RESPONSIBLE MANAGEMENT EDUCATION

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EDITED BY WOJCIECH GASPARSKI

WYDAWNICTWA AKADEMICKIE I PROFESJONALNE

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Wojciech Gasparski[1]

INTRODUCTION

The public expects specialists educated at management faculties and business schools to be skilled at organizing and running companies, enterprises, institutions, partnerships – in other words, organizations. This applies both to business organizations and to administration, educational, and non-governmental organizations. The high organizational quality of an organization is conditioned upon the professionalism of the organizers. Professionalism depends on the quality of management education, and that depends on the quality of the knowledge passed on by teachers. Meanwhile, the quality of knowledge is the better, the more the knowledge on organization and management is cognitively consolidated. This is knowledge that serves practice in the sense proposed by Tadeusz Kotarbiński:

> "It also seems justified to say that theoretical skills are dominated by purely mental processes, while the opposite is true of practical skills. The term «dominated» is used here in a dual meaning; it means both encompassing a greater whole, and greater suitability for achieving a given objective. Simplifying matters, we would say that in the case of theoretical skills, there is more thinking than manipulation, and manipulation is ancillary with respect to thinking, while in the case of practical skills it is usually the opposite, i.e. manipulations are both quantitatively and hierarchically superior with respect to thinking"[2].

The theory of organization and management is precisely such a practical skill (discipline, science). Similarly to other practical disciplines, its methodological characteristic is design. Design consists in the conceptual preparation of actions before they are carried out, as this is more efficacious (effective and efficient) and also evaluated in terms of their axiological context (ethicality). Being able to design means being able to make decisions based on the force of argument, not the argument of force, or *plus ratio quam vis* – to quote the words from the inscription in Jagiellonian University's Collegium Maius. This is the purpose that should be served by cognitively consolidated knowledge provided to managers of different specialities by the schools which educate them.

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[1] Business Ethics Centre, Kozminski University.

[2] Kotarbiński, T. (1971) The Methodology of Practical Skills: Concepts and Issues, *Metaphilosophy*, Oxford, Vol. 2:2, pp. 158–170 (quoted after: *Prakseologia*, Part II, *Dzieła wszystkie*, Ossolineum, Wrocław, pp. 341–342).

Education based on such knowledge is responsible education. The present conference, organized under the auspices of the Caux Round Table Polska, is devoted to issues of precisely such education.

This is already the eight annual conference organized by the Business Ethics Centre. This conference, like the one held in 2001, opens the Polish debate on the United Nations initiative known as the Global Compact. This time the initiative has the form of Six Principles for Responsible Management Education. As was the case six years ago, also this time we are honoured to host the Head of the UNDP Office in Poland – I would like to welcome Ambassador Anna Darska with all due respect, with joy, and with hope for renewal of a previously begun effective collaboration. I do so with all the more pleasure because this year our school has been accepted into the network of academic institutions which actively recognize the Global Compact as a model of responsible conduct and education.

The papers collected in the present volume are the effects of the conference. Due to the international importance of papers directly referring to the standards of Responsible Management Education, we publish them in English. The other papers presented at the conference are available on the CD forming an integral part of this publication.

Presenting our readers with the present volume, we are counting on the active participation of all persons and institutions dealing with management education in implementing the standards of that education in a responsible way.

PART I

ADRESSES

Manuel Escudero

Head Global Compact
Special Projects & Academic Initiatives
New York

Dear Friends,

The Principles for Responsible Management Education (PRME) constitute a global call to action that can do much to incorporate business schools and management-related academic institutions into the global agenda.

The PRME were unveiled at the UN Global Compact Leaders Summit in Geneva. In the words of the UN Secretary-General Ban Ki-moon: "The Principles for Responsible Management Education have the capacity to take the case for universal values and business into classrooms on every continent".

Following the launch of the PRME, the Global Compact Office has become a member of the *PRME Steering Committee*, along with the Association to Advance Collegiate Schools of Business (AACSB International), the European Foundation for Management Development (EFMD), the Aspen Institute's Business and Society Program, the European Academy for Business in Society (EABIS), the Graduate Management Admission Council (GMAC), the Globally Responsible Leadership Initiative (GRLI), and Net Impact. The Global Compact Office also hosts the PRME Secretariat.

In its first year of development (2007–2008), the initiative seeks to give adopting business schools and other management-related academic institutions a leading role: to define a set of good practices on the implementation and reporting of the PRME. This will set the stage for a *Global Forum for Responsible Management Education*, to be convened by the end of 2008, where Business schools and academic institutions that have adopted the principles will be the Forum's main actors.

The PRME Steering Committee has set up a *very light formal procedure for adoption* of the principles – requiring a letter (by mail or by email) signed by the highest executive of the institution committing to the adoption and implementation of the PRME and to complete a basic questionnaire. All this should be addressed to the PRME Steering Committee.

We would like to encourage all academic institutions participating in that event to consider the adoption of the PRME as a framework for systemic change and a network in which we will learn from each other to incorporate the universal values of sustainability and corporate citizenship in the curricula of our academic institutions.

Anna Darska

Head of the Office,
UNDP Poland

I would like to welcome all the participants to the conference on *Responsible Management Education*. I would also like to congratulate Professor Wojciech Gasparski, Director of the Business Ethics Centre and professor Andrzej Koźmiński, Rector of the Kozminski University, on organising a conference dedicated to the establishment of the Global Compact Project Principles for Responsible Management Education. Also a special welcome to the representative of the European Academy of Business in Society and the chairman of the Caux Round Table Poland.

The Global Compact is now the biggest global initiative supporting the development of corporate social responsibility. The Global Compact has over 4500 members from 116 countries. The main GC objective is to introduce 10 basic principles concerning human rights, labour standards, the protection of the environment and the elimination of corruption, and to create a broad cooperation between the UN and business aiming to achieve the Millennium Development Goals.

The Millennium Development Goals are a framework for work for the UN system for the coming years. They should be achieved in 2015. The Millennium Goals relate to a number of important problems and if those problems are to be tackled, a good cooperation between all social partners is needed. A good cooperation with the business world is crucial. First of all, taking the first 150 biggest economic entities in the world, 95 of them are corporations. BP and Shell are bigger than Norway and Argentina, so it is crucial to take such influential partners into consideration. Secondly, it is business that forms the core of the problem, but at the same time it is also a necessary part of solving the problem. If we want to achieve the Millennium Goals, we need to include business in terms of its social responsibility.

The UNDP in Poland supports the development of the Global Compact since 2001, when a conference was held at the Ministry of Labour and Social Policy organised by the Business Ethics Centre. The UNDP popularises the Global Compact principles and carries out a number of projects, which concern the GC principles, such as the Gender Index project based on the 6th principle of the Global Compact, or the Internet Republic project (in cooperation with Telekomunikacja Polska). The activities of the Global Compact in Poland are based on the concept of coalitions dealing with women's issues, the situation of the disabled, the situation of autistic people and the social economy.

The most important issue is the development of the project with the main aim to accelerate the Common Social Responsibility practices in our country. We have prepared a baseline study on the CSR development in Poland. This report was presented at the conference held on October 15th, 2007. Now we have entered into the second stage of the project. We will organise meetings with business representatives, NGOs, the media, trade unions, academia and the government to talk about what can be done in Poland to make it easier for companies to undertake socially responsible activities. Considering the examined recommendations, we hope that together with the Ministry of Labour we will be able to reach a consensus on the framework of the national strategy supporting the CSR.

As far as the academic institutions in Poland are concerned, so far only the Kozminski University is member of the Global Compact. I would like to congratulate the representatives of LKAEM on undertaking this initiative. The contribution of the academy to the Academic Network of the Global Compact is of immense importance to the development of corporate social responsibility. The higher educational institutions that enter the Network of the Global Compact cooperate with the UN system in five areas.

The first area is education supporting the Global Compact. A good example is the activity undertaken in Brazil in the years 2006–2007 entitled: *Globally Responsible Leadership Brazil – A Call for Commitment*. This initiative was based on projects carried out by students that work on the measurement of the implementation of CSR strategies. This project had three objectives: firstly, to support enterprises in the implementation of the Global Compact principles; secondly, to popularise the knowledge with respect to the Global Compact initiative and its significance for management; thirdly, to encourage students to learn more about the principles of the Global Compact.

The second area of the members' activity is the development of academic research with respect to the influence of business on sustainable growth. Academic centres are an important source of essential knowledge in terms of the relationship between business activities and global sustainability.

The third area is the popularisation of the ten GC principles. This mainly means the organisation of international conferences by global academic centres. For example, in the year 2006 centres in Ghana and the Republic of South Africa held a conference that dealt with the role of the so-called "corporate citizenship" and its influence on the achievement of the Millennium Development Goals.

The fourth area of the members of the Global Compact Academic Network is the technical support of the Global Compact members. An example of such an activity is the initiative of developing a global database this year, which will contain information on practices used in companies associated with the implementation of the Global Compact initiative.

The last area of cooperation in the Global Compact Academic Network is the support of local Global Compact networks.

We invite all universities and business schools in Poland to join the Global Compact and to collaborate with the UN.

Provided that the Principles for Responsible Management Education have already been established, I insist even more on accepting my invitation. The establishment of the Principles for Responsible Management Education means a completely new approach to the matter of teaching corporate responsibility. Such an approach means accepting the fact that since the aim of the Global Compact is to establish a global community of socially responsible companies, academic communities play a key role in this process and are responsible for the education of future generations of the managerial staff in Poland. It is the academic institutions that determine the knowledge and skills of future leaders; leaders that will be able to implement ideas connected to CSR at their workplaces.

Therefore, if we want companies to behave responsibly, we need to educate responsible employees, who are prepared to carry out tasks that emerge from the implications of Common Social Responsibility.

Furthermore, future managers should not only know the basics of the economy, but they should also understand the challenges of our civilisation and the MDG's. This means that in modern times innovatively educated graduates are needed; graduates that can face up to these challenges.

Once more, I would like to say that I am really happy about the organisation of today's conference. Thank you for introducing the Principles for Responsible Management Education to all business schools and other institutions. According to the words of the UN Secretary-General Ban Ki-moon, thanks to the PRME the promotion of common values in business can now be present in all academic institutions all around the world.

Simon Piccard

Executive Director
European Academy of Business in Society
Brussels

Dear Participants of the Business Ethics Centre 8th Annual Conference,

On behalf of the European Academy of Business in Society, or EABIS as many refer to us, I am very pleased to send these words of support to Professor Gasparski and his colleagues as the Kozminski University Business Ethics Centre celebrates its 8th Annual Conference.

It is almost two years to the day since EABIS brought its own Annual Colloquium to Warsaw, where Kozminski University and the Warsaw School of Economics gave us an unforgettable reception. In the time that has passed since then, EABIS has benefited and learned a great deal from the deep commitment and talents of our Polish partners. Kozminski University and WSE, but in particular Bolesław Rok, have demonstrated vision, leadership and courage to drive forward the agenda of sustainable business and responsible management in Poland. While there remains a long way to go to achieve the ultimate objectives, they deserve much praise for what has been accomplished so far.

Nevertheless, their leadership will be needed more than ever in the years to come. Life for business managers and executives has never been more complex. A growing number of economic, social and environmental pressures are forcing fundamental changes onto long-established markets, operating environments and company structures.

In recent years globalisation has fuelled unparalleled economic growth, but its opportunities have come with risks attached: climate change, energy security, pollution, poverty and water scarcity are just some of the urgent challenges facing corporate and political leaders, as well as their communities.

To deliver sustainable value to business and all of its stakeholders, current and future generations of managers and executives will have to integrate new factors, uncertainties and views into their decision-making process. In order to do this, managers will need a different set of tools to cope.

This presents an enormous challenge – and opportunity – for the entire field of management development. Global companies are reviewing their human resources strategies and internal management development programmes in order to better address corporate responsibility and best practice. Business is desperate for more and better knowledge in the workforce, with business schools such as Kozminski University among its most important suppliers. As such, business schools have a growing and vital role to deliver better training and education, both for national and international firms.

The forecast is optimistic, if uncertain. At the MBA and Masters levels, corporate responsibility is moving consistently into mainstream disciplines through more innovative approaches and courses. In parallel EABIS has worked with the UN Global Compact to shape and launch the Principles for Responsible Management Education5 to inspire international change.

I have no doubt that the 7th Annual Conference of the LKAEM Business Ethics Centre will inspire a lot of important reflection on the best way forward, both for Polish business schools and Polish companies. EABIS is pleased to congratulate LKAEM on reaching another important milestone in its essential journey, and I hope that this event convinces you that responsible management is more than just a dream. It is a reality, and with dedication and commitment, it is a reality that we can achieve.

Thank you.

Tadeusz Krężelewski

President of Caux Round Table Poland

Ladies and Gentlemen,

First of all, I would like to thank the organisers of this Conference for inviting the CRT Polska to patronise this important event.

The Caux Round Table (CRT) is an international network of principled business leaders working to promote moral capitalism. The CRT advocates the implementation of the **CRT Principles for Business**, through which principled capitalism can flourish and sustainable and socially responsible prosperity can become the foundation for a fair, free and transparent global society:

- Principle 1. The Responsibilities Of Businesses: *Beyond Shareholders towards Stakeholders*
- Principle 2. The Economic and Social Impact of Business: *Towards Innovation, Justice and World Community*
- Principle 3. Business Behaviour: *Beyond the Letter of Law Towards a Spirit of Trust*
- Principle 4. Respect for Rules
- Principle 5. Support for Multilateral Trade
- Principle 6. Respect for the Environment
- Principle 7. Avoidance of Illicit Operations

At company level, the Caux Round Table advocates the implementation of the CRT Principles for Business as the cornerstone of principled business leadership. The CRT Principles apply fundamental ethical norms to business decision-making. A specially designed process for incorporating the CRT Principles into the culture of a corporation is available for companies to use. An ethical training for corporate boards of directors and a new ethics curriculum for business schools are being developed.

To promote better outcomes for globalisation, the Caux Round Table is working to raise the level of awareness of senior business leaders, thought leaders and elite opinion around the world about new opportunities to attack global poverty. These include legal and regulatory changes in developing countries that will improve the environment for productive investment of foreign and domestic equity capital. The Caux Round Table is working in alliance with global business leaders, international institutions and policy makers to improve investment environments in selected developing countries, also by suggesting certain Principles for Governments and by the adoption of the 12 core “best practice” standards for transparent management of national financial institutions.

K-12 Ethics Initiative – for ethics education at primary and secondary levels

There is a crisis of confidence in the capitalist system. Recent corporate scandals have made large headlines and over 75% of Americans believe that greed and corruption among corporate executives are one of the most important reasons, or a major reason, for our current state of the economy and that corporate corruption is widespread. It is also widely thought that too many people seem to have replaced good business principles with greed and dishonesty.

Business takes in what society sends out. The Caux Round Table recognises that a lack of ethical and principled behaviour begins in childhood. According to a recent study by the Josephson Institute, 74% of students admit to cheating on an exam, 93% admit to lying to their parents and 83% admit to lying to teachers. We cannot expect business leaders and managers to be highly ethical if there is little or no training of ethics in the formative years.

The Caux Round Table has begun to organise a K-12 Ethics Working Group in order to gather prototype ethics programmes and curricula. We have partnered with the Minnesota Public Policy Forum (MPPF) to conduct a pilot project in Minnesota to help implement ethics education at primary and secondary levels. The CRT will work with chambers of commerce, service organisations and business leaders to implement ethics education in several school districts in Minnesota. The results of this effort will be distributed nation wide and if successful the project will seek sponsors among national/international service organisations to implement this project globally.

I would like to encourage all of you to get more information about the Caux Round Table at the following website: http://www.cauxroundtable.org and to join us in our endeavours to make the world better through responsible and sustainable business.

Finally, I wish all of us an inspiring and fertile conference.

Andrzej K. Koźmiński
Rector of Kozminski University

Management education (including diploma studies and management development) is one of the most important and fastest growing segments of the contemporary knowledge industry. It has a powerful impact on both internal workings of the companies as well as on the society and economy. In the age of high speed competition companies have to respond rapidly to the market changes. A slow decision-making process in multilevel hierarchical organisations is clearly unfit for meeting the competitive challenges. Empowered lower and middle level managers have to decide on their own and organisations have to be capable of an instant reconfiguration of their resources. Legions of managers are given a level of autonomy unknown in the past.

In a business environment that is characterised by a generalised uncertainty and high-speed competition, management education becomes one of the key enabling factors providing success on an organisational level as well as on a societal level. Management education curricula are generally composed of two elements:

- hard knowledge & hard skills;
- soft knowledge & soft skills.

Up to recently the balance between the components of management education was clearly compromised in favour of hard knowledge and hard skills. The learning of finance, logistics, marketing, HR management and the like was, and in most cases still is, the highlight of management education. The "Business of business is business" principle was widely accepted as self-explanatory. Top management schools indulged in increasingly sophisticated analytical exercises producing arrogant and cynical technocrats that ignored social problems and moral dilemmas. The "Greed is good" philosophy dominated the management theory, practice and education. The wake up call came from ENRON, Parmalat and similar affairs. It became evident that moral principles and social responsibility are important for society and for business as well. Trust emerged as a new buzzword. It was acknowledged that autonomy and power should be given to morally solid and socially responsible managers. It remains unclear, however, how to educate, train or develop them without falling into dangerous traps of "empty didactics", hypocrisy and preachers' rhetoric.

Our conference is devoted to the search for answers to this question and to the more specific ones that derivate from it. I hope that some relevant answers or lists of options will be provided. At the Kozminski University we are struggling with the issue of responsible management education for quite some time now. Our Business Ethics Centre is involved in several international research programs devoted to ethical standards in business. Research results enable us to develop cases and initiate debates weighting arguments against each other, building common understanding and common platforms. Social responsibility and business ethics are becoming the core of soft knowledge and soft skills, covering such fields of management theory and practice as leadership, interpersonal skills, communication, ecology and others. Consecutive curricula upgrades are the next step. We are eager to confront our own "Kozminski way" with other views on management education and practical experiences. Our conference is intended to serve as a platform for such a confrontation.

