STRONG CULTURE OR SECULAR CULT?

THE LIMITS OF A STRONG ORGANIZATIONAL CULTURE

Brian W. Kulik, PhD, Assistant Professor

Michelle Alarcon, Esq., MBA, Assistant Professor

Hawaii Pacific University

Honolulu, Hawaii, USA

Abstract

Strong cultures are praised in the business literature as efficient and effective ways to control employee behavior. After all, there is no need to monitor employee behavior if an organization's culture causes nearly every employee to behave in ways that maximize benefit for the organization. Modern managers are aware of the efficiency and effectiveness of strong cultures and strive to make their positive cultures stronger and stronger. This management practice raises some important questions, which have been surprisingly absent in the business literature: Are there limits, legally and ethically, to how a strong, efficient, and effective a culture should be? How does a manager know where the limit is and when has she taken her organization too far? In other words, where is the boundary between a strong culture and a cult? This paper draws from the business literature on strong cultures and the psychological and sociological literature on cults to define the strong culture-cult border and explores the legal and ethical issues on both sides of this border. In our discussion, we provide an analysis tool for managers to evaluate the state of their own organizations as well as propose an agenda for researchers.

It is perhaps not the management method, but the intention of the insidious manager that moves any management practice over to the dark side of things. Because any management approach can be manipulated, regulators, managers, researchers, and employees must be watchful of the emergence of this dark side, to identify it when it appears, and to take measures necessary to keep the organization on the sunny, ethical side. As an executive MBA student once commented to the first author, "Some [people] start good but later move on to the 'dark side' and don't want to work because they know they can get away with it." Growing attention has been paid to the dark side in management practice and theory lately, no doubt inspired by the dizzying array of corporate scandals since Enron's fall and dissolution. For example, the dark sides of leadership (Conger, 1990), management development (Kamoche, 2000), organizational politics (Williams & Dutton, 2000), agency theory (Kulik, 2005), positive organizational scholarship (Fineman, 2006), interfirm competition (Kulik, O'Fallon, & Salimath, 2009), and workplace spirituality (Lips-Wiersema, Lund Dean, & Fornaciari, 2009) have been explored and explained. However, organizational culture's dark sides have been curiously overlooked, despite some earlier trepidation (Pratt, 2000; Kunda, 1992; Hochschild, 1983; Peters & Waterman, 1982). In particular, the undefined line and considerable grey area between strong cultures and cults have not been clarified, with contemporary authors of introductory management textbooks (for example, see Kinicki & Williams, 2011) choosing to stay on the sunny side of strong culture along the lines of O'Reilly (1989), Deal and Kennedy (1982), and Peters and Waterman (1982), while ignoring the latter's ambiguous warning ("the more worrisome part of a strong culture is the ever present possibility of abuse", p. 78). O'Reilly (1989) demonstrated perhaps the most ignorant display of cult behavior with statements such as: "At NUMMI, Honda and Nissan there

are no private dining rooms for managers and both managers and workers wear uniforms. In the Rajneesh Commune, everyone work clothes with the color magenta." Unfortunately, Rajneesh Commune members in Oregon also "attempted to poison the water supply in the town of The Dalles and harm public officials in Wasco and Jefferson Counties for carrying out the laws of the state, which the group didn't want applied to them" (Singer, 2003, p. 3). During that period, the cult did manage to infect some 700 residents with salmonella in order to prevent them from voting in upcoming elections. Cults should probably not be used as sunny-side examples of strong cultures because it is unclear if the quirkiness of a cult (magenta uniforms, in the Rajneesh Commune example) can be separated from its dark side (violence and mayhem, in the Rajneesh Commune case). It is quite a distance to step from the practices of Honda and Nissan to those of a violent cult – what is in between?

In this paper, we attempt to peer into this currently in-between, ambiguous area and investigate the boundary between strong cultures and cults. We begin with a discussion of the extant literature on cultures, strong cultures, and then, after a definition and examples, secular cults. Next, we develop a boundary between strong cultures and cults, identifying an intermediate organizational type along the way, 'manipulative organizations,' that are legally compliant, but nevertheless unethical. Finally, we discuss implications for regulators, managers, employees, and researchers, and state our conclusion.

LITERATURE

Organizational Culture

Culture was defined loosely by Deal and Kennedy (1982) as "the way we do things around here," which they derived from Bower, 1966, and is still an influential operating definition today. Ott (1989) identified the dimensions of artifacts, patterns of behavior, beliefs

and values, and assumptions, closely following Schein's (1981, 1984, 1985) artifacts, values and beliefs, and basic underlying assumptions. Deal and Kennedy (1982) defined culture as consisting of degree of strength, values, heroes, and rites and rituals. More recent definitions involve the revival of Schein's (1981, 1984, 1985) typology, including values, beliefs, expectations, and assumptions, of the majority of the organization's members (Clawson, 2011). In other words, the idea of organizational culture has changed little since its definitions in the 1980s. Using the three-level definition (Schein, 1981; 1984; 1985) still applied by Clawson (2011), surface-level artifacts are what can be physically observed, deeper, second-level values are what the organization's members consider important, and second-level 'beliefs' are the intangible truths about one's social construction that one knows to be true, while third-level (deepest) underlying assumptions are the taken-for-granted, invisible preconscious states that individuals hold to, but are unaware of. Later, Schein (1992) discussed more identifiable first-level indicators, at least of cultures that managers try to set for the organization, such as what managers pay attention to and what they allocate budget for. Cultural norms can emerge from an organization's leadership, or from its lower-level members in the form of counter- and sub-cultures. Schein's main thesis has always been that surface-level, or first-level indicators help the organizational analyst diagnose the deeper second- and third-level cultural norms that allow one deep insight into explaining the behavior of an organization's individuals.

Positive organizational cultures, it turns out, are, from an organizational standpoint, simultaneously effective and efficient: goals are aligned with behavioral norms (effective), and monitoring costs need only be minimal (efficient). Therefore, 'positive organizational cultures' can give an organization a competitive advantage over its rivals in any industry (Peters & Waterman, 1982).

Strong Cultures

Positive organizational cultures only work well when those cultures are also strong. "Strong culture" is a type of organizational culture, as discussed by Deal and Kennedy (1982), who stand as the consistent basis for any discussion on strong cultures (Kinicki & Williams, 2011; Pratt, 2000; O'Reilly, 1989). Deal and Kennedy (1982) did, after all, make a strong argument for strong culture:

> "The early leaders of American business such as Thomas Watson of IBM, Harry Procter of Procter & Gamble, and General Johnson of Johnson & Johnson believed that strong culture brought [them] success.… all along the way, they paid almost fanatical attention to the culture of their companies" (p. 5).

For example, basing his discussion on Deal & Kennedy (1982), O'Reilly (1989) described "strong culture" as high in both intensity (the enthusiasm with which cultural norms are followed) and consensus (the proportion of members who hold to the same set of cultural norms). These authors claimed that the stronger the (positive) culture, the more effective and efficient it is. In other words, the stronger the culture, the better; managers should try to maximize cultural strength by rewarding positive behavior, modeling proper behavior, expressing what they 'believe' is important in ways that are consistent with positive cultural norms, etc. (Schein, 1992). Bendapudi and Bendapudi (2005) claimed that no less than six management practices were required to foster a strong culture: clear culture-based hiring criteria that is focuse on intrinsic traits, invest in value-added training, create a sense of pride in the firm's brand(s), "satisfy the soul" by meeting employees' security and esteem needs.

