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POSTFUNDATIONALISM AND BUSINESS ETHICS

Abstract. The study deals with the current development of business ethics as well as with actual discourse in Slovakia and abroad. In principle, there is a stronger trend in the application of methodical paradigms within the so-called weak peoples. In this context, it is not just about ethical coherence, contextualism and communitarism, but also about postfundationism. To reflect on the need for changes in the intentions of the postfundation paradigm we have directed our knowledge of the study of business ethics in the world as well as in Slovakia. The idea of postfundation and casualty becomes an important inspiration for the further development of business ethics in Slovakia as recognized methods in education and business ethics to gain the prestige in business practice.

Keywords: postfundationalism, applied ethics, business ethics, case study

POSTFUNDACJONALIZM I ETYKA BIZNESU

Streszczenie. Artykuł dotyczy aktualnego rozwoju etyki biznesu, a także aktualnego dyskursu na Słowacji i za granicą. W zasadzie istnieje silniejszy trend w stosowaniu metodycznych paradygmatów w tak zwanych słabych narodach. W tym kontekście chodzi nie tylko o spójność etyczną, kontekstualizm i komunitaryzm, ale także o postfundacjonizm. Aby zastanowić się nad potrzebą zmian w założeniach paradygmatu postfundacyjnego, skierowaliśmy naszą wiedzę na temat studiów nad etyką biznesu na świecie, a także na Słowacji. Idea postfundacji stała się ważną inspiracją do dalszego rozwoju etyki biznesowej na Słowacji jako uznanych metod edukacji i etyki biznesowej, aby zyskać prestiż w praktyce biznesowej

Słowa kluczowe: postfundacjonalizm, etyka stosowana, etyka biznesu, studium przypadku

1. Postfundationalism and business ethics

In relation to the current development of business ethics and the related discourse in Slovakia and abroad, a series of theoretical and practical questions emerge that need to be addressed. According to Slovak philosopher and expert in ethics Z. Palovičová: *“In the recent decades, ethical approaches have become differentiated like never and nowhere else before; ethical theories follow a great number of currents and directions, often even incoherent.”* (Palovičová, 2005, p. 383) This shows that business ethics draws from new theoretical trends (theoretical models – paradigms are being verified) which are applied in practice. We feel the need to address this issue because it has not yet been appropriately reflected in the expert discourse and acceptable answers as to why business ethics does not accept ethics as a strategic challenge has not yet been provided. Our aim is to point out the dilemmas and propose the possible solutions.

We would like to draw the attention to the important theoretical effort that represents the current theoretical discourse and trends in the area. The motives and intentions have practical impact. We are speaking of an intensifying trend of applying methodological paradigms within the so called weak ethics. The context includes coherentism, contextualism, communitarism, and also postfundationalism. These theoretical and methodological inspirations in contemporary business ethics will be extended by more specific ideas on application.

The particular situation in Slovakia also inspires our critical reflection. This includes certain social anomalies, underestimating of the importance of ethical credibility and rationality. It is disturbing that despite the capacity (personal and expert) in applied (business) ethics in Slovakia, implementable ethical initiatives are lacking representation and do not resolutely translate into the real-life practice. Moreover, business ethic in Slovakia is not, apart from world economic leaders, implemented in terms of new methodological paradigms. Besides these theoretical-practical critical remarks, the broader interdisciplinary discourse, expert dialogue in the media and discussions about social and business strategies, and company evaluation mechanisms are missing. Despite quality expert capacity in Slovakia, business ethic is underestimated and it is still not perceived as an integral part of the modern economic environment.

The reflections on the need of a shift in terms of the postfundationalist paradigm guided us through the study of business ethics in Slovakia and abroad. Based on the available sources, it can be stated that after business ethics was successfully established in USA and other developed countries, it has become widely accepted also in European countries undergoing a transformation and it has become a part of the curriculum at specialized schools. Originally, ethics was taught tactically, as a modern complement to the curriculum. It was usually taught by teachers without appropriate knowledge who were often unaware of the current social