PART II

PAPERS

Wojciech Gasparski[1]

RESPONSIBLE MANAGEMENT EDUCATION

Peter F. Drucker, in his famous book *Post-capitalist Society*, points out the consequences of the knowledge society – which many nations and their populations gradually grow into – for educational processes, for schools practicing them, and for the importance of an educated person.

> "What will be taught and learned; how it will be taught and learned; the customers of schooling and school; and the position of the school in society – they all will thus change greatly during the next decades. Indeed, no other institution faces challenges as radical as those that will transform schooling and school. But the greatest change – and the one we are least prepared for – is that the school will have to commit itself to results. It will have to establish its "bottom line", that is, the performance for which it should be held responsible, and for which it is being paid. The school will become accountable".
>
> (Drucker 1993, p. 190)
>
> And further down:
>
> "(...) in the knowledge society into which we are moving, the person is central. Knowledge is not impersonal like money. (...) Knowledge is always embodied in a person, taught and learned by a person, used or misused by a person. The shift to the knowledge society therefore puts the person in the centre. In doing so it raises new challenges, new issues, new and quite unprecedented questions regarding the knowledge society's representative, the *Educated Person*".
>
> (Drucker 1993, p. 191)

The quoted author acknowledges the Educated Person as an icon of the knowledge society, and not as an ornament, as it was considered before society started to grow into the knowledge society. The *knowledge worker* is the social archetype of contemporary developed societies, delimiting the degree of societal abilities to embody social values, convictions and commitment. As the feudal knight was in the medieval society, as the *bourgeois* was in the capitalist society, in the post-capitalist society it is the Educated Person who is the central figure (Drucker 1993, p. 192).

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[1] Business Ethics Centre, Kozminski University.

Once the knowledge society becomes an organisation society at the same time, an educated person should be equipped, according to Drucker, with the two following competences: (i) abilities – *techne* – of professional specialisation, (ii) managerial abilities, for every area of human activity is realised within an organisational context that needs cooperation with other people. "And all Educated Persons in the post-capitalist society will have to be prepared to *understand* both cultures" (Drucker 1993, p. 196).

> (…) whether corporate responsibility is a moral and ethical imperative or simply a new factor in doing business profitably, the emerging consensus is that it is here to stay and needs to be carefully managed. This requires new knowledge, skills and values that allow managers to balance profitability with stakeholder interests and social and environment realities. Academic institutions have a vital role, perhaps even obligation, to equip the next generation of business leaders with the cross-functional skills to cope with and flourish in an era of globalisation in a way that creates economic growth and a sustainable future for people and the planet.
>
> (Lacy 2006, p. 3)

Box 1

The Ten Principles of Tthe Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The academic world, influenced by processes properly identified by the author of the *Post-capitalist Society*, by what the author wrote in his other books, or by both factors, is beginning to co-operate more with the business world within the UN Secretary-General's initiative known as the *Global Compact*, i.e. a global agreement to act responsibly in the area of economics and education respectively, which is a *sui generis* business activity as well. In relation to the above, it was agreed that it is necessary to develop principles of responsible business education. The decision was made during the *Business as an Agent for World Benefit Forum,* which was organised on October 26th, 2006 in Cleveland, Ohio (USA) by the Academy of Management, the Weatherhead School of Management Case Western Reserve University and the United Nations Global Compact.

The Global Compact is a set of ten principles related to human rights, labour standards, environmental protection and fair relations between partners (Box 1).

The Global Compact Principles are closely linked to the Caux Round Table Principles that were formulated earlier (Box 2), in 1994 (Young 2003, p. 199–205). The Caux Round Table (CRT) declared itself as an international network of principled business leaders working to promote a moral capitalism. The CRT advocates the implementation of the CRT Principles for Business through which principled capitalism can flourish, and sustainable and socially responsible prosperity can become the

Box 2

CAUX Round Table Principles for Business

Section 1. Preamble

Section 2. General Principles

Principle 1. The Responsibilities of Business: Beyond Shareholders Towards Stakeholders

Principle 2. The Economic and Social Impact of Business: Towards Innovation, Justice and World Community

Principle 3. Business Behavior: Beyond the Letter of Law Towards a Spirit of Trust

Principle 4. Respect for Rules

Principle 5. Support for Multilateral Trade

Principle 6. Respect for the Environment

Principle 7. Avoidance of Illicit Operations

Section 3. Stakeholder Principles

Customers Employees
Owners/Investors
Suppliers
Competitors
Communities

foundation for a fair, free and transparent global society. These principles are a widely recognised benchmark for ethical business.

What has been done in Poland with respect to the Global Compact? It should be noted that the European inauguration of this initiative took place in Poland in April 2001, under the auspices of both the Polish Minister of Labour and Social Policy and the UN Permanent Coordinator in Poland, and a Steering Committee was nominated. Let me quote a few passages from the speech I delivered during that special workshop:

> "Regarding ethics and social responsibility, the way business is done in Poland leaves a lot to be desired. Furthermore, the dominant stereotype that business is unethical sums up the general criticism towards business in this country. Numerous anti-business populists thrive on such opinions; unfortunately thwarting constructive criticisms aimed at improving the way business is done. A false conviction dominates that "what the law does not prohibit, is allowed". However, in many cases the mere fact that something is not prohibited does not make doing it proper, much less-just. Such wilful misinterpretation of tenet seems to be spread (popularised) mainly by the notorious "heroes" of bad business practices seeking an excuse for their behaviour.
>
> Inappropriate behaviour of business, which we are witnessing, is not caused by the fact that businessmen are less ethical than other people, but by the fact that not enough attention is given to developing ethical business organisations, where employees can work in an ethical manner. It is argued that *unethical behaviour is often structural in its nature*. Ethical people can go astray by working in bad (i.e. unethical) businesses, whereas in good businesses even people of questionable reputations could become better or at least are kept under control (Driscoll et al. 1995). Where professional conduct is concerned, the introduction of an *ethics infrastructure for business* is required at three levels (which will be spelled out later). It would be helpful in successfully implementing this infrastructure (of ethics) to present what has already been done concerning this issue in more developed countries (…).
>
> Measures in the field of *business ethics* are accompanied by elements of infrastructure, forming a set of undertakings called *corporate social responsibility*. The European Commission on July 18th, 2001, announced a Green Paper on *Promoting a European Framework for Corporate Social Responsibility*. Furthermore, the process of globalisation forced the UN Secretary-General to establish rules on operations of global businesses, entitled the *Global Compact*.
>
> *The standards of ethics* found in Polish companies are far from the standards found in foreign ones. (…) Combating this situation requires the creation of a *social responsibility strategy* dealing with business activity. This strategy should be related to the building of an *ethical infrastructure*. This requires co-ordinated actions of public administration, businesses, and non-governmental organisations".
>
> (Gasparski 2001)

The above suggestion was taken seriously and a special conference entitled *Business Ethics in Practical Applications: Initiatives, Programmes and Codes* was organised on December 12th, 2001, by the Business Ethics Centre and the UNDP under the auspices of HE Marc Destanne de Bernis, the United Nations Representative in Poland. The Conference inaugurated a multi-stakeholder dialogue in Poland (Gasparski et al. 2002). It was stressed that the impact of business on society has dramatically increased on both a local and a global scale. This increased impact must be accompanied by a greater and wider responsibility of organisations that are involved in business activity, not only for achieving the intrinsic goals – *effectiveness* and *efficiency* – but also for being good corporate citizens – *ethicality*. A good harmonisation of both those roles and their adequate performance by businesses are good in the long run for business and for society. Doing this is not a cost for business, but a long-term investment. The trigger was a special *Appeal to the World of Polish Business*, proclaimed by the participants of the Conference (Box 3).

Since then, many initiatives have been undertaken by individual business organisations, companies, corporations, NGOs and the Polish academic world. The Educational Enterprise Foundation organised a conference in June 2007 devoted to the very problem of business and management education. In my contribution to the conference I referred to the paper by Sarah Murray (2006), one of a series of papers in a similar vein published recently in relation to the responsibility of business schools for the knowledge[2], abilities and attitudes of managers. Let me quote a few excerpts from the paper:

> "While businesses struggle to fight corruption and meet environmental, labour and human rights standards, for business schools, issues of sustainability and responsibility are rather different. So a different approach was needed when schools began to show eagerness to participate in the United Nations Global Compact, a voluntary corporate citizenship programme launched in 2000.
>
> Few schools are likely to face the more intractable problems associated with the global footprint of business, such as encountering child labour in the supply chain. Although participating schools agree to follow the Global Compact's 10 principles, as business members do, they make a more important commitment. They pledge to stimulate curriculum

[2] A special report on *Corporate responsibility and education* was published in the *Ethical Corporation* special issue in May 2006. The report notes that the Kozminski University "is the only school in the region [of Central and Eastern Europe] to have received the EQUIS accreditation in management school quality. The Polish school runs compulsory modules in business ethics for undergraduate and masters students. In 1999 the school opened a Centre for Business Ethics. The centre has prepared ethics codes for leading Polish companies as well as the country's UN Global Compact Committee" (op. cit., p. 21).

Box 3

An Appeal to Polish Business (Excerpts)

We, participants of the conference *Business Ethics in Action: Initiatives, Programmes, Codes*, organised in Warsaw in December 2001 by the Business Ethics Centre of the Institute of Philosophy and Sociology, Polish Academy of Sciences & the Kozminski University, in co-operation with the Office of the UN Resident Co-ordinator in Poland, do herewith wish to solemnly address the Polish business community about the following issues concerning ethics in business life:

Growing Involvment

The interest of Polish enterprises in projects concerning the implementation of ethics programmes and other modern instruments implementing guidelines for responsible business at all levels of management, starting with the setting of a firm's mission and strategy, is on the rise. Firms increasingly resolve to strive for better economic performance while abiding by ethical norms. The awareness of management regarding the necessity of respecting basic human rights while doing business is also increasing. (…) Ethical conduct constitutes a business asset. It builds up customer loyalty, investors' confidence and workers' pride. Although the basic business of business is business, the freedom of doing business must be coupled with responsibility. That responsibility starts with the company and its best expression is its ethics programme.

Social Expectations

The ethical conduct of business is not just a new fad in management. It is a worldwide trend, which should not be ignored in Poland. Although the number of ethics programmes and codes is growing in companies doing business in our country, we are still far from a qualitative breakthrough. Unfortunately, the economic transformation did not induce the business sector to address the ethics infrastructure of economic life. (…) It is a common misunderstanding that in an economic slump companies cannot afford to implement ethical standards regarding business and lobbying. On the contrary, introducing the rules of social responsibility in management in Poland, including ethics programmes, as a part of modern management strategies, may help our economy reach international standards and thereby allow for a stable presence of Polish enterprises on the market.

European Integration

(…) In its approach, the European Union seeks to increasingly encourage business to take preventive actions. Citizens of Member States of the European Union now demand the creation of a new relationship between employees, employers and the State. They demand the implementation of rules of social responsibility, both by government and business. For that reason, business ethics should also be a subject of concern for public administration. Stable and predictable economic policy will greatly contribute to the development of a socially responsible economy, and support for social dialogue will facilitate greater civic responsibility in the business sector.

The Ethical Dimension of Transformation

The academic community declares its readiness to get actively involved in the work towards civic responsibility of business. (…) An alliance of the worlds of business, science, government and self-government bodies, and non-governmental organizations for the creation of an ethics infrastructure of Polish economic life is greatly needed. (…) We do appeal to all the representatives of the Polish business community to take an active part in the necessary transformation of the Polish economy, echoing the spirit of the European initiatives for social responsibility and ethics in business, as well as initiatives taken by the United Nations based on the best practices all over the world over.

> development and promote research. In this way they will act as catalysts for change through the MBA students they teach. The principles for responsible business education – to be launched at the Global Compact leaders' summit in Geneva in July (2007) – will set out the agenda. "You must be committed to educating leaders who are likely to then behave in their companies consistently with the Global Compact principles", says Angel Cabrera, president of Thunderbird, the Garvin School of International Management. "So it is looking at academic institutions not as organisations themselves but as change agents".

As well as encouraging schools to bring more sustainability and corporate responsibility topics into the curriculum, academics will conduct research in the field, providing new materials and concepts with which to teach these topics. "It is setting a signal that corporate responsibility has become important and deserves special attention", says Georg Kell, executive director of the Global Compact. It is not the first time the UN has used the concept of the catalyst. In 2006 it brought the financial sector on board. The idea is that people who manage the money of others should have a fiduciary responsibility to take into account the environmental, social and corporate governance impact of the companies in which they are investing. At business schools it will not be funds but ideas – presented in MBA course material and case studies – that, it is hoped, will contribute to changing private sector practices. "This is the next generation of leaders and we want them to be educated in these issues", Mr Kell says.

> "(…) business schools have been slow to pick up on the corporate responsibility agenda, says Prof. Cabrera, a senior adviser to the Global Compact office. He cites research as far back as the 1950s. "But the whole discourse on the broader responsibilities of the business leaders was buried and nothing meaningful happened," he says. "It took an Enron and the business failures between 2000 and 2006 for business schools to react and start doing something about it. What the principles will not do, however, is specify how schools should teach corporate responsibility and sustainability. Debates about whether they should structure their offerings in these areas as standalone electives or integrate sustainability into core courses such as marketing and finance will be left up to the individual institution. "The United Nations does not want to become an accrediting body," says Prof. Cabrera. "It is the same with companies. The UN does not dictate how you go about fighting child labour – but what they will say is that, one way or another, once you sign up, it is a public commitment". Yet, like companies that have signed up to the Global Compact, schools may face questions about what their participation means. Critics say the Global Compact is little more than a public relations exercise that lacks teeth,

> because signing up to it is voluntary, commitments are not monitored and lack of compliance is not sanctioned. Prof. Cabrera argues that, while the UN is not a policing body, others fulfil this role. In the case of companies, that means shareholder activists, campaigning groups, non-governmental organisations and – as "ethical" products gain popularity – consumers. Once organisations have made a commitment, he says, there is an "ecosystem of stakeholders" that will hold them accountable for their behaviour. For business schools, a different but equally powerful constituency will be scrutinising individual institutions' efforts to promote sustainability in their research and teaching – the students. "Students are terribly demanding and, when they want something, they want to see results", says Prof. Cabrera".

The Global Compact Leaders Summit, in Geneva on July 5th, 2007, launched a document of "The Six Principles for Responsible Management Education", addressed to all organisations involved in management/business education throughout the world. The document is composed of a Preamble and Principles. The Preamble reads: "As institutions of higher learning involved in the education of current and future managers, we are voluntarily committed to engaging in a continuous process of improvement of the following Principles, reporting on progress to all our stakeholders and exchanging effective practices with other academic institutions". The Principles are: Purpose, Values, Method, Research, Partnership and Dialogue. Let us examine the Principles one by one.

Principle 1. Purpose

> "We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy".

The Principle sets sustainability, i.e. harmonious continuation, as the purpose of human action in business. Contemporary management students sooner or later will be entrepreneurs. "And the entrepreneur himself acts as a mandatary (…) of the consumers (…)" wrote the author of *Human Action: A Treatise on Economics*, who pointed out the praxeological foundations of economics (Mises 1966, p. 303). Being a mandatary – as I said in my contribution to the 14th International Vincentian Business Ethics Conference at DePaul University, Chicago 2007 – one is expected to have the knowledge that a designer – i.e. a decision maker who conceptually prepares his future actions – is responsible for a number of obligations and has to be ready to assume that responsibility (Gasparski 2007). Considering the issue of decisions made by an entrepreneur, Mises notes that economics does not deal with goods and services. Its field is the actions of living people, and contemporary management students that are educated to be future managers need to know this.

Principle 2. Values

> "We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives, such as the United Nations Global Compact".

Professor Gilbert Lenssen, President of the European Academy for Business in Society, wrote that contemporary "firms are facing unprecedented pressure and have to cope with issues that were previously tangential to their pursuit of profit. In this new environment, business needs capable managers that can manage these challenges and risks, and have the skills and insight to turn them into opportunities". As the quoted author continues, "(…) management education will have to evolve from being tactical and instrument-oriented programmes – that preach the deeply institutionalised mantra that the «business of business is business» – to ones that give managers practical and real strategic insight into cultural, economic and political environments in which they operate". The Global Compact offers a clear message and model of how to be a manager who is "a social, political and economic actor" (Lenssen 2006, p. 34).

Principle 3. Method

> "We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership".

In relation to the issue of method, one may recall the concept of action learning introduced many decades ago by Reginald Revans (Gasparski and Botham 1998). However, the most important thing is to acknowledge that managers are reflective practitioners, understood as professionals whose knowledge is based not only on experience, not only on theory, but also obtained from reflection-in-action, which is the third source of knowledge. Educating management students today to be reflective practitioners of the future is extremely important. Such education requires proper conditions. It should be provided in a place where trainees meet reflective practitioners in their respective professional competences. Donald A. Schön called such places the *practicum*. It is a kind of workshop, laboratory, or more generally – "(…) a setting designed for the task of learning a practice (…), a virtual world, relatively free of the pressures, distractions and risks of the real one, to which, nevertheless, it refers. It stands in an intermediate space between the practice world, the «lay» world of ordinary life, and the esoteric world of the academy. (…) Most *practicums* involve groups of students who are often as important to one another as the coach. Sometimes they play the coach's role. And it is through the medium of the group that a student can immerse himself in the world of the *practicum* – the all-encompassing worlds of a design studio, a musical conservatory, or a psychoanalytic supervision, for example – learning new habits of thought and action" (Schön 1987, p. 37–38).

Principle 4. Research

> "We will engage in conceptual and empirical research that advances our understanding about the role, dynamics and impact of corporations in the creation of sustainable social, environmental and economic value".

