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EVIL IN ORGANIZATIONS AND CORPORATIONS: THE CONCEPT OF MORAL BLINDNESS

Summary. This paper provides an analysis of evil in corporations and organizations by presenting the concept of moral blindness in relation to business organizations and public administration on the basis of the concept of administrative evil as it has been developed by Hannah Arendt and her followers. After a discussion of the definition of the concept from Hannah Arendt's to Philip Zimbardo's social psychology, the paper gives a general definition of the concept as the basis for application and case studies in public administration and private business corporations.

Keywords: Evil, moral blindness, ethics, social roles, organizational bureaucracy

ZŁO W ORGANIZACJACH I KORPORACJACH: KONCEPCJA ŚLEPOTY MORALNEJ

Streszczenie. W artykule zaprezentowano analizę zła w korporacjach i organizacjach, przedstawiając koncepcję ślepoty moralnej w odniesieniu do organizacji biznesowych i administracji publicznej, na podstawie koncepcji zła administracyjnego, zgodnie z teorią Hannah Arendt i jej zwolenników. Po dyskusji definicji koncepcji od Hannah Arendt do psychologii społecznej Philipa Zimbardo, artykuł przedstawia ogólną definicję pojęcia ślepoty moralnej jako podstawy dla wniosków i analiz przypadków w administracji publicznej oraz w przedsiębiorstwach prywatnych.

Słowa kluczowe: zło, ślepotą moralną, etyka, role społeczne, biurokracja organizacyjna

1. Introduction

Evil or harm is arguably something that is often caused by the structure of organizations and institutions. We can refer to military institutions, public administrations and private corporations. One definition of administrative evil is the following: “So evil is really about the exercise of power to inflict harm, hurt, and destruction of others individually or collectively and it occurs on the institutional scale, to commit crimes against humanity” (Adams, Balafour, 2009: xv). There are many historical examples of evil in public and private organizations. We can refer to the Holocaust and the killing of the Jews, the Vietnam War crimes and other massacres where military and political administrations are involved. In private organizations the cases of Enron, Arthur Andersen, Bernard Madoff or the tobacco industry and all the corporations that went down after the financial crisis can be mentioned as cases of harm caused by organizations.

The problem is how we should define such kind of organizational evil. It is not really evil in the traditional sense but rather a kind of moral blindness that is formal, rational and efficient permitting harm to be inflicted upon human beings as a violation of their dignity and humanity. In this paper, I will analyze the concept of moral blindness on the basis of the concept of administrative evil as it has been developed by Hannah Arendt and her followers. After a discussion of the definition of the concept from Hannah Arendt’s to Philip Zimbardo’s social psychology, I will provide a general definition of the concept as the basis for application and case studies in public administration and private business corporations. Thus, the paper has the following parts 1) Hannah Arendt and moral blindness, 2) From Hannah Arendt to social psychology, 3) The concept of moral blindness, 4) Moral blindness in public administration, 5) moral blindness in business administration, 6) Conclusions and perspectives.

2. Hannah Arendt’s concept of moral blindness

My starting point for this research is Hannah Arendt’s definition of the banality of evil in her report *Eichmann in Jerusalem* from the trial against the Nazi-criminal Adolf Eichmann who was charged with the accusation of being responsible for the killing of the Jews. According to Arendt, Eichmann is the representative of a new type of bureaucratic and administrative evil. The problem of Eichmann is that he was neither perverted nor sadistic, but “terrifyingly normal” (Arendt, 1994: 276). Eichmann said that he was only following orders and he interpreted Kant’s categorical imperative as the imperative of “Der Führer” where it is the duty of the administrator to obey the imperative of chief of the system, in this

case Hitler. With this justification he thought that he had done nothing wrong and that he has only acted according to the duty of the good and obedient bureaucrat when he send millions of people to the gas chambers. It is this inability to think and lack of moral sensibility and judgment that Arendt considers as totally incomprehensible and representing “the lesson of the fearsome, word-and thought-defying “banality of evil (Arendt, 1994: 252).

