



Xenophon's Philosophy of Management

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Abstract

In this chapter, we explore Xenophon's philosophy of management and identify nine dimensions of business management, as well as the competencies (the knowledge, skills, and virtues) that good management requires. The scientific contribution of this chapter does not only consist in the fact that this is the first publications in which Xenophon's philosophy of management is systematically analyzed. Historical analysis can also help to question the self-evidence of our contemporary conceptualization of management. Xenophon's philosophy of management enables us to criticize the contemporary focus on profit maximization and to articulate an intrinsic relation between business and society; to criticize the contemporary disconnectedness of business management and to develop a broader set of individual competencies and know-how that is required for business managers; to criticize the contemporary focus on management and control; and to rehabilitate the role of business management as ability and capacity that involves know-how, actual engagement, and virtuous competencies.

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Finally, this concept of management challenges contemporary conceptualizations of the differences between private and public management in political philosophical debates.

Keywords

Xenophon · Philosophy of management · Management · Virtue · Control

Introduction

In philosophy of management, there is a relative lack of interest in the history of the concept. For instance, in the first volume of the *Philosophy of management* journal, Alan Bray raised the provocative question “Why is it that management seems to have no history?” indicating that the practice of management as a corpus of knowledge and skills received only little attention in the literature (Bray 2001). While in the second volume, Fontrodona and Melé propose Aristotelian philosophy as a theoretical foundation of management (Fontrodona and Melé 2002), the history of philosophies of management is relatively absent in subsequent volumes.¹ With this, I do not mean that philosophers are not explored to reflect on issues in management. On the contrary, philosophy of management has a strong tradition in applying ideas of philosophers to management issues, like Stoic ideas on ethics of management (Bowden 2012), Aristotle’s ideas on corporate responsibility and management practice (Gimbel 2005; Hartman 2015), Dewey’s ideas on innovation management (Bordum 2007), Levinas’ ideas on whistleblowing (Loumansky and Lewis 2013), or Heidegger’s ideas on leadership (Krentz and Malloy 2005). But these ideas of the big names of the philosophical tradition are often not further developed into a full fledged philosophy of management of Aristotle, Heidegger, or Levinas. This seems to be legitimate, as these philosophers themselves often did not develop an explicit philosophy of management themselves.

There seems to be at least one exception in the history of philosophy, namely Xenophon, who can be seen as the first philosopher that reflected systematically on the concept of business management. In *Oeconomicus*, published around 385 B.C., Xenophon introduces a dialogue between Socrates and Critobulus, a wealthy young man, and Ischomachus, a noble and successful manager, about economy.² *Oikonomia*, as Xenophon understood it, is far removed from our contemporary

¹In fact, interest in the history of the concept of management is more often found outside the particular subdomain of philosophy of management, for instance, Mondzain (2005) and Agamben (2007).

²At first sight, it seems to be strange to consult Socrates’ vision on business management, as he is normally seen as very negative about profit making and business (Plato 2013). Because the historical comparison between the Socrates of Plato and Xenophon is beyond the scope of this chapter, we purely focus on Socrates contribution to the question what is (business) management as it appears in Xenophon’s *Oeconomicus* in this chapter.

understanding of economics and is primarily concerned with household management (Deslandes 2018). The fact that *oikonomia* originally concerns household management, rather than economics, may also explain why economists are often hesitant to read Xenophon as an economist (Lowry 1979). The domain of the household is not limited to the private sphere of the house in which we live but extends to all property that enables the owner of the household to make a living. This legitimizes us to take Xenophon's philosophical reflections on household management as a philosophy of business management. In this chapter, we explore Xenophon's philosophy of management and identify nine dimensions of management (1) and the knowledge, skills, and virtues that good management requires (2).

While general philosophical studies of Xenophon's *Oeconomicus* provided already insightful interpretations of his work (Strauss 1989), the scientific contribution of this chapter consists in the fact that, to the best of my knowledge, this is the first publication in which Xenophon's philosophy of management is systematically analyzed from the perspective of *business* management. Historical analysis can also help to question the self-evidence of our contemporary conceptualization of management, and to explore new directions in our conceptualization of management, as we will explore in section three. It also challenges contemporary conceptualizations of the differences between private and public management in political philosophical debates. This is the second scientific contribution of this chapter.

Nine Dimensions of Business Management According to Xenophon

One of the first philosophical conceptualizations of management occurred in the work of Xenophon. In the *Oeconomicus*, business management concerns the totality of the assets of the owner. Although these assets are a necessary condition to make a living, it is not a sufficient condition as these assets have to be managed in order to become profitable and generate wealth for the owner (Xenophon 2013: 1.15; 3.1–3.3). What are the main dimensions of business management that can be found in Xenophon's work? In our reflections on the nature of business management, we have to abandon the contextual factors that can be found in Xenophon's work, as he lived in an agricultural society and in a period where management mainly concerned the management of slaves.

