

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Business Administration



Bachelor Thesis

**Contemporary attitudes towards business ethics and
corporate social responsibility**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Arina Sorokina

Business Administration

Thesis title

Contemporary attitudes towards business ethics and corporate social responsibility

Objectives of thesis

This thesis will examine attitudes towards contemporary business ethics, with a particular focus on the relationship between businesses, consumers, and wider society. In response to traditional ideas that the main or only responsibility of business is to produce profit for their shareholders, many contemporary approaches stress that ethical business involves broader responsibilities, often described in terms of 'corporate social responsibility', or responsibilities towards 'stakeholders' such as customers and communities. On the other hand, many argue that this misses the point of business, and that such ethical issues are better tackled by other groups within society.

The thesis will thus examine and analyse this debate in the contemporary literature, and consider this alongside attitudes towards these questions among both business people and consumers.

Methodology

Develop literature review considering different issues of business ethics and the responsibilities of businesses to society and the different models of business they suggest.

Investigate attitudes towards these debates among consumers and business people through the use of qualitative interviews.

The proposed extent of the thesis

40-50 pages

Keywords

Business Ethics

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CARROLL, Archie B, and SHABANA, Kareem, M. "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice", *International Journal of Management Reviews* (2010), pp. 85-104.

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Declaration

I declare that I have worked on my bachelor thesis titled "Contemporary attitudes towards business ethics and corporate social responsibility" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 23.03.20

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Contemporary attitudes towards business ethics and corporate social responsibility

Abstract

A development of business ethics and its importance in the past, the present and the future are main subjects of this paper. This thesis presents a historical perspective of business ethics with further development of corporate social responsibility through changes of social awareness and an emergency of public policy. The paper describes such traditional approaches to ethics as a consequentialism, deontological and virtue ethics, some further theories as a moral pluralism and modern approaches of feminism, shareholder's and stakeholder's theories, theory of social contract, natural origin of business values and pragmatism. All concepts are literature based and presented with original viewpoints and quotations of scholars who influenced the development of those theories and approaches. The thesis continues with a practical part which describes original viewpoints of people around us in present time, especially about their values, expectations, and principles in business ethics. This part is structured in a way of interviewing with a further analyze of public attitudes about corporate social responsibility.

Keywords: business ethics, corporate social responsiveness, corporate social responsibility, public policy, moral issues, ethical theories, traditional approaches, modern theories of business ethics, social environment, values of community.

Současné postoje k obchodní etice a společenské odpovědnosti podniků

Abstrakt

Hlavním tématem této práce je vývoj obchodní etiky a její význam v minulosti, současnosti a budoucnosti. Tato práce představuje historický pohled na etiku podnikání s dalším rozvojem sociální odpovědnosti podniků prostřednictvím změn sociálního uvědomění a nouze na veřejnou politiku. Článek popisuje takové tradiční přístupy k etice jako důsledek, deontologická a ctnostní etika, některé další teorie jako morální pluralismus a moderní přístupy feminismu, teorie akcionářů a zúčastněných stran, teorie společenské smlouvy, přirozený původ obchodních hodnot a pragmatismus. Všechny koncepty jsou založeny na literatuře a jsou prezentovány s původními názory a citáty učenců, kteří ovlivňovali vývoj těchto teorií a přístupů. Práce pokračuje praktickou částí, která popisuje původní názory lidí kolem nás v současné době, zejména jejich hodnoty, očekávání a principy v obchodní etice. Tato část je strukturována formou rozhovoru s další analýzou postojů veřejnosti k sociální odpovědnosti podniků.

Klíčová slova: etika podnikání, společenská odpovědnost firem, společenská odpovědnost podniků, veřejná politika, morální otázky, etické teorie, tradiční přístupy, moderní teorie obchodní etiky, sociální prostředí, hodnoty společnosti.

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1. Introduction

“Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for a long-term success”

Bill Ford

The main reason why I have made a choice for such a topic as contemporary attitudes towards business ethics and corporate social responsibility is my belief in strong relationships between corporate social responsibility and brand perception by social community. In other words, success of a company can be related to its ethical norms and moral values, while some social issues should be solved in a way of high standards of business ethics.

As almost all of us engage in productive activity being divided on entrepreneurs and consumers or being both, questions of morals in business field are relevant to every person in modern world. For better understanding of business ethics, first of all we need to determine what do ethics mean. According to Cambridge Dictionary, ethics is “a system of accepted beliefs that control behavior, especially such a system based on morals”. Thus, in my research I would like to identify those “accepted beliefs” by different approaches to ethics in general, including traditional theories as well as modern ones.

In view of foregoing, business ethics in a broad sense can be thus understood as a combination of ethical principles and norms in a corporative management. It is all about an ethical review of domestic and external policies of productive organizations and commercial activities. According to this, I will go through such topics as public policy and moral pluralism, which will help to analyze the way of combining some moral principles and to see the development of government regulations of business activity in order to raise corporate social responsiveness.

Laura Nash, a writer, defined business ethics as "the study of how personal moral norms apply to the activities and goals of commercial enterprise. It is not a separate moral standard, but the study of how the business context poses its own unique problems for the moral person who acts as an agent of this system". Thus I can suppose that business activity creates such ethical issues which are related to moral norms of society while the type and range of these issues are shifting in a way as society changes. In order to analyze these “personal moral norms” of different people around in present time, in practical part I would like to discuss some of the most popular questions about business ethics by interviewing a group of people with different gender, age, experience and social statuses.

2. Objectives and Methodology

2.1. Objectives

The aim of this thesis is to define the nature of Business Ethics through the diversity of ethical theories and different moral issues. For providing a general picture of Corporate Social Responsibility the thesis includes the whole development of Business Ethics with viewpoints of critics as well.

2.2. Methodology

According to objectives of the thesis, meanings of the ethics of business and corporate social responsibility will be presented in the theoretical part based on related sources mostly from professional literature, articles from business oriented electronic journals and official sources of some business schools. Practical part is presented in a form of interview with a group of people who shared their viewpoints about corporate social responsibility and business ethics in general.

3. Literature Review

3.1. The development of Social Responsibility

This chapter will describe the development of corporate social responsibility from historical and philosophical points, that bring better understanding of changes in our society and helps to analyse possible future of business ethics. Also there are presented advantages and disadvantages of corporate social responsibility with further discussion of related problems.

From the beginning of the 1960s the questions about equal rights for women, safety at workplace, minority civil rights and environmental protection has taken an important place in modern policies of business organizations (De George, 1985).

Social values started to change and development of corporate responsibility was naturally responding to this changing.

A private corporation is not just a marketplace since it has an influence on causes and solutions for pressing social problems, to survive in a sweeping social change a business has to evaluate as well and analyze its interests taking a long-run view.

There are a lot of advantages to having a strong corporate social responsibility, such as a better reputation of a company, possibility to make a profit according some relevant social problems, and of course the indisputable right of being a part of history as an organization that created better environment.

Arguments for corporate social responsibility begin with the self-interest of business to respond social issues *now* in order to have a proper “climate” in *future*.

A second argument is a practical reason to slow down or avoid the government regulation, based on the idea of self-disciplined business activity with further fulfillment of expectations of society.

A third is based on such business’s resources as talented management, capital and functional expertise in favor to be given the chance of solving social issues (Davis, 1973, p. 316).

A fourth justification holds that such proacting as planning and initiating is less costly and more practical than just reacting to surfaced social problems (Carroll and Buchholtz 2009).

A fifth argument is a strong support of a public to make business be responsible not only for its profits but for workers, communities, and other stakeholders as well (Bernstein, 2000).

But this approach also has a lot of opponents who found persuasive arguments. It begins by the late Milton Friedman (1962) with his classical argument that the only one responsibility of business management is to maximize a profit of a company’s owners and shareholders.

Milton Friedman also held that social issues should be solved by a system of a free market instead of managers and executives of commercial organizations. And even if the free market is not able to solve social problems, these problems should fall upon government institute.

A second argument against corporate social responsibility continues by Davis (1973) which holds that managers of business companies are mostly financial and operative oriented, with no such social skills to handle social activities.

Moreover, Davis (1973) also presented a third objection: “Business already has enough power, so why should we place in its hands the opportunity to wield additional power, such as social power?”.

A fourth objection which is presented by Hayek (1969) says that corporate social responsibility denies the primary purpose of business activity and puts it into such fields that are not related to the “proper aim” of management.