According to Arendt in the *Origins of Totalitarianism* (1951), this “banality of evil” is closely connected to radical evil that is manifested in Nazism, but also connected to Stalinism, which combined the use of administrative and bureaucratic goal rationality in organizational systems in combination with technological and scientific ideology of totalitarianism and imperialism in order to provide a systematic destruction of humanity and dignity by technical means. Indeed, it is worth noting that the notion of imperialism that binds together totalitarian systems – the notion of unlimited economic growth and domination – has replaced legitimate politics. Similarly, we find a connection between the bureaucratic administrator of the system of power politics and the imperialist businessman who is aiming for profit and unlimited growth without any concern for humanity or morality.

In addition to the thoughtlessness and lack of moral sensibility of the administrators of the Nazi system, Arendt points to another disturbing element of the banality of evil, namely the fact that radical evil implied a forced collaboration between victims and perpetrators. The Jews elected themselves to be their own police in the ghettos in order to avoid greater evil. And in Auschwitz certain prisoners were elected to help in the killing process and they replaced the guards in some respect. Moreover, even though they knew little about the concentration camps, the people of the German population remained silent so that the legitimacy of the actions in the camps was never publicly questioned. At the same time the Jews who were the objects of the work of the administration were stripped of their humanity. Legally they were made into stateless persons, and Nazi legal bureaucrats worked to make them stateless and outside jurisdiction so that they were without papers and not recognized as legal subjects. This dehumanization was carried all the way through to the concentration camps (Arendt, 1951: 458).

It is arguable that Zygmunt Bauman in his book *Modernity and the Holocaust* (Bauman, 1989) presents some important points of Arendt’s theory about bureaucratic rationality and the banality of evil in Holocaust behind the moral blindness of the administrator. According to Bauman the Holocaust was only possible within a modern technological organization. Together with the SS-soldiers and Nazi-doctors, Eichmann and other administrators used goal-rational organizational systems to realize the Holocaust as a strict clinical operation where modern science, bureaucracy and technology was unified.

That the Holocaust was an integrated part of modernity implies that it was a meeting between factors that both were unique and extremely ordinary (Bauman, 1991: 81ff.).

The Holocaust indicates the weaknesses of modern society because this monstrous event was only possible in a fully goal-oriented, organized, manipulated and controlled world. Bauman argues that the Holocaust shows the hidden potentialities of modernity (Bauman, 1991: 12). Auschwitz is, according to this point of view, similar to the modern factory with raw material as concrete people and the final product death. According to Bauman the imperialist destruction of the nation-state with the institutionalization of mass society and the ideological creation of new human beings as the vision of the totalitarian regime is an important insight in Hannah Arendt's philosophy. Totalitarianism views social reality as a contingent construction that can be changed.

It is an intriguing question whether Arendt's analysis of the banality of evil and moral blindness refers not only to contemporary public organizations and institutions, but also can be used to understand recent phenomena of the financial crisis of the corporations in the Western world. At least it may say something about the origins of the crisis as a "new burden of our times" equivalent to the burden of totalitarianism of the time of Arendt. The current financial crisis can be seen as an illustration of how the global financial actors of imperialism take over the power of the nation-state. Aimless expansion of profits was the basis for the financial crisis where the system took over the power at the expense of values and ethics. Human beings are reduced to consumers: *homo sapiens* in the modern world have become *homo economicus*. With this perspective we can argue that the role of many businesspeople in the financial crisis also was characterized by a kind of moral blindness where individual greed and self-interest replaced responsibility, moral thinking and concern for other human beings.

3. From Hannah Arendt to social psychology

Social psychologists like Stanley Milgram and more recently Philip Zimbardo have taken up the challenge of explaining the concept of moral blindness where ordinary human beings contribute incomprehensible harm and evil. Milgram showed how research subjects under pressure of obedience to satisfy the demands of authority are likely to give innocent people high voltage of electric shocks in an experimental situation where research subjects function as executors of orders of punishment by scientific "teachers" to "learners".