Business management concerns the functional order and ordered arrangement of the business that is led by a superintendent (*episkopos*) that is in control of the business, even in case of accidents and unforeseen situations, so that its ordered functioning is guaranteed and maintained. This control of the manager is compared with a ship:

Now I saw this man in his spare time inspecting everything that is needed as a matter of course on the ship. I was surprised to see him looking them over and asked what he was doing. 'Sir', he answered, 'I am looking to see how the ship's equipment is stored, in case of

any accident, or whether anything is missing or mixed up with other equipment'. (Xenophon 2013: 8.15–16)

Business management is understood here as the establishment of a functioning order in which all natural resources have their proper place, all human resources have their proper task and role³, and the business manager regulates and governs the proper use of these natural and human resources in order to make profit. This involves the structuring of the business and the assignment of an appropriate place to each part of the business. Xenophon speaks about grain that has to remain dry and wine that has to remain cool, but we can extend this to the appropriate design of the production and distribution process of a business, the structure of business units, etc. Next, it concerns the placement of employees in this functioning order. The first dimension of business management that we can discern is the establishment and maintenance of a functioning order of the business in order to make profit.

A second dimension of business management occurs if we consider the ordered functioning of the ship we encountered before. In first instance, the establishment and maintenance of a functioning order of the business enables the manager to act appropriately in times of setback or unforeseen circumstances that threaten the survival of the ship in stormy weather. But another aspect of this functioning order is that it constitutes a "paradise" of beauty that evokes admiration (Xenophon 2013: 4.13; 4.21). We can think of Xenophon's example of the ship in which all equipment is well stored – e.g., rope is not lying around but well-ordered and organized – and that provides peace of mind and energy to work in, but we can easily extend this example to well-established organization structures in which all disparate tasks and roles work together as one (Xenophon 2013: 8.7). Xenophon provides the example of a chorus:

A chorus is a combination of people; but when its members do as they please, it becomes mere confusion, and there is no pleasure in watching it; but when they move and sing in an orderly fashion, then those same people at once seem worth watching and worth hearing. (Xenophon 2013: 8.3)

This order is not only a functional order but evokes admiration because of its beauty – everything is more beautiful when set out in order according to Xenophon (2013: 8.20) – and nothing is so good for human beings as order (Xenophon 2013: 8.3). It is important to acknowledge that for the Greeks, the beautiful does not only has aesthetic but also moral significance. The second dimension of business management that we discern is that the manager establishes and maintains the functioning

³Although Xenophon himself explicitly talks about slaves, we conceive the term in more neutral terms as subordinates. On the one hand, Xenophon's description of the role and treatment of slaves resonates with modern ways of treating employees as we will see. On the other, both slaves and employees can be formally seen as subordinates of the business manager who is the owner of the assets.

order of the business in such a way that its (beautiful) order evokes public admiration.

A third dimension of business management is that the ordered functioning of the business does not only serve the private interests of the owner of the business – e.g., a grand harvest – but also the public interest of society. A farm does not only provide food and luxury by which people live and enjoy their life but also the environment in which public services can be practiced. Xenophon provides the example of agriculture that enables man to work on the land *and* prepare them to defend the state:

She gives increased strength through exercise to those who labour with their own hands, and hardens the overseers of the work by rousing them early and forcing them to move about briskly. For on a farm no less than in the city the most important operations have their fixed time. Again, if a man wants to defend his city by serving in the cavalry, farming is his most efficient partner in furnishing upkeep for this horse; if in the infantry, it energizes his body. (Xenophon 2013: 5.4–5; 11.17)

We can easily abstract from this particular context and argue that management establishes a functioning order that serves simultaneously private – sales of food products – and public purposes – serving a healthy society by promoting a healthy lifestyle. In the end, business management is not a goal in itself but should enable the business manager to serve the interests of his friends and the state according to Xenophon (2013: 6.9).⁴ Only those who serve the state and are loyal to society are held in the highest esteem by the state (Xenophon 2013: 6.10). The third dimension of business management that we can discern is that the business manager establishes and maintains the functioning order of the business in such a way that it integrates public and private interests.

In order to establish and maintain the functioning order of the business, the manager has to engage in the business operations himself via direct labor according to Xenophon. This seems to be strange for a business owner in the Greek context, as labor is scorned and held in low regard in ancient Greece (Xenophon 2013: 4.2). But Xenophon is more positive about direct engagement in the business operations of the business manager via direct labor – planting, for instance (Xenophon 2013: 4.22–24) – as it contributes to their happiness as purpose of life (*eudaimonia*) (Xenophon 2013: 4.25). The joy of direct labor provides satisfaction and self-confidence, as their mastery in the production of the products and services that the business provides matures.⁵ Another aspect of the positive assessment of direct labor may be the double purpose of business operations that we encountered before, for instance,

⁴Throughout this chapter, he or his can be replaced by she or her.