Cults

If cultures that are positive and strong are best for organizations, then O'Reilly (1989) wondered if they shouldn't more closely follow the characteristics of cults, as they already do on a surface level (see above discussion). What more can be learned from cults that managers can apply to their own organizations? Perhaps the key characteristic of cults that both O'Reilly (1989) and Singer (2003) identified is their ability to influence an individual member's behavior. It turns out that an individual's behavior in a social setting is only minimally determined by her or his needs and wants and personality (i.e., internal characteristics); a much greater determinant of an individual's behavior is how others present regard (or are expected to regard) her or his behavior: people in a social setting do what is socially acceptable, a sort of universal version of the saying, "Do as the Romans do." Cult leaders, and other cult perpetuators, know this at least preconsciously, and they set up social constructs designed to produce conformity of desired behaviors of the cult's members. In other words, individual behavior is more or less programmable according to the social constructs in one's immediate surroundings.

This does not mean, however, that managers should follow the example of cults, as discussed above with the Rajneesh example. Cults should also not be taken lightly, as Arnott and Juban (2000) had done. These authors noted that Fortune magazine's scoring categories for its "Best Places to Work" ranking seemed parallel to cult traits of devotion of its followers, charismatic leadership, and separation from the community (though Singer, 2003, observed that cult members need not be separated from their communities completely). Their 'Do you work in a cult?' survey asked questions such as, "I feel a strong sense of loyalty toward this company", and "I admire the leader". While the answers in the affirmative may be necessary for cult identification, they are not sufficient, and only serve to foster the present confusion between cults and strong cultures. Consider the cult life norms:

- Mind control: the cult tells me what to think, and I cannot question the thoughts it tells me to have
- Isolation from family/friends: ties with all outside friends/family are severed
- Sleeplessness is encouraged
- All free time I spent on cult activities
- Incremental commitment process that begins with lies about the end state of cult members
- Deceptive presentation of cult life to new members (love bombing, etc.)
- Radically overinflated sense of purpose (save the world, themselves, etc.)
- Tremendous sense of loss/loneliness upon leaving the cult
- Violence: Verbal abuse, physical harm, sometimes murder. These acts are justified by the foretelling of some fictional end-state that does not occur, or simply for the pleasure of the 'godlike' leader.
- Duress, especially during expressions of commitment
- Radical and embarrassing rites of passage events
- Layers of secrets
- Leader(s) live in luxury; followers live in poverty
- Leader is considered godlike
- Manic-depressive coercion and behavior
- Overcompensation for organizational insecurity (because society does not consider it legitimate)

These do not appear to be norms that managers should adopt, at least not in an open and free society, and mild language such as 'admiration of the leader' does not capture cult life reality.

Singer (2003) has also rightly pointed out that cults do not exist only on the fringes of society; they are all around us. Cults are populated largely of normal people who happened to be in vulnerable states at the time of recruitment, and most individuals do not intentionally seek out cult membership, but are actively recruited. Normal people, of all ages and backgrounds, are vulnerable to the abuse of cults; membership is not an "It can never happen to me" phenomenon.

At the heart of the problem of cults is the damage – always emotional and psychological, and sometimes also physical – inflicted on its members. This damage is caused by the "cultic relationship" between leader and follower, which Singer (2003) defines as follows: "a person intentionally induces others to become totally or nearly totally dependent on him or her for almost all major life decisions, and inculcates in these followers a belief that he or she has some

special talent, gift, or knowledge" (p. 7). It would be at least unethical, if not illegal, and absolutely irresponsible, for any manager to adopt a cult-like management style.

Secular Business Cults

Yet, every manager has the option to adopt a cult-like management style, for a number of reasons. One is that cults need not be religious, or even spiritual. While managers may not legally coerce his/her employees to join any particular religion, when religion is removed from the equation, suddenly cult-like management appears to be legally permissible. Another reason would be that uneducated managers may adopt cult methods because, on the one hand they do not know any better motivation technique, and on the other, they are under enormous pressure to do more (be more effective and efficient) with less (budget, employees, etc.). Furthermore, employees who are grateful for a job at all in the after-effects of the current recession are in a more vulnerable emotional state and are therefore more likely to tolerate coercion.

Singer (2003) identified and discussed secular cults as oriented around a business purpose: "Cults have put on three-piece suits and come directly into the workplace" (p. 183). She detailed LGATs, or Large Group Awareness Training programs, which were designed around a ropes course, New Age cosmology, and coercion of its participants to buy more and more training courses. However, we acknowledge that cults can enter the workplace in other ways as well, which may be far more insidious and pervasive than training programs, many of which have been ignored by the current business ethics literature, as we detail below. We now identify the different ways that cults can infiltrate the workplace which are potentially far more pervasive than cult-like training programs, many of which have been ignored by the current business ethics literature:

Cult-run and cult-affiliated businesses.

Singer (2003) described businesses that were run by cult organizations, such as cult-run restaurants and copy centers. These organizations use cult-member 'volunteers' for its free or nearly-free workforce and may enjoy tax-exempt status as a subsidiary of a religious organization, which gives them a substantial cost advantage over legitimate, for-profit competitors.

Legal pyramid schemes and so-called multi-level marketing.

This topic, more than any other, has been discussed extensively in a number of books on the subject (Butterfield, 1985; Fitzpatrick & Reynolds, 1997). A distribution pyramid is set up where a distributor receives commission on all direct sales, and also on all sales of sub-distributors.

Job search training, stay-at-home and get-rich-quick scams.

We are surprised that nothing meaningful has been written on this topic in the business ethics literature, as these scams are pervasive in advertising globally. They all entail the up-front purchase of a training course, often costing thousands of dollars, often detailing methods that are either exploitative or useless. They take advantage of the vulnerable populations of the unemployed, those married with children, and the frustrated lower-middle class.

Cult member infiltration into the ranks of management.

Singer (2003) cited examples of companies that used management techniques based on New Age cosmology and Scientology. The Scientology-driven companies were sued by managers who were fired because they failed to comply, but as discussed above, this approach can still be successful when religious content is removed from the techniques.

Cult-inspired/sponsored articles and books among the popular business press.

We have identified several 'business success' books that instead are propaganda tools for cult movements. Unsuspecting managers who read popular business books may pick up the so-called manipulative management techniques discussed in these books and apply the techniques to their subordinates.

Businesses run as secular cults.

An entire business may be run as a secular cult, as we discuss below. We use the term "secular business cult" as the term for an organization that applies the same techniques to its members that cults (religious or otherwise) use with the goal of retaining behavioral, emotional, and thought uniformity among its members, regardless of how extreme these behaviors, emotions, and thoughts may be.

Manipulative organizations.

Management may go as far as it legally can (Michaelson, 2006) to set up a cult, and in doing so it may mirror a cult in its techniques, but not in its extreme treatment of members/employees. Manipulative organizational practices include, but are not limited to, deceptive practices that artificially motivate their employees to behave, feel, and think in ways that are more efficient and/or effective for the organization, to the detriment of their own interests.