The results of Milgram's study of obedience to authority are that ordinary people can be pushed to limitless obedience as long as the following conditions are present: 1) Pre-arranged pseudo-legal contractual obligation. 2) Participants have meaningful "positive" roles to play in the experiment ("teacher" and "learner"). 3) Basic rules are to be followed that later are used arbitrarily and impersonally to justify mindless compliance, insisting on the fact that rules

are rules. 4) Altering the semantics of hurting victims to a higher goal using positive words. 5) Diffusion of responsibility for negative outcomes from the subordinate to the authority. 6) Beginning with insignificant steps eventually leading to a slippery slope towards greater harm. 7) By making small steps (only 15-volt increase) no one notices the increasing harm. 8) The authority figure (in Milgram's study the scientific expert) changes from being just, to becoming more and more demanding and irrational. 9) High exit costs implies that the victim with difficulties can dissent. 10) An ideology is used as a rationale for justifying the operation as an excuse for the maintenance of power in the authority relationship (See "Ten lessons from the Milgram experiment", Zimbardo, 2007: 275)

After having worked with hundreds of research subjects in his experiments Milgram tried to come up with a theoretical analysis of obedience. He thought that obedience was based on the placement of humanity in a hierarchical and disciplinarian system that characterizes human interactions in organizations. Milgram does not refuse biological and individualist psychological explanations, but proposes most of all a cybernetic and system-theoretical perspective on obedience. Human beings have a potential for obedience that is created in socialization (Milgram, 1974: 125). We are able to take part in organizations as automatic and self-regulating agents in organizations where we eliminate or suspend our own conception of morality and operate exclusively on the premises of the organizational system and in this sense we can say that instrumental action in the organizational system is a condition for moral blindness.

In his recent book *The Lucifer Effect* (2007) Philip Zimbardo – a friend and class mate of Milgram – who was responsible for a very similar and equally controversial experiment, namely the infamous Stanford Prison experiment (1971), takes up the challenge from Arendt and Milgram and presents a comprehensive accounts of his own experiment more than 30 years later. Among others it is an attempt to want to understand the case of the Abu Ghraib prison abuses of inmates by the US soldiers in the prison that motivated Zimbardo to write this book about how ordinary people can do evil things implying strong dehumanization and humiliation due to a combination of moral insensibility, situations and system roles.

In contrast to Milgram's study that focuses on obedience to authority we can say that the core of Zimbardo's analysis is role-playing and role-adaption in organizations, i.e. the "social construction of compliance" (Adams, Balafour, 2009: 9). In the basement of the Stanford psychology department Zimbardo constructed a prison-simulation social psychology study having ordinary middle class psychology students volunteering to be guardians and prisoners. During the experiment, which was supposed to last two weeks but was stopped after 6 days due to the semi-pornographic aggression and humiliation of prisoners by the guards and the strong hysterical reactions of the prisoners, the participants in the experiment identified very

well their roles and just started to act as though they were real guards and prisoners without any moral or social reservations to their roles.

In the experiment the borderline between reality and fake started to blur and the participants in their surroundings identified so much with their roles that they tended to forget that it was not real. So the conventional and arbitrary separation of the participants into prisoners and guardians was forgotten, and the introduction of new rules in the prison made guards become more sadistic and the prisoners identified with their roles as victims. Both sides of the game started to take their roles seriously. Accordingly, certain prisoners experienced very strong personality transformations where they changed from being independent and critical students into subordinate and stressed prisoners. The same thing happened to the guards who very soon moved from being normal and anti-authoritarian students into the role of brutal and authoritarian guards. The explanation of this change may be said to be the effect of role playing and the power it has on social structure and reality in constructing human patterns of behavior in the sense that the institution [of the prison] automatically structures human role-abiding behavior in terms of specific patterns of action based on an “alchemy of character transformations” (Zimbardo, 2007: 194).