⁵While historically, direct labour is primarily associated with pain and suffering, Xenophon associates it with joy and pleasure. This may be explained by the fact that he, as business manager, is *free* to engage in direct labour while his employees are *necessitated* to engage in direct labour in order to survive. This may also explain why Karl Marx criticized Xenophon's "characteristic, bourgeois instinct" (cited in Strauss 1989: 203). At the same time, we could argue that Xenophon's appreciation of direct labour helps us to criticize the disconnection between the workforce and the management level that can often be observed in contemporary bureaucratic organizations (see §3).

farming (private interest) and preparing to defend the state (public interest). One other important reason for direct involvement in labor is that an important task of managers is to teach their employees, which requires know-how as we will see. Here, direct labor is not a goal in itself but serves the manager's aim to fulfil his role as business manager and his role as public servant. The fourth dimension of business management is the involvement of the manager in the business operations via direct labor.

The fifth dimension of business management concerns the manager's engagement in the business operations via the work of other people, i.e., the management of his subordinates to perform all roles and tasks in a proper way. His task is to give subordinates a proper role and task and manage them in such a way that they are not imprisoned and enforced to perform their task in a proper way, but that they are free and willing to work for the business manager (Xenophon 2013: 3.4).

At a first level, he has to cooperate with his wife in order to become successful according to Xenophon. Although Xenophon argues that the business manager has to instruct his wife in the right way of doing things (Xenophon 2013: 3.11), and with this, may make the impression that he sees his wife merely as subordinate like Aristotle⁶, it is clear that Xenophon is in fact very positive about the role of the wife in business management and that he stresses cooperation and partnership with her in growing the business:

I think that the wife who is a good partner in the household contributes just as much as her husband to its good; because the income for the most part is the result of the husband's exertions, but the expenses are controlled mostly by the wife's management. If both do their part well, the estate is increased; if they act incompetently, it is diminished. (Xenophon 2013: 3.15)

If we abstract from classical role models, we can argue that Xenophon highlights here that the business manager cannot maintain the functioning order of the business all by himself.⁷ Because he is focusing on sales, for instance, he needs first of all to cooperate and partner up with other managers who manage expenses. The maintenance of the functioning order of a profitable business requires a team of managers that "mutually service" (Xenophon 2013: 7.19) each other and form a partnership, balancing income and expenses, external and internal affairs, etc. As it is clear that for Xenophon, the wife contributes equally to the success of the business, we can abandon his literal connection of males as manager of the external affairs and females as managers of the internal affairs (Xenophon 2013: 7.20–7.26) and highlight the functional difference between the management of income, for instance, marketing and sales, and the management of expenses, for instance, procurement. Next to performing his or her own specific role as manager of income or expenses, for instance, the manager has to manage a

⁶According to Aristotle, females are naturally subordinate because of their limited rationality (Aristotle 1944: 1260a9-15).

⁷In this, Xenophon deviates from the classical idea that in economic affairs, "the rule by many is not good; one should be master, one be king," which can be found in Homer's *Illias* and is cited and confirmed by Aristotle *Metaphysics* (Aristotle, 1933: 1076a3ff).

management team together with other managers in order to make the business profitable. The management of a management team is the first level of engagement of the business manager with business operations via the work of other people.

At a second level, the business manager has to establish a management system because he cannot control everything himself, for instance, in case of other branches of the business that are not under his direct control. One way to maintain the functioning order of the business is by establishing internal rules and regulations that all employees have to comply with, for instance, maxims and governance procedures that safeguard right behavior. Xenophon provides examples like “thieves shall be punished for their thefts” (Xenophon 2013: 14.5), but we can easily abstract from these examples and extend it to other and also more positive core values of a company like honesty and integrity. It is interesting to observe that Xenophon focusses on the content of these rules, for instance, that the maxim we just mentioned makes greed unprofitable to the offender and benefits the upright employee (Xenophon 2013: 14.6).

At a third level, the business manager maintains the functioning order of the business by assigning proper roles to trusted middle managers that send him reports about their business performance, and that can perform the management tasks in the name of the business manager. This middle manager should have the same personal characteristics as the business manager as owner of the assets, for instance, self-control and eagerness to improve the business (Xenophon 2013: 9.11–12; 14.1) (see §2 for the further discussion of the competencies of the manager). The business manager is the superintendent that oversees and governs the middle managers so that they adhere to the arrangement of tasks and roles, and inspects the performance of the business (Xenophon 2013: 9.14–15; 14.1). Like the business manager oversees and governs the middle managers, the middle managers oversee and govern the employees. Also these middle managers are seen as partners of the business manager:

We also taught her to be loyal to us by making her a partner in all our joys and, if we had any trouble, inviting her to share that too. We trained her to be eager for the improvement of our estate by making her familiar with it and by allowing her to share in our success. And we developed in her a sense of justice by giving more honour to the just than to the unjust, and by showing her that the just live in greater wealth and freedom than the unjust. (Xenophon 2013: 9.12)

A key task of the business manager is to select the middle managers who are attentive to the business affairs. He selects those who have a passion for making money and have a desire to win the approbation of the business manager (Xenophon 2013: 14.9) and avoids those who are hard drinkers, sluggards, fall desperately in love (Xenophon 2013: 12.11–15), and remain dishonest even though they are well treated. He has also to review the performance of the middle managers and to reward high performance and to honor them, and to punish low performance. It is important to see that for Xenophon, reward does not only consist in the provision of monetary rewards but also in the promotion of good performing middle managers in the scale of honors (Xenophon 2013: 4.7). This can be done formally via promotions in rank, but also informally by giving trust, by entrusting an important task, and by providing honor to particular employees.