issues. Non-theoretical ethics was integrated into different courses, took various forms, and relatively soon, it became a separate academic subject. Universities gradually prepared the grounds for its theoretical development as well as the training of future specialists. In Slovakia, the situation was particularly complicated, because the relationship between ethical education and applied (business) ethics along with the specific competences of teachers in either of these areas were not clearly established. It negatively affected the consistency of curricula and the quality of training, and also the ways in which ethics should be presented. Consequently, it was presented in different models, theoretical and methodological paradigms. Besides the didactic collision, there was also the actual situation in business practice and undeveloped national businesses which made practical application even more complicated. Foreign corporations would bring their own ethical programmes and standards which did not take into account the national specificities, and teachers were unable to react to this specific company practice or affect it. Legislative activities were weak, social strategies and value orientation, again, underestimated the problem, and official governmental programmes were of a merely declarative nature. Serious research and therefore also arguments supporting innovative changes towards ethics in individual institutions and companies were missing. As for theory, it produced mainly guidance on appropriate behaviour and experience from other environments. Ethical expertise was, in general, considered rather irrelevant. The application of theoretical knowledge was not implemented properly and failed to influence real-life practice; the idea of ethics proved abstract and removed from reality. The methods of teaching business ethics relied on the traditional concept of ethics, however, it lacked efficiency and was unable to affect the systemic mechanisms in reality. The need for a certain educational reform and introduction of new paradigms and approaches became a necessary precondition for positive changes. In search of the solution, the postfoundationalist paradigm and the opportunities it provides proved successful.

Rorty's postfoundationalist prospect directs us towards a major change in the method. It is based on the idea that description of theoretical problems should precede normative discourse. However, in teaching business ethics, the preference for a normative approach remains prevalent. Rorty's postfoundationalist approach extends the philosophical dimension of the way in which priority descriptive problems can affect normative decisions in business. His concept of moral imagination is consistent with critical pedagogy, shows respect for students, and it provides tools for the development of their moral horizons. To analyse this concept, it is necessary to make it clear that what we do as teachers of business ethics does not involve the application of the priority metaphysics of morals – we provide our students with tools to understand the practical implications and limits.

According to Rorty, philosophy does not play a decisive role, it does not constitute a basis, nor is it a special domain of knowledge. This anti-essentialism is characterised by refusing the idea of absolute truth. It is not important to ask what is correct or real, we should

rather focus on what needs to be addressed. Understandably, the language of physics differs from that of ethics – both of them serve a different purpose. Our moral development lies in the way we use our moral imagination, which provides us with empathy towards members of different language communities in order to increase our solidarity and support social progress.

Morality is not a system or code of general rules, it constitutes a way of communication, clarifies our attitudes and actions and justifies them rationally; it is a way of thinking, of evaluating ourselves and the others with whom we share our idea of the future. Besides other functions, morality is a language we use to communicate. General principles and laws can be mostly excluded from it. In comparison to other languages, it was not purposefully created, it emerges from the communication of actual social players who are searching for a common path towards the achievement of their shared goals. Rorty's concept of moral imagination inspires the teacher of business ethics to help students broaden their vocabulary, express their respect towards their students' values, and most of all, help them understand the complex idea of business ethics. In the students' eyes, the teacher is a host, they represent wisdom and truth. Czech philosopher R. Šíp follows Rorty's reflections on the extraordinary role of imagination in the creation of good. *“Imagination –the ability to imagine one's better version or a better version of the world, and subsequently translate it into language using difficult tropes, thus breathing social reality into them; in Rorty's eyes, this is the greatest gift man has received. The gift that allowed him to develop so much. The sole gift, that can save us from the dangers lurking in the near future.”* (Šíp, 2008, p. 56)

In teaching business ethics, the normative ethic will always play the central role. At a certain moment during ethics lessons, students are asked to make a moral decision and justify it.

Of course, methods of justification typical for the Anglo-American philosophical tradition draw from the ethical concepts of Aristotle, Kant, and Mill. However, there are many other applicable types of moral justification. Principles formulated by Kant, Mill or Rawls are practical and useful sets of moral intuitions. On the other hand, they often collide or result in a failure in application. Following them accelerates the thinking process, but it is rather useless in complicated cases when intuitions are in conflict.