A fifth argument is about losing businesses’ competitive positions globally in case of following the standards of corporate social responsibility.

A sixth – an existence of a threat to our community which is naturally pluralistic, inconsistency of little experience of business executives with a high level of importance of social problems to solve, and also the social responsibility is able to undermine the system of a free entrepreneurship.

The point of last argument in that there is no clear guidelines for managers about how to solve social problems, so corporate executives are only following their own interests and values, operating with public opinion and expectations.

One of a key problem in CSR concept is about competitive environment of the business sphere.

. . . every business . . . is, in effect, “trapped” in the business system that it has helped to create. It is incapable, as an individual unit, of transcending that system . . . the dream of the socially responsible corporation that, replicated over and over again can transform our society is illusory . . . Because their aggregate power is not unified, not truly collective, not organized, they [corporations] have no way, even if they wished, of redirecting that power to meet the most pressing needs of society . . . Such redirection could only occur through the intermediate agency of government rewriting the rules under which all corporations operate. - Chamberlain (1973)

Many proponents of social responsibility determined the corporation as an independent entity with unlimited abilities of social action engagement but finally it became clear that if a corporation increases its costs participating in social actions it will be at a competitive disadvantage comparing with other business entities which decided to be not related to social responsibility.

To understand this issue better, we need to have a look to more precise concept, as for example, if all the business competitors will not use the similar policy for solving social problems, it will be impossible to have a concerted effort in a competitive environment. And

according to illegality of competitor's conspiracy, there is an only one possible way to make an agreed action occur – if the government will create this policy.

During the debates, while executives of corporations were requesting to specify their social responsibilities, government was developing legislations requiring all business organizations to operate by concerted rules about consumer rights, equal opportunity, ecological and physical environment, health and safety.

The last unsolved problem of social responsibility debates is a moral foundation of being “responsible”, implying an obligation, which is obviously when it comes to questions of producing and economic performance, because it determines the reason for having a business, but still not so clear about its moral foundation to social impacts.

In the view of Frederick, “the proponents of social responsibility produced no clear and generally accepted moral principle that would impose upon business an obligation to work for social betterment” (Frederick, 1978). Despite the fact of the social responsibility attribution to corporations, their influence to society is not necessarily punishable by law. A lot of efforts were made by using moral restrictions to enforce on business organizations such an obligation and to associate economic performance with ethical behavior. But not much has been achieved in those times by building a moral reliance for the field of social responsibility.

Insolubility of these points “posed the dreadful possibilities that the debate over corporate social responsibility would continue indefinitely with little prospect of final resolution or that it would simply exhaust itself and collapse as a viable legitimate question” (Frederick 1978), and as the way to escape from these issues were created a new concept – Corporate Social Responsiveness.

3.1.1. Corporate Social Responsiveness

A reorientation for a new approach of corporate social responsiveness as business's response to the social problems has begun from 1970s. This new concept is a shift from responsibility to responsiveness and a different view which is focused on willingness instead of obligation.

Therefore, focus from the moral foundation of social responsibility switched to moral neutral concept of social responsiveness.

The literal act of responding, or of achieving a generally responsive posture, to society is the focus of corporate social responsiveness... One searches the organization for mechanisms, procedures, arrangements, and behavioral patterns that, taken collectively, would mark the organization as more or less capable of responding to social pressures. It then becomes evident that organizational design and managerial competence play important roles in how extensively and how well a company responds to social demands and needs. - Frederick (1978, p. 6)

Analyzing the internal corporate responsiveness of business organizations, research was focused on three points: firstly, examining possible ways of responding action, secondly, specification of "key variables" affecting a company's responsiveness level, thirdly, identification of organizational changes which are able to increase the efficiency of a company.

Moreover, comparing to notion of social responsibility, the research of social responsiveness involved not moral questions, but is more action oriented, for example, how to improve the effectiveness of social policy in organization. It shows us the main advantage of such an approach – managerial orientation.

However, notwithstanding these benefits, social responsiveness faced with the similar problem as the concept of social responsibility. Social responsiveness does not provide concrete rules for the allocation of firm's resources in dealing with social issues. In this concept there is no response pattern which can be defined as the best one for the social betterment and no clear idea about which priorities to establish, It also, does not suggest a better managerial guidance than social responsibility suggests policies. Therefore, it is expected that the only one suggestion that philosophy of responsiveness provides is about that management decides what social products to create by itself (Frederick, 1978, p. 12-13).

Social responsiveness analysis did not deal with the government's role in the life of a business organization, exactly with the dependence of corporation from legislative changes. The concept seems to treat a firm as an independent entity beyond the relations between a government and a company.

Regarding to a fact about an existing of social changes and pressure, and a fact that business corporations must respond to it, social responsiveness approach places a company in a passive role with no moral notion and no specific values (Frederick, 1978, p. 14-16).

3.1.2. Public policy

The political environment of business became more prominent, and as was mentioned before, in the middle of 1970s, government started to be engaged in a direct influence on business behaviour by enacting a diversity of new legislations and developing the regulatory companies.

It was the political system's response to the social revolutions of the 1960s and 1970s.

Functional areas of corporations were changed according to hundreds of new social regulations and a shift of controlling power. It was called a managerial revolution, which caused changes in business operations and all levels of management by shifting of power to government agencies. (Weidenbaum, 1977).

However, by the end of 1970s, the political environment in life of business organization was affected by criticizing researches about real cost of new legislations (Weidenbaum and De Fina in 1978 year; Anderson in 1979) and books about bad impacts of those changes (Weidenbaum in 1979).

All of these helped to concern that too many restrictions and obligations by law and too much controlling by government do not allow to business activity its economic mission performance.

Thus, in 1980, during the new Reagan administration was agreed to reduce the decision-making power and influence of government because of a negative influence on business development.

Consequently, the new approach of public policy in management contributed to the expansion of significant interest to political processes from firm's managers side because of corporation's direct dependence on new laws and regulations.

Comparing the CSR, social responsiveness and public policy concepts, the last approach has a specific advantage: it became so much simpler to determine to what extent the business has to respond, since accepting a relevant legislation with the detailed description of such important management responsibilities as, for example, safety standards or labeling requirements.

This approach presuppose that corporate executives will be motivated for public policy investigation in order to influence the process. As the appropriate body, government has a right to formalize public policy for society and according to social changes formulate policy for business organizations.

Society can choose to allocate its resources any way it wants on the basis of any criteria it deems relevant. If society wants to enhance the quality of air and water, it can choose to allocate resources for the production of these goods and put constraints on business in the form of standards . . . These nonmarket decisions are made by those who participate in the public policy process and represent their views of what is best for themselves and society as a whole . . . It is up to the body politic to determine which market outcomes are and are not appropriate. If market outcomes are not to be taken as normative, a form of regulation which requires public participation is the only alternative. The social responsibility of business is not operational and certainly not to be trusted. When business acts contrary to the normal pressures of the marketplace, only public policy can replace the dictates of the market. - Buchholz (1977, pp. 12 & 16).

As examples of public policy acts that were created in order to set some limitations in resources' allocation and to save the environment, can be presented such international regulations as the Federal Water Pollution Control Act of 1972 or the Energy Conservation and Oil Policy Act of 1975 and many others.

Precisely through the public policy society has a full right to participate in allocation of resources, corporations are obligated to obey the rules for social betterment. It seems like a comfortable and democratic basis comparing with a way of power concentration for responsiveness in hands of managerial elite.

The approach of public policy implies more value-neutral way of judging business's social performance being objective instead of abstract.

However, some people believe that public policy approach still confronts with the same old moral dilemmas as previous attempts, because all the conflicts with their solutions are built on ethical concepts which are oriented on developing of human welfare and cannot be ignored.

There are many questions that are difficult to answer, for example, if the role of government regulations in business is almost clear, what is the role of business in politics?

And what is the guarantee that business executives do not take any attempts to manipulate the politics in its own self-interests? What is the ethical basis for political and social responsibilities of business organizations?

By interaction of political and social environment with ethical ideas the public issues can be determined for normative dimensions of public policy regulations, for example, about equal rights, justice, fairness, allocation of public recourses, distribution of costs and benefits. Business to be considered as an ethical must be involved in the process of public policy not only because of a self-interest but also with a good will. At the same time business executives must show their adherence to the realization of regulations and even do more than is required for solutions of issues which are still not included in the public policy.

