'take-off' phase of capitalism.

4 Comments on applicability and utilization

4.1 The outline of pro-environmental measures

The normative implications of the thesis (which are about the institutions for the re-socialization of business executives) outline one possible direction of measures to help ecological adaption within the business sector. In the course of the stimulation of these changes the senior managerial subculture may serve as an entry point. One such measure is *the auxiliary socialization of the executives' professional identity oriented towards a business practice sensitive to ecological matters*. Following this path, the interpretations and the results of my thesis appear to be usable in both instances: in the case of corporations *disposed to comply* with the standards – as demanded by the CSR agenda; and in the case of companies who are *disposed to behave proactively* – those who establish the standards. All things considered, it is all about drawing **the course of action towards achieving voluntary ecological standards** – the business standard of active ecological engagement. Both the synthesizing and the empirical parts of my thesis have begun to analyze the backstage of measures which are realistic from a sociological point of view.

4.2 Fields of further research

Without leaving the scope of the relationships mapped by my research, the analysis of these particular interrelations can be continued, inter alia, using quantitative methods. Relationships such as the impact of dispositions on the senior managerial decision-making and their role in the behavior of other actors of the corporate governance; the ways dispositions spread within an organization; the external determination of dispositions.

I consider the advancement of the normative idea – about the guided, practice constructing re-socialization of executives – outlined in the dissertation as a possible area of further research. The idea could be *developed from the current draft status into a stage analyzing practical feasibility*. It can be connected to the tracing of the executives' latent mindset and their potential to act, which may be enacted in a more socialized, in particular, ecologically more sensitive corporate business practice.

As my research unfolded, two additional notions have gained relevant meaning and thus have grown to require further research: the collective interplay and the personal identity.

I would study the *personal identity* within the already established context of dispositional logic. The research carried out so far has focused on the professional, subcultural identity of the executives, but the following assumption emerged from the empirical material: the personal character of the executives pioneering the changes may also play a crucial part in the establishment of the common practice of a socially more sensitive executive behavior – that is, the personal dispositions and mindset of those people and the reaction patterns originating from their rather personal backgrounds and culture (see: the “non-yuppie mentality”).

The other concept worth investigating, the *collective interplay*, is to be interpreted here without negative overtones. It should be understood instead as a mutual effort to fit, a tendency which, according to common sense, is a necessary condition for cooperation – more generally speaking, for co-existence, which is coupled for instance with interdependence. According to Bourdieu there are several expositions of these interplays, (in his rendition) 'collusions' taking place in the economy (see: ontological and implicit collusions). The dispositional logic, when applied to the social games, makes it obvious to handle the congruities and conflicts in their mutual dynamics. Take for example the phenomenon articulated in the definition of habitus, it says that collective behavior is orchestrated even without management. There are some more quite inspiring concepts for the study of this – say – '*collusion as interplay*', for instance Jürg Willi's ideas on 'couples in collusion' or co-evolution (the Swiss psychiatrist in my thesis is only referred to indirectly in a footnote).

Returning to the normative thesis, the particular way of rendering the interplay mentioned above is seemingly applicable to the case of executives acting as stewards of the ecological matters. My claim based on the empirical material suggests that *collective interplay is a significant factor in the determination of which changes a leader may successfully be at the head of*. Especially so if effective leadership does not appear to be heroic – a struggle burdened with external and internal resistance (and parties). Even more so if we see the essence of effective leadership in the synthesizing of 'human resources' and the engagement of fellow workers in some collective action leading to the ends

aimed at – where the outcomes are in line with their shared dispositions too. Following this particular exposition of the collusions as interplay, we can diagram the following concepts as interreacting: the executives' mindset and their pursuits acquired through guided socialization, the collective habitus linked to the intra-organizational field, the operational habitus of market, the mindset and business schemata legitimized by the CSR-like views, the sentiment which regards ecology as a matter of the social milieu, the views communicated in hyperreality, the negotiated meanings of personal identity, the perception of quality, etc.

5 Relevant works of the author

5.1 Journal articles

Hrotko, Timur (2002): *Para-economy, experimental ideas and comments*. orig: 'Para-gazdasági gondolat kísérletek. Elmélkedés egy ember- és környezetbarát gazdasági rendszerről.' Kovász, Budapest, 1-4 (autumn-winter), pp.41-69

–; Szép, Péter (2002): *Presence and other challenges to the retail banking services*. orig: 'Jelenlét és retail bankszolgáltatások más kihívásai.' Hitelintézeti szemle, Budapest, 1, pp.69-83

5.2 Conference and working papers

Hrotko, Timur (2004): *Economy of Illusions, Illusion of Economics*. 13th EDAMBA Summer School, July, Sorèze, France

Hrotko, Timur (2004): *Notes on the paper of Balázs Hámori and Katalin Szabó 'Market algorithms and types of behavior in the information economy'*. Manuscript, Budapest (referenced in: Katalin Szabó, Balázs Hámori (2006) 'Információgazdaság: Digitális kapitalizmus vagy új gazdasági rendszer?' Akadémia kiadó, Budapest)