Even Zimbardo himself began to like his role as superintendent of a mock prison. It was only when he went out on Saturday with his girlfriend, who was also a psychology professor, and after several arguments they had had over the developments of the experiment, that he began to realize that he had to stop the experiment (Zimbardo 2007). Being confronted with her heroic resistance and immediate reaction as an outsider helped him to realize that something was really wrong. And after a week he thought that he had to stop the experiment due to the aggressive and sadistic developments of the role-playing and role identification within the institutional setting of the fake prison that had become more and more a model of a real violent prison.

In his interpretation of the experiment Zimbardo emphasizes the close relation between good and evil as two sides of the same coin in the construction of social reality. We adopt certain roles and we aim at realizing these roles without looking at their general impact on human beings. In this sense evil is produced as a part of this general production of roles. We can say that evil is produced as a part or a function of the system and institutional conditions of the role that individuals have to adopt. When we deal with authoritarian systems and institutions we are confronted with institutional structures where it is not the individual actions but their functions and roles in the system that is important. We can say that evil is a part of this general role production. Moral blindness is situated and becomes institutionalized in the system.

When he heard about the abuses in Abu Ghraib in Iraq Zimbardo became aware of the striking similarities with the Stanford Prison Experiment: Young, normal and ordinary people

– in this case the soldiers in the Iraqi war prison – are suddenly in situations where they are guardians and abuse and inflict a lot of evil on people who they torture and humiliate through sexual abuse. What was the case in the Abu Ghraib prison was that of compartmentalization of experiences; role-identification and role-playing in the system contributed to the creation of evil and changed the personalities of the prison guards in the system. Individuals are exposed to the pressure of the system, and therefore once they have identified with their roles they tend to conform even more to these roles. The organizational process implied in this “Lucifer effect” where good and evil merge is a combination of the system and the situation, obedience to authority, group-thinking, dehumanization, gradual escalation from little to higher degree abuse (Zimbardo, 2007: 355).

So with this analysis of the relation between the person, the situation and the system, Zimbardo ends by calling for (and arguing in favour of) heroism. Heroism as defined by an act that is voluntary, risking integrity and health, and community-serving without personal gain. For example, uncompromising criticism or whistle-blowing as the only way to break away from the abuses within the system. Otherwise the leaders of the system would not change the structures and chain of command.

4. The concept of moral blindness

I would now like to point to some structural and conceptual content of the concept of moral blindness that we can deduce from the previous analysis.

The essential content of the concept moral blindness can be said to include the following dimensions: 1. Moral blindness implies that the administrator, manager or business leader has no capacity of moral thinking 2. The administrator, manager and business leader only follows orders and justifies his or her actions by reference to the technical goal-rationality of the organizational system. 3. The manager or business leader is strongly influenced by the ideology, principles or instrumental values of the organization. 4. This attachment includes an abstraction from concrete human needs and concerns in the business organization. 5. In many cases the moral blindness strangely enough, due to role identification, includes collaboration from the victims of the harm. 6. The victims follow the rationality of the system and they identify with their roles either motivated by pure obedience or rather motivated by an attempt to minimize a greater harm. 7. Moral blindness contains a dehumanization of the victims and people or stakeholders implied in the process. They are considered not as human beings but as elements, things or functions of the system. 8. Moral blindness relies on total obedience by the administrators or managers of the system. 9. Technology and instrumental rationality is an essential element in the administration of the organization. 10. Each participant in the

organization is accomplishing a specific work function with role identification and a specific task but he or she has no general overview of the organizational system. 11. Top managers, political administrators and leaders may behave opportunistically to follow their own interest with regard to the main goal of the instrumental system. 12. Top administrators, managers and leaders may act irrationally beyond common human understandings of morality in order to serve the instrumental rationality of the organizational system. 13. Administrators of the system at lower levels are pressured to become increasingly irrational and arbitrarily role implementing. 14. The administrative obedience to realize the organizational aim becomes the central interest of the managers of the organization. 15. Obedience, role identification and task commitment remains the central and ultimate virtue of the commitment of members of the organization to the organizational system. 16. Each member of the organizational system commits themselves to the values of the organizational goal of the system without questioning the legitimacy of the system as a whole.