3.2. The development of business ethics

The complexity of concepts about corporate social responsiveness, responsibility and public policy regulations is in their moral fundament and relevance to human welfare. The ethical questions are difficult, dealing with business's purpose and its place in society, and relevant problems cannot be just simply solved by calculus or aggressive power.

To raise a level of corporate social responsibility, moral dimensions of social and political issues have to be clearly determined. Business institution is closely linked with ethical values of community because the community allows an activity and development of such social institution. That is why social institutions should to follow the changes of value concepts in community and operate accordingly, barring an idea of separate existing of business with the community.

In the beginning of 1980s business ethics gained mainstream attention in business schools and in commercial organizations. Moreover, these ethical concerns were raised with an individualized approach, separately from the topic of public policy or social responsibility. Thus in the 1990s was born a new independent field of study – Business Ethics – supported by dedicated to this subject extensive list of the professional literature, journals and even international organizations with scholars and practitioners who are interested in business ethics development and teaching. More and more departments and conferences have been created, ethics codes have been written by the largest commercial organizations. This explicit attention reflects changes in social moral concepts, especially in questions of ethical principles of corporations in a market economy.

In our view, the new concern for corporate ethics and managerial ethics is the logical culmination of a series of social transformations through which the connecting tissues that make up the “organic” connection between management, institution, and society have eroded. What constitutes “ethical custom” is evaporating. The ability of the market mechanism to carry the normative freight between corporations and society is deteriorating as the society increasingly turns to other ways to try to connect its changing values to corporate practice. – Powers and Vogel, 1980.

Consequently, this concern for managerial ethics reflects the concern for business activity and policies. Ethical concepts about market are adopted to business conduct until there is an agreement about a feasibility of an allocation of significant number of community's recourses by the market mechanism. Concerns for the implementation of standards imposed by moral principles of community are confined to their contravention, however, when it comes to the pressure on business executives because of some normative issues which are not affecting their financial transactions, these issues become the subject of debate. Those normative problems, which were not solved effectively during debates, became a part of modern Business Ethics for better social responsibility level. An activity of corporations should be highly oriented on ethical principles about human welfare at least because it is affecting on the future of business organizations and their role in the society.

In the beginning, business ethics were based on traditional approaches for analyzing of business's moral issues and to strengthen the normative effort. Those traditional ethical approaches are very popular even nowadays.

3.2.1. Traditional approaches

Traditional ethical theories provide principles of right action and ethical contours for business activity, including models of individual's moral behavior for an economical interaction.

Consequentialism is mostly represented by the theory of utilitarianism which is based on Bentham's and Mill's professional writings and deontological ethics are represented by Kantian theory. They also provide some notions of fairness by John Rawls's egalitarianism and, in opposite, by Robert Nozick's libertarianism, as well as they include virtue theory. Differences between them can be determined how they judge whether an action is morally good or not.

For example, in consequentialist ethics an action is defined by its consequence. Utilitarianism as a form of consequentialism is consisted in determining the best ethical choice as "the greatest good for the greatest number", that means focusing on only social welfare but discount the individual welfare and distribution of that welfare, individual rights and values such as justice. The problematic point of this approach is inability to predict future implications.

Otherwise in deontological ethics motive and reason for an action are most important factors. As *Encyclopedia Britannica* says: "In deontological ethics an action is considered morally good because of some characteristic of the action itself, not because the product of the action is good. Deontological ethics holds that at least some acts are morally obligatory regardless of their consequences for human welfare. Descriptive of such ethics are such expressions as 'Duty for duty's sake,' 'Virtue is its own reward,' and 'Let justice be done though the heavens fall.'"

Deontological approach, which is also known as Kantianism because of its association with Immanuel Kant, is simple to apply because it is based on the requirement to only follow rules and do duties.

In competitive market environment there is a risk of ignorance the social welfare and distributive considerations, for example, possible cheating and manipulating for an edge. In order to protect social welfare, the deontological moral theory defines these issues as a human dignity violence and hinder their possible implementation by strict rules applying.

The third approach which was developed by Aristotle is virtue ethics. Virtue ethics is a philosophy based on the idea of a moral character. This theory gives no rules for resolving ethical challenges but encourages a honing moral traits. In the commonly accepted meaning from the encyclopedia "Britannica" virtue ethics are determined as "an approach to ethics that takes the notion of virtue (often conceived as excellence) as fundamental.

Virtue ethics is primarily concerned with traits of character that are essential to human flourishing, not with the enumeration of duties. It falls somewhat outside the traditional dichotomy between deontological ethics and consequentialism: It agrees with consequentialism that the criterion of an action's being morally right or wrong lies in its relation to an end that has intrinsic value, but more closely resembles deontological ethics in

its view that morally right actions are constitutive of the end itself and not mere instrumental means to the end.”

In 2005 professor G. Moore, being inspired by Scottish philosopher Alasdair Macintyre, brings his idea of virtue ethics to business activity: “For Macintyre, there are certain goods internal to practices, and certain virtues are necessary to achieve those goods. Building on Macintyre, Moore develops the idea that business is a practice, and thus has certain goods internal to it, the attainment of which requires the cultivation of business virtues”. (Stanford Encyclopedia of Philosophy, 2016)

However, a *first problem* of applying the traditional approach to business ethics is in its ethical diversity, like a smorgasbord of different theories with no guideline how to determine the better one to apply for a justifiable decision of a particular ethical problem when all the theories result in action of different courses.

All three theories emphasize key behavioral morals but none of them brings together all the criteria for moral judgment making because each theory focused on only individual welfare, or only social welfare, or only distributive issues.

Our morality, therefore, contains three main kinds of moral considerations, each of which emphasizes certain morally important aspects of our behavior, but no one of which captures all the factors that must be taken into account in making moral judgments. Utilitarian standards consider only the aggregate social welfare but ignore the individual and how that welfare is distributed. Moral rights consider the individual but discount both aggregate well-being and distributive considerations. Standards of justice consider distributive issues but they ignore aggregate social welfare and the individual as such. These three kinds of moral considerations do not seem to be reducible to each other yet all three seem to be necessary parts of our morality. That is, there are some moral problems for which utilitarian considerations are decisive, while for other problems the decisive considerations are either the rights of individuals or the justice of the distributions involved... We have at this time no comprehensive moral theory capable of determining precisely when utilitarian considerations become “sufficiently large” to outweigh narrow infringements on a conflicting right or standard of justice, or when considerations of justice become “important enough” to outweigh infringements on conflicting rights. Moral philosophers have been unable to agree on any absolute rules for making such judgments. There are, however, a number of rough criteria that can guide us in these matters... But these criteria remain rough and intuitive. They lie at the edges of the light that ethics can shed on moral reasoning - Manuel Velasquez, (1982)

For now, there is still no comprehensive moral theory that would provide absolute rules for making undeniable judgements. The principles enshrined in these theories implied a universal approach for solving ethical problems but in fact they cause conflicting signal to social responsible people who must apply it for given situations, shifting between two opposite theories – consequentialism and Kantianism: “To be Kantians at one time and Benthamites at another is to shift frameworks and results in what has been quite aptly called “metaphysical musical chairs” (Callicott, 1990; Weston, 1991).

Trying to avoid this problem, some philosophers suggested an approach which provides a possible separation of moral principles with their philosophical underpinnings.

For example, in 1993 Wenz “opts for moderate moral pluralism, which he portrays as a single ethical theory comprising a plurality of independent principles” (“A New Approach to Ethics” by Wim J. van der Steen, 1995). Thus, Callicott’s metaphysical theory can be consistent with theory of pluralism.

3.2.2. Moral pluralism

A view that no single philosophical theory will give right solutions for all ethical problems: “moral pluralism occupies a sensible middle ground between “there is only one right answer” as moral absolutism says, and “there is no wrong answer” as moral relativism claims” (Ethics Unwrapped - McCombs School of Business – The University of Texas at Austin). Indeed, that several conflicting viewpoints are needed to be analyze before an action: “The individual remains prepared in all contexts to apply the full range of relevant moral principles” (Wenz, 1993, 70).

There are two different possible approaches to solve an ethical issue by moral pluralism: first one is to consider a particular principle in every situation separately, while the second approach is to operate by a particular principle in a type of interest.