The authors of *Doing Research in Business and Management* identify four important issues that distinguish the research in question: (i) the stakeholders who have a direct interest in business and management research are different from those with an interest in other social sciences; (ii) there is a strong emphasis on the application of knowledge produced by research projects – this is why Herbert A. Simon counted management science among the *sciences of the artificial*; (iii) the very broad nature of the business and management research field, which therefore "leads to a panoply of research tactics and tools"; (iv) the context in which business and management research takes place. Despite all of the above differences, "business and management is a field of study within the broad scope of the social sciences" (Remenyi et al. 2002, p. 10–12).

Mario Bunge raised one of the most important issues related to business and management research: that it is necessary to overcome the so-called "economic imperialism" "according to which all social facts ultimately result from calculated choices, whence all the social studies would be reducible to the study of individual behaviour" (Bunge 1999, p. 14). And further down: "The fact that all the social sciences handle differently the same material only suggests that there must be bridges between them. In fact, there are several such bridges or intersciences, such as social psychology, bio-economics, socio-economics, political sociology and economic history. (…) In sum, the social sciences are one, not because they have been reduced to a more basic science (…), but rather, because by virtue of the bridges among them, they constitute a conceptual system" (Bunge 1999, p. 14).

Principle 5. Partnership

> "We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges".

Management education should be based not only on the results of academic research, but also on the professional experience of managers. It needs, therefore, an ongoing partnership of the two groups of specialists: teachers and instructors who know what and how to teach, and professionals who know how education is reflected in the everyday behaviour of alumni when they are forced by practical situations to use the "know what" and "know how" for solving the problems that emerge out of those situations (Giacalone and Thompson 2006).

Let us once again refer to Schön's concept of how to educate reflective practitioners. He wrote the following:

> "In order to build bridges between applied science and reflection-in-action, the practicum should become a place in which practitioners learn to reflect on their own tacit theories of the phenomena of practice, in the presence of representatives of those disciplines whose formal theories are comparable to the tacit theories of practitioners. The two kinds of theories should be made to engage each other, not only (as Simon proposes) to help academicians exploit practice as material for basic research, but also to encourage researchers in academy and practice to learn from each other".
>
> (Schön 1987, p. 321)

The dual cooperation of academia and professionals needs mutual understanding especially in relation to the new production of knowledge (Gibbons et al. 1994). This concept, called "Mode 2", was introduced to mark the difference between traditional sound scientific practice grown out of the Newtonian model of science ("Mode 1"). The definition of Mode 2 is as follows:

> "Knowledge production carried out in the context of application and marked by its: *transdisciplinarity*[3]; *heterogeneity*; organisational heterarchy and transience; social accountability and *reflexivity*; and quality control, which emphasises context- and use-dependence. Results from the parallel expansion of knowledge producers and users in society".
>
> (Gibbons et al. 1994, p. 167)

[3] The quoted authors offer the following definitions of the terms used: *Context of application*: "Problem solving and the generation of knowledge organised around a particular application. Not merely applied research or development. Includes the milieu of interests, institutions and practices, which impinge upon the problem to be solved". *Heterogeneity*: "In Mode 2, knowledge production refers to the bringing of multiple skills and experiences to bear on any particular problem. Involves multiple sites, linkages and the differentiation at sites of knowledge production". *Reflexivity*: "Reflection on the values implied in human aspirations and projects. The process by which individuals involved in knowledge production try to operate from the standpoint of all the actors involved". *Transdisciplinarity*: "Knowledge that emerges from a particular context of application, with its own distinct theoretical structures, research methods and modes of practice, but which may not be locatable on the prevailing disciplinary map" (Gibbons et al. 1994, p. 167–168).

Principle 6. Dialogue

> "We will facilitate and support dialogue and debate among educators, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability".

Dialogue among all stakeholders of the issue is out of the question. The question is: what should be done? Let us sketch some provisional answers.

First, relevant academic bodies of university faculties, business schools and other higher education units involved in management/business education should declare their commitment to base their educational programmes on the Six Principles. Acceptance of the Principles is obvious. There is no reason to abstain. Therefore the Accreditation Commission should take the Principles into account and re-examine their requirements from the perspective of the Principles.

Next, syllabi and curricula should be reviewed from the perspective of the Principles and modified accordingly. The same should be considered as a challenge for the everyday activity of schools, whether academic or administrative. For schools should serve as an "organisation & management clinic" of best practices in design, organisation and management – activities that are the core subjects of the education delivered during classes offered by business/ management schools. In these schools, good organisation should be a "native language", like parents' tongue for their kids when they acquire the ability to speak without noticing they are learning what their parents/instructors teach them. "All you ever need to know about avoiding another Enron-style situation, you learned in kindergarten – or at least in graduate school" (Kuney 2004, p. 877), or, last but not least, in business school.

Finally, the adaptation of educational programmes should aim at creating conditions for the development of Poland's knowledge society and the corresponding economy. This requires a serious debate among members of academia and business leaders[4] of different competencies.

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[4] See e.g. an interview with Piotr Czarnecki, President Reiffeisen Bank Poland (2007), How to teach managers? Let them sit among musicians. *Gazeta Wyborcza*, No. 253 (5561), 29 October 2007, p. 24.

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Witold Kieżun[1]

THE "IDEAL TYPE" OF AN SUCCESSFUL MANAGER AND METHODS FOR RESPONSIBLE MANAGEMENT EDUCATION

1. ASSUMPTIONS

Let's first of all define the "ideal type" (see Weber 1949) of a successful manager – a manager who functions in the current economic, technological and socio-political electronic reality of the 21st century.

The concept of the "ideal type" in management education consists in formulating a model that will ensure maximum efficiency, in other words, effective, economic and ethical behaviour. This concept involves a praxeological vision of perfection, which is indispensable for good management education, even being aware of the fact that it is impossible to fully achieve this concept. This corresponds to the praxeological saying: "release perfection from every action".

This paper will analyse and discuss the following matters in the given order: the character of the model for the ideal manager ranging from average up to the highest post of private and public activity, the recruitment programme, the structure of responsible education in the specific Polish conditions, indispensable knowledge sources, methods for forming attitudes and technical leadership skills.

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2. THE IDEAL MANAGER TYPE

When specifying the fundamental characteristics of an ideal manager, we should start from broad concepts, such as his **physical and mental health**. A manager should be a physically fit person, without any chronic illness, he should be capable of intense intellectual work, not have any addictions or axiologically reprehensible behaviour (alcoholism, smoking tobacco, drug addiction, erotomania). Nowadays, even smoking cigarettes, in many American companies for example, is seen as a negative demonstration of a dangerous weakness of character and irrational behaviour in the light of the scientifically and statistically proven consequence in the form of lung cancer.

In order to verify these fundamental characteristics, several detailed medical and psychological tests have to be carried out by medical specialists and expert psychologists that are authorised by competent government institutions. In case of the highest posts in the hierarchy of public administration or big economic concerns, also DNA test are required in order to detect an existing risk of cancer. In my opinion, also a computer tomography of the brain should be carried out in order to test its structure showing the person’s social skills – whether the person considers social interest as a priority – on the basis of the development of the prefrontal cortex of the brain. Further methods for verifying the required psychological characteristics are community interviews and written statements of persons of great social renown.

Another characteristic of the success of a manager is whether he is **“trustworthy”**. This characteristic has an axiological aspect to it, referring to classical tradition, the Anglo-Saxon Puritan rule of “fair play” in business and of course to the fundamental assumptions of Christianity and Judaism, as well as secular praxeological ethics and the formula of “social capital” (Kochanowski 2008). If the moral basis is insufficient, all remaining positive personality characteristics do not play a determining role. A trustworthy person is somebody that meets the praxeological standards of reliability, defined as: reliable honesty, solidity, solidarity, keeping promises, loyalty, punctuality.

A method for verifying these characteristics is:

- a juridical test: a criminal record;
- positive references in writing of at least two persons of great social renown and of the superiors of the last two jobs;
- positive results from an appropriate psychological test and from community interviews;
- registered declarations of the person in question;
- an analysis of the curriculum vitae (analysis of professional history and family stability).

The essential qualifications of a manager can be described as the characteristic **"knows"**, which is formally evaluated on the ground of certificates of finished master courses or other higher studies. Mostly, these are full-time bachelor and master courses in management with a major in private management or public management. However, an alternative variant also needs to be considered, such as postgraduate master courses for people who already have a master degree in order fields of specialisation. These people usually have many years of practical experience in a certain branch at a lower post and want to obtain additional managerial qualifications in order to open up possibilities for further promotion. In Poland such two-year or sixteen-month courses, also taught in English, already exist in many public and private education institutions.

However, such academic knowledge is does not suffice. An ideal manager has to be someone who can be called an intellectualist (Kieżun 1968), a person with a wide intellectual horizon, a person with global interests. This concept refers to the idea of "managing through knowledge" and requires constant updating and complementing, also in the frame of current economic policies, state organisation, administration, and current global socio-political-cultural tendencies.

> The President of the National Bank of Poland, Witold Trąmpczyński, who studied in the USA before the war, grasped this concept a long time ago already. He set up a bank audit service whose task it was to conduct an audit on a yearly basis in all the individual departments of the bank in the areas of operational activity, credit activity and management efficiency. Management efficiency was tested based on an analysis of the work of the director.
>
> The president of the bank, Witold Trąmpczyński, during the first auditors' check, wittily explained that the level of interest in the organisation of the director's work depends on what the inspectors will see when entering his office unexpectedly. If the director is sitting behind his desk piled with documents, then his work organisation has to be analysed carefully. If there are only a few documents on his desk, the time spent checking his work can be limited. And if the director is found reading a newspaper, then his work does not require any audit at all, because that would mean that he is a good director, who starts his work by reviewing the latest press news, gaining knowledge about the latest national and global problems.

Nowadays, fluent English and a second foreign language are also a necessity. In Poland the most required foreign languages (besides English) are German, Russian and French (which is also an official language of the European Union).

Another practical and indispensable skill is being able to use the Internet.

The qualifying criterion **"knows"** obviously has to be complemented with the requirement **"know-how"** when it comes to management in practice and knowledge regarding the line of business.

In the traditional American system, every new worker with a higher education that is supposed to be appointed to a managerial post first has to go through a traineeship for a period of time in different departments of the institution in order to get acquainted with the executive activities.

> Based on this principle, a system of traineeships was introduced for approximately 8 years at the National Bank of Poland. However it was eventually done away with, because it did not conform to the socialist model of staff policy. The trainees at the National Bank of Poland were students from an Economics or Law Faculty. They worked in different departments of the Bank during 9 months of the year, but only 3.5 hours a day, with a 7-hour official workday, from Monday through to Friday and 2 hours on shorter workdays (Saturdays). They went through every department of banking activity, starting with the simplest ones, such as sorting and counting money. After the planned traineeship at a department was completed, the trainees had to sit an exam testing their knowledge regarding the specific department. One month before their yearly exams at University started, they were released from their duties at the Bank. The summer period was divided into one moth of vacation and two months of full-time work at a small regional department of the Bank, during which for the last two weeks the trainees assisted the bank director in his work. Every year the average grade obtained from the bank and University was calculated and with the trainees that did not get an average of minimum "4" (in a scale 1–6) the traineeship agreement was dissolved. After finishing University, the trainee managed a field department for a period of one month, replacing the director who took leave of absence. An audit commission judged the managerial work of the trainee and, depending on the overall results from the whole study period, the trainee got a nomination for a certain post and was consequently included in the so-called reserve staff of candidates for managerial posts, including the highest ones. Hence, this was a system of combining theoretical knowledge with practice. It should also be added that the few years of practical experience also made it possible to accurately determine the attitude of the trainees, their interests, co-operation skills, initiative, etc.

The criterion **"knows"** also refers to other skills, such as logical thinking, drawing the right conclusions from existing norms and the capability to formulate thoughts in writing and in speech in a synthetic, compact and short way, and according to current grammatical standards and syntaxes. This happens to be one of the current problems in Poland among the young intellectual generation. My own teaching experience has shown me a didactic lack in high schools in teaching appropriate language style. The same conclusion can be drawn when listening to, for example, a few hour long public performance of a high officer of state. Modern language is developing under the influence of the IT-programming system, where synthetic abbreviations such as "yes/no" and the binary number system are used.

A very important characteristic, maybe even the most important one when looking at the modern practice of Polish politics, of an ideal manager is **"knows how to be"**. This means representing accurately defined character features, which stimulate behavioural competition. This is the set of the so-called big eight, which describe the postulated character features. The ideal manager should be:

- extrovert, therefore a person open to others, somebody who makes new contacts easily, an optimist who sees the world in bright colours, but at the same time somebody that is assertive in situations that require decisiveness;
- a person with a high level of compromising ability, somebody who acknowledges the method of negotiating when dealing with conflicts;
- a person with a high level of self-discipline;
- praxeologically efficient when realising his tasks, which requires the ability of analytical thinking, precision when formulating intended actions, the rational use of power and resources, and leadership skills that come with the rather difficult to precisely define phenomenon of personal charisma;
- open to new experiences, innovative and with a strategic imagination;
- an institutionally polite person;
- a person who acknowledges the supremacy of the philosophy "to be" over "to have";
- emotionally stable, composed, stress-resistant. In my opinion, this is the most important point.

Another characteristic of the ideal type is **"understands"**. This refers to fully understanding the social responsibility that comes with a managerial role. In the public sector this function has an unambiguous service role. Therefore, the motivating factor is the satisfaction of self-realisation that comes from serving society, and also the social respect and the prestige that the function brings with it, as well as the satisfaction from having the power over carrying out your own tasks. Acting according to the philosophy "to be" means not giving in to the ambition "to have", to creating your own capital, which of course does not mean that a manager in the private sector should live in poverty.

In the private sector it is also important to understand the supremacy of the philosophy "to be" over "to have". In modern society, which has a general understanding of the socio-political role of private enterprises (Kieżun 1997), managers cannot solely base their decisions on personal advantage.

Another important element of the ideal type of manager is his "physique" – **his outside appearance**. Undoubtedly, the Polish saying "how they see you, that's how they perceive you" hits the nail on the head. That is also a reason why traditionally the Church does not accept candidates for priests that have clearly visible handicaps. Even if people proclaim putting character, intellectuality and morality over looks, appearance is starting to play an increasingly important role in today's society. This is a reflection of the dynamic development of the visual culture, which is being widely spread through television. Statistically, the Polish citizen on average watches television 3.5 hours a day. Thus, socio-political activity is being made into a performance that stimulates the eye and judging outside appearances is becoming an important and essential acceptance factor. That is why more and more critical publications in the press can be encountered where the rise of the political manager is described, they way he dresses, his dirty shoes, crooked tie, etc. The role of the appearance of political managers, people of national importance, is crucial in creating a positive social judgement throughout the world. Irrefutable evidence for this are the examples of Joseph Stalin who always hid his short stature by standing on podia on a stool, the French president Nicolas Sarkozy, just as short, always wearing shoes with high heels, pictures of Vladimir Putin dressed in karate gear or showing off his muscles in a bathing suit, the Polish Prime Minister Donald Tusk in his soccer outfit, the German chancellor Angela Merkel with a bold cleavage and the once 70-year-old Ronald Reagan sitting on a prancing horse.

3. THE SELECTION OF STUDY CANDIDATES

The candidates for master courses in management can be divided into two groups: graduates of bachelor courses, and graduates of other master courses who in the frame of the so-called postgraduate courses wish to acquire an additional master certificate in management in order to open up possibilities for further promotion.

The initial criterion for admitting bachelor graduates to a master course in management should be a very high average grade for the so far completed courses and a positive opinion of the promoter of the bachelor dissertation as well as of the mentor of the last year of the course with respect to the skills and attitude of the student.

The candidates that already hold the title of master or an equivalent title within another field of specialisation than management should also have a very good average grade, as well as a number of years of practical work experience in their profession at a lower managerial post at the least. A verification of the required physical and mental health condition should be conducted in the same way for both groups of candidates.

Obligatory psychological tests are:

- IQ – intelligence evaluation test.
- Raven Plus – tests based on non-verbal material, so-called educational skills that consist in, among other things, perceiving sense in chaos as well as creating new concepts that enable accurate thinking independent of the already obtained experience.
- DSHL test – managerial series – an analysis of verbal information carried out on the basis of verbal material. It tests the ability to draw conclusions and make decisions on the basis of this analysis.

Candidates that already have a bachelor certificate in management have to present a clean criminal record, they have to receive a positive opinion from professors and a verification of medical and psychological tests, but they do not have to undergo the additional auditory procedure. However, the second group of candidates, the ones that have not completed any bachelor course in management, have to present positive opinions of persons of great social renown with respect to their moral attitude and they have to pass an exam testing their general level of intellect.

The used selection method is similar to the once used recruitment method for managerial staff for projects of the United Nations Development Programme and to a certain extent repeated in the staff selection system for voivods and their deputies that was organised in Poland for the first time in 2005 on the initiative of the at the time Deputy Prime Minister Ludwik Dorn (Kieżun 2005). A competent commission consisting of scientific workers judges the qualifications of the candidates by giving them a subject matter connected with their future course that has to be prepared individually. The candidate is given let's say 30 minutes to prepare the subject matter and afterwards has to present it to the commission orally, without the use of any notes, and answer questions asked by the commission. The commission judges based on: content of the given presentation, the presentation form, behaviour of the candidate, level of self-control, whether the presentation is logical and the answers to the asked questions.

The carefully worked out recruitment procedure for managerial studies should give positive results. This method is undoubtedly very time-consuming and requires a lot of work, however it guarantees, to a substantial degree, the perspective of educating a staff of competent and successful intellectual managers.

4. THE PROCESS OF RESPONSIBLE MANAGEMENT EDUCATION

At the end of a master course in management students should **in the frame of theoretical knowledge**:

- obtain profound knowledge concerning the fundamental concepts of organisation management;

- understand the process of influencing human attitudes and know how to educate;
- have profound knowledge of the roles and functions carried out by a manager;
- know the current tendencies of organisation development and management in relation to technological progress and social changes that form modern society in the free market democracy;
- know the fundamental decision-making methods.