THEORY DEVELOPMENT

We focus on the final two items in this list, and leave the discussion of other infiltration types for future work. To this end, we propose that secular business cults already exist in our social landscape today:

Proposition 1. Secular businesses cults exist beyond employment training, multi-marketing, job-search training, get-rich-quick, and stay-at-home scams. Any business, regardless of its purpose or mission, can be set up and run as a secular cult.

We argue in favor of Proposition 1 with two fictional examples of secular cults, from the perspective of two cult members:

1. Emily graduated with an MBA and wanted to stay in the United States rather than return to her home country, but she needed to find a job that would sponsor her to do so. She considered herself lucky to have found a job Priority Insurance Company (PIC). The branch manager, Brad, a former football star from the school she had attended, told her that, if she learned his sales secrets, there would be no limit to the amount of money she would make in only a short time – Brad himself owned a big house and an expensive car. Brad and his employees all seemed so nice to each other during her interview. "We're all just one big family," Brad had said. This appealed to her because her mother back home was sick and without health care and needed money soon to receive urgent cancer treatments. The job paid 100% sales commission, so she wouldn't get paid until she started selling, and she was required to pay $1,000 up front to receive training from her branch manager, so she worked at a restaurant at nights to pay her bills. Her training, however, turned out to be immersive, intense, and emotionally draining. Morning began with 'breakdown sessions' in which she was required to confess 'sins' to her fellow employees (Brad had told her: "If you can handle these sessions, you can handle any sales situation"). After lunch, she was taught sales methods which included gaining strangers' trust through involvement in volunteer activities (zoo, military, churches, mentoring, school events, etc.) and her existing network (friends and professors), sell some inexpensive items first such as car insurance, and then sell higher-

margin items later after warning that 'something came up' and the current rates would be increasing unless the client bought into some additional insurance products and forwarded a minimum number of contact references. Each late afternoon, Emily was required to prepare a presentation from scratch about what she learned, and detailed plans about plans for her contacts and for her next recruit to work for the company. As she presented, fellow employees would verbally abuse her, shout "Boo!", and throw rubber balls or balls of paper at her whenever she made mistakes; one time, as she fled from the room to the bathroom in tears, Brad followed her in and told her that if she wasn't able to "take a hit", then she was worthless; her weakness meant that she was assigned a "mentor" (and paid a "mentor fee" to PIC) to after-work activities to help her adopt correct thinking and behavior, though she was never able to avoid the sessions of verbal abuse. Gradually, and sleep-deprived, Emily cut her restaurant hours to a minimum, and spent all of the remainder of her time at PIC, doing volunteer activities with other mentors, or making sales calls to her network. After a year, and after making little money with PIC (less than her training and mentoring costs), she returned penniless to her home country to take care of her dying mother.

2. Eric received a bachelor's degree from a large public school and although the world was in a recession, he decided to enter the workforce. He interviewed at a so-called large, big-box store and Tom, his manager, seemed so excited to be there that he was compelled to work there as an "associate." His hours would be part-time and without benefits, but Tom promised him promotion into upper management, with a full-time position, benefits, and profit-sharing bonuses, in no time. Morning began with an enthusiastic cheer, which was followed by an hour of "advice training," followed by his clocking in to work. He noticed that while the cheer and the "advice training" were optional, non-paying activities, all the

employees on his shift participated. During the advice training, Tom led a section-by-section, Bible-study-like discussion of a book written by the company's founder, Stan. For example, one chapter was on creating "customer excitement" through "superior customer service", with vivid stories about associates going out of their way to please customers. Tom added to these examples from what he observed among his associates, some of which involved staying after clocking out to do extra work. Because everyone was reading the founder's books at night to prepare for these sessions, Eric bought a copy as well and spent his evenings after work studying them. He was instructed to always ask "What would Stan do?" before making any customer-related decision, and to swear during work, "Oh for the love of Stan!" when being critical of his fellow associates. Tom would often find Eric during Eric's break sessions to scold him on not doing what Stan would have done, Tom always beginning his tirade with, "Oh for the love of Stan!" Eric was also encouraged, if not explicitly pressured, to purchase all the items he needed (and many he didn't need!) from the same store (that's what Stan would do), and to clock out early and stay late to hang out, help out with any needed work (that's what Stan would do). During his monthly performance evaluations, Tom consistently told him, with the condescending disappointment of an angry parent, that his behavior just wasn't "Stan-like" enough for a promotion into the ranks of management, but that the big promotion and the additional pay and benefits were only just around the corner. Finally, after 9 months, and discovering that there had been no promotion into management for some time, that the owners of the company were billionaires living in luxury, and that the products that the company sold were likely made by virtual slave laborers in a poor country, Eric decided to quit his job and ride out the recession by entering graduate school.

In both fictional examples, cults exist in the absence of religion, and cannot therefore be challenged on the grounds of religious coercion. Yet, the effects on Emily and Eric are the same as if they were members of religious cults, which would more or less include the destruction of any normal living accompanied by severe emotional duress and periods of deep depression (Singer, 2003). It should be clear by these examples that the positive effects on business efficiency and effectiveness cannot be separated out from the negative and destructive effect on the organization's employees: a profitable firm is created at the cost of the livelihood of its front-line employees.

Secular Cults and Illegal Practices

Of course, the astute reader will note that there are a number of potential illegal practices described in our two employee profiles. We will focus on the applicability of workers' compensation law and its exceptions, along with other ancilliary legal doctrines in the employment context. The discussion in this section is not meant to provide legal advice. It contains general legal doctrines that the second author believes to be relevant to our subject. If you believe that similar situations apply to you or someone you know, we urge you to seek the legal help from a licensed attorney in your area.

Tort or crime is central to legal issues when harm is inflicted on another. However, whenever accidental or negligent work-related injury happens in the workplace, workers' compensation law is triggered. This is a set of laws aimed "to assure the quick and efficient delivery of disability and medical benefits to an injured worker and to facilitate the worker's return to gainful employment at a reasonable cost to the employer" (Burnett, 2000). It is a "no-fault" insurance system (Parkhurst, 1989) wherein both parties give up certain rights. The employer gives up the right to find fault on the part of the worker and the worker gives up the

right to sue. A critical aspect of this mutual renunciation of rights is the concept of workers' compensation exclusivity or workers' compensation immunity (Burnett, 2000). The exclusivity statute provides tort immunity to an employer when an employee is injured within the course of his or her employment, so long as the employer has a valid workers' compensation policy in place (Burnett, 2000). Therefore, with some exceptions, this becomes an "exclusive remedy" for workers.

Another feature of workers' compensation is that benefits are guaranteed but limited. Therefore, if worker injuries are under the exclusive remedy of workers' compensation, a question of ethics is warranted: Who benefits more - the employer or the employee? In situations dealing with strong culture organizations, the unethical employer may very well conduct a utilitarian-like, economic balancing act in determining the benefit of cult-like indoctrination or manipulation (e.g., free labor, total submissiveness leading to labor exploitation), versus the cost of workers' compensation insurance premiums (more claims equates to higher premiums).