As any ethical theory, moral pluralism should have a philosophical grounding, but in this case it should be a pluralistic nature, which causes difficulties with applying traditional approaches. By developing this pluralistic grounding there should be at least an understanding of a difference between the moral thinking and the rule application.

Monism of Kant at first sight seems more radical comparing to Bentham’s, but by having a closer look, these theories have a similarity in their exemplification of an act value by applying of a *rule*. Thus, for principles to balance, moral pluralism has no guideline, only a right action can reflect the balance of rules.

This is a *second problem* that pluralistic nature of ethics brings is the question of how to think open-minded, analysing different moral views because it is much more difficult than just to apply a rule to a situation as in a monism. So according to this, the way of accepting of such a new approach of pluralism is impossible without a changing of the understanding of moral issue as a complex one and multifaceted.

However, there is actually no simple and mechanical way to determine if an act is the right one for neither monism, nor pluralism theories, especially if this issue is a new type of situation which cannot be solved by old principles and some philosophical pluralism is needed.

3.3. Modern business ethics

Bearing in mind the fact of uneasiness with traditional ethical approaches, a lot of new developments in business ethics had been created in recent years. These new theories are directly related to modern corporate social responsibility problems and public policies.

3.3.1. Feminist theory

According to business ethics field the feminist theory is also known as ethics of care, providing a deeper understanding of human thinking and respecting such character's traits as caring, compassion, sympathy, loyalty. In other words, this concept can be understood as a gentle "feminine way of thinking" in opposite to a masculine which is, roughly speaking, more objectionable: "The feminine "voice" or perspective is, by and large, radically different from the male voice of abstract rights and justice which has dominated the development of moral theory. » (Gilligan, 1982).

The main concept of this theory is a respect for all individuals, comparing to moral impartiality of traditional approaches of Kant's and Bentham's which are rely on an abstract level of universal rules and utilitarian calculations.

A problem of an abstract way in moral decision making process is about a separation of problems from contexts of historical and social backgrounds. It rejects the impersonal viewpoint which rationality overrides sensitivity.

The feminist theory focuses on relationships between individuals that involve the importance of being attuned to perspectives of others and respect them.

3.3.2. Stakeholder theory

The stakeholder theory is one of the theories of organizational management, which was presented in the 1980's by Freeman.

This theory forms and describes a strategy of corporation's development according to mutual interest of several parties like stockholders, employees, suppliers, consumers, creditors and investors, government, other companies.

According to Carroll, the meaning of stakeholder was defined as an "any individual or group who can affect or is affected by the actions, decisions, policies, practices, or goals of the organization."

Relationships between the firm and stakeholders are defined by a "hub and spoke" figure (Bowie, 2002).

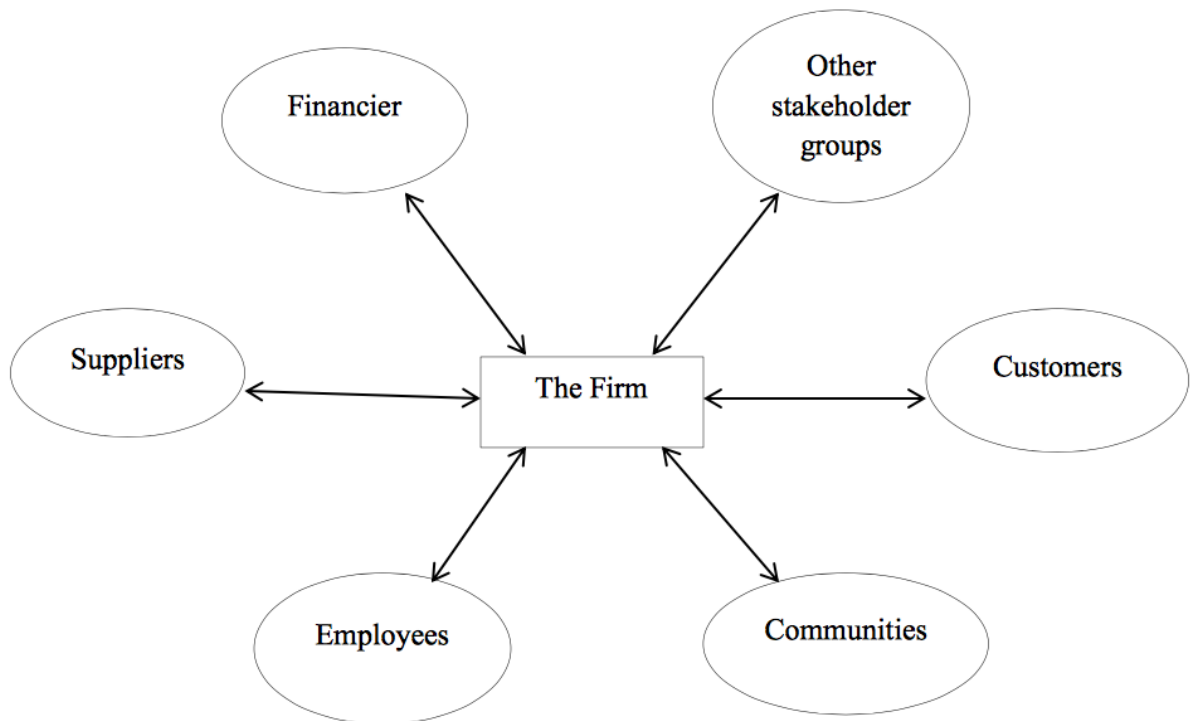


Figure 1 "Hub and spoke" (Bowie, 2002)

Being focused on describing and analyzing the relationships between the company and society, this theory maintains values related to corporate social responsibility, social contract theory and market economy. Decision making process of this concept consists in priority of satisfaction all parties' interests and to seek to balance.

In earlier versions of this theory stakeholders were originally considered as separate individual agents and the company in business case was considered to be an autonomous entity which is captured out of external environment and other individual agents.

It is a problem of the same atomic individualism as traditional approaches used to have.

One of the assumptions embedded in this world view is that the self is fundamentally isolatable from other selves and from its larger context. Persons exist as discrete beings who are captured independent of the relationships they have with others. While language, community, and relationships all affect the self, they are seen as external to and bounded off from the individual who is both autonomous from and ontologically prior to these elements of context. The parallel in business is that the corporation is best seen as an autonomous agent, separate from its suppliers, consumers, external environment, etc.

Here too, while the larger market forces and business environment have a large impact on a given firm, it is nonetheless the individual corporation which has prominence in discussions about strategy and preeminence in where we locate agency. – Wicks, Gilbert, Freeman (1994, p.479)

To avoid the atomic individualism, Freeman and his collaborators decided to implement some ideas from the feminist theory to “better express the meaning and purposes of the corporation” (Wicks et al., 1994, pp. 476–7). Thus they came to an opinion that in the stakeholder theory a company should not be perceived as an independent entity with strict authority and competitive management environment.

Instead of this, following to values of the feminist theory, company should be understood as an element of economic structure which interacts with the external environment in interests of all stakeholders and gives preference to decision-making based on reconciliation, solidarity and understanding relationships. In other words, company should be understood as a web of relations between all stakeholders, oriented towards a collective action (Wicks et al., 1994, pp. 479–93).

The stakeholder theory suggests such a way of vision which cannot just simplify particular issues by dividing upon whom the vision should be oriented. Here ethical development is about capability to have a wider look on issues with their moral complexity instead of just having strict rules. This theory provides a relational view of the company as well as the view on situational nature of solving moral issues during the business activity.

3.3.3. Social contract theory

Development of a corporate social responsibility caused changes in a contract between business and community and a further shift of expectations regarding an impact of business in economic growth (Anshen, 1974).

Before the increasing of a business's role in a progress of economy, the social contract between corporation and society was based on a mission of making profit in a competitive environment (Friedman, 1970).

After a recognition that such an approach for achieving economic growth by a pursuit of maximization of a profit has negative side effects on physical environment and causes social problems like discrimination and negligence of safety measures, this old contract has changed.

Today it is clear that the terms of the contract between society and business are, in fact, changing in substantial and important ways. Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. Business enterprises, in effect, are being asked to contribute more to the quality of American life than just supplying quantities of goods and services. - the Committee for Economic Development (CED, 1971, p. 12).

These changes were captured by new regulations and laws which a business must follow to implement expectations of each group to another (Carroll, 1996, p. 19).