This goal can be achieved through participation in all sessions of the course and careful reading of all the stimulating reflection literature (Kieżun 2007).

Students should also complement their knowledge independently by reading current professional press and monographs available at the University library.

In the frame of forming the right attitude the goals of the discussed courses are:

- the ability to thoroughly understand the role of a manager/leader;
- to develop the skills to form adequate interpersonal relations when collaborating in a team;
- to ability to develop your own methods for solving essential and organisational problems on the basis of the suggestions of others;

The course should lead to an improvement of the three main components of managerial activity: decisions, information and interpersonal relations. Without those, the candidate will not be able to become a successful manager.

An important element of the course is the acquirement of skills that are of great importance in the work of a manager:

- transferring the acquired theoretical knowledge about management into practice, both in individual activity and in a team;
- being able to use managerial resources, such as schemes of projects analyses, decision-making structures, collecting information, management technologies, forming interpersonal relations;
- individual elaboration of analyses and/or syntheses of obtained information regarding a certain managerial problem and stating it in a **clear, compact and to the point** way;
- organising an individual and original way of continuing the learning process systematically while working as a manager, through doing appropriate research, planning the required time for continuous additional education and making use of all the available knowledge resources, especially the knowledge available through the Internet;
- efficient organisation and conduction of meetings, guiding the discussion, summing up the discussion, speaking in a clear, compact and understandable manner;
- a well-mannered, polite, to the point form of interpersonal contact and full self-control of inadequate emotional reactions (irritation,

anger). Keeping calm and composed in stressful situations is fundamental for the ideal manager.

Those skills can be acquired through, among other things, writing reports, analysing cases, working out film scenarios to present these cases, elaborate sets of organisational exercises that are based on staging, decision games, group discussions and team projects.

Student work, in concordance with the leading world Universities, should include a whole series of activities all connected with each other by a network of logical relationships. The fundament is learning multidisciplinary theories. For full-time students, putting theory into practice consists in an obligatory 2–3 month traineeship, which is organised during the summer holidays, during which the student becomes personally acquainted with the managerial system of some sort of institution from the position of a shop-floor worker. This traineeship only refers to students with completed bachelor courses, because students of postgraduate courses already have practical experience.

An important element is the structure of the theoretical lecture. An audiovisual monographic lecture that gives the opportunity to ask questions and is enriched with an arranged discussion should be treated as the only traditional form of monographic lectures. The following Canadian model suggests a modern form of lecturing and passing on essential knowledge:

- Students receive a timetable for the whole semester, all the discussed topics and a bibliography of the reports that are to be written for the next session in groups of 2–4.
- Students get acquainted with the query of the lecture before it starts from the obligatory basic textbook.
- The professor inaugurates the session introducing the planned subject matter for that session and presents the sub-matters for discussion.
- The team presents their elaboration using audiovisual methods.
- Discussion takes place according to the planned sub-matters.
- The discussion is summed-up and the synthesis of the session is presented by the professor.

The fundamental programme of lectures should be based on the principle: from mega-theory, a query with a high level of abstraction, to increasing pragmatic matters that form the operating technique. The first group of subject matters should consist of lectures in the field of praxeology, with a special emphasis on praxeological terminology used as a semantic base for management education. Next should be elements of philosophy, ethics and logic, and a general theory of law.

The next group of themes should include a set of ergological (*ergos* – work/activity) courses: the study of organisation and management, international management with elements of politics, organisational sociology and psychology, elements of political studies, administration studies, human resources, the basics of negotiation and mediation, the organisation of managerial work, e-government, office skills in the workplace.

In the filed of law, there should be included: elements of civil and penal law, administrative proceedings, magisterial law, public economic law, the law regarding delinquencies, financial law.

Economic queries should include the basic elements if micro- and macroeconomics, and public finance.

The entire programme should be complemented with the fundaments of the European legal system, knowledge of the structure and competencies of the European Union.

The suggested outline of the basic themes of lectures should be adapted accordingly to the two types of majors: public management and private management. A global education system should certainly include these two majors.

5. CONCLUSION

Without a doubt the work of a manager is an extremely important aspect of the success of every institution. American research that was carried out already in 1926 (INO 1926) indicated the cause of most bankruptcies of big corporations – the inability of managers. The model of the intellectual manager, a person with a wide knowledge built on practical experience, should be realised at the cost of the greatest effort. Management courses are difficult studies and they require extremely effective and conscientious work, both with respect to the interdisciplinary character of a manager's knowledge and the wide scope of social responsibility that comes along with the work of a manager. Unfortunately, however, when comparing the presented outline of methods for forming the ideal type of the intellectual manager with the current Polish didactical practice, it can be stated that there is a great divergence. In my opinion, the time has come to seriously think about this query and introduce a pragmatically well-developed model for the intellectual manager at least at the leading Polish Universities. This kind of model comes as close as possible to the ideal type.

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Jacek Sójka[1]

TRENDS IN MANAGEMENT

The topic of our conference deals with responsible management education. Our most natural association with this concept is the thought of teaching corporate social responsibility. Case analyses and lectures about responsible business behaviour, business ethics classes, and workshops about managerial integrity are indeed crucial to management education. Nevertheless, teaching about responsibility of any kind does not automatically make a person responsible. The subject matter, the topic of discussion, may influence the characteristics of a discourse (e.g. sad occasions require the formal and solemn style), but cannot by itself create a bridge between the content of a speech and its style, truth value or moral qualities. One can speak of grammar while building non-grammatical sentences or about good manners using vulgar phrases.

The same applies to responsible teaching. Content is not enough. What is necessary are the additional qualities of the very process of educating. One of the crucial characteristics – to my mind – should be a critical distance to what is being said. As a result, a student (or reader) becomes convinced that he is being given a tool and not a solution. Concepts and methods that are lectured about are being conceived as temporal and subject to many revisions, and not as perfect and a-temporal managerial tools that work in every environment.

One remark should be made here immediately. I do not claim that one should have a critical distance to the idea of corporate social responsibility (although that would be desirable in many cases). My claim is that a distance to any concept or method has a special value. Critical reading of any idea can enrich the reader and spare him the illusion of an omnipotent method that he has just learned.

Especially in management there have been very few tools that have a time-independent applicability. Some of them, however, are being sold as miraculous instruments that will change the organisation in a revolutionary way. In management literature they are called management

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fads; fashionable ideas heavily advertised by consultants and praised by managers who have already bought them and are now in need of justification of the sums they spent on these consultancies. The famous bestseller by J. Micklethwait and A. Woolridge "The Witch Doctors. Making sense of the Management Gurus" can tell you more about this. Another book that looked with scorn at the consulting business was "Dangerous Company. The Consulting Powerhouses and the Businesses They Save and Ruin" by J. O'Shea and C. Madigan. Here – in short – the representatives of this profession are described in a similar way to an old joke about the consultant who borrows a manager's watch to tell him the time.

If there is a market of management ideas, some of them should be trendier than others. Trends and styles on this market are crucial determinants of what can be sold. Both sellers and customers follow these trends enthusiastically, but one should not forget about the life cycle of ideas, about how transient they can be. As time goes by, new trends emerge. Some of them might even become a real danger for corporations and their shareholders if they make people forget about economic fundamentals. As the example of the "new economy" and the dot-com bubble of the last decade of the 20th century showed, not every dream can become reality. Some trends end with a disappointment and the "back to basics" tagline becomes popular. Hard facts are "cool" again.

In this connection, the story of the so-called new economy has an important moral. In the strict sense, to the new economy belonged companies such as Amazon, which operated only through the Internet. This was the second half of the nineties. What is also important is the availability of technological achievements to a statistical customer. The mid 1990s witnessed an "acceleration in the rate of price decline in computer hardware, software, and telephone services, the corollary (the natural consequence) of an acceleration of the exponential growth rate of computer power and telecommunications capability, and the wildfire speed of development of the Internet" (Gordon 2000).

Companies operated without profits and their growth was financed by new emissions of stocks. The value of their shares was on the constant increase, highly valued by the financial markets. Only a few commentators warned against excessive optimism and used the expression "speculation bubble". This was accompanied by an excessive investment in the field of telecommunications, media and high technology. And the bubble burst in March 2000, starting an economic recession that was felt in America and Europe for many years.

The "novelty" of the new economy as something capable of changing the economic laws and as something that offers a vision of a completely new type of economy might be an attractive option. However, with a great deal of justification one can claim that nothing could be entirely new in this field. Dan Roberts wrote in 2001 in "The Financial Times": "To understand how one industry could wreak such economic havoc and yet be absorbed by the financiers, it is important to view the telecoms bubble in a longer historical context. This was a transport revolution that depended, like others before it, on men digging holes in the ground. In spite of the «virtual reality» of «cyberspace» and the «weightless economy», the telecoms bubble has a solid, physical underpinning – just as did past manias for building railways and canals. Ditches were cut for fibre-optic networks, masts were erected for mobile phone antennae and elaborate engines were assembled in microchip «foundries» to power the flow of data around the world. There was even a short-lived craze for building carrier «hotels» and data storage centres at optical transport nodes – echoing the grand hotels and warehouses built alongside docks and railway junctions" (Roberts 2001, p. 11).

At the end of the optic fibre stood a lorry to deliver goods to customers. I do not mean that the Internet and all forms of wireless communication are not changing the nature of today's business. What I am saying is that one cannot declare all of a sudden a new era in the economy (nor in culture and society). No one can say, "starting tomorrow new rules will apply".

In a certain sense, the Enron affair was also based on the faith in the new economy. And this faith was boosted and supported by innovating consultants. "Other companies hired business gurus as consultants; Enron, in effect, put the gurus in charge" (Krugman 2001). The company became an embodiment of faddish management ideas, a kind of laboratory of prophetic management and creative accounting. Paul Krugman wrote in December 2001: "From 1997 to 2000, the years when Enron stock rose from $20 to $90, business gurus disdained old-fashioned companies whose valuation had something to do with hard assets. «The usefulness of asset-based strategies is waning», declared one article in The McKinsey Quarterly. The future belonged to companies with no visible means of support. I am not just talking about dot-coms; gurus also celebrated such new-age business heroes as «petropreneurs» who owned neither oil wells nor refineries, and «fabless» chip companies that owned no factories. Flexibility and vision were what counted, not bricks, mortar and tubular steel. And Enron was absolutely fabless – it prided itself on being an «asset light» company. O.K., it owned some pipelines, but what it really offered was the vision thing: it would create markets in everything, and make money by trading in those markets. And if you could not understand why Enron's trading operation was profitable as it seemed to be, that was because you just did not get it" (Krugman 2001).

New ideas are crucial for progress and growth of any type. The faith in progress originated within the Enlightenment philosophy, but from the same source comes the idea of the necessity of a critical distance and objective inquiry, which are the moral preconditions of any responsible education.

So the critical reading of any concept is a prerequisite of responsible teaching in general and management teaching in particular. In order to educate responsible (critical and self-critical) managers, one has to exercise in-class criticism. Andrzej Koźmiński, a well-known Polish professor of management, once said in an interview: “Actually every conception present on the market [of ideas – J.S.] contains a rational part. What is dangerous however, is to accept everything too seriously, without due reflection. Let’s take reengineering as an example. If you understand it too literally, obviously you will hurt yourself. But if you implement it with care and feeling, it will bring good results. Management is more about art than about science, anyway. On should not accept any idea on the basis of faith alone, one should not act thoughtlessly” (Mielczarek 2006).

Perhaps trends are inevitable. Perhaps management needs them to keep the momentum. But we cannot forget about the rationalistic origins of the very idea of management. One should follow trends, but should not loose freedom of choice. The point is to choose trendy methods because of some core value inherent to them. In other words, a critical distance to trendy ideas does not destroy them; on the contrary, it can help us become aware of their practical significance. Pareena Kawatra wrote about “defadding” management trendy ideas, i.e. applying them in a way that takes into account the specific needs of a company. The author gave an example of the above-mentioned reengineering. The fad-effect comes from understanding it too literally and applying it in a superficial way (“replicating the surface of the activities they entail”). As a result “the principle of redesigning business processes from scratch, instead of tinkering with existing ones, has been accused of achieving little but one-off downsizing and cost-cutting” (Kawatra, http).

Defadding can be described as follows: “The real benefit of reengineering comes from eliminating all activities that add no value. While InfoTech is often the enabling tool, merely automating processes is not its goal. Used to systematically weed out inefficiencies and regroup people around processes, reengineering yields continuous jumps in performance and can move a company to the top of the operational efficiency curve. Importantly, reengineering does not involve a one-off journey that can be abandoned once a process has been reworked. Because shifts in technology or competitors’ strategies may immediately need business processes to be changed in order to meet different strategic needs” (Kawatra, http).

To sum up, allow me to stress once more that no theory should be applied uncritically. This message should be spread as early in one’s life as possible. In practice, the best time for this are the years that a student spends in a business school. Responsible teaching means to me an education process, which at the same time develops a self-critical attitude of all students.

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Bolesław Rok[1]

RESPONSIBLE BUSINESS: THE CHALLENGE FOR MANAGEMENT EDUCATION

Business is a dynamic process of value creation. The traditional, firm-centric view of value creation is being challenged recently by active, connected and informed stakeholders, employees and customers, governments, both local and national, non-governmental organisations, and business partners. Sustainable value is being jointly created both by stakeholders and the company. Modern business practice suggests that we are entering a new phase with corporate social responsibility (CSR), a phase of debating, focused on creativity, innovation, greening supply chains, emerging fiscal, regulatory and voluntary measures, and scalable entrepreneurial solutions to sustainability challenges. In this framework, the interaction that a company has with its stakeholders and co-creation experiences – enabled by technical and social infrastructures – allow to co-create unique sustainable value with a network of company and stakeholder communities.

The rise of the concept of corporate responsibility in its various forms, such as business ethics, corporate citizenship, strategic philanthropy, corporate sustainability or the stakeholder view of the firm, seems inseparable from the rise of supply-side economics and theories of competitiveness. At first, corporate responsibility may have been conceived and perceived as a critical outsider agenda, but today it is increasingly understood as integral to the efficient, effective and sustainable functioning of markets and businesses (Lenssen et al. 2006).

The corporate world needs practical tools and approaches to successfully manage the whole range of social, environmental and economic

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issues required, with a sustainable business model that recognises that the financial health of a firm is dependent on the environmental and social health of our planet. It is increasingly clear that the combination of these factors means that the playing fields across which business operates will be convulsed in the coming years.

Global companies are reviewing their human resources strategies and internal management development programmes in order to better address current shortfalls. They will need more employees understanding this long-term vision. In this context, business schools have a growing and vital role. As it was pointed out (Lenssen, Lacy 2007, p. 4): "tomorrow's leaders will need social and political skills if they are to be successful. These skills will be needed just as much as, and in some cases even more than, traditional business competencies such as accounting and finance. Future managers and executives will have to integrate new factors, uncertainties and views into their decision-making process. They will need a different set of tools to cope with complex operating environments".

What is the role of management education in Poland regarding the integration of new skills and new factors in the process of preparing tomorrow's leaders? How can we learn from the experiences of different academic institutions in the world?[2]. Successfully mainstreaming corporate responsibility into education is a big challenge for business schools in Poland. We have to accelerate the integration of corporate responsibility issues into the knowledge, skills and mindsets of today's and tomorrow's leaders, managers and employees, consumers and other stakeholders.

An inspiration for finding the best solutions concerning social responsibility for companies in Poland are projects realised, to a greater or lesser extent, by companies that operate inside the European Union for a long time. The main driver is coming not from Polish managers, but from trade partners and branch organisations in the EU member states and their expectations towards the enterprise sector in Poland and its increasing participation in the European market. Both the relatively low knowledge of global trends in the field of corporate responsibility in Poland and the necessity to look for new possibilities to gain strategic advantage create a scope for developing the most effective strategies and standards of behaviour towards shareholders, employees, consumers, suppliers, as well as representatives of local communities and the natural environment.

[2] Europe's First Corporate Responsibility Education and Training Exchange was launched at the Kozminski University in Warsaw during the European Academy of Business in Society Colloquium in 2005.

1. CSR ON THE GLOBAL SCALE

Although the concept of corporate social responsibility has existed for decades, it is only in recent years that the number of organisations engaging in such behaviours and activities has increased markedly. According to a comprehensive study undertaken by the Organisation for Economic Cooperation and Development (2005, p. 4), corporate social responsibility initiatives are now "a broad international business trend", both in OECD countries and emerging market countries. Over the past decade an increasing number of multinationals have adopted corporate social responsibility strategies, have issued sustainability or corporate responsibility reports, and have implemented and monitored the impacts of their CSR programmes.

In the contemporary world, responsible business primarily means undertaking long-term strategic actions in full respect and understanding the mutual expectations of all stakeholders: employees, executives, consumers, suppliers, local community representatives, media, and local and central authorities. In other words, it is the matter of how a company acts in the marketplace, workplace, community and environment.

One effect of the growing role of the economy in shaping people's living conditions is the change of social expectations, sometimes inadequate to the capabilities of businesses. Therefore, in their own best interest, more and more companies have shifted towards partnership-based management. The focus of every entrepreneur is to acquire and maintain customers. That is why any changes in consumer awareness are examined carefully. It is clearly visible that in several years, especially in the light of growing criticism towards companies that have engaged or engage in actions commonly perceived as negative, companies will be more careful about their operations in order to avoid the loss of reputation and, consequently, of their market position.

In order to survive in the market and to develop, a company has to satisfy the needs of its stakeholders. Contemporary business should look for solutions beneficial to everybody. As Simon Zadek (2006) pointed out: "recent years have seen an extraordinary growth of the number, size and scope of partnerships as vehicles to deliver public services or to address more complex public policy issues". The increasing macro-level "collaborative governance" arrangements are a vehicle to address those particular issues, especially concerning sustainable development, which single organisations cannot accomplish on their own. According to Zadek, partnerships are underpinning a stepwise change both in how commercial enterprise and government business is conducted, as well as in reshaping the nature of citizen's engagement in the governance of their affairs.

