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ETHICS – BUSINESS – SOCIAL STRATEGIES

Summary. The relationship between ethics and business is discussed permanently not only within the framework of foreign professional discourse, but also in Slovakia. The study deals with the extent of value and moral preferences expressed in national and international social strategies and to what extent they correspond with business, specifically with business in Slovakia. Their rare occurrence proves that business with respect to ethics is the issue of concrete companies and it is more emphasised at declarative level.

Keywords: business ethics, national strategy, imagination, education.

ETYKA – BIZNES – STRATEGIE SPOŁECZNE

Streszczenie. Związek między etyką i biznesem jest nie tylko stale omawiany w ramach zagranicznego dyskursu zawodowego, ale także na Słowacji. Artykuł przedstawia badania w zakresie wartości i preferencji moralnych, które zostały wyrażone w krajowych i międzynarodowych strategiach społecznych, a także w jakim stopniu odpowiadają one działalnościom gospodarczym, w szczególności na Słowacji. Ich rzadkość dowodzi, że biznes w odniesieniu do etyki jest kwestią konkretnych firm, i to bardziej na poziomie deklaratywnym.

Słowa kluczowe: etyka biznesu, strategia narodowa, wyobraźnia, edukacja.

Ethics in Slovak business environment can only be implemented if conceptual ethical frameworks for long-term perspective, requirements and evaluation are offered. Foreign experience resulting from the application of ethics in business cannot be effective if cultural and value specifications are not implemented and our national possibilities identified.

National vision and strategy should be not only based on foreign experience and economic (global) compatibility, but also on own value preferences and integrity. This component is important for the ideas for the future, for knowledge which of the attributes of acting

virtuously will be accepted and which of value preferences will become the base for future development. Economic transformation or visions and strategies should be associated with the formation of value ideas, value preferences. Therefore we are of the opinion that the education of the actors of social changes, the visions and strategies lack cultural and value imagination, imagination in moral aspect.

Our final considerations about ethics in business lack clear standpoint how to understand the relationship between state and business in Slovakia, how to express ethical prospects in the context of two standard models and applied strategies. The first one is based on the ideas of R. Nozick expressed in his publication *Anarchy, State and Utopia* (1974), which emphasises liberal behaviour of enterprises, justice as a free acting for the use of ownership acquired legally. State should support and use this type of behaviour in business to the largest extent. The other opinion becomes more and more popular. It is based on the fact that business and corporations are the integral part of social structure (a specific citizen) and as social institutions they are influenced not only by society but also by state, and therefore they must be regulated and controlled by the both the state (from top down) and its citizens (bottom up). Bottom up means for example non-profitable organisations, chambers, associations, commissions, public opinion in the form of the evaluation of companies, questionnaires about customer satisfaction, and so on. Top down means that they will be regulated by state structures (such as the commission of product safety and quality in the USA) as well as by legislation (for example antimonopoly law). This opinion prefers the vertical line between macro level and micro level in business. Such a distinction in the conceptual understanding of business in relation to state enables to express our underlying position to business with respect to its ethical dimension, as it corresponds with main world trends as well as national strategies. It can be a basis of considerations and appraisal of business in Slovakia; how to build up business in Slovakia, which of mechanisms should be preferred for its operation, the education of managers and the development of entrepreneurial culture.

1. Ethical value of national visions and strategies for ethics in business

With respect to the prospects of national business, we would like to draw your attention to ethically problematic issue of national long-term strategies for the development of society that were approved in the form of various conceptual materials. The analysis of objectives expressed and declared at preambles of these documents indicates that they do not fulfil the requirement for value-driven visions and strategies, and they underestimate the moral aspects of current and future business.

Vision is usually understood as “long-term efforts focused on the development of organisation in relation to the world “ (Heller, 2005, p 52)¹. Vision in ethical understanding is always formulated on the basis of essential values declared by an organisation and its intensive interest to implement them. It follows from the above that there is a noncompliance between our understanding and national visions and strategies. As submitters state, the national vision’s objective is only an intention, and values and preferred value interests are not presented. It more relates to capturing basic trends, directions, opportunities and risks for the development of state in the long term (i.e. minimum for the following decade).

It is also important to emphasise *inter alia* the fact that also other partial intentions, ways, normative frameworks, indicators for achievement are derived from these vision and values. The absence of value ethical aspect in vision (global, national, sectorial and local) is then reflected in concrete spheres of practice. The compliance with ethical framework remains in the background or it is understood as insignificant.