These regulations are mostly focused on company's responsibilities to employees and consumers (Donaldson, 1989) and prove a development of social environment of business. Through the establishment of new rules business activity reflects to relating ethical problems of society in order to solve such issues as discrimination, pollution, and others.

In 1971 John Rawls in his work about a concept of justice according to business ethics described main principles of justice which are directly depended on the original social contract between business and society.

The main idea of this work is to show that justice principles only can comply with the terms of impartiality and fairness, when society will achieve an ethical "ignorance" of human's race, gender, social or economic classification, health condition. Thus the position of Rawls actually points to the problem of self-centered society and principles which are based on a self-interest.

The theory of social contract has rich experience with corporate social responsibility.

3.3.4. Theory of natural origin of business values

In 1995 William C. Frederick developed the theory of natural origin of business values which describes such ethical dimensions in social context as economizing, power-aggrandizing and ecologizing; “This is tantamount to saying that the values by which humans gain a living, allocate and wield power, and establish communal relations with each other are anchored partially in nature and partially in sociocultural processes”.

His viewpoint of value emergence is opposite to traditional approach with its applying of universal moral rules.

Firstly, it is shown by a Frederick’s idea about indivisible relation between a development of economy and ecology together.

Secondly, by his clear division of expansion concept from an authentic growth.

Thirdly, William C. Frederick negates the traditional primary value of business as a profit and instead of it he focuses on moral legitimacy.

To sum it up, his work provides a comprehensive and deep understanding of original business values, by clustering natural and sociocultural factors.

3.3.5. Pragmatism

Classical American pragmatism have been presented recently like a modern approach to ethics of business by Rosenthal and Buchholz. Pragmatic philosophy is a way of bringing together different trending concepts of new business ethics. By developing a “brand-new” concept of moral pluralism, pragmatism provides an explanation of old rules recovering and dealing with a diversity of principle viewpoints during the ever-changing social environment as well as a new way of moral thinking and decision-making process.

Comparing to traditional discursive way of moral reasoning which goes from the theory to application, now it is more concrete and goes from experience to hypotheses. According to pragmatism, vital sense of fairness comes not from abstract rules and principles. In opposite, it comes from perception of particular situations and values based on a primal sense of communal life.

This sense of communal life in turn is rooted in the novel understanding of self and community as inherently relational and dynamic, consisting of an ongoing accommodation between creativity and conformity, self and other, change and tradition, and analogously, the corporation and the manifold relational contexts which are part and parcel of its existence. - Rosenthal and Buchholz in Frederick, p. 320

The concept of pragmatism should be understood as the enrichment of ethical experience, whether of community or of a company. Rosenthal and Buchholz defined that pragmatism has a pluralistic nature and suggests an applying of pluralistic way of thinking to concrete issues of business issues.

3.4. Conclusion

Modern theories of business ethics, as mentioned before, have mostly been created for business organizations and their specific issues, except pragmatism and feminism, which are less related to corporative moral problems.

All of these new approaches are associated with traditional ethical philosophies and were developed as the study of business ethics became to grow.

There is a diversity of possible ways to develop the field of social responsibility's normative aspect as a primary objective in the solution of ethical problems, which continue to be raised about corporation's policies and business activities to analyze social issues with legislative frameworks, including the focus on public policy and corporate social responsiveness.

4. Practical part. Interview about Business Ethics

According to the theoretical part of the thesis, based on research of diverse ethical viewpoints, theories and approaches, in this part as a practical one, I would like to present an interview, based on business ethical questions for three different groups of people: students of college, bachelor or master students of universities, and graduates.

The first type of interviewees - students of colleges, bachelor and master programs is an example of people's expectations from business organizations in such cases as moral values and corporate social responsibility before they will face to some personal experience. In this group I would like to introduce:

the interviewee 1 - student of the University of Physical Education, candidate for master of sports in alpine skiing, ski instructor;

the interviewee 7 - student of the University of Finance and Administration in Prague and Czech University of Life Sciences in Prague, freelancer;

The second type of interviewees includes graduates of bachelor's and master's degree programs, who shares their opinion after some first experience of work, their concerns about previous expectations. Here I want to introduce:

the interviewee 2 – Ing. of the faculty of Business Administration, entrepreneur;

the interviewee 3 – a graduate student of the Bachelor program of Banking Management;

the interviewee 8 – a graduate student of the Bachelor program of the International relationships faculty.

The third type of interviewees - people, who are already focused on their careers, having their own experienced background, helps to see the real situation in social perception of some companies, as well as to see real values of employers and employees. In this group I would like to introduce:

the interviewee 4 - Office Coordinator in Fraud Investigations department of Amazon company, currently managing a program for World Wide Employee Engagement, a Diversity and Inclusion ambassador;

the interviewee 5 - a general director and president of a number of commercial and mining companies, including joint ones;

the interviewee 6 – a graduate student of Bachelor program of Logistics faculty, a Methodist in Prague's Education Center.

1. What is ethical behavior in a business environment, principles of an ethical company?

The interviewee 1: - “The fundamental principle of business ethics for me is respect for the needs of the client. Here, an individual approach, work for the good will, attentive attitude to the health and safety of the client, in my work this is especially important.”

The interviewee 2: - “Ethics in a business environment are primarily the principles of behavior and understanding of the business. Ethical principles of behavior can be called caring for their employees, caring for customers, caring for the environment, not only in general but also locally (where the company is located). Caring for its employees is manifested in the fact that the company does not discriminate against its employees for any reason, provides, if possible, a choice of a workplace (from home or in the office), provides additional bonuses in the form of food coupons for a gym, etc., thereby showing that the employee is an important cell for you and not a tool for making money. Customer care is not only the provision of goods, but also the provision of an additional service that accompanies the goods, when customers purchase goods, they must be sure that if something happens they can always turn it back and receive feedback. Concern for the environment should be shown so that the company and employees can organize team-building events or events for people living in one area, the company can be less energy-intensive, can try to produce as little trash as possible, or try to use things that can be recycled later. Executives and managers should understand that ethical behavior in business increases a profit, because if a company has satisfied and joyful employees, customers, partners, and so on, then this will generate even more profit than in a company in which profit is the main goal.”

The interviewee 3: - “Clear understanding of ethics in a business environment by set of standards of conduct both for the employer and for employees. I prefer to follow principles of stakeholder theory because in my opinion the unequivocal ethical behavior of an organization cannot be achieved without participation of all sides which affect the business activity.”

The interviewee 4: - “Ethical behavior means that when performing their job duties, employees should always act lawfully, ethically, and in the best interests of the company. Basic principles should explain the expected conduct that the company wants from their employees.”

The interviewee 5: - “The basics of business are contractual relationships. Acceptance of contractual relations may occur between legal entities and within the country. The key to starting a contractual relationship is the business reputation of the partners, and then dependence on the economic results of the business, formal ownership, mutual business interest and a number of other factors - in many years of friendly relations. First of all, these may be characteristic features of behavior. Such behavior in a business environment can be attributed (by priority): honesty, performing discipline and commitment, intelligence, mutual understanding, strategic thinking, in relation to the business environment. There are still many principles of ethical behavior, without which it is very difficult to conduct business, such as having a good special education, professionalism, business qualities, sincerity, modern democratic management style, tolerance (respect for the views

of their employees), commitment (a good leader should be responsible for his words). The lack of these personal characteristics is a serious obstacle to achieving business success in a business environment.”

The interviewee 6: - “In my understanding, an organization can be defined as an ethical in case if it social responsible for its influence, whether it is ecological or moral. It helps to create such business environment that allows to develop a competitive business and ensure revenue growth, as well as reducing possible conflicts and corruption in the organization.”

The interviewee 7: - “Social responsibility of the company. Resolution of conflict situations, smoothing sharp corners. Cultural, gender, age characteristics of employees, partners and competitors are taken into account. Business ethics establishes an ethical framework in which all participants in the process feel comfortable. And accepting these conditions, the business “dialogue” will be conducted honestly and with respect, which is likely to lead to positive results.”

The interviewee 8: - “It should be such kind of behavior, by which a company treats others with respect in different branches, including environment, social responsibility and care for their employees and customers.”

2. What are the advantages of business ethics?

The interviewee 1: - “Healthy relationships inside of the company and with stakeholders, confidence in future of the business.”

The interviewee 2: - “With the help of business ethics, a company can have long-term relationships with all interested parties, thereby having a stable profit, a good reputation of the company and constantly satisfied customers.”