Consumer expectations are traditionally mainly focused on the price of goods and services as well as on the flexibility and reliability of deliveries. Building mutual trust and transparency in business relations should also be one of the primary goals. Research shows that customers do not only want products to be good and safe, but they also want to know whether they are manufactured with respect for social values. There is a growing body of research showing valuable aspects of the so-called "socially responsible buying". There are differences across countries regarding the extent to which consumers support socially responsible business. Maignan (2001) concludes, for example, that American consumers are mostly concerned with corporate economic responsibilities, while French and German consumers generally tend to put more value to supporting socially responsible companies that conform to legal and ethical standards.

Investor expectations mainly concern the manufacturing profitability and profit level. Other important factors are corporate governance, credibility, a stable market position, information transparency and effective counteracting against environmental dangers. All these factors influence a company's productivity and financial value. The experiences of world markets during the last decade prove that environmental and social policies (ESG – environmental, social, governance) that are well integrated into the corporate management system contribute to the growth of a company's value in the long term. Especially the growth of socially responsible investing (SRI) suggests there may be a connection between company policies towards corporate social responsibility and its position on capital markets (Heal 2005). But in any case, attention to CSR policies gives an additional dimension of information to analysts, potentially providing them with a different perspective on corporate future prospects.

The expectations of business partners are another key factor in a company's long-term success. Companies should avoid drawing any extra benefits at the expense of their suppliers, or by an abusive use of procedures in imperfect market conditions. Such practices exist on every market and are often considered an inevitable element of the competitive game, but they pose an ethical challenge to companies operating in a connected world. There is a growing trend towards the "ethical sourcing" policy and improvements in the supply chain management.

A company's sustainable value also depends on the level of satisfying the needs and expectations of employees. In every contact with external recipients, people's professionalism and approach play a major role in how the company is perceived. Therefore, an ethical infrastructure based on social dialogue with the representatives of employees – a major way to develop a relationship between the company and its staff – is crucial in the process of adopting responsibility-based practices. Regardless of any other key factors in the relations between businesses, basic human values will play a significant role in the future. On a competitive market every company operates in similar conditions, and what really differentiates a company from the pack are its people.

Companies contribute to the development of local communities; they provide jobs, salaries, benefits and tax inflows. The company's development depends on the local community's stability, health and prosperity. Establishing good relationships with the local community, i.e. having a positive impact on the labour market, a limited negative environmental effect and the support of key social initiatives, means creating valuable human relations based on mutual respect and trust. Partnerships with social leaders, national policymakers and civil society in order to inspire a wide range of stakeholders to realise the mutual advantages and opportunities is a vital part of the CSR practice in every company.

2. CORPORATE RESPONSIBILITY AND THE ETHICAL CONTEXT

Some authors (Prahalad and Ramaswamy 2003) argue that we are on the cusp of a very different world – one in which the distinct roles of firm and consumer converge and the sources of value creation change dramatically. Other scholars (Wheeler and McKague 2002) are introducing the notion that business might be better defined as a creative, entrepreneurial act involving multiple collaborating partners rather than as an institution associated with particular interests. Business should be seen as a set of activities – a dynamic process that involves enterprises of many sizes and forms with multiple collaborating partners contributing to social, ecological and economic gain. The social dimension of business has undergone some crucial events recently. The most significant ones involve the Nobel Peace Prize for Muhammad Yunus and his Grameen Bank. This famous "banker of the poor" has repeatedly proven through his activity that it is possible to run a business that facilitates the actual social development.

Enterprises, both small and large, can play an active part in tackling the main social challenges through innovative and creative solutions, and by thinking more broadly about their role in society. The social innovation that occurs through these activities is almost certain to have implications for both the private and public sectors in different countries, and on global level as well. One can observe a shift from paper commitments to practical partnership actions between governments, businesses, civil society organisations, and other public and private organisations. Nowadays, the concept of governance is more and more about balancing the roles, responsibilities and accountabilities of the different levels of formal government with other actors in society.

As Joseph Stiglitz wrote in his 2002 book: “Globalisation today is not working for many of the world’s poor; it is not working for much of the environment; it is not working for the stability of the global economy”. More than ever, the positive future of the whole society depends on a new partnership pattern that links business with different stakeholders, and promotes social, economic and environmental development. Many large and small businesses are firmly engaged in the sustainability agenda and a number of them are fundamentally re-examining the way they do business as a result. Social and environmental issues, once assumed to be the domains of government and non-governmental organisations, continue to move up the corporate leadership agenda.

A company’s long-term success depends on the level of satisfying the stakeholders’ needs and expectations. The level of support a company can expect from key stakeholders directly influences its ability to generate stable growth and compete successfully in an increasingly competitive marketplace. As companies are progressively more scrutinised for their profit-at-any-cost outcomes, the pressure to demonstrate fairness, integrity and respect for individuals becomes greater (Smith 2003). Since one of the primary objectives of the CSR strategy is to deepen the relationship with key stakeholders, the implementation of a clearly defined ethical attitude has become more of a requirement than a choice.

The role of the corporate sector in defining the substance of CSR seems to be relatively weak, in the sense that companies seem to be following and acting on external demands rather than setting the agenda. At the same time, at least some companies appear to be aware of the fact that employee values, such as integrity or accountability, may be a way of influencing or delaying the implementation CSR strategies. Given the considerable market and investment potential of the corporate sector, and the considerable socio-economic potential of CSR for sustainable development in welfare as well as in developing states, it is useful for these actors to understand the processes that govern the formulation of the CSR norms and their character, which could vary in different parts of the world. An understanding of the interplay between corporate responsibility and ethics can be of use to companies and all the external actors when handling processes of institutional change and demands encountered by globalisation nationally and internationally.

Regarding ethical foundations of corporate responsibility, the way business is done leaves a lot to be desired. The dominant stereotype that business is unethical in itself sums up the general criticism towards business. As it was pointed out (Gasparski 2004), inappropriate behaviour of business is not caused by the fact that people working in companies are less ethical than other people, but by the fact that not enough attention is given to the development of ethical and truly responsible business organisations. It is argued that unethical behaviour is often structural in its nature. Ethical people can go astray by working in irresponsible businesses, whereas in good businesses even people of questionable reputations could become better, or at least are kept under control. It is necessary to work out a system of ethical infrastructure for the CSR strategy.

Few academics and practitioners have examined ways in which a particular organisation can achieve competitive advantage by linking its corporate responsibility strategy more closely to the ethical values shared by employees and other stakeholders. By linking CSR strategies to national or regional context, an organisation can strengthen emotional bonds with its key stakeholders, and create deeper, longer-lasting relationships that translate to increased support and loyalty – whether it is from employees, consumers, investors or advocacy groups. In this ongoing process values become an integral part of daily management, the means by which a responsible company acts.

Freeman and Gilbert (1988) argued that one possible outcome of such a strategy would be to allow people to achieve their individual purposes through the pursuit of personal projects. Individuals could pursue these projects, while simultaneously operating in the context of a community. The work by Collins and Porras (1997) entitled *Built to Last: Successful Habits of Visionary Companies* supports the view that responsible companies value both individuals and communities internally, as well as the communities they intersect with externally. If companies take this practice of respect and the values that underpin it seriously, then this attitude extends to customers and the value-chain and is reflected in the financial value (Waddock, Graves 1997; Waddock 2002). Furthermore, companies that operate with integrity and have developed trusting relationships with all of their stakeholders may create a new source of competitive advantage.

Freeman and Gilbert begin their book with some inspiring ideas in the introduction: “Our point of view is quite simple: the search for excellence and the search for ethics amount to the same thing, and both have to be connected to our concept of corporate strategy. We must learn to build corporate strategy on a foundation of ethical reasoning, rather than pretending that strategy and ethics are separate” (Freeman and Gilbert 1988, p. xiii). They rightly point out that a lot of thinking concerning strategy did not incorporate ethics and that this is not acceptable, arguing that: “We must put ethics in its rightful place at the very centre of discussions about corporate strategy”.

3. THE CONCEPT OF CORPORATE RESPONSIBILITY IN POLAND

Only recently has the term CSR, i.e. corporate social responsibility or simply “responsible business”, found its place in the business language in Poland. It is important to notice that the Polish economy is undergoing a rapid maturation course. In the ‘90s, the majority of business leaders in Poland was convinced that managing a company did not have much in common with the rules of social responsibility and ethics. “All practices not clearly forbidden by law are permitted” – they defended themselves – “it is the profitability that counts and it is better not to discuss the means of achieving it in public”. However, the issues of corruption in business, throwing people out of work, the deception of clients and business partners, business frauds and “arranging” public tenders, as well the treatment of public companies as their own property by presidents and unclear connections between politics and business have gained a lot of attention in recent years. The media started to reveal scandals, both nation-wide and local ones, with intensified efforts.

Corporate responsibility rules are usually included in the global strategies of multinational companies. In the Polish branches of these companies, it is a must to obey the general and global rules in this area. More and more pressure is put on internal education regarding social responsibility as well as conscious involvement of employees in CSR. Managers in multinationals are familiar to a certain extend with CSR issues, because of know-how from abroad, however, they do not fully realise what advantages can be achieved by using CSR on the local market. That is why separate CSR posts or departments as well as strategic activities in this direction are hardly visible in many companies. Social responsibility activities are still realised and coordinated by only one department – Public Relations (UNDP, 2007).

On the other hand, in Polish companies CSR is usually associated with activities for local communities, which evoke a positive perception of a given company. Some companies create CSR rules subconsciously, which is caused by a limited knowledge of this concept and its tools. Additionally, companies often perceive CSR as an opportunity to strengthen their own position or to avoid risk in cooperation with other partners. CSR is usually used in order to create relations with selected groups of stakeholders from the company’s nearest surroundings. Polish companies do concentrate on social activities, but they are usually one-time philanthropic actions to show that a company is a benefactor. That is the reason why most good practices applied by Polish companies refer to various forms of community involvement, which include actions for specific marginalized groups of people.

Although some initiatives concerning CSR are not always appreciated, companies in Poland pay increasingly more attention to these issues in practice. Research carried out by the Business Ethics Centre (Gasparski et al. 2003) shows that using various elements of CSR, such as codes of ethics or trainings for employees, is better done at an early stage of development. Generally, managers and owners appreciate the importance of these issues in running a business, however, they too rarely apply the appropriate procedures that would support the integration of CSR rules into the strategy. Most of them already believe, at least at the declarative level, that ethical and responsible activity facilitates success in business through developing an organisational culture inside a company as well as a good reputation outside of it. However, this does not mean that a transition from the level of risk management to the level of creating new chances through a strategic implementation of responsibility rules will succeed in everyday operational activities.

CSR is only partially connected to ethics and can be treated as an important element that, to some extent, warms up the relations between business and the social environment. Financial scandals, corruption and other irresponsible practices shed a negative light on the level of trust towards business activity. However, in the face of more and more fierce changes on the global markets, the Poles expect that it is the business sector that will stand for the overall well being of society. On the other hand, the majority of Poles still do not discern a clear relation between the quality of their life and the private sector development (Rok 2004).

In recent years, the scale of responsibility of companies has increased together with the number of voluntary initiatives for social and economic development. More and more enterprises, both large and smaller ones, realise projects aimed at implementing clear and transparent rules, reliable communication, and at establishing better relations with their clients, as well as business and social partners. Business leaders now better understand that a good financial performance is not possible without the trust of their clients and partners, or when employees do not understand what they are expected to do. In order to develop trust, it is essential to mind values and rules as well as clear procedures and good communication.

The following issues are starting to be of great priority in the hierarchy of tasks of companies: transparency of financial information, improving management systems, activities for environmental protection, and obeying ethical standards in all areas of the company's activity. It is important to mention that some companies try to adjust their projects to the strategy of the company's presence on the market and no longer attempt to convince the public opinion that their social and ethical involvement is driven only by the moral imperative to be good for others. The conclusion is self-evident: business in Poland is becoming mature, or in other words, one can say that it has been forced to a more effective and responsible performance in this increasingly unfavourable and unstable world where, for example, journalists can ruin one's reputation with one article, clients start to pursue their rights, employees take their employers to court, etc.

4. RESPONSIBLE MANAGEMENT EDUCATION

The process of the CSR development in Poland has just begun. Much has already been done in this field, but it is necessary to remember that CSR is more than just some new obligations for companies. It is about the new role of business in society. However, there is an insufficient level of knowledge among academics, business leaders and future business leaders. An interest in professional managerial tools and standards is growing among the top management and entrepreneurs in Poland. Managers become more and more aware of the fact that corporate responsibility not only means conducting charitable activities, but is also an overall style of management. All partners from the civil society, academic community, business and government should be involved in a permanent dialogue in order to set a new vision for this new partnership approach. Implementing a corporate responsibility concept requires a transfer of knowledge, not only to management, but also to the society with which the company interacts.

Attitudes towards business are of particular relevance for enterprises aiming at corporate social responsibility strategies: both in terms of what is expected from business, and what business managers consider they should do over and above making profit. Even though there are claims that Poles now know more about the social responsibility of business, everyday practice demonstrates that their understanding of and attitude towards the issue is that it is either philanthropy or a corporate communications exercise for the firm, rather than either a business strategy or growing obligation in terms of competitive advantage. People consider the solving of social problems to be a governmental sphere, rather than a business one.

While examining the implementation of corporate responsibility into the education system and overall public policy, it emerges that there are both structural and communication barriers to this concept (Bertelsmann Stiftung, 2007). It is not a native Polish concept, but it has come to Poland as an effect of the transformation, to be implemented in a country with different social systems, religion, law and politics. The concept of CSR was formulated in countries with a stable market economy, and consequently focuses on those countries. The promotion of this concept in Poland and other CEE countries has to be thoroughly researched in terms of a specific strategy of implementation, because a simple transfer of standards from the developed countries may prove to be a serious problem.

If corporate social responsibility is to be entrenched in the Polish business culture, it will be as a result of a model developed specifically for Poland, which will take into account the cultural background and historical identity of the country. The success of the CSR strategy, both on the level of specific companies and of the entire economy, depends on numerous situational factors – economic, social, cultural, and institutional. But one has to remember that the concept of responsible business should not only be promoted by enterprises, business organisations and academic centres, but also by the government, state institutions, non-governmental organisations and the media.

There is a compelling need for an increased activity that is necessary to create a platform of dialogue concerning CSR in Poland, which would provide elements supporting good practices in business activity and new forms of education. Students in business schools see the positive effects of managerial skills, but only in the economic dimension at the most, while the assessments of the social and ethical dimension are much more negative, and these attitudes have been increasing in recent years. However, the role of business in a democratic country continues to grow significantly. It is thus important for companies that operate in Poland, as well as for educational institutions, to identify the ethical values in society and the perception of the relation between ethics and social responsibility in order to adapt the way a CSR strategy could create an added value for a company.

It is not a matter of introducing CSR as a separate course, but to study different models of partnership approach to responsible competitiveness in the frame of different courses, as a part of undergraduate and postgraduate education, or in different forms of executive education, external or in-company trainings. CSR is about the interdependence between a business and its economic, social and natural environment. It is about different managerial tools that can be used for a better performance of a business and society as a whole. In that sense, this topic could be a real source of creativity and innovation for the whole education system in Poland.

Therefore, one of the strategic objectives is to mobilise a wide academic community in order to lay the foundations for achieving a structured and coherent vision of the necessary changes in management education. It is important to strengthen the cooperation between different groups of researchers in Poland and other CEE countries across disciplines, within disciplines and across different types of research in the field of corporate responsibility. Nowadays, the corporate responsibility concept is largely outside the mainstream of business and social science disciplines in Poland, with the one exception of business ethics. There is an apparent lack of influence of the fundamental research disciplines on contemporary business debates on CSR, such as: economics, history, sociology, philosophy, psychology, political science and law. This is also true for some of the applied disciplines in terms of the extent to which there has been a disciplinary contribution and take up on CSR. Of particular note in this area are strategy, managerial economics, marketing, finance and accounting, organisational behaviour, and public policy.

Starting a process of integrating the existing research and initiating new research could have a long-term influence on the whole education system. In recent years, a growing interest has been noted in the academic community for such research, which aims to study a new balance of the economic, environmental and social dimensions of a company's operation. This is mainly due to the growing expectations and pressure exerted by students, managers and business leaders, who are becoming more and more convinced that an increase of efficiency can be accompanied by a better realisation of the objectives that are crucial for a sustainable development. It is absolutely necessary to support education in this area.

The business sector and free market mechanism are still evolving and have a lot of work to do in order to achieve a high level of stability and transparency on all levels. A public debate on the model of business sector development, the state's economic policy and the social costs of the transformation has already been started in different CEE countries, and the research community is morally obliged to take part in this debate.

There is a great need to improve the quality of research and education on the role of business in society, to set a frame for corporate ethical culture, to raise consciousness on social and environmental policies among business leaders and workers, as well as students and the academic community itself. What has emerged as critically important for the long-term success of such a debate is the need to provide a good quality research, an effective management education system, and to promote cooperation between academia, the business community and other key stakeholders, in order to strengthen new prospects for economic growth in a responsible manner.

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Jerzy Cieślik[1]

"ETHICAL FLAWS" AT THE START-UP STAGE OF A COMPANY: THE BASIC DILEMMAS IN TEACHING CORPORATE GOVERNANCE TO THE MANAGEMENT OF SMALL COMPANIES

1. INTRODUCTION

Researchers in business ethics and corporate governance focus nearly exclusively on the activities of large corporations. Most of the available research and analyses primarily concern large enterprises, with trade literature offering a multitude of case studies and numerous solutions in that area. Having said that, it is clear that it is not difficult to incorporate business ethics issues and corporate responsibility in business into the curriculum of programmes aimed at the management of large companies, which is exemplified in the variety of related postgraduate courses on the subject that are offered in Poland.