If we draw the attention to national strategies, situation is similar. Strategy is defined as a “long-term intention of activities to accomplish a specific objective“. However, strategy should be more specific, should have a medium-term horizon limited with a period of time – such as the absorption of European resources. It is expected that the strategy will comprise concrete priorities with identified resources and tools for their implementation.

As our analysis relates to ethical standpoint and not to economic one, it is not our objective to appraise the relevancy or effectiveness of economic indicators and initial analyses included into the above mentioned conceptual documents. However, it is important to raise the question whether these long-term strategies for the development of society take into account ethical and value significant requirements that can influence the moral credibility of Slovak business.

During previous twenty years several wide visions were created in Slovakia with the ambition to set gradual steps to increase Slovak economy competitiveness for several following years, and they should represent the summary of necessary measures taken to move towards developed Western countries. We cannot say that they are unprofessional or superficial because they were compiled by experienced professionals, but they were forgotten mostly. For example the most known document “Long-Term Vision of the Development of Slovak Society“ outlines the direction of the Slovak Republic till 2030. This document compiled in August 2008 under the auspices of the Slovak Academy of Sciences by its prestigious professionals and close associates was publicly presented, discussed by the Slovak Government and offered for the public to comment. The document misses discussion about the vision itself, its basis, partial objectives, and the possibilities to measure progress in accomplishing these objectives. Furthermore, this document has not been the subject of wider professional discourse. Thus it lost an important attribute – complexness in multidisciplinary

¹ Heller R.: *Průručka manažéra*. Banská Bystrica, IKAR 2005.

aspect, a broad consensus and subsequent systemic inter-connectedness. Today, professional communities are represented by professionals sufficiently, and they could be neither ignored nor underestimated. This also relates to professional standpoints in the fields of philosophy and ethics and to respect for standpoints in the field of applied ethics – entrepreneurial ethics, environmental ethics, technical ethics, professional ethics, social ethics (including the ethics of law and policy) or biomedical ethics. If future is associated with ethics, the integrity of ethics into individual spheres of modern practice and if it is understood in modern economies as an important part of their development, we should not ignore this fact in our important documents through which we want to send a signal about our world integration or our good intention in economic efforts.

It is also proved by the introductory statement of the authors of visions through which they declare methodological inconsistency, and they also induce some scientific doubt: “High- quality vision or prognosis that at some moment reflect current knowledge cannot reflect the comprehensiveness of chaining the future changes and consequences, and how mankind, states, institutions and individuals will respond them. Therefore, visions and prognosis are of markedly uncertain, probabilistic character, and they can be wrong, too.” (Dlhodobá vízia rozvoja slovenskej spoločnosti, 2008, p. 2.)²

Thus, some statements of the Long-Term Vision for the Development of Slovak Society may be read as too popular ethically and polemically. In relation with cyclic crises, conclusions such as “we can catch up with the West till 2030“, “the Government has a vision for the direction of Slovakia“, “Slovak GNP will reach 85 % of the EU-15’s GNP till 2030“, appear very simplified and say a little about the parameters of civic satisfaction, good life, value identity, building up authentic business, strengthening good practices. The issue of ethics and its context remain in the background not only in strategies and forward-looking documents, but also in actual national analysis despite the fact that they include data that are monitored by international entrepreneurial environment.

Vision should be flexible and open, and reflect global, national and regional situation. Besides the above mentioned long-term vision from 2008, the Slovak Government also approved other strategic documents with the objective to strengthen our competitiveness, such as *Modernisation Programme Slovakia 21* and *National Programme of Reforms of the Slovak Republic for 2008 - 2010*. These documents comprise measures that should be taken to improve our competitiveness on the global market in long-term horizon. The basic objectives of modernisation programme comprise statement such as “to establish the prerequisites for fast and long-term sustainable growth, to increase social mobility, to strengthen social cohesion, to mitigate the effects of demographic development and to improve the adjustment capacity of economy for changes in external and internal economic environment.“

² Šikula M.: DLHODOBÁ VÍZIA rozvoja slovenskej spoločnosti. [A Long-Term Vision of the Slovak Society Development.] 2008, s. 274.