However, workers may still be able to file lawsuits against the employer if their situation falls within one or more of the exceptions involving willful and wanton acts of the employer (intentional torts), acts of third party, or within any of the other employment-related legal doctrines which will be discussed later. Note that this is not an exhaustive list of remedies as each case is different and may involve other areas of law. Rather, the legal doctrines discussed here are common theories that may apply to the subject matter of this paper.

Aaron Larson (2005), a Michigan attorney, summarizes the exceptions to the workers' compensation exclusivity provision along personal injury claims. These include Product Liability Actions, Third Party on Employer's Premises, Injury Occurring on Somebody Else's

Premises, and Intentional Torts (Larson, 2005)**.** This paper will discuss the last three exceptions noted above as the ones most relevant to our subject matter. In addition, other employment-related doctrines such as breach of implied covenant of good faith and fair dealing, whistleblower protection, constructive discharge (or wrongful discharge), and wage and hour law may apply to manipulative or cult-like organizations. Other civil rights violations such as employment discrimination are not covered by workers' compensation. Several employment discrimination and civil rights cases stemming from cult-like management behavior have been settled by EEOC, and will not be addressed here.

Third Party on Employer's Premises

Larson (2005) describes the workers' compensation exception under Third Party on Employer's Premises as when 'a third party will be on the premises of the employer, and will commit an act which causes injury to the employee" and "[w]here the injury is caused by a person who truly is a third party, and has no employment relationship with the injured worker's employer, it may be possible to pursue a personal injury action against that person (and possibly also that person's employer)." In our fictitious case scenarios, when an outside training organization is invited on the client company's premises, this exception to workers' compensation may be invoked if the training provider caused the harm or injury to the employees.

Injury Occurring on Somebody Else's Premises (Larson, 2005)

Again, in our scenario, this may happen when the same outside training provider conducts training on their premises and the employer sends its workers there. When the worker is injured during the session, he or she may be able to bring a personal injury suit against the negligent third party and possibly that party's employer.

Intentional Torts

This exception is a broad set of civil law involving harm against another's person or property. Several states have allowed exemption to the exclusive remedy provision of workers' compensation for worker injuries arising from willful or wanton acts of employers. "A willful or wanton injury must have been intentional or the act must have been committed under circumstances exhibiting a reckless disregard for the safety of others, such as a failure, after knowledge of impending danger, to exercise ordinary care to prevent it or a failure to discover the danger through recklessness or carelessness when it could have been discovered by the exercise of ordinary care." (Ziarko v. Soo Line, Ill. 1994). Further, Parkhurst (1989) stated that "courts have long recognized an intentional tort exception to the exclusive remedy provision by holding that the exclusive remedy provision does not immunize employers from liability for intentional torts which they commit against their employees."

In strong cultures, training sessions and other developmental or motivational activities, whether in or out of the employer's premises, may be carried to excess and thus in fact cause some type of mental, emotional, physical, and economic harm to workers. The question lies as to whether or not the harm is exclusively covered by workers' compensation. For an intentional tort exception, the operative requirement here is 'intent.' However this requirement has been a subject of varying common law interpretations and continuing debate. For example, "[i]n 1995, the Washington Supreme Court set forth a definition of "intent" applicable to Washington's statutory "deliberate intention" exception. In so doing, the court departed from a strict 'true intentional tort' test to a 'constructive intent' standard" (Davidson, 1996/1997). Also, Oklahoma law excludes "non-accidental injury which the employer knew was certain or substantially certain to result from the employer's conduct" (Parret, 2005) Further, intent can either be "that

the defendant desires or is substantially certain the elements of the tort will occur." (Restatement of Torts § 8A; Garratt v. Dailey, Wash. 1955).

The major torts that may apply to cult-like or manipulative management activities in the workplace include intentional infliction of emotional distress, battery, assault, false imprisonment, fraud, and constructive discharge.

Intentional Infliction of Mental Distress. This tort is defined as "[a]n actor who by extreme and outrageous conduct intentionally or recklessly causes severe emotional disturbance to another is subject to

liability . . ." [Restatement (Second) of Torts § 46]. Most states no longer require that the victim suffer physical manifestations of the mental distress (State Rubbish v. Siliznoff, 1952). Extreme and outrageous conduct is defined by law as behavior which is "beyond all possible bounds of decency and to be regarded as atrocious, and utterly intolerable in a civilized community." [Restatement (Second) of Torts § 46] The vulnerability of the victim and the relationship of the defendant to the victim can be critical. In our fictitious case scenarios, Emily and Eric seem to be in dire financial straits desperate for jobs, thus vulnerable and ripe for exploitation. The employer's ability to provide a rescue from their despair poses itself in a position of power to either help or exploit. In secular cults, the art of exploitation may very well be part of a very sophisticated business strategy.

The tort of intentional infliction of emotional distress is heavily fact-driven, requiring an analysis of the organization's conduct in the eyes of an ordinary person in society to determine whether the behaviors are extreme and outrageous beyond all possible acts of decency, and whether the intent requirement, as discussed above, was met. In our first scenario, one may squirm when Emily is required to confess 'sins' to her fellow employees, the verbal and physical

abuse she was subjected to whenever she made mistakes, and Brad following her in the bathroom to tell her that if she wasn't able to "take a hit", then she was worthless. In the second scenario, the constant scolding and condescending remarks to Eric by his supervisor acting as an angry parent may not be considered extreme if analyzed in isolation. But if Eric is subjected to this workplace treatment repeatedly and consistently over short spans of time, these may well be seen as intolerable and cruel beyond any bounds of decency. Other examples may include training activities such as the "rope courses" example described on page 8 above, and similar activities that would cause fear and apprehension of danger to an ordinary person, e.g., asking employees to engage in bungee jumping to conquer their fear and become better employees. These, and other similar incidents in the workplace, could be assessed in its totality as to its impact and injury towards a single individual, instead of analyzing each separate act to determine whether or not the defendant organization's conduct is extreme and outrageous. Once again, the next element to overcome is intent. For recovery under intentional infliction of emotional distress, the plaintiff must prove that the defendant intended to cause severe emotional distress or acted with reckless disregard as to whether the victim would suffer severe distress. [Restatement (Second) of Torts § 46.]

Battery. This tort occurs whenever the defendant's acts intentionally cause harmful or offensive contact with the victim's person. [Restatement (Second) of Torts §§ 13, 16, 18.] While battery requires intent, the prevailing tort definition does not require intent to harm [Restatement (Second) of Torts]. It is only necessary that the defendant intend to cause either harmful or offensive contact. In our first case, co-workers throwing rubber balls and paper balls to Emily under the humiliating circumstances it was conducted may be offensive contact liable under battery.

Assault. This occurs when the defendant's acts intentionally cause the victim's apprehension of imminent harmful or offensive contact. The defendant must desire or be substantially certain that her action will cause the apprehension of immediate harmful or offensive contact. The victim must perceive that harmful or offensive contact is about to happen to her/him. (Western Union Telegraph Co. v. Hill, App. 1933). Assault typically follows battery in actions wherein the offensive touching was not accomplished but the apprehension occurred. Such may be the case with Emily even if the balls being thrown at her by co-workers had missed her, because she was the intended target.