For small companies with a headcount of several or several dozen people at the most, the case is adverse. Firstly, there is no doubt that ethical problems and threats also exist in small companies, yet we know little of the extent and specific nature of these threats compared to large corporations. Besides the limited interest of researchers, the conduct of research in business ethics with respect to the given groups of companies continuously encounters a series of problems, some of which will be discussed below.

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Recently, the variety of training courses addressed specifically at the management of smaller companies financed with EU funds has grown. The core idea behind such programmes is the assumption that as a result of the knowledge and skills acquired in modern management methods, small companies might undertake various modernising projects, which would make them more dynamic and innovative. Corporate governance and responsible business is certainly an issue that cannot be missing from the syllabus of such educational programmes.

Regardless of the paucity of knowledge that we have about the extent of these problems and their perceptions and solutions, the organisers of education programmes need to take into account the specificity of the addressees of such programmes. The author believes that their specific nature is of two kinds:

- The managerial positions in small companies are often held by the owners of the companies. As a result, training programmes will be attended by owners of small companies who have a direct impact on the process of running the business, including the ethical issues;
- With regard to ethics and the broad concept of corporate governance, we often encounter relicts of the past regime, the so-called "ethical flaw" characteristics of the start-up stage of a company, where different unethical practices that were previously applied may, as a result of inertia, affect further operations of the company.

The intended effect of training programmes for management is to prepare the company for the restructuring of and changes to the existing management style, as well as the implementation of applications allowing the company to get on the fast track to growth. Educational programmes provide participants with knowledge and offer consultation, for example, in the form of consultancy projects carried out by course participants under the supervision of instructors. Regarding human resources management, the implementation of modern financial and accounting systems or customer relations' management, instructors have extensive experience and efficient teaching aids at their disposal. Teaching practice in ethics and corporate governance is much less advanced.

This article attempts to define the means for incorporating issues of social corporate responsibility into the curricula of management education programmes addressed at the management of small companies. The first part of this study will be devoted to the broad context of the emergence of "ethical flaws" at the start-up stage of a company's development. As the author has been involved in the sensitive field of tax consultancy for a number of years, for comparisons the article will draw on the methods and practices adopted by tax advisors. The second part of the article will propose certain guidelines for the presentation of ethics and responsible business issues in training courses for the management of small companies.

2. THE DANGER OF "ETHICAL FLAWS" AT THE START-UP STAGE OF A COMPANY'S DEVELOPMENT

The start-up stage of a new company is frequently considered to be very difficult and is seen as a threat to the future of a business (Cieślik 2006: 363–371). This is the period when certain circumstances that make the company vulnerable to ethical infringement can occur, namely:

- The need to survive during the initial, most difficult stage of a company's development creates a natural atmosphere of consent of ethical concessions. For instance, if sales do not start as planned, the owners of a new company are more likely to offer a bribe to an employee in the supply department of the recipient's company than in the case if that company were already well established on the market.
- The lack of experience when the company is a given entrepreneur's first business venture. As a result, new business owners may not be capable of assessing the long-term consequences of the decisions made and solutions applied.
- The multitude of matters to be dealt with at the start-up stage of a company. Besides prior preparation, the owners are under enormous pressure because of problems that require immediate attention and solutions. Working for hours on end each day leaves them no time to think things over before coming up with a good solution, hence many decisions are made in haste.
- Convictions about the transitive, one-off nature of solutions adopted at the start-up stage. The typical approach during this time is: "Let's put out the fire now and deal with the situation later on".

In the author's experience as a business advisor, the process of development of "ethical flaws" is varied and multi-layered. This article attempts to prove this thesis by offering three examples taken from the author's professional experience (company names and owners have been changed to preserve anonymity).

Example 1

Andrzej Kryński runs the ASPEX trading company, which initially employed only a few people but now has a headcount of several dozen. Every Friday after work he loaded his truck with detergents, toilet paper, etc to bring home. This habit was not substantiated by financial need, but was triggered more by Kryński's desire to contribute to the housework, which he did not do enough as he spent his days at work. In time, the company expanded and was eventually transformed into a limited liability company, which resulted in a higher income for its owner, but even then Kryński continued to bring office and cleaning supplies home every week.

Commentary: In this case we are dealing with a perception of one's own company, which is typical to the small business sector, namely when a business is treated by its owner as an instrument for satisfying personal needs. The example demonstrates that certain rules become standard over time and continue throughout the life of the company. Mr Kryński eventually had to deal with serious consequences of his inexperience and misperception. Extensive losses were discovered during stocktaking, which were apparently caused by the common practice of employees taking materials home. When confronted about their behaviour they responded by saying "The boss takes things home too".

Example 2

When Anna Kowalska opened a women's lingerie shop in her district, suppliers started showing up instantly. Their offer was simple: 50% of supplies would be delivered against an invoice and the rest would go undocumented. Apparently, this was standard practice in the business. As a result, Anna only registered 50% of her sales in the fiscal cash register. Today, Ms. Kowalska herself no longer works, as she owns seven shops in total. She selected flat corporate income tax at a rate of 19%, which considerably limited the undocumented turnover. However, it still constitutes up to 25–30% of total turnover in all of her shops.

Commentary: In this case we are dealing with an example of a person's first-time business encounter with the so-called "prevailing industry practices". Propositions from existing market players are presented with the message: "This is how it's done", which may be difficult to argue against for newcomers to the market. Besides, the "prevailing industry ethics" are not really standard practice, apart from dishonest people, the market is full of suppliers and recipients who document 100% of their sales. It would be very difficult to change the existing practices, as not only would the internal procedures have to be altered, but also the agreements between existing contractors, and that would not be an easy task.

Example 3

Jan Nowak, a producer of window blinds, speaks of a situation he experienced as a nightmare. The outlook for his new business was optimistic. Sales boosted when he hired his first company sales person – a young, dynamic Marketing graduate. However, problems soon followed when she got married and became pregnant, leading to frequent absence and a slowdown in sales. Today, the sales department consists of 9 employees and not one single young woman.

Commentary: This incident, which happened at the initial stage of the company's development, is frequently recalled by the owner and is well remembered by the staff, and over time has become a component of the organisational culture of the company. In the meantime, the owner may have changed his mind about the importance of women in the company, but he has no way of changing the situation, because in a company that employs several dozen people, most human resources decisions are made by other members of the management.

Despite the obvious differences between the three examples given, they demonstrate that the "ethical flaws" that appear at the start-up stage of a company are not necessarily rooted in ill will or evident dishonesty. Of great importance here are specific circumstances followed by inertia, which causes certain solutions to become standard practice. In the opinion of the author, areas where ethical standards are most often violated include the following:

- tax evasion,
- documenting higher than actual business expenses,
- illegal employment, or forcing people to become self-employed,
- violating labour code provisions,
- sexual discrimination,
- delays in the payment of salaries to employees,
- use of illegal software,
- gift-giving, rewarding customer reps responsible for purchasing,
- bribing clerks.

3. DOING AWAY WITH THE INITIAL "ETHICAL FLAWS" – EXPERIENCE IN TAX CONSULTANCY

Experience in tax consultancy may be helpful in many respects and may serve as a reference point in defining the most efficient ways of incorporating issues that deal with ethics in business into training programmes addressed at the management of small companies. First of all, tax evasion is one of the most common incidents of ethical breaching in small companies. Secondly, the reasons behind the violation of tax and accounting principles at the initial stages of a company's development resemble to a great extent the infringement of ethical issues in a broader context. These rarely stem from ill will, but are frequently the consequence of difficulties piling up at the start-up stage, which incline business owners to apply short-term solutions. Also important is the "historical cleansing" of accounting and tax procedures at the initial stages of a company's development, which today has become one of the standard products in the portfolio of tax consultancy companies. Therefore, what we are dealing with is experience and expertise confronted by routine procedures.

The procedure of tax "historical cleansing" with the assistance of a tax consultant may be adopted in two cases. The first being situations where an entity is already being inspected by the tax office. Tax consultants brought in for assistance must perform ad hoc activities to counteract adverse consequences. In a less serious case, a tax consultant is called in when the staff of the client discovers errors committed earlier and the company wants to prepare for an inspection from the tax office. In the latter case, the following core stages of the "historical cleansing" process occur:

- **Determining the facts of the case**
  This is not as easy as it may seem. The most common mistake committed by a staff of a company is mixing facts and their interpretation. This is accompanied by emotions and a feeling of threat from the ascription of responsibility for the mistakes. This is the reason behind the inclination to avoid disclosing all facts and circumstances. Not all of the mistakes will be discovered instantly. A tax consultant must pay special attention to the correlations that are often missed out by the accounting and bookkeeping departments of a company. For instance, errors in establishing income tax liabilities may affect VAT liabilities and vice versa.
  When comparing the above examples with ethical violations, several similarities can be drawn. Undoubtedly, an open discussion on such issues with respect to one's own company may be difficult for the management of a company, which is seen in the attempts to justify specific violations with the special circumstances that occur at the start-up stage.
- **Assessment (quantification) of the risks related to the errors disclosed**
  In reference to threats concerning tax liabilities, the assessment entails the determination of alternative variants of conduct and a dispassionate analysis of the risks involved. In this case, the differences compared to ethics are substantial. Firstly, it is highly difficult to quantify, for instance, the consequences of certain unethical practices, and even more so if no violation of law is involved. Secondly, in the case of tax liabilities, a distinct deadline of a five-year limitation period applies to undiscovered tax violations (in practice it is a six-year period). In the case of ethical violations, there is no such timeframe.
- **Elaborating a "historical cleansing" plan of action**
  A specific course of action needs to be developed (what, when and how), which must later be closely monitored. When planning specific actions, the final objective must always be taken into account. The objective should determine the choice of methodology and the pace of changes that are to be introduced. For instance, if we decide to suddenly change the way in which costs or revenue are classified and as

a result the amount of tax settled increases, representatives of the tax office may not only be happy to see a growth in revenue, they might also be inclined to look for the reasons behind such a sudden increase. This is where taxes, ethics and corporate governance issues come together. For instance, if Mr Kryński from example 1 decided to put an end to his years-long practice of taking supplies home, he should proceed in a systematic manner in order to achieve a more extensive effect, i.e. by defining and disseminating clear cut rules applicable to all employees and by observing them himself to prove his determination and to set a good example to others.

Summarising, experience gained in tax consultancy may prove useful when presenting ethics-related issues in training programmes for the management of small companies. This concerns in particular the execution of the so-called "consultancy projects", where among other things the course participants are given the task of diagnosing whether ethical issues are observed in their respective companies and if necessary, the elaboration of a "corrective action plan".

4. ETHICAL ISSUES IN TRAINING PROGRAMMES FOR THE MANAGEMENT OF SMALL COMPANIES – PROPOSALS

Please note that any suggestions regarding the issues discussed here are only tentative. The author believes that with the discussion and exchange of teaching experiences, complex solutions can be elaborated, as well as a set of teaching tools and methods to be used by training seminar instructors, which might also be developed in the course of the study.

Let us first specify the target audience of such programmes. Attendees would predominantly include the owners and other managers of small companies with headcounts of 15 to 49 people, with established market standings. The number of businesses that meet these requirements in Poland is estimated at approx. 30,000. However, only a small fraction of these express interest in taking part in management courses (including corporate governance), even if the programmes are partially financed with public funds (EU structural funds). The training sessions would be attended by companies whose management is on the brink of changes that, in their opinion, might accelerate growth (through the implementation of innovative technologies, the diversification of businesses, the adoption of state-of-the-art management and marketing systems, etc).

The incorporation of corporate governance issues into the curriculum of training programmes should offer an indication of the link between corporate social responsibility (including the development of mature elements of the organisational culture and ethical standards), and the modernising of a company, which is bound to boost the growth of a small business. When comparing the complex areas of human resources or strategic management, where the link between innovation and development is obvious, experts in business ethics are faced with a difficult task. Without prejudice to the normative approach, which is most often used in corporate governance studies, what needs to be highlighted here are the teaching practices that pertain to the analysis of the correlation between ethical standards, management in different operating areas of a company and the company's development.

Considering the profile of the participants of programmes for small businesses as defined above, the methods of introducing and teaching corporate governance need to be more specific and practical. One may voice doubts as to whether the experience of large concerns building corporate governance standards applies in any way to small companies. In the teaching experience of the author, instructors need to refer more closely to the realities of small businesses. For instance, when discussing the implementation of a code of ethics in a company, it would be pointless to use examples of typical practices adopted in large corporations, which encompass multiple decision making processes, frequently with the assistance of an outsourced consulting company[2]. In general, what needs to be done is to identify typical areas where ethical standards are more likely to be violated and contrast them with good industry practices in the given fields. It is clear that this still needs to be extensively researched, although teaching ethics-related issues is an invaluable source of data. One of the crucial issues here is the ability to entice management to contribute to an open discussion on ethics, regardless of how sensitive this issue may be, and to share their own experiences.

With all due respect to the difficult and sensitive issue of the observance of high ethical standards in business, training programmes addressed to small companies should offer so-called "consultancy projects", where the consultant's role is assigned to the owners and managers of the participating companies. In a typical setting, the project would consist of a diagnosis of a given company, an assessment of the opportunities and threats faced by that company and, eventually, the elaboration of a detailed action plan aimed at establishing more stringent ethical standards. In the latter case, the process-oriented approach should be adopted, which would help to pinpoint the sequence of decisions and events leading from one action to another, as well as to highlight the problems and contradictions arising in the course of the process of reaching a pre-determined objective.

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[2] En example of how small businesses operate is offered in: Cieślik, Gasparski 2006.

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TEACHING RESPONSIBILITY OR RESPONSIBLE TEACHING. AFTERTHOUGHTS IN THE CONTEXT OF *THE PRINCIPLES OF RESPONSIBLE MANAGEMENT EDUCATION*

The development of *The Principles for Responsible Management Education* as a kind of new "standard" means that the international community does not ask about the sense of teaching responsibility (that has already been settled), but it asks about the best way to implement it.

The principles presented in *The Principles for Responsible Management Education* force to ask many questions. The following issues are worth mentioning:

- what is the sense in restricting responsible management education in higher schools only to economic and managerial profiles?
- and further: what is the sense of restricting responsible management education only to higher schools?
- if the above restrictions are not justified, who should be the target group of education that promotes responsibility in business?
- how to teach responsibility: should it be treated equally to other subjects (knowledge about behaviours and ethical dilemmas in business), or should it have broader consequences for the mission and daily practice of a school?

In the following remarks, the authors of this paper try to find answers, in some scope, to the important questions listed above.

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1. TARGET GROUP

The concept of Corporate Social Responsibility (CSR) combines economic, environmental and social aspects. Therefore, CSR is not only a case of business, but it is also important for the social and public sector. It has also started to play an important role in education. The education of future managers is changing. Not only do they have to learn about economic values and their creation, but they also have to be aware of the social and environmental dimensions of their future business activities. It is not possible to build up a civil society without this part of education.

Future managers are a group of people where ethical competences are supposed to be exceptionally high. It seems to be a kind of misunderstanding to limit responsible management education only to those who operate in the area of economics. Why is the education of responsibility reasonable only for this special group? What kind of lack do managers or the economy have? Why is it so important to put so much attention to this social group?

There are some characteristics of economic sphere that can justify such a restriction or special attention:

- business activities are valued by their profit (profit seems to be the main goal that is supposed to be achieved);
- profit is identified by the amount of money that is gathered, rather than by the social advantage that may be produced (Waloszczyk 1996, p. 165 and n.);
- the economy has a big impact on human life, institutions and whole communities in the world. This is confirmed in the introduction of *The Principles for Responsible Management Education,* where business is treated as a global force (UN Global Compact 2007, p. 3).

Looking at these characteristics everybody may realise how necessary it is to take up the problem of ethics in business. But it is not enough to teach ethical attitudes strictly to people who will be involved in business activities.

Responsibility is a value and a social attitude that everybody ought to discover, develop and empower. It does not matter what type of education you have. Hence, it is not good to put so much attention on one professional group only. In many cases, people who are managers or entrepreneurs are not educated in management.

Responsibility in economics is not a different kind of behaviour or thinking than in other areas of life. Responsibility is a part of everyday life, which integrates all social relations. Everybody can be responsible for something or somebody. Responsibility appears both in the sphere of morality and law (Michalik 1998, p. 20). Responsibility is also "(…) a sign of moral development and psychical and intellectual autonomy" (ibidem).

Therefore, it is of great importance to understand responsibility as a part of a whole system of values, not only as an acquired skill that is reserved for business. Responsibility is not a composition of schematic behaviours either, which can be applied to a certain situation in any circumstances.

The Principles for Responsible Management Education suggest that the responsibility for responsible education of managers should be an issue of academic centres. It is firmly stated (4th point of *The Principles for Responsible Management Education*) that academic centres are responsible for ethical education of future managers. But it is not that straight forward. In many cases, entrepreneurs and top managers do not have this specific managerial education. Sometimes they are simply people that at some point in their lives decide to set up an enterprise or have progressed and become executives in a corporation.

There are lots of lawyers, medical doctors, journalists, actors or sociologists who have got their own business and work in completely different fields. Everybody is responsible for the creation of an ethical culture in an organisation and it does not matter from which school you graduate.

Therefore, it is crucial to ask if the education of responsibility is concentrated on the relevant target group?

There is also another aspect of this question. There are 26.53% of people with higher education in Poland who have their own business and who employ other people. Only 8.81% of people with higher education in Poland that have their own business are not employers (Table 1).

Table 1. Entrepreneurs according to status of employment and level of education

Entrepreneurs	Employers	Self-employed (not hiring employees)
Higher education	137,036	184,875
Postsecondary education	28,294	59,980
Secondary vocational education	182,566	479,380
Secondary education	49,501	110,314
Vocational education	104,257	724,044
Primary education (completed)	14,335	510,269
Primary education (not completed and without any education)	109	28,160
Untraced level of education	456	1467
Total	**516,554**	**2,098,489**

Source: GUS (2003) *Aktywność ekonomiczna ludności Polski*. Warszawa, table 6, p. 184.