These elements can be said to constitute the essential structural and functional elements of the concept of moral blindness. However, we can also consider moral blindness from the point of view of a rather phenomenological or hermeneutical perspective. This is the approach that we find in Frederick Bruce Bird's book *The Muted Conscience. Moral Silence and Practice of Ethics in Business* (1996).

In fact Bird extends the concept of moral blindness to include moral muteness and moral deafness. Moral muteness is defined as the inability of people to defend their ideas and ideals (Bird, 1996: 2). Moral deafness is the inability to listen to and hear moral concerns and moral blindness can be said to complement and include moral muteness and moral deafness (Bird, 1996: 2). In his book Bird claims that we may be able to understand the moral vacuum of public and private organizations by reference to moral blindness, muteness and deafness and this is what we can understand as an application of the idea of the banality of evil in contemporary organizations and institutions.

Many people fail to express their moral convictions due to moral silence, moral blindness, moral muteness and deafness. This is defined as the opposite to hypocrisy where people speak about morality without doing anything. Here people have some feeling of morality, but they remain morally blind, mute and deaf with regard to speaking up and taking action against the morality in the organization. We can say that in this approach the banality of evil includes that I "do the evil that I don't want, while I don't do the good that I want" as St. Paul said. Moral silence is defined as the situation where people fail to communicate their moral concerns with reference to common moral standards.

Moral muteness may indeed imply the inability of political administrators and managers to speak up about moral concerns. In the case of the banality of evil in organizational systems with immoral functionality this would include the failure to speak up against the internal

inhumanity of the organization. However, Bird also points to another general failure of managers, namely their inability to voice moral convictions in relation to the performance of employees in organizations. Moral silence with regard to the evaluation of activities of employees who may behave immorally with regard to treatment of customers or other stakeholders shows a lack of moral accountability of managers and leads to a system with no communication about morality.

When we look at moral deafness as another characteristic trait of moral blindness and moral silence in organizations, Bird defines moral deafness by saying that people are morally deaf when they “do not hear or respond to moral issues that have been raised by others” (Bird, 1996: 55). Moral deafness implies the inability to listen to and to hear particular moral concerns of the people involved. In general moral deafness implies inattentiveness to moral messages and to listen to genuine moral convictions. Bird refers to the concern towards others as the foundation of moral hearing as proposed in the phenomenology of Emmanuel Levinas (Bird, 1996: 57). In this perspective to be attentive includes the ability to comprehend and to focus with sympathy on the moral issues of concern; to be morally deaf is not to be attentive and not to have the ability to listen with sympathy.

We can say that to be morally deaf is one element of not being able to put oneself in the place of the other and have the ability for moral concern and for moral thinking. In particular Bird emphasizes that organizations that are morally deaf are organization that ignore problems and bad news for the organization that requires a moral decision-making, e.g. the Ford Pinto Case or the Nestlé infant formula case or the 1987 boat disaster in Zeebrugge where 188 passengers died (Bird, 1996: 63-65). Moral deafness implies the tendency to suppress moral concerns and not see potential moral problems because the organization refuses to be attentive to the problems due to concern for the functional efficiency of the organizational system.

In Bird’s analysis we can say that moral blindness is a sort of cover notion that includes the concepts of moral muteness and moral deafness (Bird, 1996: 85). Moral deafness and muteness can be considered as forms of moral blindness. But moral blindness implies something more than just not seeing.