This does not mean however that the business manager can delegate all roles and tasks to the middle management. According to Xenophon, as the business manager experiences best the profits of good management and the losses of bad management, some management tasks can only be performed properly by the business manager himself or another member of the management team, and cannot be delegated to the middle managers or employees. Although Xenophon does not provide examples, we can think of management decisions that can have a major impact on the profit and loss of the business.

One can negatively argue that the principle-agent problem explains why the business manager cannot delegate all management tasks to the middle managers, e.g., that the business manager as owner of the assets (principle) can never be sure whether the middle manager (agent) will act in his best interest or will be tempted to serve his own interests instead. More positively formulated, however, one can also argue that the business manager cannot delegate all management tasks to the middle managers because of the considerable importance of teaching and training, as we have seen. This requires his leading by example and therefore, his direct engagement in the business operations anyway. This brings a fourth level of engagement with the business operation via the work of other people to light, namely people management of the employees of the branches that are under his direct control. At this level, management consists in leading subordinates in such a way that they obey willingly and contribute to the profitability of the business, instead of running away in times of setback (Xenophon 2013: 3.4; 4.19). This requires not only the ability to manage inflowing and outflowing streams of resources, to superintend the value adding process performed by employees, but also rewarding good behavior and punishment of employees who are misbehaving (Xenophon 2013: 7.42). Rewarding employees does not only consist in monetary rewards, but also in showing that being obedient is more advantageous for the employees, and by providing particular rewards that are valuable for the individual employees; the one who loves nice cloth is more rewarded by a nice robe according Xenophon (2013: 13.6–9). Furthermore, it also involves a differentiation in rewarding, by providing the better employee with superior gifts. Direct people management also involves the skill to care for the employees (Xenophon, 7.37), as those who are cared for feel grateful and more loyal. As a consequence, the employees will follow the business manager and serve his interests. And according to Xenophon, this ability to lead employees that are willing to follow constitutes a good manager⁸:

Those you may justly call high-minded who have many followers of like mind; and with reason may he be said to march ‘with a strong arm’ whose will many an arm is ready to

⁸Xenophon wrote another book on leadership, based on his experience of a military campaign in which the Greeks fled for the Persians by fighting their way back to Greece (Xenophon 1989). Although there are several overlaps between Xenophon’s *Oeconomicus* and *Anabalis*, a further comparison between the two works is beyond the scope of this chapter, which focusses on business management in general and not on leadership only. See for an analysis of Xenophon’s concept of leadership, Humphreys (2002).

serve; and truly great is he who can do great deeds by will rather than by strength. So too in private enterprises, the man in authority – foreman or manager – who can make the workers eager, industrious, and persevering – he is the man who gives a lift to the business and swell the surplus. . . . But if at the sight of him they stir themselves and a spirit of determination and rivalry and eagerness to excel falls on every workman, then I should say: this man has a touch of the kingly nature in him. (Xenophon 2013: 21.8–10)

As said, the direct engagement in people management is not a purpose in itself but establishes the know-how of the business manager that enables him to teach the middle management. The middle manager cannot learn to be a good superintendent if the teacher (the business manager) himself models inattentiveness according to Xenophon (2013: 12.18–19). It is primarily “the master’s eye” that makes the middle manager good (Xenophon 2013: 12.20), and this requires at least some direct engagement in the actual business operations of the business manager. With this, a sixth dimension of business management emerges, namely training and teaching of employees and middle managers. The business manager has to manage his subordinates by teaching them how to perform particular skills well, such as producing a grand harvest, making bread out of grain, cloth out of wool, to superintend and take care of the business. We can easily abstract from Xenophon’s examples of the agricultural sector and extent it to any value adding process in business life. By teaching an employee how to make cloth from wool, for instance, the manager doubles the value of the employee because he is able to add more value by making cloth from wool, than only the production of wool, for instance (Xenophon 2013: 7.41). Teaching also concern teaching of loyalty to the business manager, although loyalty is best learned by rewarding those who contribute to the prosperity of the business.

Although the business manager establishes and maintains a functioning order of the business, Xenophon acknowledges the fundamental role of risk and misfortune. However well the functioning order of the business is established and managed, foresight of future affairs is fundamentally limited, and it is always possible that unforeseen circumstances occur. On the one hand, the emergence of unforeseen circumstances explains why a business needs a well-managed functioning order, in which all employees blindly know where to find equipment and resources to adequately address challenges, like a ship that is assaulted by a hailstorm. We can easily abstract from Xenophon’s examples of hailstorms and frosts that impact agricultural practice, and argue that managers have to deal with imperfect foresight and contingency. On the other hand, although the establishment of a functioning order helps to manage the business well in case of an accident, Xenophon acknowledges the fundamental limitation of the role of management. In the context of Greek society, this acknowledgment leads to management practices to propitiate the Gods and to ask the blessing of the Gods before engaging in business operations (Xenophon, 5.19–20). This acknowledgment of the fundamental limitation of the role of management of the functioning order of a business is the seventh dimension of business management.