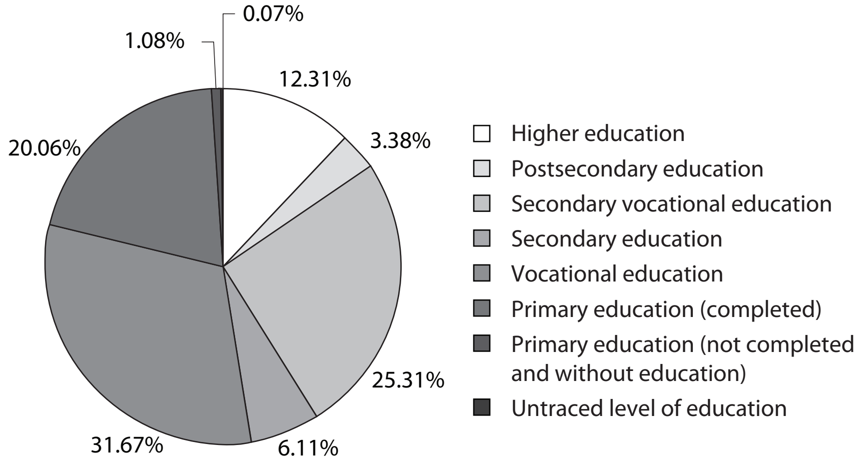

Figure 1. Entrepreneurs and their level of education

Source: own elaboration based on: GUS (2003) *Aktywność ekonomiczna ludności Polski*. Warszawa, table 6, p.184.

The main findings are that less than 12.31% of people with higher education are entrepreneurs (Figure 1), what may suggest that the answer to our question could be negative. It seems to be rational to change the target group, or better to complete the target group by adding other more important groups. Providing courses of business ethics at secondary and even at primary level will probably be more efficient than at university level (12.31% plus 56.98% of entrepreneurs together). Equally important is vocational education. More than half of entrepreneurs have graduated from these kind of schools.

It is a logical presumption that this proportion will change in some years when the percentage of people with higher education rises.

2. THE CONSEQUENCES OF ANSWERING THE QUESTION IF ETHICS IS AN INDEPENDENT DISCIPLINE OF SCIENCE

It is worth mentioning, when starting the discussion about business ethics, that it is not an independent scientific discipline. An independent scientific discipline has to have its own methodology and subject of research.

Business ethics is a part of ethics, so it uses an ethical methodology and it does not have a totally independent subject of research. Therefore, moral problems in business are a part of ethics in general. So the reason why we talk about and teach business ethics is because there are important moral dilemmas, problems and decisions in economics, rather than a lack of the necessary theory to successfully operate in practice.

The subject of interest in ethics is limited to the human-human relationship (only humans are subject to morality and have moral rights, only against people do we have moral obligations). Differently than in environmental ethics, where also other living beings have moral rights. Business ethics limits its field of interest to certain situations, which only appear within the economic reality (Figure 2).

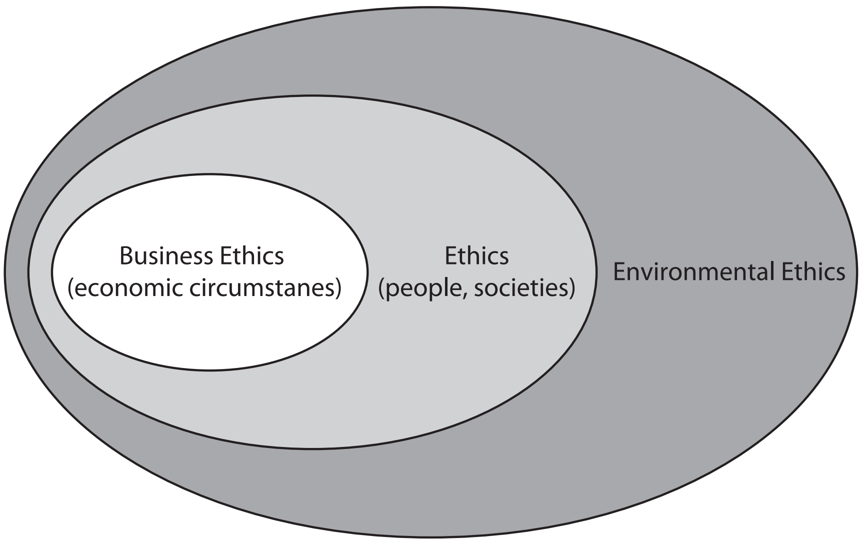

Figure 2. Business Ethics as a part of a bigger ethical system

Source: own elaboration.

Business ethics is a specific subset of ethics and that is the reason why it does not have its educed theory, but it is simply ethics used in specific situations (how to use moral criteria to asses which behaviour is good or bad in situations that are created by the economic reality and why it is so). This is why teaching business ethics is determined by concentrating on the practical skills of making economic decisions using moral criteria.

So Janina Filek is right when she writes that the mercenary interpretation of moral behaviours in business (I do goodness because it pays) should be discussed right at the end of the business ethics course. It is obvious from an ethical point of view that we do goodness selflessly because we have such an obligation (Filek 2001, p. 23). On the other hand, goodness should not be ignored, just because it is done by somebody for his or her own benefit. Goodness is goodness in any case.

Another fundamental issue that is very characteristic for business is that Corporate Social Responsibility is often understood and used as a tool for risk prevention (prevention of risk resulting from an immoral situation in an enterprise, which may destroy the image of an organisation or cause unnecessary costs). Codes of ethics and all standardised management systems dedicated to corporate social responsibility (AA1000, SA8000 or planned ISO26000) are tools that help to minimise this kind of risk. Hence, practitioners are interested in ways of minimising risk caused by immoral situations in an enterprise, rather than in the knowledge of which of the two attitudes – cognitive or non-cognitive – they should choose. Philosophical ideas and ethical theories are much more complicated than achieving the goal of practical risk management.

The fact that business ethics is only a specific subset of ethics has important meaning for its teaching. The course of business ethics should be preceded by teaching general knowledge of ethics. This is obvious for those who are forced to teach business ethics to students who have never before learned about ethics. The time that could be dedicated to business ethics must be devoted to teaching general ethics. So it is necessary to teach ethics or philosophy during previous stages of education.

Some of the above comments suggest that we concentrate on business ethics not because of the requirements of an independent discipline, but rather because unethical behaviours in business are an important problem of our times. So there is some danger of teaching business ethics like a way to solve problems. Many teachers could try to provide students with ready answers – how to behave, what to think and how to assess the behaviour of others. This tendency can be either conscious or unintended.

It is easier to provide ready answers. It is much more difficult to teach the ability of using ethical criteria in the decision-making process. A student who gets involved in a particular kind of situation should be ready to make a decision without using the same matrix he got at school, the matrix that does not necessarily fit to every particular situation. The ability of applying ethical criteria to the decision-making process should be the main result of teaching business ethics.

3. TEACHING RESPONSIBILITY AND RESPONSIBLE TEACHING

The formulation and publishing of *The Principles for Responsible Management Education* is another worthwhile opportunity to make a reflection on the difference between teaching responsibility and responsible teaching. It is crucial to underline the difference between these two concepts. They enclose different fields of problems, have different target groups and a different content (Table 2).

Table 2. Teaching responsibility and responsible teaching – differences

	Teaching responsibility	Responsible teaching
Problem	Efficiency of teaching responsibility. Effective transfer of knowledge about and abilities of: ▪ being responsible, ▪ taking good decisions, ▪ using moral criteria in making decisions, (transfer of pure knowledge is not enough).	What are/should be the main characteristics of responsible teaching? What should the teacher/school do to teach responsibly?
Target	"Student" – who should learn responsibility.	"Teacher/School" – that should teach responsibly, 'student' as a part of academic community.
Standards	For the decisions of students (patterns of behaviour)/for the range of learning materials (minimum of learning programmes).	For teachers and their attitudes (patterns of behaviour)/for schools and their ways of teaching (procedures).

Source: own elaboration.

Teaching responsibility is a transfer of knowledge about behaviours, values and attitudes that are socially perceived as ethical. Responsible teaching goes further than just teaching responsibility. It requires from a teacher or educational institution that spreads the knowledge about responsibility to apply the standards that are taught by them.

Responsible education should pervade through all institutional activities, from education to administration and contacts with stakeholders. An organisation that teaches responsibility should have its own strategy of social responsibility and apply responsible behaviour towards all stakeholders (Kozakiewicz 2007).

Mieczysław Łobocki rightly wrote that the requisite of teaching and shaping a sense of responsibility is giving students a good example (Łobocki 1998, p. 128, 129). A teacher must be an icon of responsible behaviour. Teaching is not only transferring knowledge. People who teach should take care of their moral image and faithfulnesses to ethical principles. Responsibility has to emerge in high levels of professional competences, in making sure of a continuous self-development and, what seems to be the most important, in regarding the student as an autonomic, free person.

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Janina Filek[1]

EDUCATION OF MANAGERS: BETWEEN VOCATIONAL AND GENERAL EDUCATION OR ABOUT THE "OPENING OF MIND"

> Without great revelations, epics and philosophical systems as components of a natural vision, the outside world is empty, and soon even on the inside not much is left.
>
> Allan Bloom (1997, p. 67)

1. INTRODUCTION

This paper, due to the author's professional role, has been prepared from the point of view of an academic teacher. However, according to Allan Bloom, this is a privileged position, "because a teacher, and especially the one who shall liberally educate his students, must always have in mind the model of a complete human being, while keeping in memory the nature of students as specific individuals, and he must constantly verify this model and evaluate students' ability to achieve it". The said "privilege" results from the teacher's more than average breadth of mind horizons and his significant possibility to observe changes taking place in reality. **Therefore, the teacher's major task becomes identifying various tendencies in social development and preparing students to understand them**.

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As Bloom further notices – student education that does not respond to students' actual needs[2] is nothing "but flattering teacher's vanity" (Bloom 1997, p. 19) and – from the perspective of the effectiveness of teaching – is a futile effort. It must be remembered though, that what shapes the students' needs is connected to the character of the generation in which they are growing and with which they will spend the rest of their lives, including professional careers. This character, however, is always dependent on the attitude of the generation towards the "eternal questions", so – greatly simplified – it's the attitude towards the elementary civilisation problems as well. Therefore, philosophical knowledge, or the skill of philosophical reflection (including, most importantly, socio-ethical reflection), seems to be essential, because without philosophical systems or the ability to reflect on the world, society and the surrounding reality are incomprehensible, the essence of society is elusive, and even understanding of oneself is very limited.

The needs and abilities of every generation are, in some sense, a derivative of the ideas and opinions that are popular and propagated in a given place in a given time. One of the basic elements of those opinions is undoubtedly ethical thought. According to Alasdair MacIntyre "moral notions are embodied in forms of social life and are in part embodiments of those forms" (MacIntyre 1995, p. 30). To define the required ethical knowledge Charles Taylor uses the term moral horizon, allowing to distinguish in a given society what is ethically acceptable from what is completely unacceptable.

Thus, every teacher's task will not only be (a) identifying the right developmental tendencies and indicating them, but also (b) preparing students for confronting the problems that always arise with social development (resulting from the quickly changing reality, especially in recent decades), and (c) showing the moral horizon for each of those problems.

2. CONCEPTUAL ANALYSIS – THE ATTEMPT TO ESTABLISH WHAT WE ARE ASKING ABOUT

To address the problem presented in the title of the conference, the problem of **responsible management education**, we first need to reflect on

[2] It is necessary though, to make a clear distinction between needs and urges, which was pointed out by Aristotle. For that purpose some thinkers use different concepts. Leo Strauss wrote: "We have to distinguish between those human desires and inclinations that are congruent with the human nature, so they are good for a human being, and those that destroy his nature, his humanity, and so they are bad" (Strauss 1969, p. 91). Needs are congruent with the human nature, whereas urges not necessarily.

the meanings of every notion from the title. The first step should be a conceptual analysis of the notions included there, especially given that two of them are quite problematic – namely “education” and “responsible”.

Let’s consider what is meant when we talk about “education”. Do we only think about transferring a given load of knowledge and abilities in some discipline, or do we mean bringing up, shaping, forming?

If education is about a simple transfer of knowledge, responsible education will mean systematic and diligent “dinning” of large amounts of information into students, so they can perform a given trade.

If education is understood as something more than that, then we find ourselves facing another problem – what does this kind of education mean? Are we leaning towards – repeated many times before – efforts to “shape a good human being”, or rather towards a Socratic attempt at awakening the human soul, activating it in such a way that it will permanently possess a skill to “awaken itself” from dangerous intellectual stagnation and moral opportunism. The first alternative is risky, since some of such efforts in the past, especially those connected to authoritarian education, have led to creating a one-dimensional (see Marcuse 1991) or “externally controllable” (Fromm 1998) human being.

The second option seems to be safer and more proper, because it never tries to arbitrarily determine what a human being should be like, but the entire effort of education is concentrated on convincing the subject that is being shaped that it is him who shapes himself and consequently has an influence on shaping the surrounding reality, through which, in turn – according to the rule of feedback – he is shaped himself again. **Thus, the task of the teacher-educator is to make the student realise his own role in shaping himself and the significant influence he has on the surrounding social reality, and to instil him with the inclination to self-shaping**; so more of teaching of “awakening” than ”shaping to measure”. The key action in the education process will then be “self-shaping”, rather than “shaping to measure”, because the latter may result in the phenomenon of pseudo-upbringing in all its dangerous forms, such as inadequate, fictional, alienated or subduing upbringing (Filek 2001, p. 98–117).

Therefore the teacher’s point of view should not be purely arbitrary. It cannot, however, be **exclusively** a result of purely egoistic expectations of students; neither can it **exclusively** be a result of the demands and expectations of a given society. It cannot **exclusively** be a “whim of a market” and it cannot **exclusively** be a result of political games. The teacher’s perspective should be a social perspective that takes into consideration, to reasonable extents, all those points of view.

Let us move on to the analysis of the adjective “responsible” from the title. Its meaning there is not clearly determined. It can be interpreted in at least two ways.

The first one relates "responsible education" to the teacher. He is the main subject of responsibility; it is his responsibility to educate well. The adjective "responsible" means that the educating person should educate in the right way, the responsible way. So when assessing the education process, the focus should primarily be on the teacher and the education method. Thus, in this interpretation, when addressing the issue of "responsible management education", we need to concentrate on the analysis of the teacher's preparation for his role as the educator – his knowledge (professionalism), predisposition, didactic skills, moral attitude and adequate teaching techniques.

The second understanding relates "responsible education" to the (future) manager. It is him who is the main subject of responsibility and who is in charge of taking proper actions. The adjective "responsible" means that the person undergoing education should in his future professional career act in the right – responsible – way. So when assessing the effects of education, the focus should mainly be on the manager and on assessing his actions. Thus, in this interpretation, when addressing the issue of "responsible management education", we should concentrate on the analysis of the (future) manager's preparation to his role in the economy – his knowledge (professionalism), predisposition, specific skills, moral attitude, the ability to deal with difficult tasks, and his awareness of being a subject of social life.

In the first approach the emphasis is put on the educator – the academic teacher. The teacher should then, firstly, **be aware of his influence (or lack of it) on students**; secondly, **he should be aware of the social role he is playing (or could be playing) as the one who transfers important knowledge**; thirdly, **he should continuously stimulate students to direct their thought towards what is important**; fourthly, **if he is responsible for the students, he should, with all responsibility – seriously, carefully, professionally, earnestly – teach and shape**. He should become a model of everything that defines his role – seriousness, diligence, professionalism, reliability, and academic honesty, heedless of the popular belief (that quite often serves as a mechanism excusing wrong actions) that an ornithologist does not have to fly. The essence of the profession of a teacher alone is enough of a requirement to act in accordance with the truths he proclaims and teaches.

The second interpretation puts the emphasis on the subject that is being shaped, the manager. Thus a (future) manager should, firstly, be aware of his influence on the social life; secondly, **be aware of the role he is playing (or could be playing) as the one who shapes the level and the quality of citizens' lives; thirdly, if he affects how the society functions and the state of the natural environment, he should be able to act in an exceptionally professional way,**

earnestly, and in agreement with the law and the morality of a given society.

If we decide to elaborate on the second interpretation, in which the manager is supposed to become responsible as a result of the education process, a whole new important question arises concerning the understanding of the concept responsibility. Is it about restrictive responsibility – for the evil that was done – or about positive responsibility – for the good that could be done? The answer to this question seems to be crucial throughout the entire process of responsible education. In the first instance the future manager needs to be made aware of what evil is in his career space and he has to be warned against committing it, so the emphasis should be put on obeying the law. In the second instance the entire education process should concentrate on the shaping of an open, thinking and "internally-controllable" citizen. However, it cannot be omitted that the realisation of the second approach is incomparably more difficult than the first one, which is not to say that the first one is an effortless feat.

If we assume that it is about educating a responsible manager, understood as positive responsibility, we face another question about the meaning of the adjective "responsible". Can transferring the knowledge about specific rules for responsible business, such as the rules of Global Compact or CSR, be called responsible education, or should it rather be about opening up for reflection on what is good, earnest, pro-social and far-reaching? The resolution of this matter is quite important. In the first case – if we are dealing with education as transferring information about conventional solutions (which was brought to attention before) and motivating to take a given attitude without a deeper social justification – the probability of instrumental treating of CSR ideas, mainly as PR operations, is higher, and the role of the educator is limited to a simple presentation of solutions, more or less up-to-date, and an appeal to take on an appropriate attitude. In the second case we are dealing with the shaping of a complete human being, which increases the probability of applying the CSR ideas in agreement with their phenomenon elaborated during the civilisation development. The second approach becomes especially significant in the context of the limited scope of knowledge of contemporary economists – the knowledge that is separated from natural philosophy as well as social and moral philosophy. Such a separation may lead to economists' incomprehension of many cultural and social phenomena. In this approach the role of the humanities greatly increases and the emergence of the CSR ideas is one of the attempts at opening the human (i.e. mainly manager's) mind.