The interviewee 3: - “Thanks to business ethics, it is possible to regulate fair relations between employees, compliance with labor standards, moral reasoning of decision-making process for best ways of interaction in business field.”

The interviewee 4: - “Customer Trust (stock increase), Employee Trust and Employer Trust. Business ethics connect these three pieces together and makes sure that each one gets its own part.”

The interviewee 5: - “I would say if a leader does not have business ethics, such a leader does not have a business perspective and cannot be a leader, not to mention the leading role in the development of progress in general. I believe that the success of the business and the development of the headed company and society depend only on the leader, on his personal qualities.

The interviewee 6: - “The main advantage of business ethics in my opinion is the expansion of the boundaries of business, the organization’s reaching the international level through compliance with the code of ethics and the application of ethical approaches to business management. In such an organization, it all starts with discipline and compliance with business ethics, which helps to improve the result.”

The interviewee 7: - “Trust in the organization, improved image of the organization, business ethics as PR support firms, real assistance to society (support for social minorities, environmental assistance, support, local structures); The problem of the shadow economy (moral side of the issue).”

The interviewee 8: - “Everyone gains benefit from a responsible behaviour of a company. An ethical company can develop and improve standart of living of many people, depending on the size of a company.”

3. What are the disadvantages of business ethics?

The interviewee 1: - “Business ethics clearly helps make a company a good name in the market. I believe that compliance with ethical rules cannot do much harm, unethical behavior and a bad advertising campaign can lead to failure.”

The interviewee 2: - “A big drawback of business ethics is that people are afraid to start making some kind of changes in the company, be it fundamental, regarding changes in attitude to the client, service updates, reorganization of the workplace, etc., or the usual ones regarding changes in salaries, bonuses, improvement of work location or conditions. Firms and people should understand that business ethics is the key to the success of any company, but it is labor-intensive work that does not bring instant profit even in a good situation, and it should be noted that the profit can be intangible and manifest itself in the form of greater loyalty of customers, employees and partners.”

The interviewee 3: - “Business ethics can affect negatively on companies’ profit, when the legislative framework interferes with the company (weekends, vacations, refining).”

The interviewee 4: - “Definitions might not always capture all scenarios or give space for exceptions for the employees.”

The interviewee 5: - “Not only reduced profits, but also bankruptcy of the enterprise. The modern business environment insistently requires highly qualified, educated and technically or economically competent managers who strive for self-improvement. The principle must work: find yourself. If you feel that you are not effort the management of the company, then leave the place and do not wait until you will be removed. Well, if this is a small and small company, the harm from a bad leader will not be so visible, although people will suffer anyway, much worse - if a poor illiterate leader leads a large team, then it’s a disaster.”

The interviewee 6: - “The disadvantages are more complicated, since the business ethics are based on the development and growth of the organization in both managerial and economic spheres. However, it is important to keep a balance and not go too far in strict compliance with the rules. This can lead to a tense situation in the team. Since this is a big social responsibility both with the internal and foreign policies of the organization.”

The interviewee 7: - “Loss of customers who do not agree with the position of the company. Difficulty in choosing the right position (in our time, any position can be actively supported and actively resisted. For example, with the active support of gays, a company can gain new customers, while losing a large number of old ones, that is, it is impossible to NOT affect someone’s position).”

The interviewee 8: - “it can be a disadvantage for a company only when it finds itself in the situation where the company is the only one who follows the ethics.”

4. What is the importance of business ethics?

The interviewee 1: - “Company’s ethics can inspire people for more ethical behavior. For example, brands everywhere refuse to use plastic bags, thereby paying attention to environmental issues.”

The interviewee 2: - “Business ethics is a conscientious attitude towards everyone around us, it is a manifestation of goodwill and humanity when a person puts ethics and reputation above profit.”

The interviewee 3: - “Defense of the rights of employees (under labor law)”

The interviewee 4: - “They keep the customer engaged and protected. Working backwards, it will later protect the employee and lastly (and ultimately most importantly): the employer.”

The interviewee 5: - “Progress in everything: first of all - in the mind, further - in the development of industrial relations, in the development and prosperity of business, trade: trade is the engine of progress, in solving economic and political international relations, understanding the need to solve the most complicated global geopolitical problems of a global scale now (as an example, understanding the need to unite international efforts to solve the problems of the survival of all mankind in the face of such problems as the threat of coronavirus, climate change, threats from outer space, problems of globalization, problems of impending apocalypse: increasing earthquakes, floods, the consequences of the expected pole change, trade wars, the third world war. The possession of ethics, business ethics in these matters is the key to advancement in resolving these global issues.”

The interviewee 6: - “Society, like any social structure, is constantly on the move. And to regulate this movement, management must seek not only internal, but also external ethical development. To think about how the type of activity of the company affects the society and the state in which this business is organized. Satisfy consumer demand, create jobs, pay taxes, create new social values and wealth. With this approach, we can talk about the positive impact of business ethics on society.”

The interviewee 7: - “Comfort and respect for the participants of any process created by the company.”

The interviewee 8: - “It is important for companies to follow the business ethics, because if one does not, it can lead to the domino effect, where other companies, one by one start to violate those principles.”

5. What is the social responsibility of business?

The interviewee 1: - “Here I want to compare a company with a teacher, and a consumer with a student. As any teacher is responsible for the education of moral and ethical values of their students and should find a way to encourage the motivation to follow ethical principles, the company should do the same with its consumers.”

The interviewee 2: - “The company is responsible for its employees, for its product, for customers, for the environment in which it works and should be responsible to everyone with whom it comes into contact.”

The interviewee 3: - “The company is responsible for each of its employees and how it affects society as a whole.”

The interviewee 4: - “Since the employer is the ultimate beneficiary of business ethics, they will have the responsibility of integrating social responsibility in their framework and principles. This will make sure that the customs are prioritized.”

The interviewee 5: - “Any company is a taxpayer. It is inextricably linked with social funds, the tax system, and that, in turn, with the budget: the local budget (district, city), country. A strong company as a strong state. It is good if the state has fair laws, including in the tax sphere, it is bad - when taxes are unfair, they harm and destroy the economy of the enterprise, country, social and tax relations.

Example: in the early 2000s, gold mining flourished in Mongolia. earned good money, developed production, bought equipment, paid taxes to the budget, and everyone was fine. But the Mongolian government considered that gold mining companies earn too much and in the middle of the year raised tax rates on profits by 60% at once. The fact that the enterprises resorted to bank lending for working capital financing and the purchase of equipment and it was necessary to pay interest on loans did not bother anyone in the government. As a result, over the course of two years, gold mining stagnated, and instead of the planned flowering of the economy, it collapsed, investors left, including the largest Russian gold mining company in Mongolia, the Golden East. Mongolia still cannot move away from the collapse, and the Golden East company and many others that give the country gold and currency have gone bankrupt. The budget fell, all employees of these companies were laid off and left without work, the social obligations of these enterprises ceased, which subsequently caused social discontent of the people.”

The interviewee 6: - “The social responsibility of the company, in my understanding, is again a structure that includes the regulation of public issues (on the part of management), the social image of the company, and respect for the general public. Social responsibility justifies the existence of an organization as an element of society.”

The interviewee 7: - “This is the behavior of the company, taking into account not only its own, but also the interests of the community in which it is located. At the same time, the company can choose topics and views that it can / wants to support, and topics that it wants to bypass without losing face.”

The interviewee 8: - “The social responsibility in business, is taking care not only about the

profit and development of a company, but also about the people working or somehow connected with the business.”

6. Whose responsibility is business ethics?

The interviewee 1: - “I think that responsibility cannot be assigned to one subject. Just regulation of this issue can be carried out at different levels.”

The interviewee 2: - “Since the market is more independent from the state than before, first of all, the heads of companies and the companies themselves. Then, the state and the public can regulate and promote enterprises and their views.”

The interviewee 3: - “First of all, the heads of companies are responsible, the state already regulates the implementation of business ethics (under the law).”

The interviewee 4: - “Employees and employers.”

The interviewee 5: - “In Russia we say: “the fish rots from the head” and “every nation deserves its leader”. Only the government should be responsible for the implementation of business ethics. The government as a mother who feeds, protects and educates her children. Only the government should create conditions for its own development, have a state idea, have the means and develop health care, education, social and medical insurance systems, the economy, etc. Business is an integral part of the economy. The government must be vitally interested in business development, this is the key to the development of the economy as a whole and the filling of the budget in particular.”