The eighth dimension of business management concerns the extension of the business by proper asset management. Proper asset management, on the one hand, prevents that all assets are fixed in buildings, etc. and are therefore not available and usable to make a profit or that these assets are out of direct control (for instance, in

foreign countries) but instead are arranged carefully in the proper place and managed to make profit (Xenophon 2013: 3.3). On the other, asset management consists in the acquisition of new low performing sites and to make them profitable in order to sell them later on for a higher price, next to autonomous growth of the business via good management practices. It is important to notice that the purpose of these acquisitions is not only to make profit but also for reasons of pleasure:

‘Well farmed land’, he would say, ‘costs a lot and can’t be improved;’ and he said that where there is no room for improvement there is not much pleasure to be got from the land: landed estate and livestock must be continually improving to give the fullest measure of satisfaction. (Xenophon 2013: 20.23)

But the aim of business management is not to increase property as such. The aim of business is to satisfy the wants of the business manager (Xenophon 2013: 2.4) *and* to serve his friends and the state: “Surely those who can maintain their own estate and yet have enough left to adorn the city and relieve their friends may well be thought affluent and powerful man” (Xenophon 2013: 11.10). And even when Xenophon seems to suggest that the increase of property is a purpose in itself, this increase is limited by the condition of self-control, which prevents greed and impulsive behavior, by the condition of fairness and honorability (Xenophon 2013: 7.15; 11.8), and by the condition of providing pleasure. The ninth and last dimension of business management is therefore that management is conditioned by the human needs of the business manager as owner of the assets on the one hand, which may be different for each individual manager (Xenophon 2013: 2.4), and by his service to society on the other.⁹ Xenophon provides examples like the entertainment of foreign guests, playing the benefactor to the citizens and contributing to the defense of the state (Xenophon 2013: 3.6), but we can easily generalize these examples toward a serving role of business to society. According to Xenophon, those business managers who cannot afford these services will be punished by the public (Xenophon 2013: 2.7).

In the table below, we summarize the nine dimensions of business management that we encountered in Xenophon’s work in this section (Table 1).

Key Requirements of Business Managers According to Xenophon

After having identified the key dimensions of business management according to Xenophon, we can also identify the key personal characteristics of the business manager. Although management is a branch of knowledge (*episteme*) according to Xenophon (2013: 1.1), it in fact concerns the *practice* to employ the assets – arable land, for instance – in a particular spatial-temporal context and in such a way that they become profitable – provide a rich harvest, for instance. Business management then does not

⁹Xenophon is against profit maximization as such and his notion of the limitation of the economic sphere by the political sphere resembles Aristotle’s conceptualization in this respect (Aristotle 1944). The further comparison between Aristotle and Xenophon is beyond the scope of this chapter.

Table 1 Nine dimensions of management that can be found in Xenophon

1. Management concerns the establishment and maintenance of a functioning order of the business in order to make profit.
2. Management concerns the establishment and maintenance of a functioning order of the business in order to evoke public admiration.
3. The establishment and maintenance of a functioning order of the business serves both private and public interests in an integrated way
4. Management consists in the engagement of the business manager in the business operations via direct labor.
5. Management consists in the engagement of the business manager in the business operations via the work done by other people <ul style="list-style-type: none"> (a) Collaboration and partnership with other business managers in a management team (b) Establishment of a management system with internal rules and regulations that employees have to comply with (c) Assigning proper roles to trusted middle managers (d) Direct people management of employees and/or middle managers
6. Management consists in training and teaching of employees and/or middle managers
7. Management acknowledges the fundamental limitations of the establishment and maintenance of the functioning order of the business, and acknowledges the fundamental role of risk and misfortune
8. Management consists in proper asset management in order to increase profit and pleasure.
9. Management consists in proper asset management in order to serve society

only involve knowledge – e.g., understanding the “what” of farming – but also skills – e.g., understanding the “how” and “when” of farming (Xenophon 2013:15.8) – as well as the right virtues to successfully operate as a farmer and produce a grand harvest – e.g., being attentive and able to govern employees, for instance (Xenophon 2013: 15.5). Just like knowledge and skills, also these virtues are a necessary condition of successful business management according to Xenophon. He identified various virtues of the business manager, for instance, eagerness (in opposition with unwillingness), diligence (in opposite to idleness), moral courage (in opposite to moral cowardice) care (in opposite to negligence), and self-control (in opposite to gambling and consorting with bad companions) (Xenophon 2013: 1.16–1.20).