Rorty claims that the theories of normative ethics are useful because they offer a range of moral intuitions to select. At the same time, he persuades us that moral dictionaries are imperfect if they are applied to specific ethical issues in business, but fail to fulfil their role and cannot be used for moral justification. Problems from the area of business ethics are often descriptive and this needs to be addressed before we proceed to draw from the theory of morality. One group of people can consider something moral, but those from a different group may consider the same thing immoral. It is crucial to realize that moral sensitivity can change over time. Information on how a belief originates is very valuable in ethics, because it helps us understand why people act the way they do. Analogously, it might be deduced, that people also act the same way in the field of business. However, we have to keep the normative aspect

in mind and remember that a purely positivist approach and application of this method based solely on empirical facts may result in an ethical failure. If the ethical theories regarding problem solutions are underestimated, we can lose the right direction and the very meaning of an ethical pursuit.

Rorty's postfoundationalism ascertains that if students learn to start from the ethical-theoretical sources and tools needed to express the normative perspective, the priority descriptive component will help them to categorise and develop important moral intuitions related to individual and corporate responsibility. According to postfoundationalists, description is the starting point in teaching business ethics – the problem first needs to be clarified, only then can normative theories be applied. Theoretical and empirical components are equal and exist in a symbiosis; their appropriate application can help the student solve the problem and also emotionally understand their own ethical stance and assumed actions, i. e. realize the limits of their own attitude.

The case study method is the most appropriate option from the postfoundationalist point of view. Casuistry is a valuable tool of ethical self-reflection, education, and ethical decision-making. If the requirement of moral imagination (P. Werhan, R. Rorty) is met, the demands on modern training and education in business ethics can be met, too.

2. Case study – an effective tool of implementation

As we mentioned, the casuistry method constitutes an important methodological and practical tool in business. We also suggested that it corresponds not only with the new trends in business ethics, but it is also an effective tool for following the educational strategy aiming to connect theory and practice. Our goal is not to open another theoretical discussion on types, procedures or research methods used in the creation of case studies; we would like to demonstrate a model type of this method which could meet the basic requirements specified previously. We also consider it to be a suitable didactic and training tool. D. Hrehová expresses a similar opinion on casuistry in business ethics' teaching in her study titled *Vyučovanie podnikateľskej etiky (Teaching Business Ethics)* from 2011¹. She states that “case studies with experiential elements are a gratifying and effective form of education. [...] However, we usually come across classical case studies, without the experiential element.” (Hrehová, 2011, p. 289-290)

From the postfoundationalist point of view, the case study method is ideal for teaching business ethics. Experts in Slovakia and abroad draw the attention to the didactic use of

¹ D. Hrehová, *Vyučovanie podnikateľskej etiky (prehľadová štúdia)*, in: *Pedagogika.sk*, Vol. 2, 2011, No. 4, p. 275- 292

casuistry.² According to P. Fobel's unique publication from 2011: "*Case studies have already become a successful method of ethical education as well as the implementation of ethics into the practical actions of various organisations. It has drawn the attention of both theoreticians and experts to the application and institutionalisation of case studies. Ethical consultants and training experts are also turning to it.*" (Fobel, 2011, p. 9) A. Luknič and D. Hrehová analyse the role of case studies in the teaching of business ethics. Hrehová also agrees with other renowned experts in business ethics, stating that: "Business ethics as a course at technical universities should be taught using case studies (Wilkes, 1989), hypothetical examples of ethical dilemmas (Frederick, 2002), or analyses of the components of ethical culture (e. g. breaching rules, punishments, etc.) [...] as for methods, mainly dialogue and discussion are considered most effective to teach business ethics." (Hrehová, 2011, p. 287) We would like to point out that this model has been used in the training of experts in applied ethics at the Department of Ethics and Applied Ethics at the Faculty of Arts of Matej Bel University since 2008. Case studies with moral dilemmas are a part of Bachelor's and Master's studies, as well as a compulsory part of the final thesis in which students have to prove their problem-solving abilities. Foreign examples of good practice are often invoked, but we also have our own experience in Slovakia, e. g. Telekom Slovakia, the mobile operator or the original interactive website of the Ethical Committee of Matej Bel University in Banská Bystrica.

We believe that the ideas of foundationalism and casuistry will become an important inspiration for the further development of business ethics in Slovakia as recognized educational methods in the area, and business ethics will achieve prestige through business practice.

As we already mentioned, this method is often referred to in the postfoundationalist paradigm. In the following section, we will present a model case study with a moral dilemma to illustrate how modern methodological standards can be met.

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