The interviewee 6: - “In my opinion, responsibility for the implementation of ethical standards should begin with public policy, the organization of domestic policy, as well as a comfortable tax system. The state should create comfortable conditions for the development of ethical business. In this case, responsibility is passed on to the shoulders of the company's management and business. Based on professionalism in the field of management, the structure begins to work and comply with all rules and obligations. Thus, in the second place, the responsibility lies on executives of the company and the management team, but in what conditions and under what circumstances it depends on the state and society.”

The interviewee 7: - “First of all, the state should create a convenient environment so that firms can conduct honest business in the market.”

The interviewee 8: - “The initiative of business ethics should start from the top of the management, which should set the policy and rules.”

7. What makes an ethics code effective?

The interviewee 1: - “The human factor. Careful selection by HR management to employ such workers who is familiar with ethical aim of a company”

The interviewee 2: - “Full acceptance and understanding: what, why, why and how.”

The interviewee 3: - “Accuracy, justice, clearness of rules presented, confidence of managers that all employees in acceptance with these norms.”

The interviewee 4: - “Rigor in the way that it is executed and tracked.”

The interviewee 5: - “The opportunity to make a profit should motivate a lot. Compliance with the code of ethics in business matters is undeniable quality and the main key to success.”

The interviewee 6: - “As for me, the effectiveness of adhering to ethical standards directly depends on discipline in the company, and indeed on the organization’s policies.”

The interviewee 7: - “Compliance with the cultural and moral standards of the respective region, compliance with the direction and status of the company.”

The interviewee 8: - “The competency of all management levels with an ethical code of a company, when all workers trust in each other’s discipline and nobody from managers of a company has “double standards”. Unfortunately, it is quite often when company focuses on ethical behavior with customers for make them buy more, but don’t show the same respect to its employees.”

8. *Does being an ethical individual differ from being an ethical corporation?*

The interviewee 1: - “The main ethical principle of “do no harm” is unchanged in both cases. However, building an ethical company, I think, is more difficult than making yourself ethical.”

The interviewee 2: - “An ethical person acts of his own free will and since he considers it necessary in this situation. A company is a mechanism of many people, where there are certain rules and concepts.”

The interviewee 3: - “In general, both of these definitions call for similar things, only on different scales, which are regulated by the government and society.”

The interviewee 4: - “There is. Ethics are a way of marketing for corporations. Ethics attract customers and keeps them engaged to the company.”

The interviewee 5: - “These concepts are synonyms. A company cannot be ethical without unethical employees; this is nonsense.”

The interviewee 6: - “In my opinion, to be an ethical person is more a matter of education and professionalism, but to be an ethical company is a matter of not only professionalism, but also social responsibility, duty and decency.”

The interviewee 7: - “Yes, the responsibility of the company applies to wide sections of society. Depending on the size of the company, the adoption or non-adoption of “ethical standards of conduct” by the company can lead to serious changes in the economic, environmental and social space.”

The interviewee 8: - “The only difference is actually the scale.”

9. Have you worked for a company that had a code of conduct, and did you have positive or negative experiences there?

The interviewee 1: - “At my place of work there is no such set of rules. I think that it can be useful for building ethical relationships within the company at least.”

The interviewee 2: - “It was a positive experience. Immediately felt an improved mood and a favorable atmosphere within the company.”

The interviewee 3: - “For me, this is a positive experience in any case, since the organization should work as a single entity, and for this it will need a set of rules for all employees, including executives.”

The interviewee 4: - “Yes. My personal experience has been positive. I feel secured and I also feel responsible for the actions that I take in the workspace. It makes me also feel empowered to report any suspicious/negative behavior.”

The interviewee 5: - “I have been working continuously since 1970 (50 years). I worked in senior positions at such large state-owned enterprises as the “Angarsk Petrochemical Plant”, later - the “AngarskNefteOrgSintez” association, the number of this enterprise is 53,000 people, then I was transferred to the central district committee of the Communist Party of the Soviet Union, in industrial - transportation Department. After that, I worked at the “Angarsk Electrolysis Chemical Plant” (30 thousand people), since 1990 - general director and president of a number of commercial and mining companies, including joint ones, both in Russia and in Mongolia. All enterprises were connected by various regulations: provision of the enterprise, provisions for occupational health and safety, duty instructions, instructions for labor protection and safety, regulations on mountain and concentration sites, many other regulatory documents governing professional activities in a particular position, whether it is work or management. Many regulatory documents prescribe norms of behavior (norms of professional ethics), for the non-observance of which various types of administrative influence were imposed, and in a number of sensitive enterprises criminal liability was also imposed. This “power” pressure from the state has a deep meaning: a person is disciplined, self-organizing, his social responsibility increases. This is a kind of reins, a means of controlling people. I consider the regulation, including the presence of a code of professional ethics, a deep positive experience. It can be compared with a code of officer honor.”

The interviewee 6: - “I had to work in the state structure of children's education in which the ethical education of employees was one of the main values, but for me this experience was not entirely positive. Since the management company created not very favorable conditions for work. It was more like communism than ethical compliance. It was accompanied by severe restrictions, rules of conduct, and a governing hierarchy. Can this be called an ethical business? Of course, yes, the observance of the image of the company, the impact on the general public, however, the measures, regime and method were very contradictory with the main objectives of the ethical business.”

The interviewee 7: - “Unfortunately I did not have such an experience yet because I am working on a freelance basis.”

The interviewee 8: - “A few companies where I worked were kind of unfamiliar with code of ethics, so I cannot provide any good example.”

10. *In case if you were or you are a company's executive, what would be in the main priority: profit or stakeholder's interests?*

The interviewee 1: - "I think that profit. However, these two things are closely related. When a manager is interested in the prosperity of his company, he must predict that the loss of investor confidence, employees, etc., could lead to a decrease in profits or even bankruptcy."

The interviewee 2: - "Satisfying stakeholders because it has more impact in the long run."

The interviewee 3: - "For me, the reputation of my company would be a higher priority. When employees, investors, suppliers will be confident in the competence of my company, then there will be profit."

The interviewee 4: - "Stakeholder's interest is long term profit."

The interviewee 5: - "Profit is the quintessence of production activity. If there is profit – then there is an opportunity to develop production, buy machinery, equipment, pay dividends. If there is profit, there is satisfaction. Profit is primary"

The interviewee 6: - "In my opinion profit has a priority but it should be achieved by the ethical way of management to satisfy as much stakeholders as it possible."

The interviewee 7: - "Compromise. I believe that the right business plan with the right business ethics can push the development of the company so that you don't have to choose between profit and comfort - they will rather accompany each other."

The interviewee 8: - "I think the balance should be maintained, since the both sides are important and imbalance can lead to the fall of a company."

Discussion and Results

All the interviews which are presented above provide some general statements as well as different viewpoints. According to this it is possible to analyze how those opinions are depended on such factors as social status, age and experience.

Starting with the first question about which behavior of business organization can be determined as an ethical, my interviewees presented such factors as a respect of customers' needs, employees' and stakeholder's, being eco-friendly, acting lawfully, honestly, implementation of commitments, democratic management style, mutual tolerance with no discrimination, following the corporate social responsibility. By analyzing answers of every interviewee it can be said that viewpoints are tolerant with each other in spite of different experience and age of interviewees.

Answers on the second question about business ethics' advantages gave an opportunity of bringing together all positive consequences of an ethical behavior which was mentioned above. These advantages include healthy relationships within a company based on mutual trust, long-term relationship with stakeholders and thus stable profit, confidence in a future of a company by improving skills of shifting according social needs, moral reasoning of decision-making process in solving ethical issues, ethical oriented leader will deserve a good reputation of a company, expansion of the boundaries of business to international level, mutual support with a society, improving of population's standard of living. It all reflects with arguments for corporate social responsibility in a chapter of the development of Social Responsibility.

The third question in opposite raise a topic of possible disadvantages. A half of interviewees (four from eight) do not see any direct disadvantages of business ethics except two cases: if the legislative framework interferes with the company it can cause a loss of profit, according to the 3rd interviewee, and if the company stands alone with the ethical code, other companies can affect in a negative way by using an aggressive methods of competition. Other interviewees determine such disadvantages as a fear of changes and reorganization of a company because it seems impossible to not affect someone's position, a disadvantage of not covering all possible moral problems by the ethical code that leaves a space for people's expectations and thus further issues, possibility of too strict and aggressive policy of management in following moral principles.

