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BUSINESS ETHICS IN THE CONTEXT OF A POST-FOUNDATIONAL PARADIGM

Summary. This paper is focused on the options how to use the concept of postfundationalism in business ethics. Emphasis is placed on the area of contemporary education in business ethics which is compared with its traditional approach. At the same time we point out the precedence of this new concept and its impact of business practices. Its relevance and effectiveness increase in the didactic level as well as in training of specialists needed in modern business. In this connection the categories like “moral imagination”, “imaginative sympathy”, “moral dilemma”, “creating of case studies” become more important. At a critical level we try to show weaknesses of intuitivism, essentialism as opposed approaches to postfundationalism.

Keywords: applied ethics, business ethic, case studies, post-fundationalism.

ETYKA BIZNESU W KONTEKŚCIE PARADYGMATU POST-FUNDAMENTALNEGO

Streszczenie. Niniejszy artykuł koncentruje się na opcjach, jak używać pojęcia postfundacjonalizm w etyce biznesu. Nacisk kładzie się na obszar współczesnej edukacji w etyce biznesu, który jest porównywany z tradycyjnym podejściem. Jednocześnie zwraca się uwagę na pierwszeństwo tej nowej koncepcji i jej wpływ na praktyki biznesowe. Jej przydatność i skuteczność podnosi poziom dydaktyczny, a także pomaga w szkoleniu specjalistów potrzebnych we współczesnym biznesie. W związku z tym, że kategorie, takie jak „wyobraźnia moralna”, „wyobraźalna sympatia”, „dylemat moralny”, „tworzenie studiów przypadków” stają się ważniejsze, w krytyczny sposób pokazuje się słabości intuicjonizmu, esencjalizmu jako przeciwnych podejść do post-fundacjonalizmu.

Słowa kluczowe: etyka stosowana, etyka biznesu, studium przypadku, post-fundacjonalizm.

On the road to post-fundationalism - guiding considerations

With respect to the current situation in the sphere of business ethics and its actual discourse in Slovakia and abroad, many theoretical and practical questions arise, and it is necessary to adopt an opinion and look for solutions. The Slovak philosopher and historian Z. Palovičová points out: “During previous decades we can see an increase in the differentiation of ethical approaches to such an extent that it has never been seen in any society; ethical theories are various and even within their framework there are many streams and directions, which are very differentiated and non-coherent¹. It is apparent that business ethics is challenged by new trends at both the theoretical (theoretic models – the paradigms are verified) and practical levels with respect to their practical efficiency. The reason why we decided to express our opinion is the fact that this professional discourse has neither been responded to sufficiently, nor have we found quite acceptable answers as to why our practice of business does not accept ethics as a strategic challenge. We will point out dilemmas and possible solutions of this issue.

We would like to draw your attention to important scientific efforts, which according to our opinion represent the current theoretical discourse and trend in this sphere. This motif and intention have not only a theoretical but also a practical impact. In general, this is an increasing trend in applying methodological paradigms within the framework of weak ethics. With respect to this, not only ethical coherentism, contextualism or communitarianism is in question, but also the approach known as post-foundationalism. We will broaden these theoretical-methodological inspirations in current business ethics in more concrete applied considerations.

There is another important fact that inspires us to more critical considerations. It relates to the situation in one sphere in Slovakia. We have in mind certain social anomalies, the underestimation of the importance of ethical credibility and ethical rationality. It is alarming that despite sufficient potential (staff and experts) in applied ethics (business ethics) in Slovakia, implemented ethical initiatives are not well represented and not reflected clearly in real practice. Furthermore, business ethics in Slovakia, contrary to economic leaders abroad, does not enforce itself in the intentions of new methodological paradigms. Except these theoretical-practical critical warnings, it is also possible to point out the deficit of a broader interdisciplinary discourse, which is missing in mass media and in debates on social and business strategies, in mechanisms of the evaluation of enterprises, and so on. Despite the prime quality professional background, we do not devote enough attention to business ethics in Slovakia, and it is not perceived as a part of innovations and the integrity of developed economic environment.

¹ Palovičová Z.: Sokratovská otázka Ako mám žiť? a súčasná morálna teória.. In.: Filozofia, roč. 60, č. 6., 2005, s. 383.

Our considerations on the need of changing the terms of the post-foundational paradigm result from our studies and knowledge of business trends and an entrepreneurial environment abroad as well as monitoring business ethics in Slovakia, which point out:

1. foreign practice and social response confirm that ethics is an important part of business success and social prestige;
2. business ethics are mainly preferred by big companies in Slovakia and within them, foreign companies;
3. ethics in Slovak companies are not adequately responded to by the public, and accordingly it is not trusted by the social and professional environment;
4. the main causes include: low trust level in ethics as well as ethical conviction about the effectiveness of ethical tools in business, the absence of ethics in national social strategies, the underestimation of the value visions of global strategies, inspirations from the application of ethics in successful foreign companies. There is a disproportion between the real need for ethics in business and its declaration in national and world strategies.
5. Post-foundationalism paradigm creates prerequisites for the more effective application of ethics in business in Slovakia.