False Imprisonment. In this tort, the defendant unlawfully acts to intentionally cause confinement or restraint of the victim within a bounded area. The victim must be confined within an area bounded in all directions. The bounded area can be, however, a large area, even an entire city (Allen v. Fromme, 1910). For false imprisonment to exist, the victim must be confined or restrained. In our case, false imprisonment may be extended to the potential restraint that Emily may have felt when required to stay for after-work activities with a “mentor” or fear termination. Such mentoring may be an improper assertion of authority by the employer since Emily is not paid to stay after-hours, thus leaving the employer with no privilege to keep Emily after-hours.

Fraud. This tort is a misrepresentation of material fact. To establish a claim of fraud, plaintiffs must show by clear and convincing evidence (1) a representation; (2) its falsity; (3) its materiality; (4) knowledge of its falsity or a reckless disregard for its truth or falsity; (5) intent that the plaintiff act upon the representation; (6) the hearer’s ignorance of its falsity; (7) the hearer’s reliance on its truth; (8) the hearer’s right to rely thereon; and (9) the hearer’s consequent and proximate injury. (King v. Oxford, Ct. App. 1984). In our examples, the

statements and representations by Emily and Eric's supervisor regarding future income and promotions may be ripe for fraud within these elements.

Constructive discharge. This is a type of wrongful discharge wherein the employee quits due to intolerable working conditions. The employer does not proactively fire the worker but will subject him or her to conditions that would cause any ordinary person to leave. The worker would have to show that the employer subjected him or her to these conditions because he or she exercised certain public policy rights or other protected activity (examples include filing a safety complaint, filing workers' compensation claim, testifying against the employer for discriminatory acts, whistleblowing, etc..) Wrongful discharge is a statutory provision and states differ in their treatment of such rule. For example, in Hawaii, "[a] cause of action alleging termination in violation of public policy constitutes a tort claim, and the termination must violate a clear mandate of public policy." (Littler Mendelson, P.C., 2009) However, Hawaiian courts have rejected the doctrine of an implied covenant of good faith and fair dealing in the employment context. Compare Wisconsin wherein "…an employer may not discharge an employee simply because the employee testifies or assists in any action or proceeding, or files a complaint (or attempts to enforce any right) under specific Wisconsin laws. An employee qualifies for protection …even in circumstances in which the employee did not *actually* engage in protected activity. Wisconsin courts recognize the torts of defamation, invasion of privacy, and interference with a contract in wrongful discharge suits" (Littler Mendelson, P.C., 2009). Further, "[i]n Washington, other claims that are often asserted by employees in connection with wrongful discharge claims include defamation, fraud and negligent misrepresentation. For discharge in retaliation for whistleblowing, the employee must have been terminated for an action furthering the public good and not merely private or proprietary interests. (Littler

Mendelson, P.C., 2009 citing *Miguel v. Guess*, (Wash. 2002). However, "in *Bravo*, the Supreme Court of Washington held that the coercion or dismissal of employees acting collectively to improve working conditions under Washington's Law Against Discrimination (Washington Revised Code section 49.60.010) can establish the tort of wrongful discharge in contravention of public policy" (Littler Mendelson, P.C., 2009 citing *Bravo v. Dolsen Cos.* (Wash. 1995).

In secular business cults, managers may cross a fine line when subjecting workers to intolerable working conditions through cult-like practices and risk possible constructive discharge claims for transgressing workers' safety and health, or retaliating for complaining illegal cult-like practices. In our fictitious cases, Emily and Eric voluntarily left the organizations after experiencing traumatic workplace treatment.

DEFENSE: Consent is a defense to intentional torts and may be used to justify workers' participation in the questionable workplace activities. This dismisses any liability from the resultant harm to workers. "If the asserted victim gives permission, what would otherwise be tortious is instead privileged" [Restatement (Second) of Torts § 892]. Employers may invoke consent as implied in the employment relationship - that when workers agreed to work for the employer, it is implied that they likewise agreed to any and all sorts of training or employment-related activities that would further business goals. However, consent may be invalidated if the activity is beyond the scope of consent, if fraud is involved, if consent was given under duress, or the act is illegal (such as cult). Extreme and unusual workplace practices are arguably beyond the scope of consent.

Other Doctrines. It is also worth noting the possible applicability of other doctrines such as employer's breach of implied covenant of good faith and fair dealing, whistleblower protection, and wage and hour laws.

The doctrine of *breach of implied covenant of good faith and fair dealing* states that "a party must not act in bad faith, dishonestly, or with improper motive to destroy or injure the right of the other party to receive the benefits of the contract" (Brunswick v. Route 18, 2005). In the employment context, examples of cases involving this doctrine include an employer terminating a worker before his/her pension vests so the employer does not have to pay, making up reasons for firing an employee to replace him or her with cheaper labor, or firing an employee to prevent him/her from collecting commissions. The applicability of this rule to strong culture organizations may be scrutinized along an implied contract that employers will respect workers' right to safety and health, and will be honest in dealing with workers in all aspects of employment. Any type of manipulative management that serves to "control or play upon by artful, unfair, or insidious means especially to one's own advantage" (Definition of Manipulate) may constitute breach within this doctrine.

Wage and hour laws become an issue when employees are permitted to work extended hours or are paid less than minimum wages. Overtime pay must be addressed. However, not all workers are entitled to overtime pay; and not all enterprises are covered by the law. Overtime rules vary from state to state but federal law requires that "[w]ith only some exceptions, overtime ("time and one-half") must be paid for work over forty hours a week"(Fair Labor Standards Act § 207). The State's labor department wage and hour division contains more information on this subject.

Whistleblower Protection. Most cult-like organizations or those with strong cultures that push the edge on indoctrinating workers to the desired culture may create an atmosphere of fear and secrecy amongst workers to ensure that no one tells the outside world about the harmful activities workers are subjected to within the walls of the organization. This can be fear of

retaliation through termination of employment or other forms of formal or informal discipline. However, there is protection from such retaliation. The Occupational Safety and Health Act (OSH Act) and a number of other laws protect workers against retaliation for complaining to their employers, unions, the Occupational Safety and Health Administration (OSHA), or other government agencies about unsafe or unhealthful conditions in the workplace, environmental problems, certain public safety hazards, and certain violations of federal provisions concerning securities fraud, as well as for engaging in other related protected activities (The Whistleblower Protection Program). Whistleblowers may not be transferred, denied a raise, have their hours reduced, or be fired or punished in any other way because they have exercised any right afforded to them under one of the laws that protect whistleblowers (The Whistleblower Protection Program).

Manipulative Organizations

When potential illegal practices are removed, we are still left with profiles of employees in organizations that manipulate the employer-employee social contract to the benefit of the organization and the detriment of the employee. Such an organization engages in unethical behavior, which may be set up as policy for the organization:

> *Proposition 2.* Legal, but unethical, manipulative businesses exist everywhere. Manipulative businesses deceive their employees with cult-like techniques in order to increase profits. Any business, regardless of its purpose or mission, can be set up to run as a manipulative business based on cult principles.

To support this proposition, we combine and re-write our two profiles of Emily and Eric, so that both organizations are merely manipulative.