In contrast, moral alertness is something more than just seeing. It is a special ability to perceive, recognize, understand and foresee. It is the ability to have moral vision and to put one self in the place of the others and perceive, understand and recognize the moral concerns that are relevant for the other human person or group of persons or organizations.

We can say that different ethical theories contribute to the development of the capacity to have moral sight. When we have the ability to perceive moral issues of concern we also have the ability to have ethical formulation competency and this competency to understand ethical issues rely on the knowledge of different ethical theories and arguments. When people are

morally blind they do not have this kind of ethical formulation competency and they are only focused on specific instrumental concerns of organizational efficiency. Bird combines moral blindness with moral shortsightedness which can be considered as the inability to foresee moral factors in relation to organizational decision-making (Bird, 1996: 101). It is a kind of narrow-mindedness that is not capable of seeing morality as an important dimension of organizational activities.

5. Moral blindness in public administration

In the book *Unmasking administrative evil* (third edition, 2009) Guy B. Adams and Daniel L Balafour gives us indications of the concept of moral blindness in public affairs. They ask the question of whether contemporary society is subject to a terrible cunning of history where we repeat elements of history, for example the evil of the Holocaust in the present (with reference to the book by Richard L. Rubenstein: *The Holocaust and the American Future*).

Adams and Balafour propose the concept of administrative evil as an interpretation of Hannah Arendt's concept of moral blindness. The typical figure of moral blindness is in this perspective Kazuo Ishiguro's figure from the novel *the remains of the Day* (1988). The butler Steven is so interested in doing his job as well as possible that he forgets to question the legitimacy of what he is doing. He is serving a boss, Lord Darlington who is complicit with Nazism. Steven never questions what he is doing and he thinks that he has done everything right. Steven is a figure very similar to Eichmann and he is characterized by his loyalty to his job and position as a professional employee.

Together Eichmann and Steven may be said to incarnate the moral blindness in organizations and institutions. According to Adams and Balafour, moral blindness implies a moral inversion where something evil suddenly is defined as a good (Adams, Balafour, 2009: 4). The problem is that the modern organization is so complex that it is impossible for the individual to have an overview and the result is a situation where the individual cannot see the consequences of particular actions in the overall organizational process. The result of this technological bureaucracy may be unforeseen evil and general destruction of human beings.

Adams and Balafour argue that the scientific analytic mindset of the technical-rational approach to social and political problems create a new kind of administrative evil which is masked and therefore we can say that it makes us blind and suddenly ordinary people are doing evil although they don't intend to. Moral inversion emerges because no one really knows they are doing evil since evil is presented to them as a part of their job in

a technological rational system. This moral inversion is what Adams and Balafour calls the “mask of evil”. This is a complication of moral blindness and in a sense we are “double-blind” because evil wears a mask in addition to our blindness.

The masks of evil are present in the cases where people do evil without knowing that they do evil. They are engaged in activities that lead to evil, but they are morally blind because they do not see that they contribute to the inversion of the moral situation and create blindness. Sometimes even ethical codes and other rules of conduct may be inefficient because the technological analytical mindset of the administration is so powerful that the members of the administration do not see that they participate in processes that lead to greater harm.

The instrumental scientific approach to public policy problem solving may be in danger of creating more problems than it solves. Technical problem solving may contribute to solutions to social problems that forget the human dimension. This is for example the case when public administrators use metaphors of disease in their approach to welfare and health policy issues. The same may be the case when they deal with migration policies with the danger of applying metaphors of surplus population or racism.

Indeed some administrators cannot see that they do evil because they think they are doing well. The concept of moral blindness in administrative evil may be following Plato’s idea that one cannot with knowledge about it do evil. Distance from the victims and moral disengagement are essential tools for creating a mask of evil. Moreover, rhetoric language modification with special terms like “final solution” in order to conceal the real content of the activity is an element of masking evil. We can also mention the dehumanization and destruction of human values and dignity in the analytical mindset and technical rational approach to social and political problems. Also, the compartmentalization of knowledge and the creation of too narrow professional identities contributes to the masking of evil (Adams, Balafour, 2009: 30). The horror can end up in a grotesque combination of ordinariness, compliance and evil in technical bureaucratic organizations.