With respect to more concrete considerations on the application of new paradigm and starting from the premise that business (corporate, enterprise) ethics is one of the applied ethics and thus it should comply with some theoretical requirements. Since its origination, it has been markedly influencing the development of overall applied ethics and has anchored in certain theoretical framework with which it shares common difficulties and successes. Its theoretical social prestige has been increasing mainly because it returns to business its moral and social prestige, it facilitates the creation of a socially trustworthy environment, increasing the competitiveness of enterprises and helps to solve difficult and critical situations. For more than forty years it has actively tried to influence business culture, to increase the social effectiveness of practised ethics, and thus has become a good example not only for other applied ethics, but also for many traditional sciences. We are aware of an important fact: business ethics originated and has been developing as a consequence of the cross-section of ethical theory, empirical research, analyses of the cases and problems of a moral nature. We perceive it as a fact that business ethics have been developing in an interior manner, been making its mission and place more precise during the creative debates of the current scientific environment, clarifying the most effective methods of connection with practice, specifically the forms of the institutionalisation of ethics, but also its own theoretical status. Based on this, it corrects its subject frameworks and makes the methods for analyses and assessment more precise. We strengthen the reasons for the acknowledgement of its normative-prescriptive and interdisciplinary character, follow-up to the tradition of *fronésis* or acknowledgement of its specific role in ethical analysis. However, according to our opinion this discourse has a broader sense and we understand it not only within the framework of business ethics, but also

as a part of the changes taking place in applied ethics as a whole. Though in this case we emphasise business ethics, it means a shift, which is typical of overall applied ethics. Therefore, the changes themselves, either at theoretical level or practical level, cannot be perceived particularly and narrowly just within one special set of applied ethics.

Currently, there is much debate about the situation in philosophy and its relation to teaching business ethics. Richard Rorty was one of the most important critics of modern philosophy. *The Society for Business Ethics* contacted Rorty to respond directly what is a role of philosophy in business ethics. The follow-up discussion on this topic was very fruitful. Rorty started to look for real bases of modern-day philosophy in *Philosophy and the Mirror of Nature* (1977). It was not fair from his opponents to call him an ethical relativist. His sympathisers understood this response to modern-day philosophy as the efforts to overcome the model of Cartesian thinking and the claims of foundationalism. These conclusions opened the debate on the methods of teaching business ethics. Rorty's post-foundationalism perspective induces us to principally change the method. It is based on the idea that before we use normative language, we should have a look at descriptive theoretical problems. Of course, normative ethics will still play an important role in teaching business ethics. Rorty's post-foundationalism approach extends this original approach and considers how primary descriptive problems in business can influence normative decisions. Rorty's post-foundationalism concept of "moral imagination" is based on the efforts of developing a student's moral perspective. When applying Rorty's post-foundational concept of "moral imagination", we have to be aware of the fact that what teachers of business ethics should do is not simply an application of the (philosophical) theory of morality, but their priority is to provide students with suitable tools so that they might understand practical implications. In this context, case studies are most suitable as narrative tools to express a real moral situation, a method to make practice available, a tool for discussing and explaining a moral situation, for looking for reasons to ethical solutions, and so on. Morality according to post-foundationalists is neither the system of general principles, nor the codex of rules or a pool of knowledge, but it is a communication language, a creative exercise about the morality of the serious issues of business. According to the defenders of post-foundationalists, primary descriptive theories are necessary for the explanation of a problem, and only then normative theories come into play. In general, theorists recognise the role of the theoretical and empirical part, which through its symbiosis and suitable use can help a student to solve problems, to be aware of an ethically more emotive and more persuasive ethical attitude of their own; i.e. to be aware of limits of one's own value system. What is it about anti-essentialism that is typical of rejecting the foundationalistic truths and the idea of absolute truth. Our moral development more lies in the use of our "moral imagination", the imagination of a better future and the support of social hope. In the eyes of students, a teacher is more a moderator of such an understanding than a representative of wisdom and truth.

The case method corresponds with the conditions of a foundationalistically oriented education in business ethics. The didactical dimension of case studies is pointed out not only by the representatives of ethics and business ethics abroad and in Slovakia.² P. Fobel states in his unique publication published in 2011: “Case studies are successfully used as effective methods in teaching ethics as well as the implementation of ethics into the practical actions of various organisations. Thus the application and institutionalisation of case studies attracted the interest of theorists and experts in ethics. Ethical consultants and experts in ethical trainings devote their attention to this method”³. Authors such as A. Luknič and D. Hrehová also deal with the analysis of teaching business ethics in relation to case studies. In this respect, the Slovak theorist agrees with many well-known foreign experts in business ethics and states “Business ethics as a subject in technical universities should be taught according to case studies (Wilkes 1989), with respect to the hypothetic examples of ethical dilemmas (Frederick, 2002) or based on the analysis of the parts of ethical business culture (for example violations, sanctions and others)... with respect to methods they prefer dialogue and discussion, and consider them the most effective methods of teaching business ethics”⁴. In this context we would like to point the fact that this model of preparation has been used during the preparation of applied ethics at the Department of Ethics and Applied Ethics at Matej Bel University, Faculty of Arts since 2008. Cases studies with moral dilemmas are included in to the preparation of the students in the both bachelor’s and master’s degree studies, and they are part of a thesis where a student is expected to prove skills and the ways of their use. Though with respect to case studies, more attention is devoted to foreign experience, their use in business practice abroad, and it should not be forgotten that we have our own domestic experience. Case studies have been used by a mobile operator in Slovakia (T-com Slovensko) and as the original form of the interactive Ethical Commission website at Matej Bel University in Banská Bystrica.