It is necessary to be aware of the fact that the education of citizens is not the issue of previous two or three years but decades. The European Union declares the priority to build up knowledge-based society so that we might become a competitive economy. This idea was also supported by the Lisbon Strategy and implemented to the vision of education at national level. The necessity to provide every citizen with knowledge for life and work in modern society is as important as the activities to support economy. The linking of education and business seems to be imperative and important strategic intention in future. Education is not spontaneous, but it requires good pedagogical and scientific potential. It is not only the question of the availability of education, but also the question of building up a good information system, it relates to the participation in scientific discourse, decent conditions, the competitiveness of ideas, prerequisites for national research focused on own environment, the use of modern methods and intellectual self-confidence. It is true that the budget for this sector is markedly underestimated compared to the other countries of the EU and is not understood as a primary investment for future. The financing and real support of these segments, compared to other countries, convince us that the factor of education and knowledge-based society is taken seriously.

Education and professional preparation of managers for the 21st century are subject to traditional methods and objectives. With respect to applied ethics, we understand it is a key issue (for example with respect to improving the competitiveness) and as a system precondition for successful business in future. Ethics in educational models focused on modern business and management manifests itself as a form of innovation, the expression of the quality of intellectual potential as well as a new entrepreneurial culture. It is necessary to prepare the generation of entrepreneurs for the new Millennium, for mastering the value changes that are ahead at the both global and local level.

2. Business ethics in education and increasing the potential of ethics

Following the above, we attempt to bring forward how to prepare future managers and people for business. What are their educational needs so that they might be competitive and successful? How to present business ethics in the sense of requirements for 21st century to the students at business schools? What are the trends and why are there contextual and methodological changes? We can learn much from the discussions of previous years. Basic knowledge about the role played by philosophy in teaching business ethics is a necessary condition. During 1970s and at the beginning of 1980s, ethics was in particular developing at the Departments of Philosophy. The main reason was the need to consider the problems of modern business theoretically, and to provide educational service to vocational schools. Of course, philosophers approached this challenge in their way and typically; that is they focused

on the theory of morality, which suited them better, and “applied” it to moral issues directly. This is the origin of the term “applied ethics”. Very soon, the philosophers Norman Bowie and Robert Duska (Bowie, Duska, 1990) approached the topic and applied Kant’s principles, Richard DeGeorge was developing Rawls’s perspective (DeGeorge, 1995), Thomas Donaldson set out on the way to socially binding character (Donaldson, 1982) and Robert Solomon later considered the issue on the grounds of Aristotle’s virtue ethics (Solomon, 1992). All of them look for and found their algorithms, and also deduced answers to actual moral problems. Business ethics was implemented into vocational schools easily. Originally, it was taught with the tactic of so-called “ethics across curriculum”. Ethics was taught by scientists only little educated in theory and without knowing pressing social problems. As non-theoretical ethics crossing the curriculum of individual subjects shifted to the level of independent subject, from the theoretical point of view, prerequisites for its development were created. Of course, all the principles of Aristotle, Kant, Mill, Rawles, and so on, expedited the summarisation of suitable normative terms framing moral issues in any course of business ethics so that students might understand them. It should be asked which of the possible theories is correct? How we know which of the approaches can be applied in education? If we do not take an unambiguous position how we can decide on problematic questions if there are various conflicting answers in the individual theories of morality? Is it really necessary to devote so much attention to them? Why cannot we simply rely on the theories we consider useable for teaching business ethics and pragmatically apply the tool that we see as the most suitable for solving the problem, though it is not adequate for a higher theoretical level? These questions should be clarified within the framework of the choice between two methods and possibilities of applications: the foundationalistic way of seeking the truth versus post-foundationalistic (pragmatic) way of viewing things. If the truth is a stable unchanging phenomenon as Plato indicates, then we can simply apply certain foundationalistic knowledge about morality to moral problems in the world of business and find relevant answers. On the other hand the post-foundationalists declare that the truth in the world does not exist. Pragmatism as a form of post-foundationalism presupposes that we will simply and theoretically use some specific vocabulary for the best solution of problems. Consequently, it is not our objective to solve the question of foundationalistic truth, but to try to select implications and to clarify the function of pragmatic attitude in teaching business ethics, specifically to focus on post-foundationalistic concept of “moral imagination “; i.e. how Rorty presented it. Currently, there are many discussions about the status of philosophy and its relationship to teaching business ethics. Richard Rorty was one of the most significant critics of modern philosophy and an advocate of imaginative sympathy in business ethics.³ He was not only the author of outstanding critical work about the mission of philosophy in the current