Here I want to compare arguments of my interviewees with arguments against the social corporate responsibility which are presented in a chapter "The Development of Social Responsibility" by original viewpoints of scholars mainly in 1960s-1970s:

1. "Social issues should be solved by a system of a free market instead of managers and executives of commercial organizations. And even if the free market is not able to solve social problems, these problems should fall upon government institute" by Milton Friedman;
2. "Managers of business companies are mostly financial and operative oriented, with no such social skills to handle social activities" by Davis (1973);
3. "Business already has enough power, so why should we place in its hands the opportunity to wield additional power, such as social power?" by Davis (1973);
4. "Corporate social responsibility denies the primary purpose of business activity and puts it into such fields that are not related to the "proper aim" of management" by Hayek (1969);

5. "Losing businesses' competitive positions globally in case of following the standards of corporate social responsibility" by A.B. Carroll and K.M. Shabana;

6. "There is no clear guidelines for managers about how to solve social problems, so corporate executives are only following their own interests and values, operating with public opinion and expectations". By Buchholz and Rosenthal.

Thus, none of them reflects to opinions of interviewees as a representatives of modern society, except two cases: the concept of corporate social responsibility do not cover all the ethical problems of society caused by business activity and the difficulty of the competitive environment.

The fourth question opens a discussion of an importance of business ethics and its role for a society. Interviewees actually presented real, not abstract results of previous mentioned advantages which means that the development of social responsibility proved itself in a positive way. In general, these factors of importance were presented: inspiring for ethical behavior (for example, spreading of zero-waste production, eco-friendly materials), evolution of social humanity, progress in protection of rights of customers and employees, development of industrial relations, solution of global geopolitical problems (for example, global warming, coronavirus), betterment of social welfare, importance of supporting by different companies an ethical behavior of each other to prolong the process of betterment.

The fifth question which is about how interviewees see the social responsibility provides following ideas. In a model of a teacher and a student, company is responsible for an ethical education of its consumer, for all its social impacts and should take into account interests of community and care of a company should not be limited by profit. Moreover, business organizations are responsible for the local budget on which they affect, it is clear in tax system, so thus an ethical company which follows corporate social responsibility must pay taxes in a fair way. However, in a case of local budget there is a mutual responsibility between an organization and a government, public policy should ensure a convenient platform for business development.

Analyzing answers on the sixth question of whose responsibility business ethics is, I see how all interviewees divided exactly by three groups. Two persons suppose that there should be a combination of responsible parties: government, executives and managers, employees, which should respect each other's interests for reaching a successful and well balanced platform. Three interviewees answered that in their opinion, executives of business organizations are responsible for an implementation of business ethics and thus according to their activity the governments is able to react on it by regulating a public policy. Another three participants of the interview suggested that first of all government must be interested in and responsible for a business activity because of its serious impact in economy of a country. It is so much related to the chapter of a public policy in the literature review, which describes in a historical chronology how this responsibility was shifting. In the beginning of the political environment's development in business field, government started very active influencing on business activity by public policy, however, in a decade it was agreed that "too many restrictions and obligations by law and too much controlling by government do not allow to business activity its economic mission performance", thus, decision-making power of a government was reduced and and interest of firms to political process raised which is seems that a balance of power, influence and responsibility for business ethics was found.

The next discussion lies on a the 7th question of what makes an ethics code effective. Here all interviewees presented different factors which the considered as main ones: a human factor of an ethical familiarity, a full understanding of an ethical code's reasons and aims, justice and clearness of rules, a rigor in a way it is executed and discipline, a motivation of profit, compliance with standards of a region of a company, the competency of all management levels with an ethical code.

The 8th question is about to define a difference between a being an ethical individual and an ethical company.

Thus only a the 5th interviewee found out that there is no difference at all, according to an opinion that an ethical company cannot exist separately from ethical individuals as it needs a human resource. Another six claims that the only difference is a scale and described it mainly by the idea that building a company by ethical standards is more difficult to build a self because in a first case you should provide such an environment to make all your employees act ethically, and that a company is more social responsible comparing to one person. The 4th interviewee answered that in opposite to just an ethical individual, corporations use ethics as a way of marketing, which is also true.

The ninth question asks for an experience of work in such companies which follow strict ethical code, however, not all of interviewees had it in a background, especially two interviewees from eight, and one interviewee said that in his experience of work companies were did not focused on ethics. Three interviewees claimed that it was strongly positive experience because mostly they felt themselves secure, comfortable, responsible for own actions, involved in company which seems to work as a single entity. Two interviewees faced with a very strict discipline of rigor codes, but if the 5th interviewee respect this and agree with such a conditions because a company's activity was demanded it, the 6th interviewee had a negative experience which he comparing with a communism, unhealthy relationships within an organization and a strict hierarchy made him feel uncomfortable.

The last question was aimed to choose between two priorities: profit or stakeholders' satisfaction. And again all the interviewees divided by three groups: three persons for profit because as the claimed it gives an opportunity to develop production, marketing and other fields of business activity. Three interviewees answered for stakeholders' primacy because of its higher impact in the long run a company, providing a good reputation which causes more profit. And two persons shared their opinions about a way of finding a compromise and balance between profit primacy and stakeholders' interests.

5. Conclusion

By summing up all the results of the interview I would like to say that as a practical part of the thesis it helped me a lot in the consolidation of the literature review by providing such a live examples of a diversity of viewpoints and ways of thinking of different people around us in a present time. It proves that the concept of corporate social responsibility is not clear and has so many different sides. However, ethical questions and moral issues have never been simple with a concrete “right” or “wrong” side, so that is the reason of pluralistic nature of corporate social responsibility.

Modern approaches from the literature review are clearly shown in answers of interview: feminist theory is presented mostly by younger generation which is mostly focused on equal rights, non-discriminational moral standards, and on a respect of such character’s traits as caring, compassion, sympathy, loyalty, while feeling mainly uncomfortable in a conditions of rigor discipline and an aggressive management approach of strict following the rules. Older generation seems to accommodating the social changes and appreciate the modern democratic management as well.

Through this interview I clearly see how business ethics developed in recent decades comparing to past, and has reached a new level of corporate responsibility because of a growth of social understanding and participation in ethical processes worldwide. Because of globalization of our social life it is clearly seen how people care about global problems and how our generation became more selective according to developing of raising number of commercial organizations. During the interview I have heard so many times that my interviewees cannot imagine business flourish without following to social corporate responsibility standards and that is highly important for them to know some company’s ethical background before choosing. Also I have recognized that nowadays people strongly agree with such an idea as ethical issues have to be solved together by a collaboration of firms, consumers and government.

Many of different view perspectives on the same things shows a modern approach of pragmatism to business ethics in action. Why a pragmatic approach is important nowadays? Pragmatic philosophy allows people to see ethical issues from diverse sides and helps to analyze the ways of solution of this problems. At the present time, while a concept of corporate social responsibility is so developed and society react in very active way, it is necessary to understand a pluralistic nature of our community to be a tolerant and ethical person by self.

Based on the literature review and the analysis of the interview it is possible to claim that corporate social responsibility is one of the most important concepts in business activity. Social responsibility provides the way of development and growth of the results of production by using a business ethical approach of transparent entrepreneurship, as well as the way of betterment of relationships within an organization and with its stakeholders at the present time and future perspective. At the present time corporate social responsibility can be a competitive benefit. As for a future, it can be claimed that corporate social responsibility

will be an integral part of it, because it affects not only the organization's or consumer's success, but the success of the world.

In this thesis I was trying to describe the nature of business ethics and to prove that corporate social responsibility has a big impact on a corporation's reputation and on its competitiveness in market environment and also that such an approach will play a serious role in the future. I was aimed to provide a general picture of Corporate Social Responsibility through the development of traditional and modern theories and approaches to business ethics and I hope that have fulfilled the objective.

As a conclusion I would like to say that according to the analysis of public attitudes in the practical part, until a company will use a concept of corporate social responsibility as a part of its strategy, it will have support of society and stakeholders as well as a growth of profit based on increasing demand and collaboration.

6. References

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7. List of Figures

FIGURE 1 "HUB AND SPOKE" (BOWIE, 2002)	19
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