We are convinced that the idea of post-foundationalism and case studies will become an important inspiration for the further development of business ethics in Slovakia as a recognised method of education in this sphere, and business ethics will acquire prestige in business practise as expected.

² In this context we would like to draw your attention to the valuable monographic collection of papers written by domestic and foreign authors dealing with theoretical and practical issues as well as the use of case studies in applied ethics named CASE STUDIES – APPLICATION –ETHICS, published by FHV UMB in 2011 as well as to the interesting analysis of teaching business ethics in the world by D. Hrehová published in the journal PEDAGOGIKA.SK, Year 2, 2011 where the author emphasises experience of forms and the use of case studies.

³ Fobel P.: Prípadosť – aplikácia – etika. Banská Bystrica: UMB FHV, Katedra etiky a aplikovanej etiky, Bratia Sabovci, s.r.o., Banská Bystrica, Zvolen 2011. p. 9.

⁴ Hrehová D.: Vyučovanie podnikateľskej etiky (prehľadová štúdia. In.: Pedagogika.SK, roč. 2, č. 4., 2011, s. 287.

Postfoundationalism in teaching business ethics

When analyzing the implications of Rorty's postfoundational concept of "moral imagination" we must clarify that what we do as teachers of business ethics, does not involve the priority application of metaphysical morals, but accurately, what we do, requires a willingness to enter into a dispute with students and provide them the tools to understand the implications and limitations of their own final vocabulary.

Rorty's postfoundationalism and his moral imagination help us to understand how the teaching process can be influenced by various descriptive theoretical instruments ranging from rational models, philosophy of economics through the Foucault's postmodern concept of power, critical theories, post-colonialism etc. Before we proceed to moral reasoning, we have to pay attention to descriptive issues. Rorty's concept of "moral imagination" encourages the teacher of business ethics to help students expand their final vocabulary, acquire respect to the student's values, and, what is the most important, to help in (co-)shaping an image of business ethics. Students can see the teacher as a stimulant of certain understanding rather than as a representative of wisdom and truth. Our conviction is based on requirements including appropriate interpretation of current real problems in business ethics, the ability to build a sense of good business, the ability to offer a story for solution of moral (not technical) dilemmas. Already it is not just about understanding ethics and its principles but rather the ability to use specific stories. Empirical knowledge as well as experience is simply not sufficient because they are marked by current practice and reveal little about the future or vision of a better life. It can be expected that they will be absent in the appropriate ethical frames (ethical concepts, proven methodologies). Creation of the cases – stories with an ethical content - is one of the main ethicist's tasks in the field of business ethics. We believe that a professional ethicist is ready to carry out this mission and identify with this new line.

Our reform efforts in teaching business ethics are based on experience from this area in the USA. Similarly, as business ethics developed in the USA, it started to teach also at high schools and universities in other economically developed and transforming European countries. Originally, the teaching of this subject was approached tactically. It was introduced as a modern curriculum element. Ethics was taught by educators without sufficient ethical theoretical knowledge and very often they did not know thorny social problems. At the beginning the non-theoretical ethics was involved into curriculum of individual subjects and later it moved into a separate subject. Assumptions for its development at the theoretical level enable to prepare professionals. Its position in Slovakia, however, began complicate the issue of dealing with the relationship between ethical education and applied (business) ethics. It undermined some consistency in curriculum, continual ethical education, and training of pedagogical specialists for this type of education. If we add to this didactic collision also situation in our business praxis and undeveloped so-called "national business", we faced to

the new question related to application of ethics in praxis. Foreign corporations tended to perform their own programs and standards which did not take into account our national specificities. Legislative activities were not initiative, ethical value orientation was underestimated in the frame of social organizations, and official government programs had just declarative significance. We missed a serious research to provide arguments needed for some innovative changes towards ethics in the various institutions and firms. Theoretical formation remained at the desired level, experience was transferred rather from other environments, and an ethical expert was not considered so important and socially beneficial.

Application of theoretical knowledge was real astray and vision on ethics was proved to be abstract, far removed from real practice. Teaching methods in business ethics and support of the traditional ethical concept was inefficient and hardly able to influence practice and its systemic mechanisms. Therefore, it is necessary to revise sensibly its efficiency and adapt to new trends and requirements. We need a new education reform, a new paradigm, and approaches which are an important prerequisite for the necessary positive changes. One of the starting points to address this situation is to introduce inspiring post-foundational paradigm and its theoretical and methodological themes.

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Omówienie

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