³ Rorty R. 2006, Is Philosophy Relevant to Applied Ethics, [in:] *Bussiness Ethics Quarterly*, July 2006, Vol. 16, No .3, s. 369-380. Fobel P. 2013. Teoretické a paradigmatické posuny v podnikateľskej etike. s. 107-115. [in:] *Manažment podnikov*, 2013, Vol. 3.

world, but he also left us detailed responses to his criticism related to a large scale of themes. *Society for Business Ethics* invited Rorty to react and to formulate the role of philosophy in business ethics. The subsequent discussion about it was very inspiring and fruitful. His opponents responded in insulting manner, they labelled him a modern-day nihilist, ethical relativist, ethnocentric scientist. His sympathisers noticed that it was a new trend of anti-cartesian type, and embarking on the route for practical neo-pragmatism. It is not important which of the opinions prevail, because he certainly is one of respected and recognised experts not only in philosophy but also in business ethics.

Rorty's critical attacks against philosophical profession and his requirements for seeking foundationalistic truth have significant implications for teaching business ethics. Rorty's post-foundationalistic perspective means a new approach to education and strengthening the professionalism in entrepreneurial ethics.

The fact that we must solve descriptive theoretical problems before we use normative vocabulary means a turning point. The philosophical discourse still prefers the standpoint that the ability (professional disposition) to know how to apply normative ethics is significant. Rorty's post-foundationalistic approach extends philosophical dimension about the fact how priority descriptive problems in business can influence normative decisions. Rorty's post-foundationalistic concept of "moral imagination" is consistent with critical pedagogy, respect for a student, and provides tools to extend a student's moral prospects. When analysing the implications of Rorty's post-foundationalistic concept of "moral imagination" we should clarify whether what we do as teachers of business ethics does not include the application of priority metaphysics of morality, or specifically, what we do, requires our willingness to enter into a conflict with students and providing suitable tools for better understanding the implications and limits of their own final vocabulary.

Rorty's post-foundationalism and his "moral imagination" help us to understand how various descriptive theoretical tools can influence teaching process, starting with rational models and economic philosophy up to post-modern Foucault's concept of power, critical theories, post-colonialism, and so on. Before we start to consider morality, we should devote our attention to descriptive issues. Rorty's concept of "moral imagination" incite teachers of business ethics to help students to expand their final vocabulary, to show respect for student values, and what is the most important, to assist students to co-create the image of business ethics. Students understand teachers more as stimulators of specific understanding than the representatives of wisdom and truth.

Our conviction is based on the requirement of the suitable presentation of real actual problems in business ethics, the ability to build up the picture of good business, knowing how to offer a story about solving moral (not technical) dilemmas. Therefore, it is no longer just the understanding of ethics and its principles, but the ability how to use them for real cases. Furthermore, empirical knowledge and experience in business is not sufficient, in fact it is influenced by actual practice and have little to say about future and a better life. There is also

a presumption that they will miss adequate ethical frameworks (ethical concepts, existing good practices and methodologies). The creation of cases – stories with ethical content is one of the main tasks of applied ethicist for the sphere of business. We are convinced that experts in ethics are prepared to implement this mission and identify themselves with this new orientation.

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Omówienie

Związek między etyką i biznesem jest nie tylko stale omawiany w ramach zagranicznego dyskursu zawodowego, ale także na Słowacji. W rozumieniu nowego paradygmatu jest więcej opinii rozumianych w kontekście etyki organizacyjnej i postfundamentalizmu. Dlatego kluczowym problemem nie jest rozwiązanie sprawy etycznego i ekonomicznego racjonalizmu lub etyki i zysku, ale kwestia ich wpływu na zachowania w organizacji, odpowiedzialności społecznej i tworzenia dobrego życia w organizacji. Artykuł przedstawia badania w zakresie wartości i preferencji moralnych, wyrażone w krajowych i międzynarodowych strategiach społecznych, a także w jakim stopniu odpowiadają one działalnościom gospodarczym, w szczególności na Słowacji. Ich rzadkość dowodzi, że biznes w odniesieniu do etyki jest kwestią konkretnych firm, i to bardziej na poziomie deklaratywnym. Tylko kilka organizacji na Słowacji skupia się na ocenie spółki z punktu widzenia etyki i specjalnie to podkreśla.