In modern language, we can frame these three components of knowledge, skills, and virtues in terms of the individual *competencies* to use the assets of the business in a particular context and situation (cf. Blok et al. 2016), so the combination of knowledge (*episteme*), virtue (*arête*), and skills (*technè*) that enables an individual business manager to fulfil his tasks successfully.¹⁰ We will discuss now the three

¹⁰Framing the particular *episteme* involved in business management in terms of individual competency solves an interpretation problem (Bragues 2007), as Xenophon calls management an *episteme* and a *technè* in this book, and is actually consulting a good practitioner in management in the second half of the book, and is not only looking for universals or ideas that can be applied in different cases of business management. Although Agamben is right in his observation that management is less epistemic and more a way of being (Agamben 2007: 17), he misses this threefold notion of competency as a combination of *episteme*, *arête* and *technè*.

components of these individual competencies of business managers as we can find them in Xenophon's work.

Knowledge Involved in Management Practices

Xenophon argues that business management concerns a branch of knowledge by which business managers can increase their business (Xenophon 2013: 6.4). A first part of this knowledge concerns the knowledge as described by the nine dimensions how to establish and maintain the functioning order of the business. Business management builds in this respect a field of knowledge as the manager has to understand the job and how and when to do it. Otherwise, a doctor could do the job of a manager as well (Xenophon 2013: 13.2).

This knowledge of business management is required for three reasons: first, this knowledge enables the business manager to engage in various dimensions of business operations himself (dimensions 1, 2, 3, 7, 8, 9). Second, this knowledge enables the business manager to manage the middle managers and employees (dimension 5). Only a manager who has knowledge about the what, how, and when can govern his middle managers and employees in a proper way according to Xenophon: "The greatest lesson to learn is how each job ought to be done; and you added that if a man doesn't know what to do and how to do it, no good can come of his management" (Xenophon 2013: 15.2). Third, this knowledge is required to enable the business manager to teach and train the middle managers:

Of course I try to train them myself, Socrates. For the man has to be capable of taking charge in my absence; so why need he know anything but what I know myself? For if I am fit to manage the farm, I presume I can teach another man what I know myself. (Xenophon 2013: 12.4)

A second layer of knowledge concerns the sector-specific expert knowledge of the domain in which the business manager is operating, e.g., the what, how, and when of farming (Xenophon 2013: 15.6). This is required for two reasons. First, this knowledge enables him to engage in the business operations via direct labor himself (dimension 4). Secondly, a large part of the work of the business manager consists in teaching, for instance, teaching how to generate a grand harvest in farming. This requires the business manager to have particular expert knowledge about farming, for instance (Xenophon 2013: 7.41). Only if the manager knows what, how, and when to do farming, i.e., when his mastery of farming is established and matured, he is able to teach and manage employees that are involved in farming practices (dimension 6). In this respect, his mastery of the products and services that are produced by the business comes first and is primary, while his mastery of his employees is secondary. At the same time, the manager should be open to learn from others as well, even his employees: "Stand before the loom and be ready to instruct those who know less than you, and to learn from those who know more" (Xenophon 2013: 10.10).

Xenophon explores the knowledge that is required for farming, for instance, knowledge about the nature of the soil as fertile soil for the produce, the particular plants that can grow properly in a particular region, the right time for sowing and reaping, given the nature of the soil and the local climate. This indicates that the knowledge that is required is not only the knowledge of the what (theoretical knowledge) but also knowledge of the when and how (practical knowledge) that is developed through practice. This sector-specific expert knowledge holds for the what, how, and when of farming but is different in each specific sector.

Another aspect of this practical knowledge is that it is combined with action. Xenophon indicates that many people may know, for instance, the best way of marching in formation through an enemy's country, but that only a few carry it out accordingly. The good manager does not only have knowledge about what ought to be done in a specific situation but also takes care that it is actually done this way (Xenophon 2013: 20.14). Xenophon calls this attentiveness (Xenophon 2013: 20.6), a competency that clearly resonates with the modern competency of action competence, i.e., the ability to actually *take* responsibility (Blok et al. 2016). Attentiveness is characterized by the ability to oversee the work that has to be done and by taking care that the business operations are actually effectuated according to the planning, by planning the work and by effectuating it accordingly (Xenophon 2013: 20.18).

A further cognitive aspect is the ability of the business manager to acknowledge the limitations of his individual competencies, and the acknowledgment of roles and tasks of other members of the management team that have to be balanced in order to maintain the functioning order of the business. There are different roles that have to be played in the business and the perfect balance and partnership can be threatened if one of the managers is only focusing on his own role or task, neglecting the importance of the others. "But because both must give and take," good managers are characterized by "memory and attention" (Xenophon 2013: 7.26). Why?

Just because they are not equally well endowed with all the same aptitudes, they have the more need of each other, and each member of the pair is the more useful to the other, the one being competent where the other is deficient. (Xenophon 2013: 7.28)

Memory (*mneme*) is the retention of the managers' own role and task, for instance, production, and attention (*epimeleian*) is the ability to acknowledge the importance of the role and task of other managers to maintain a profitable business, for instance, sales. This idea is confirmed by Xenophon's argument that the good manager requires the power to practice self-control to acknowledge the necessary balance and partnership between the different roles and tasks to maintain a profitable business (Xenophon 2013: 7.26).