The connection between the holocaust and the modern world that is proposed by Adams and Balafour is the Challenger Space Shuttle disaster. They argue that there is a connection because the scientists who during the war worked in the Nazi V2 rocket production facility with the help of slave labor camps continued to work on the US space program after the war. In the Nazi production facility 20.000 slave laborers died out of 60.000 prisoners. Von Braun who was a leading German scientist became later a director at the NASA space shuttle program. And here he was responsible for the authoritarian organizational culture that later lead to the space shuttle disaster where bad communication between employees, management and politicians lead to the blow up of the Columbia Space Shuttle few minutes after

departure. Indeed, this presence of Nazism in a democratic society is the irony of modern administrative system (Adams, Balafour, 2009: 81).

Even though there may not have been strong, direct evil intentions involved, Adams and Balafour argue that the organizational culture was marked by elements of moral negligence, denial and cover-up that created an atmosphere of potential risk of evil actions (Adams, Balafour, 2009: 87). The problem was that the culture did not face up to the risk of a disaster when politicians pressured for the launch of the space shuttle with the first civilian on board. Von Braun's leadership was characterized by a defensive control of anxiety with lives put at unnecessary risk to reach objectives; with cover-up actions; with allowance of dirty hands where ends justify means. So according to this, the Challenger disaster was a result of an evil turn in management.

6. Moral blindness in business administration

In business organizations, extreme focus on profit and greed has been considered to be a kind of moral blindness. Bird mentions for example Milton Friedman's idea that "the social responsibility of business is to increase its profits" as an example of this kind of narrow-mindedness (Bird, 1996: 102) where the economic concern for profit and efficiency becomes a kind of stereotype that blocks for other understanding of the moral concerns implied in the activity of the organization.

The essential harm of the concept of moral blindness in the business organization is the inability of the business manager to think morally and this implies the same kind of moral blindness that we found in the social engineers of totalitarian systems. Moral blindness is found in its extreme form by the administrators of the Nazi bureaucracy, like Eichmann, who was only following orders without giving his actions any moral evaluation.

In fact we find a connection between the business world and doctrine of the banality of evil with a thought-provoking case which is Edwin Black's controversial discussion of the role of IBM in the Holocaust in his book *IBM and the Holocaust. The Strategic Alliance between Nazi-Germany and America's Most Powerful Corporation* from 2001.

This case illustrates an ethical crisis of a corporation based on moral blindness and moral muteness. The book can be understood as a discussion of the reach of corporate responsibilities in relation to society and about the requirement of society for corporations to be good citizens. Black analyzes the relation between lack of responsibility, ethical and moral blindness, and the importance of information technology for Hitler's Holocaust of murdering the Jews in Nazi-Germany. Black investigates how IBM helped Nazi-Germany to produce and up-date the Hollerith punch card technology that was an important enabling technology

for Hitler's step by step identification and cataloging of Jews in the 1930s and 1940s (Black, 2001: 427-488).

Black argues that it would have been much more difficult for Nazi-Germany to accomplish the Holocaust if the IBM punch card technology had not been available. All the difficult work of confiscation of property, ghettoization and deportation was an organizational challenge that needed the IBM punch card technology. This technology which was produced by a firm partly owned by IBM operating in Nazi-Germany was used to identify and locate the Jews as Jews and differentiate between Jews and non-Jews in the categorization of the population by public authorities. Therefore, automatization of the genocide was important for the efficiency of the activity and this process was facilitated by IBM-technology through its German firm that designed the particular and special solution for Hitler's Germany.

The role of IBM in the selling and production of punch card technology for Nazi-Germany was according to Black not only to sell the machines, but also to lease the machines for high fees and IBM was the most important contributor with punch card technology to Nazi-Germany. Hitler gave IBM founder and director Thomas Watson a medal for his sales of punch card technology to the Germans. The sales were done by the German part of IBM, of which 90% of the shares were owned by IBM in the US.