In both situations, the managers tell our characters that if they learn and adopt the company secrets to success, there would be no limit to the amount of money they would make in only a short time – managers Brad and Tom owned luxurious houses and expensive cars. The workplace seemed so friendly during the hiring interview. The interview questioning included peers who probed into Eric and Emily's personal status in a carefully crafted, friendly, and legal manner which made them voluntarily open up to discuss not only their much-desired traits as team players, but also their personal situations of being alone and desperate for employment. Eric and Emily, along with other new hires were required to undergo a week-long, 8-hour orientation program, which required daily assignments for the next day's activities. This meant that trainees would have to spend the evening preparing for the assignment. Here, trainees meet and greet all the chief executives, including the CEO, who subscribes to 'management by walking around' and who emphasizes how important each new 'family member' (the company's term for staff) is to the organization. The CEO spoke of the company's mission to save millions of people around the world one person at a time; that their hard work is needed to support this noble mission, and that they should keep this in their hearts and mind. Pocket-sized versions of the mission were distributed in the orientation and exams and activities test trainees' knowledge throughout the week. Trainees pass the orientation only if they successfully embrace the mission. Graduation rituals followed with certificate of completion. Emily and Eric felt honored as they were officially welcomed and inducted as "family members". However, after the orientation, they each have to undergo technical training in their respective departments. Emily had to undergo sales training for which she had to pay $1,000 up front. Her job paid 100% sales commission,

so she wouldn't get paid until she started selling. She worked at a restaurant at nights to pay her bills. Her training, however, turned out to be immersive, intense, and emotionally draining. She was taught sales methods which included gaining strangers' trust through involvement in volunteer activities (zoo, military, churches, mentoring, school events, etc.) and her existing network (friends and professors), sell some inexpensive items first such as car insurance, and then sell higher-margin items later. Each late afternoon, Emily was required to prepare a presentation from scratch about what she learned, and detailed plans about plans for her contacts and for her next recruit to work for the company. Brad approved this plan as a form of mentoring. Every morning at the start of operation, supervisors conduct a morning meeting to discuss the day's goals coupled with mission chanting, motivational cheers, and "family members" hugs. However, financials were never shared with everyone. Pep rallies follow on a weekly and monthly basis to announce and celebrate the top "family member" with the same chanting, cheers, and hugs. The CEO attends the monthly celebration and shakes everyone's hand. Everyone calls him by his first name and "members' started calling each other "brother" or "sister." The non-sales personnel like Eric are paid minimum wages with no benefits, but was shown a succession planning chart that provides prospects of promotion to other ranks. Emily and Eric felt good being part of the company 'family' because of the overwhelming warmth and camaraderie. However, without any base salary, Emily finds herself working days and nights reconstructing her sales plan and making sales calls to no avail. She had to continue with her restaurant job but had to cut her hours there to a minimum. After a year, she has not seen an improvement in her finances. Yet, being alone in the country without her family, she

became so entrenched with the feeling of belonging to the company that she decides to hang on and stay. Eric, on the other hand, cannot afford a decent housing with his wages and had to apply for state medical welfare insurance. He tries hard to reach the next level of employee rank by joining the company's volunteer activities and having 100% attendance at work and all its rallies and rituals. But after 9 months, and discovering that there had been no promotion into management for some time, that the owners of the company were billionaires living in luxury, and that the products that the company sold were likely made by virtual slave laborers in a poor country, Eric wanted to quit his job and ride out the recession by entering graduate school.

Principles of Ethics

There are several theories and versions regarding principles of ethics. Johnson, (2012) suggests five general ethical approaches or theories for all kinds of moral choices. This include the principles of Utilitarianism (Do the greatest good for the greatest number of people), Kant's Categorical Imperative (Do what's right no matter what the cost), Rawl's Justice as Fairness (Guaranteeing equal rights and opportunities behind the veil of ignorance), Communitarianism (Shoulder your responsibilities and seek the common good), and Altruism (Love your neighbor) (Johnson, 2012, pp. 153-188). Each principle may be applied to the employment context. In our manipulative case scenario above, the principle of Justice as Fairness is of particular relevance. Here, Johnson (2012) cited John Rawls as rejecting the utilitarian principles because it can seriously disadvantage certain groups and individuals. He noted that one of the principles Rawls argued in this approach was that social and economic inequalities are to satisfy two conditions. One of which is Principle 2B, the "difference principle," which recognizes that "inequalities exist but that priority should be given to meeting the needs of the poor, immigrants, minorities,

and other marginalized groups" (Johnson, 2012, p. 162). One can see how our case scenario involving Emily and Eric calls into question the ethical character of the companies engaging in the seemingly innocuous practices but whose purpose is to exploit the needs of the disadvantaged, and often desperate members of society in order to satisfy the greed (instead of "need") of the top few. Earnings and wealth of the organization are not transparent because these are not meant to be shared proportionately to all who deserve it.

Boundaries

What, then, are the differences between strong cultures, manipulative organizations, and secular business cults? Using the Bendapudi and Bendapudi's (2005) six-principle framework OF STRONG CULTURES, we show in Table 1 how each principle can be twisted first into the norms of manipulative organizations, and then into the norms of secular cults. Each principle is discussed below.

Recruitment. Bendapudi and Bendapudi (2005) proposed that managers hire employees based on intrinsic traits that are difficult to develop through after-employment training: likeability, teamwork ability, humility, appreciation for diversity, and the like. Managers in manipulative organizations take these traits and instead of using them for recruitment criteria, apply them as characteristics of an unrealistic job preview: your work will be fun, teamwork will be exhilarating, everyone respects everyone else and we have a wonderfully diverse workforce, etc. After work begins, the new hire instead finds the work unlikeable, teamwork to be emotionally draining and political, co-workers fighting to claim credit for work they didn't do, very little diversity, and the like. Turnover is higher, but in a relatively high-unemployment economy, managers can keep hiring, and those who are hired may stay on for the low pay and/or the little bit of health insurance offered that begins after the first 90 days of employment. Cult

members ratchet up the dishonesty by not only lying to recruiters about what membership in the cult is like, but also by dishonestly targeting vulnerable candidates. For example, cult recruiters are instructed to get jobs at university registrar offices and to approach students who come in to drop all of their courses (Singer, 2003).

Development. Managers who engender an ethical strong culture train before the job and provide trainees a realistic job preview during the training, train on the job, and also encourage university-level education in any subject to foster critical thinking skills (Bendapudi & Bendapudi, 2005). Managers of manipulative organizations do more or less the same thing (although they would only partially compensate employees for only work-related university education), but then do not take criticism of trained and educated employees seriously; the purpose of training and education is for conformity to the firm's procedures, and any 'enlightenment' byproducts are overlooked. Cults, on the other hand, train for absolute conformity not only the cult's procedures, but also all behavior and even members' thinking. Any criticism is actively suppressed and the criticizing member is verbally abused.

Brand Pride. In ethical strong cultures, the company's brand is something to genuinely be proud of. Products and services provided under this brand are superior in some, if not many ways compared to the company's competitors (Bendapudi & Bendapudi, 2005). Managers of manipulative organizations tell the same story of a successful brand, but this story is untrue, and the brand is in fact inferior with respect to competitors rather than superior (though the products/services are falsely described as being superior). In effect, employees are instructed to lie to buyers about the superiority of the organization's products/services. For example, the manager at a car dealer service center might accept a car for an oil change, but then claim that the car needs many additional repairs which in fact are not necessary. In cults, product/service

descriptions are often opposite of their true value to buyers. For example, a car dealership might claim that "We will give your car an oil change for less", but then when in possession of the car, the oil is in fact not changed at all and high-demand, functioning parts are replaced with barely-functional parts.