Skills Involved in Management Practices

Xenophon repeatedly indicate particular skills of the business manager, like the ability to train middle man and employees (Xenophon 2013: 5.14); the ability to

govern man by rewarding those subordinates who act properly and punish those who are disobedient; the ability to motivate and encourage his subordinates (Xenophon 2013: 5.16); a large part of management concerns the skill to maintain the functioning order of the business. Xenophon speaks about the manager as superintendent that guards the rules and regulations of the company, inspects the business and the task performance of the employees. This skill overlaps with practical knowledge and constitutes manager's attentiveness.

Virtues Involved in Business Management

Throughout Xenophon's work, several virtues of the business manager are discussed. Business management requires self-control in general (Xenophon 2013: 7.15) and particular control like eagerness (in opposition with unwillingness), diligence (in opposite to idleness), moral courage (in opposite to moral cowardice), and care (in opposite of negligence) (Xenophon 2013: 1.18–19). The (middle) manager should be loyal (Xenophon 2013: 12.5), avoid gambling and consorting with bad companion (Xenophon 2013: 1.20).

According to Xenophon, the good manager is characterized by the practice of specific virtues, as a virtuous manager will be honored by his employees, and better manages the business (Xenophon 2013: 7.43). Xenophon identifies particular virtues, like high-mindedness. Further, the manager should act in an integer way by showing himself as he is and without finery because otherwise he could deceive people (Xenophon 2013: 9–10). It is not a problem and even desirable if the manager looks healthy because he is doing physical exercises – Xenophon refers to management by walking around, which also strengthen the health of the manager (Xenophon 2013: 10.11–12) – but it should be real health and no finery like make-up, high heels, etc. to make a better impression or to pretend to be something more than he actually is.

A final aspect of the manager's virtues is his acknowledgment that his success is not only dependent on his own performance but dependent on the Gods that grant prosperity to the one who knows his duties and is thoughtful and careful accordingly (Xenophon 2013: 11.8). The business manager prays for health, esteem in the city and wealth, for instance, and acts and behaves according to these prayers (Xenophon 2013: 11.8), e.g., he acts as the best possible version of himself. He honors the Gods by helping his friends if they need anything and supply what the state lacks (Xenophon 2013: 11.9–10). In short, the business manager acts according to the way he wants to be seen by the Gods. We can frame these virtues in terms of integrity, sincerity, and modesty.

In describing the individual competencies of business managers, we do not distinguish between knowledge, skills, and virtues of business managers and middle managers but provide a complete list of possible knowledge, skills, and virtues that are needed. Although one could expect that knowledge how to establish the functioning order of the business is more important for the business manager than for the middle manager, both require people management skills, attentiveness, and virtues

like self-control. Xenophon is rather explicit in this, when he argues that in case a business manager assigns a middle manager to perform part of the tasks in his name, the same characteristics of self-control, memory, and attention are applied to the middle managers (Xenophon 2013: 9.11).

Another issue that has to be taken into account is that according to Xenophon, nonetheless the important role of teaching and training, this does not imply that he believes that all knowledge, skills, and virtues can be learned. People management skills, for instance, are partly a gift that is required next to teaching:

Mind you, I don't go so far as to say that this can be learned at sight or at a single hearing. On the contrary, to acquire these powers a man needs education: he must be possessed of great natural gifts; above all, he must be inspired. For I regard this gift as not altogether human but divine – this power to win willing obedience: it is manifestly a gift of the gods to the true votaries of self-control. (Xenophon 2013: 21.11–12)

Finally, according to Xenophon, the competencies of the business manager that are identified in the *Oeconomicus* are not only applicable to *business* management but also to military management and political management.¹¹ On the one hand, this shows already that business or economic management is integral part of the political management of the state (Blok 2019). On the other hand, it raises the question which of these competencies are particularly applicable on *business* management only.

In the table below, the various knowledge, skills, and virtues that can be found in Xenophon's work are summarized.

Discussion and Conclusion

It is striking that this early conceptualization of management resonates pretty much with the insights provided by Henry Fayol, who can be seen as the founder of management theory. According to Fayol's management theory, which is still taught today at business schools, management has five functions: planning, organizing, instruction, coordination, and control (Fayol 1949). While the first, second, and fifth function of management corresponds with the first dimension of business management that we found in Xenophon's work, the third and fourth function of management corresponds with the fifth dimension we found in Xenophon's work. We can even argue that Xenophon's conception of management already moves beyond the mechanistic perspective of management that is often associated with scientific management and prefigures the people-oriented perspective that is introduced by the human relations school (Mayo 2003) (Table 2).

Xenophon's insights also resonate pretty much with contemporary definitions of management, for instance, the one that can be found in the Oxford Dictionary of

¹¹The question whether political and economic management can be reduced to each other in a general concept of management that holds for both domains, or whether the two remain separate aspects of steering is beyond the scope of this chapter (see Blok 2019).