The punch card technology was an important statistical instrument to identify Jews. With this technology it was possible to store efficiently information about race, family, gender, occupation, religion, maternal language etc. and the statistics of population became much more efficient with regard to identification of each individual. The Nazis used the technology as an efficient measure for the identification of Jews among the population. Therefore it can be argued that the Holocaust did not only presuppose bureaucratic rationality but implied modern information technology. Black states: "The Dawn of the information age began at the sunset of human decency" (Black, 2001: 104).

So Black's analysis provides us with the link between moral blindness of the Holocaust and the modern corporation. But we have also mentioned Hannah Arendt's analysis of imperialism as a basis for understanding the origins of the financial crisis as the "burden of our times". Here we can use the character of Gordon Gekko from the two fiction movies about Wall Street from 1987 and from 2010 as an illustration of the function of moral blindness among the investment managers and the general mentality that led to the financial crisis. Gekko's statement that "greed is good" became the motto of capitalism without anybody questioning the moral soundness of the doctrine. The two versions of the movie relate to the idea that on Wall Street greed is considered to be the core of the organizational motivation for action.

In the first movie Gekko has eliminated every moral concern of both deontological respect for humanity and of virtues of integrity and moral compassion, openness and concern for the other. Instead Gekko only warships a belief in the utilitarian, functional and organizational dimensions of greed and he conceives profit and endless search for more money as the foundation of the striving of the capitalist system. Gekko can be said to illustrate the moral blindness of the capitalist manager in the same sense as Eichmann illustrates the moral blindness of administrative bureaucrat in the work of Hannah Arendt. Although there are considerable differences between the two figures, they have in common that they are morally blind for other things than a misunderstood functionality of the organizational system.

However, in the recent movie from 2010 we see that Gekko is more reflective although still very cynical with regard to his understanding of the capitalist system. In the second movie he shows a concern for his family and human values that places him at the limit of the doctrine of moral blindness and we can say that the movie represents an openness towards overcoming moral blindness, muteness and deafness.

In both movies the fundamental message is that it is an amoral logic of self-interest and greed that is at the basis of the modern business system. It is this mentality of egoism, hedonism and narcissism that characterizes post-industrial capitalism. We can say that although there are considerable differences between the “grey organization man” of the bureaucratic corporation or organization who works in total obedience without questioning the organization and the charismatic investment manager with his hedonist search for power. They are both characterized by fundamental moral blindness and as such they represent what Arendt understood as the banality of evil, namely the inability to think morally, have compassion and put oneself in the place of the other.

7. Conclusion

What conclusion can we draw from this kind of analysis? The general conclusion is that the findings of the philosophy and sociology of the banality of evil and the whole social psychology tradition relating to evil and moral blindness is very important for our understanding of business ethics and administrative ethics. In order to prevent the chaos of moral blindness and the double-blind masking of evil, we have to educate people in organizations as to increase their capacity and competency of ethical formulation and give them the capacity of critical moral thinking. In contrast to the limited possibility to disagree and speak up about moral issues under Nazi dictatorship, people in corporations in democratic societies luckily have more opportunities to protest and speak up against moral

blindness, muteness or deafness. We do not only need heroism, but consequent critical democratic attitudes in organizations.

The obligation to speak up was for Hannah Arendt very important for preventing banality. She thinks there is a moral duty to detect moral blindness and the need for critical moral thinking based on the autonomy of reason and the role of critical judgment. The use of good common sense as opposed to the ideology, lies and ignorance of moral problems in organizations. Arendt emphasizes the political dimension of human action and it is a part of her republican political philosophy that human beings at all levels of their existence must be personally responsible and morally sensible according to critical judgment. This is necessary in order to protect humanity and human dignity in organizations and their environments.

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