Build Community. Managers in ethical strong cultures create genuinely positive social environments. Managers motivate with friendliness, approachability, concern for people, encouragement and constructive criticism, and employees are encouraged to build friendly, courteous relationships with customers and each other (Bendapudi & Bendapudi, 2005). Managers in unethical, manipulative organizations build community by employing various forms of negative punishment for motivation on the one hand and threatening employees with poor performance evaluations and eventual firing if they do not interact affably with customers. Manipulative organizations will often require 'niceness' quotas, for example by requiring that every employee smile at least three times when interacting with each customer. The glue of communities in manipulative organizations is fear or guilt; in cults the binding emotion is more akin to terror, based on violence, coercion, blackmail, threats, and complete dependence on the leader. A cult member stays in his/her organization because s/he perceives life to be meaningless and worthless if he or she were to leave.

Shared Business Context. Managers in ethical strong cultures share financial and performance data freely with their employees, and the organization's overall strategy, strategic position, business model, values, mission and vision are clearly, accurately and honestly communicated (Bendapudi & Bendapudi, 2005). In a manipulative organization, managers may falsify or simply ignore any or all of these. In particular, managers lie about the organization's business model – the formula for generating firm value, or profit, which explains why buyers are

willing to pay more for products/services than it costs the organization to provide – and because financial statements are kept secret or are only provided in aggregate, employees and others have no way to check the veracity of managers' claims. For example, the Dean of a private university may explain that the reason why students want to pay more than the school's cost for a degree from his/her school is because they want to receive an education from practically-trained, working practitioners; the reality may instead be that students are dissatisfied with working adjuncts because many lack teaching skills, unfairly hand out all As, can rarely be reached with questions, and lack the rigor of content when compared to full-time teaching professors. However, the Dean knows that the school actually makes a profit margin by recruiting as many adjuncts as possible in order to only be obligated to pay out low-cost adjunct paychecks that are not accompanied by any benefits. In other words, the deliberate miscommunication of an organization's business plan by the organization's management is dishonest and manipulative. Another context manipulation could involve the deliberate misstatement of the organization's mission by, for example, stating that "We improve lives", when in reality the organization's mission is to "Improve the lives of some people", such as either employees or customers, but not both, or managers but not employees. As unethical as these sounds, cults are even worse. Cult leaders and members engage in deliberate fake puffery of the cult's mission both internally and externally, which is usually stated in the most extreme terms: "We save the world from certain, impending doom". Not a word of it is true (whereas in a manipulative organization, part of its mission statement may be true). With respect to cult business models, the true business model of any cult is that it exists to serve and please its leader(s) (Singer, 2003), but a cult's stated business model is often as far as possible from that reality, and even stated as a charity.

Satisfy the Soul. Not only are cult members made to feel worthless if they were to leave the cult, but they are also frequently confronted with their own worthlessness within the context of the cult by their leaders. Cult members are never 'customer-focused' enough, or pure enough in some way. In contrast, manipulative organizations provide rewards rather than punishments, but they are randomly awarded, insincere, are far too few in number, and involve at best a trivial amount of cash. For example, an employee who makes a suggestion which, after implementation, saves the company $100,000 per year, and for a reward receives a $10 gift certificate to spend at the company's store. Or, a profitable Chinese company that is obligated by Chinese tradition to give all of its employees a 1-month bonus only gives out a per-person bonus equal to the lowest-paid employee in the organization. Managers in ethical strong cultures instead genuinely and gratefully thank their employees with memorable and significant cash and non-cash rewards as management actively works to improve employee safety in every aspect of the employees' work routines. In this type of organization, achievements are justified with quantifiable, accurate performance measures (Bendapudi & Bendapudi, 2005).

DISCUSSION

The Usefulness of our Model

To our knowledge, surprise and dismay, we appear to have been the first to have used the terms "manipulative organization" and "secular business cult" – no articles were retrieved when these terms were placed into the EBSCO Host Business Premiere database of business articles, scholarly and otherwise. Yet, these types of organizations certainly exist to the detriment of our society; we are sure that the reader has thought of her/his own examples and life experiences while reading though the above content. Obviously, it is time that management researchers, and everyone else, discuss the many issues relevant to both manipulative organizations and secular

business cults. For example, were the recent actions by banks (such as the bundling and selling of high-risk mortgages that were then hedged against – bet on to fail – after they were sold), and Wall Street companies (such as the distribution of huge bonuses to individuals in companies that were bailed out and/or played a part in causing the Great Recession) the actions of manipulative organizations? Are not most organizations today manipulative, and should that manipulation be allowed to continue? With regard to ethics and business, in our current business environment, we cannot think of a more relevant issue, yet the subject has thus far lacked cohesive investigation and discussion, while discussions of this or that fraud by this or that industry or company is discussed in isolation from each other. To begin discussion, we develop an initial to-do list below for regulators, researchers, teachers, managers, and employees.

Implications and Agendas

Regulators

Some secular cult practices are legal, while all manipulative organizational practices are unethical and walk a fine line on legality as discussed in our legal discussions above. Perhaps it is time for government labor departments to consider making all secular cult business practices and the most egregious manipulative organizational practices illegal.

The exclusive remedy provision of workers' compensation laws may remain intact as it serves an important purpose of protecting workers' rights when injured, while ensuring efficiency of process. However, the legislative and judicial exception to the exclusive remedy provision of workers' compensation must "redefine intentional tort in a broad fashion and expand the intentional tort exception to workers' compensation" (Parkhurst, 1989) by removing certain ambiguities that have plagued this area of law. Burnett (2000) did a comprehensive discussion on this issue of ambiguity in treating the intentional torts exception and proposes a

call to the legislature to address the matter. Below is a broad proposal highlighting the focus of the problem that the second author believes to be the cause of the ambiguity. Lawmakers must set consistent guidelines in two areas, at least in the employment context:

1. Reject the "true intentional tort" test and adopt the "substantial certainty" test for determining when an employer had an intentional tort. "The true intentional tort test requires the plaintiff to prove that the employer intended both the act which caused the injury and the injury itself. The substantial certainty test is satisfied by proof that the employer intended the act and was substantially certain that the injury would occur. Because the true intentional tort test requires evidence that the employer actually intended the injury, this test is more difficult to satisfy" (Parkhurst, 1989). See discussion on manipulative practices below.

2. Reject the "specific intent" (special state of mind and a physical act) or "dual-intent" test and adopt the "single intent" standard to support the substantial certainty test proposed above. Dual intent is similar to specific intent in that it requires both the act and the desire to harm or to offend. Whereas the "single intent" view is much more plausible in deterring employers from violating certain workers' rights as this standard merely requires a showing that the employer has knowledge with substantial certainty that the harm will occur.

As discussed above, Larson (2005) pointed out that the workers must show evidence of "intent to harm" in order to invoke the exception to the exclusive remedy of workers' compensation. Manipulative practices are sometimes (or mostly) carried out carefully and crafted creatively so as to disguise their true intent. Most of these practices are cloaked in a "three-piece suit" as Singer (2003) noted in the earlier discussion above, thereby making it almost impossible to meet the "intent to harm" test for intentional tort.