Table 2 Knowledge, skills, and virtues (competencies) of business managers that can be found in Xenophon

Knowledge	Knowledge how to establish the functioning order of the business, how to manage people, etc. Sector-specific expert knowledge, e.g., the what, how, and when of farming. Practical knowledge to effectuate and to actually engage in the business operations. Self-knowledge of the limitations of the knowledge and skills of the business manager.
Skills	Training skills People management skills (e.g., reward and punishing, motivation and encouragement, taking care) Maintenance skills (e.g., guarding rules and regulations, inspection)
Virtues	Self-control, eagerness, diligence, moral courage, care, loyal, high-mindedness. Integrity, sincerity and modesty

Business and Management. Management in the verbal sense concerns the act of managing an organization or a part of it in order to make most effective use of available resources, and management in the substantive sense concerns the people involved in these type of management activities, i.e., the directing, planning, and running of the business operations (Law 2009; Statt 2004). According to this dictionary, management has three main components: (1) it concerns an organizational skill that is taught at business schools, which corresponds with the first dimension of business management that we found in Xenophon's work; (2) it concerns the ability to motivate subordinates, which corresponds with the fifth dimension of business management that we found in Xenophon's work; (3) it has an entrepreneurial sense and concerns the recognition and exploitation of new business opportunities, which corresponds with the eighth dimension of business management that we found in Xenophon's work. Another similarity is that management is generally seen as something that can be learned by training, which corresponds with the sixth dimension of business management that we found in Xenophon's work, although the extent to which people management can be taught remains disputable, both in Xenophon and in contemporary debates (Law 2009).

At the same time, Xenophon's philosophy of management provides a new perspective on business in society. While currently, business management is mainly focused on the establishment and maintenance of a functioning order of the business in order to make profit (first dimension of Xenophon's concept of business management), Xenophon shows the intrinsic relation between business and society. The aim of business management is not only to evoke public admiration (second dimension of Xenophon's concept of business management), which requires that the business operations both serve private and public interests in an integrated way (third dimension of Xenophon's concept of business management), and that private profits are partly spend to serve society (ninth dimension of Xenophon's concept of business management). This concept of management challenges not only contemporary conceptualizations of the differences between private and public management in political philosophical debates. It also challenges current business management

practices that primarily aim at private interest, and their redistribution via tax payment and philanthropic activities, and calls for the active engagement and integration of societal interests in the business operations in order to increase corporate social responsibility (CSR). CSR, seen from Xenophon's perspective, should be an integral part of business management in order to evoke public admiration. We could frame public admiration in modern terms as being responsive to societal needs in order to receive a social license to operate by the public. It also requires that business managers integrate both private and public interests in their business operations and solve tensions between economic and societal values. While private interests often prevail over public interests in contemporary business management – think of the example of the food industry that often contribute to public health problems (e.g., obesity, type 2 diabetes) (Tempels et al. 2017) – Xenophon challenges us to integrate private and public interests in business management – think, for example, of food companies that engage in food innovations for public health and serve the common good (Garst et al. 2017).

Xenophon's concept of business management challenges contemporary conceptualizations of management also, because it highlights the necessity of sector-specific expert knowledge and skills, and the necessity of the involvement of business managers in the business operations via direct labor. This challenges contemporary ideas of business management which is often characterized by a strict division of labor between management as superintendent of the business operations and the workforce, and by a strict division of labor between the management knowledge and skills of the business manager, and sector specific or disciplinary knowledge and skills of the workforce. On the one hand, this strict division of labor may explain the instrumentalization of management in contemporary business management, and the disconnection and distance between business management and the business operations at the work floor. On the other hand, Xenophon's concept of business management can help to reconnect and integrate business management and execution. In this, the particular knowledge, skills, and virtues that Xenophon propose may help to develop a broader set of individual competencies and know-how that is required for business managers.

Finally, Xenophon's concept of business management challenges contemporary conceptualizations of the manager as efficient and clean power, as it is proposed by traditional management science and scientific management in particular (Fayol 1949; Taylor 1911). Xenophon helps to acknowledge the limitations and vulnerability of business management, i.e., the fundamental role of risk and misfortune and the impossibility to establish full control. There is no such thing as Taylor's "one best way" to operate the business that the manager establishes and maintains. In similar vein, the exploitation of new entrepreneurial business opportunities, which is integral part of business management (Law 2009), may always turn out to fail (Blok 2018). This possibility fundamentally limits the ambition of business managers to establish and maintain a functioning order of the business. On the one hand, this idea challenges contemporary "strong" business management practices that primarily aim to increase power and control (Deslandes 2018) and substantiate the so-called "control societies" in the industrial age (Deleuze 1992, 1997). On the other hand,

the acknowledgment of failure, risk, and misfortune moves beyond the depiction of the manager as the one who has full power to control, and rehabilitates the role of business management as ability and capacity that involves know-how, actual engagement (action), and virtuous competence.¹²

In future research, these aspects of business management have to be further explored in order to develop a full philosophy of management.¹³

Cross-References

- [Creating an Effective Business Ethics](#)
- [Philosophical Anthropology and Business Ethics](#)
- [The Role of Virtue in Good Management](#)

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¹²In this respect, Xenophon can be seen as predecessor of Fiedler's contingency management theory, especially its acknowledgment that there is no absolute best way to manage the business, and the situational character of the management style of the manager (cf. Fiedler and Garcia 1987).

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