Researchers

The accuracy of the method of data collection may be difficult to attain, as all organizations are likely to appear the same at first glance; a manager that states things honestly may actually be deceptive with only the appearance of honesty, and front-line workers in a manipulative organization or secular cult may be either deceived or disillusioned, with mixed results for the reviewer. Perhaps, at the individual level of the manager, the analysis framework can be incorporated into a Management by Objectives (MBO)-type review with the manager's manager, and data from these files might be extracted and aggregated. In this case, however, MBO could be considered a ritual, and culture researchers would recognize this as a surface level indicator of deeper fundamental beliefs. In that case, culture researchers may in fact proceed as usual per the existing investigational approaches (Schein, 1992), but with the aid of a more structured framework and with an emphasis on picking up deceptive and/or cult-like practices.

Methodological issues aside, we need to answer the pressing questions of existence, prevalence and pervasiveness of strong cultures, manipulative organizations and cults. What proportion of each exists in society? What are the trends in proportion? Are secular business cults on the rise, as we suspect? Our work is limited by the consideration of only six aspects of an organization's culture (Bendapudi & Bendapudi, 2005), which seem to us to capture the salient aspects of each culture type, but are there may be other aspects that were overlooked. Clearly, an empirical investigation into the dimensions of strong cultures, manipulative organizations, and cults are warranted. Once these constructs are comprehensively delineated, mediators and moderators could be investigated. For example, does an industry's competitive intensity make the existence of a secular culture more likely among the industry's members? What are the effects of various types of management training? Some types might decrease the incidence of manipulative organizations and secular cults, such as diversity training, while other

types, like the training of financial management techniques, might inadvertently increase the incidence of such organizations.

Teachers and trainers

Management teachers should be careful not to enter the norms of manipulative or cult-like cultures in their teaching styles. Perhaps the single most important observation we can make in this paper is that the prevalence of constructive, critical thinking is essential to the avoidance of manipulative cultures and secular cults among all types of organizations. Therefore, critical thinking should be central to the education of any university student, and even central to any manager or employee training program. For example, when students are working on their capstone projects in, say, and MBA program, or when a trainer is presenting call-center procedures to new call-center employees, the teacher should not simply be telling students what to do or what to think, but how to think critically about what they are doing and about the organization(s) they are analyzing. We can describe the organization's culture this way, but should it be? Is there another type of culture that is more appropriate? For customer interaction critical thinking: What does the customer really want or need? How can I serve as the customer's solution to their actual problem?

Managers

Of course, the first thing that managers should do is reconsider their own managerial practices – are there any that are manipulative or even cult-like? If there are, then what does the manager plan to do to make her/his management style more like the "strong culture" category? In the spirit of openness, a manager's employees should participate in this review process and help to make observations and recommendations. Justifications for why a manager's techniques should not be placed in a particular cell in the table should be accompanied with justifications as

to why a manager's techniques should be placed in a particular cell. In this way, a justification is assigned to every cell in Table 1.

At the organizational level, Table 1 can be used as an initial analysis tool to determine the nature of the organization's overall culture, perhaps as a component to a more thorough overall ethics audit proposed by Kulik (2005), among others. For example, an organization might be classified as a Strong Culture, say, in the categories of development, brand pride, and shared context, but "Build Community" and 3 out of 4 departments are classified under Manipulative Organizations, while Satisfy the Soul appears to be cult-like in one department (see Table 2). In addition, Recruitment was found to be less than strong (candidates are not selected on the basis of any intrinsic traits). An executive might classify this organization as a "strong culture", but there is work to be done to align the organization in the areas of Recruitment, Build Community, and Satisfy the Soul. The highest-priority item would be in investigating and correcting the practices of the one unit that practices cult-like methods. An executive's description of the organization's culture might change from "We have a strong culture here" to "We have a mostly strong culture, but sometimes it is too strong, and we are working on correcting that."

Employees

Organization members might do their own assessment of their organization's culture. If it is cult-like in any way, then this might be grounds for a legal claim against the organization as discussed above. If the organization is at all manipulative, then the employee could consider confronting the responsible managers, or leaving the organization. At the very least, the mere realization that one's own organization is unethically manipulative helps one to cope; a manipulative environment should not be taken as seriously as a strong-culture environment. Of

course, if a manipulative or cult-like culture cannot be changed, its members should leave the organization if at all feasible.

CONCLUSION

We have introduced new terms for the applications of ethics to businesses: “secular business cults” and “manipulative organizations”. Both are unethical, while “secular business cults” also adopt illegal practices, and we suspect that both may be commonplace throughout the business world, perhaps in part because these terms have not yet been identified in the business ethics literature, or anywhere else. Under current conditions that ignore the lack of ethics of these organizations, it may be possible for an MBA student to proceed through an entire MBA program without having been specifically told that the techniques applied by such organizations should be considered off limits to the educated manager. Unfortunately, “create as strong a culture as you possibly can” appears to be the prevailing mantra in business schools and in the popular business press, regardless of the effects of the culture on its employees. We hope that this paper begins a long and productive discussion, among both researchers and members of organizations, about how we really want our organizations to operate, and how “free” employee beliefs, emotions, and expectations should really be.

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Table 1. Characteristics of strong cultures, manipulative organizations, and secular cults.

	Strong Cultures* (ethical)	Manipulative Organizations (unethical)	Cults (illegal)
Recruitment	Recruit based on likeability, teamwork ability, humility, appreciation for diversity	Recruit according to strong culture norms, but provide an unrealistic job preview	Recruit based on emotional vulnerability with lies about cult life and its real purpose
Development	Train employees on & off the job, encourage education and critical thinking	Train employees & encourage education as in strong cultures, but do not act on criticism or ideas from employees	Train members on cult methods and pre-defined 'proper' thinking; verbally abuse dissenters
Brand Pride	Create pride in the organization's brand among employees	Create among employees more pride in the organization's brand than is deserved, and unchallenged, excessive respect for management	Engender pride in the leader among members, and prepare fake puffery to outsiders ("Our loving organization just helps out lonely people")
Build Community	Customers return because of	Employees are told to smile and act friendly even	False 'love bombing' in front of new recruits;

	employee friendliness and friendly social environment	though they do not feel like smiling because of management's frequent use of punishment negative verbal criticism	emotionally abused and dependent members live in poverty to serve the leader
Shared Business Context	Open sharing of monthly financial statements, strategy, values, mission, and business plan	Verbal descriptions of financial health and mission that are exaggerated and/or falsified; business model and strategy deviate from reality	Absolutely no sharing of the true values, mission, and business plan; opposite ones are constructed for internal and external public relations
Satisfy the Soul	Meet employees' security and esteem needs	Provide infrequent and insincere nonfinancial rewards	The organization and the leader is the end-all purpose of the member's existence

* after Bendapudi and Bendapudi's (2005) six "principles"

Table 2. Example of the application of Table 1as an organizational analysis tool.

	Less than Strong Culture	Strong Cultures* (ethical)	Manipulative Organizations (unethical)	Cults (illegal)
Recruitment	X			
Development		X		
Brand Pride		X		
Build Community			X	
Shared Business Context		X		
Satisfy the Soul			X (3/4)	X (1/4)