The hitherto deliberation consequently and inevitably leads us to more important questions, but ones of a more practical nature. One of those is: *Whom do we actually want to educate?* Do we want to educate a businessman, a specialist in conducting business activity only (knowledgeable about finances, transactions, negotiations, etc.), or an administrator, who can only utilise the human potential of his subordinates skilfully, or maybe a manager who is fully aware of his social role, a bright man of vast knowledge, an open mind, who is bravely looking ahead? Before we answer this question we need to realise that our students will, due to the position a manager has in the contemporary world, exert significant economic, social, moral, and even intellectual influence on our entire society. Bearing this in mind it seems that we should take care of their versatile development (including humanistic), not forgetting that a human being is a complex and – according to philosophers – internally conflicting entity, which is far from perfection. Allan Bloom (1997, p. 21) states that a human being is not a monolith; it is torn between "the most noble aspirations and low, ordinary urges". Only social knowledge and openness of mind can save him from falling into extremes.

3. REFLECTIONS OF A PRACTICAL KIND

Only after making conclusions about the issues presented earlier, only after finding answers to questions asked, can we move on to the analysis of the practical dilemmas concerning achieving the goal of responsible management education. This reflection shall be started with yet another question: *how to achieve the intended goal?* But to answer that we also need to consider *who should educate, how to educate*, and *what the object of education should be*.

Let us start with: *Who should educate the future managers*? The idea of liberal education, which started in the Middle Ages, requires that a student asks himself a number of questions – starting with the elementary ones like: *who am I*, or a Socratic *how to live*, through a set of other questions concerning, for example, his place as a human being in society or the role of a manager in shaping civil society. It can thus be said that a manager should be responsibly educated by a teacher who inspires him to ask crucial questions, so a teacher who is well prepared to do this task himself.

In the context of the previously made remarks the answer to the question *what should the education concern* has to be that it should contain as much humanistic substance as possible, since a narrow specialisation tends to close the mind rather than open it. Consequently, the answer to the next issue, *what methods and tools of education will be most successful in achieving the intended goal*, has to be: everything that inspires posing questions and everything that leads to self-reliant thinking – a lot of case studies and a lot of discussion about difficult and controversial matters. It will not hurt to mention after Bloom that didactics should be pleasant in reception (which obviously has nothing to do with the good looks of the teacher), as it is all about the process of attaining knowledge itself, which should be pleasant and interesting.

4. A FEW WORDS ABOUT DANGERS

To close the reflection on the problem of proper education we also need to analyse the dangers (a few of them already mentioned), which might be encountered on the way to achieving the goal of responsible management education. Some of those dangers are:

- internal discrepancy between the economic *sensu stricto* and the social approach, which gives birth to the phenomenon of a closed mind, narrowly perceiving the problems arising from the constantly changing reality;
- incapability of shaping a responsible entity during 4 years of college, and in some cases during only one semester;
- difficulties employing liberal education, which usually provides answers that are contrary to the popular beliefs of superiority of own interest over social interest, which are dominant in the contemporary era of consumptionism;
- incompatibility of the academic and political reality in our country with the idea of social responsibility. Neither the academic nor the political worlds motivate students and citizens to a more responsible way of acting. It can even be argued that too often, by setting a bad example, those worlds demotivate and destroy all the efforts put into educating a responsible student.

5. CONCLUSIONS

“The students of today – as Allan Bloom wrote about American students over 20 years ago – do not have larger moral aspirations and they talk about themselves with irony when asked about great ethical issues (...) One may easily notice their indifference and lack of a wider regard (...) The place of heroism as an admirable quality was taken up by morality of «self-preservation»” (Bloom 1997, p. 97). This description, when referred to the Polish reality, may still be applicable in spite of the passage of many years; even though today no one would risk using such terms. Today no one expects heroism from students. The moral horizon of this decade has been “shifted”. In an attempt to describe the attitude of Polish students, we could say that the economics students of today do not feel that social responsibility is any of their concern and, in their thinking, what is public is not connected to what it private. That is why responsible management education becomes a problem of grave importance.

Summing up: responsible management education – from the perspective of a teacher – should be about identifying the right developmental tendencies and preparing students for noticing and understanding them, and next equipping them with the ability to solve difficult economic and social problems in an appropriate, for a given time and place, way. Moreover, education should – from the perspective of a manager – result in making him realise what his own economic and social role is in the contemporary society, and instilling him with an inclination to self-shaping and a sense of responsibility.

Therefore, education has to be a mutual consideration of both the ones who teach and shape, and those who are taught and shaped. The biggest danger for the development of ethics is a closed mind, and it does not matter what the cause of the closing is.

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Andrzej Blikle[1]

SEMINARS ON TOTAL QUALITY MANAGEMENT

The idea of seminars was born at a café table in Café Blikle[2] on February 19th, 1997 (Fat Thursday). There were four of us: late professor Leszek Wasilewski, professor Stefan Kwiatkowski, professor Jacek Koronacki and the author. Notes were taken on napkins with drawings of Antoni Uniechowski[3].

Our idea was to create a community of people interested in total quality management (TQM) and our source of inspiration was such a community associated with the British Demming Association. The first meeting of our seminar took place on February 25th, 1997 at the Kozminski University in Warsaw. At that meeting I gave a talk on *The knowledge society and quality management*. After the talk we had a discussion on the formula, programme and dates of future meetings. We decided to have our meetings once a month, always on Thursdays between 4:00 and 8:00 p.m.

After a few months our meetings were moved into a small conference room of A. Blikle Ltd., which, however, soon turned out to be too small. Then I asked the participants if somebody could provide a larger lecturing hall. Ewa Kędracka raised her hand and invited us to the National In-Service Teacher Training Centre in Warsaw, where our meetings still take place today.

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[1] A. Blikle sp. z o.o.

[2] The author is a professor in mathematics and computer science at the Polish Academy of Sciences and also the chairman of the supervisory board and a majority shareholder in a family pastry and restaurant business A. Blikle Ltd., which was established in 1869 by Antoni Blikle. Since then the business is in permanent operation (with the only interruption during the Warsaw Uprising in 1944), it was never nationalised and has always been in the control of the Blikle family.

[3] Antoni Uniechowski was a Polish artist who drew scenes of the history of Warsaw.

After 11 years of activity (and close to 100 meetings) we have around one hundred participants each time. Entrance is free of charge and to whoever is interested. Among our participants (more than 600 on the address list) we have managers, coaches, schoolteachers, students, university teachers and researchers, medical doctors, journalists, sociologist, psychologists etc.

The seminars concentrate on TQM as taught by Edwards Deming and Peter Drucker. The formula of the seminars covers presentations of the TQM scientific foundations, tools and case studies.

Here are some examples of subjects tackled by the speakers:

- Process management in ABB Poland
- Remove fear from the workplace
- Detention centre with a quality standard
- Assertive communication
- Managing knowledge
- Engineering teamwork
- Conflict situations
- You are better than you think you are
- The society of knowledge
- Negotiations
- Statistical process control
- Quality in the industry of recreational aircrafts
- The remuneration system of the BISE Bank
- The remuneration system of A. Blikle Ltd.
- The European context of quality management
- Seven corporate cultures of capitalism
- Six sigma
- MBO versus TQM
- Difficult conversations
- From Shewhart to six sigma
- Management without penalties and rewards
- The EFQM model
- Red beads — the simulation game of Edwards Deming
- The dynamics of social changes caused by social entrepreneurs — the Ashoka case
- TQM — the mantra of Polish schools
- When open management will be possible in Poland
- Quality — the ethical and praxeological aspects
- Open management in schools
- Myths in economics
- Social and human capital and well-being — a Polish paradox
- Confrontation as a tool to reach an agreement
- Corporations facing the communication revolution of the XXI century
- Management without stick and carrot

Ryszard Stocki[1]

EDUCATING FOR TOTAL PARTICIPATION MANAGEMENT – PAST EXPERIENCE AND PROSPECTS FOR THE FUTURE

WHAT IS TOTAL PARTICIPATION?

Participation systems have a long history, particularly in political systems with ancient democracies (Kwiatkowski 1947). Yet in the past some institutions can be found that elaborated their participation systems to the extremes, first by educating and then by involving the members of their communities in literally all aspects of the functioning of the communities, allowing in this way an unprecedented development and prosperity, particularly when compared to other institutions of that time. The Jesuits' Paraguay Reductions (Cunningham Graham 1924), the Activities of John Leitch (1919), Polish Gazolina (Wieleżyński 1985) – just to mention a few.

Many contemporary companies, such as SRC Holdings Corp., Harley-Davidson, SAIC, Southwest Airlines, Mondragon, Semco, W.L. Gore Associates and Suma have successfully introduced their own employee participation systems, which are similar to the historical ones, and with a spectacular boost of productivity and employee satisfaction comparable to the historical examples. The book *Total Participation Management* (Stocki et al. 2008) offers a "common denominator" for what these historical and contemporary companies do. This discovery together with deep anthropological reflection on participation greatly simplify change management, manager education and manager recruitment. If appropriate tools were developed on the basis of this concept, we could use

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this model for companies where participation schemes fail. It is worth making an effort to understand the implicit expertise of successful companies, as they show results when it comes to productivity, turnover and work discipline.

The concept of Total Participation Management proposes that the common denominator essential to the success of the participation schemes of managers is **them viewing all employees as free, responsible** acting persons **and not simply as** human resources **with knowledge, skills and attitudes as a form of passive capital.** When we look at leaders such as Jack Stack, Ricardo Semler and Robert Beyster, they all seem to have an expertise that evades researchers. This expertise is difficult to analyse using social sciences, which are based on the discovery and analysis of repetitive patterns, because each company is unique. This common denominator, which I call the master key, can only be found if we abandon the traditional empirical schemata and view companies as being the realisation of the "hidden ontologies" of their leaders and employees. Paradoxically, that is the only way in which empirical research is actually possible. Furthermore, if company leaders that visit Semco in São Paulo or SRC Holdings Corp in Springfield, Missouri, are to be successful in introducing these systems in their own companies, they must first examine their assumptions about people. As we shall see later on in this paper, this creates quite a challenge to education management.

The acting person ontology theory can be supported with evidence from employee participation studies. Although almost 300 books have been written in English on this topic since the 1970s, the research conclusions on the effectiveness of participation are equivocal. Summaries of studies on participation by Heller, Pusic, Strauss and Wilpert (1998), Perotin and Bauer (2003), and Summers and Hyman (2005) conclude that the more participative various aspects of an organisation are, the greater the chances for its success. However, these results stand in conflict with practice: in fact, HR departments usually do not get the results they expect from a participative approach to management, **because** they hold a strictly quantitative view on participation.

The reason for these failures and equivocations lays in the fundamental difference between **partial** and **total** participation. While most of the literature on this topic is devoted to **partial** participation, it is only **total** participation, based on the "master key idea" of the acting person "ontology", that can bring about real changes in the way that companies are managed.

Since research on total participation companies is very scarce, support for the acting person ontology theory can be found in the writings of Jack Stack (2002), Robert Beyster (2007) and Ricardo Semler (1998, 2003), the pioneers of total participation. When they describe the phenomena of their companies, they use words like "culture", "environment" and "people", underlining the universal character of the phenomena and stressing the choices people are given in their companies.

In *Organisational Pathologies* (Stocki 2005) I argue that organisational pathologies are rooted in managers' private theories of the world. Such private theories can also be called "private ontologies". I propose a nosology of organisation pathologies similar to the one used in psychiatry. Any nosology requires a standard of "health". For this purpose I propose to use the anthropological study of Karol Wojtyła and the concept of total participation. The Table 1 presents a comparison between the two main ontologies that exist in management.

Table 1. Partial and total participation ontologies

Partial participation ontology	Total participation ontology
Human Resources Social "animal" Creativity Personality Intelligence	**Person** Self-cognition Free will Participation
Behaviour Autonomous ■ attitudes ■ emotions ■ motivations Conscious ■ cognitions ■ decision making	**Act** Conscious Causing difference in the world Conditioned by ■ efficacy ■ self-determination ■ responsibility
Development Goal attainment ■ individual ■ group ■ organisational Work-life balance Competence Status	**Transcendence** Breaking limits Achieving a better personality Creating character

According to the ontology of total participation, participation is not a resource that can or cannot be utilised. It is rather a fundamental characteristic of every person. Total participation involves "doing something with others" as an act that is conscious, voluntary and conditioned by efficacy, self-determination and responsibility (Wojtyła 1984). As we shall see in the next sections of this paper, the requirements of total participation are very difficult to be met by management education programmes.

EDUCATIONAL PRACTICE TODAY

Participatory practices are taken for granted in educational practice. Student representatives in governing bodies, school self-governments, encouraging students to participate in class discussions, project based education, modularisation of instruction and programmes – these are just a few examples of the phenomena present in educational institutions. Similar to management practices, they are not successful. This is because of their partial character. What has not changed is the "private ontology" in how educational activities are perceived by their proponents. One of the reasons why participation management has not been very successful in history is the oppressive character of the educational process. Existing education, including business education, is based on private assumptions, which are no longer relevant to a great extent. The famous pedagogical thinker Paulo Freire enumerates 10 features of traditional pedagogy in his book *The Pedagogy of the Oppressed* (1970). Even if they are formally disapproved of or criticised, many of these assumptions make up the frame of mind of most educationalists. Let us have a critical overview of the assumptions that can be found in management education.

1. The teacher teaches and the students are taught

Traditional knowledge transmission is hierarchical – in an advertisement of a famous business school one of the professors says: *In other b-schools both students and professors have to learn from the same textbooks, here the students are taught by professors who write the textbooks*. The assumption that these two roles are completely separate is only partially true. In education, just as in any other system, we should remember about the principle of subsidiarity and the local character of knowledge. A professor reading a book written by a student may be a good example of the approach that should be taken. In fact, each student statement, essay or assignment could be a revelation. In communities of practice the knowledge transfer is not a one-way street. There are ample examples of business owners who superseded their professors, such as Bill Gates, Anita Rodick, Ricardo Semler and Jeffrey Bezos, just to name a few. A person from the bottom of an organisation may have a more adequate answer to an issue than a professor. Dissolving the difference between student and professor brings about the danger of sub-expertise and pseudo-knowledge entering the world, new gurus may appear whose ideas will not be backed-up with evidence. Yet so far the business community has been quite immune to this kind of influences. With respect to mass education, there is certainly a need for regulatory institutions that would certify one's impact and offer criteria based on the participation theory.

2. The teacher knows everything and the students know nothing

Today, in terms of cognitive psychology, we would say that most of the managerial knowledge is considered domain-general – it can be applied to any kind of organisation. Therefore business schools can have a general character. However, this is not a viable assumption. Knowledge is domain-specific. General knowledge is just one of many domains. Good business and management schools are aware of this fact and create programmes for specific needs – coops, medical institutions, family companies, etc. The problem here is to determine a borderline between the disciplines. The applicability of any solution that is proposed has to be tested and discussed each time. There is also a long way between the practice and the educational programme. When business used to be slow it did not matter, now it makes some educational programmes out-of-date from the moment they are started. This is the case with all Internet marketing knowledge. A community of practice helps to solve this problem by allowing everyone to propose a course and educational content specific to a given domain.

3. The teacher thinks and the students are thought about

There is a concept of maturity as a state and not as a process behind this idea. As traditional education was always directed at young people, this thinking has pervaded life-long education. In some educational institutions an experienced 40 year-old expert in one domain who wants to make up for some knowledge gaps in another domain is treated as if he or she were an immature teenager. This also happens when regulations for different studies are formulated. It is the staff that decides about them. It is unconceivable for a present-day institution like the Jagiellonian University for example, that its famous chancellors were elected by the students from among themselves. In its greatest days it was a real global community of practice. Between 1433 and 1510, 44% of the students were from abroad. There is nothing wrong with student-academics regulating the community in such a way that would be most suitable for the learners. Thinking together should be the key to the teaching of participation. At the present time there are several student representatives in the didactic commission of the Institute of Psychology. A TPM community of practice should be governed solely by its members.

4. The teacher talks and the students listen – meekly

This is the result of one more characteristic of education. In order to be economically effective, education has to be massive. If the salary of a lecturer is fixed, the more students are present the better. In the Internet era this is no longer a relevant approach. Large lecture rooms do not allow space for discussion and interaction between the students and the instructor or among the students themselves. As a result, the same could be accomplished through recordings of lectures. This is why e-learning is becoming so popular. The problem is that even if this method of learning is used, it is not followed by discussions, as instructors are not paid for discussing, but for the outdated process of transferring knowledge. The system of progress control is the problem here. Only if you pour knowledge or facts like water into a container, you can control the process. The changed mind and differences in thinking are difficult to measure. The certification programme described later on in this paper might be a solution. The main cost should be calculated by the amount the instructor can spend with a single student.

5. The teacher disciplines and the students are disciplined

In present-day schools discipline is mainly focused on time. The main part of the learning process takes place during a certain period of time – a programme (a course). This is associated with assumption 4 – the mass character of education. Each assignment or project has to be finished on time. Therefore, very often meeting a deadline becomes more important than the work content. If this were changed it would be very difficult to organise the work. The problem is that the school takes responsibility for the students and they in turn play games with their instructors. The general script of the game would be how to get the best possible grades for the least amount of work done. People undertaking various forms of life-long educational events do it as a sacrifice, because they have to finish the programme in a definite period of time. Usually this period of time is limited by budgetary limitations and employment planning. In a community of practice the accounting unit would be smaller – a course, allowing organisational flexibility.

6. The teacher chooses and enforces his choice, and the students comply

Leadership is still considered to be the key to successful management. (An example of a famous school mission is *We educate leaders that make a difference in the world*). Moreover, leadership is usually associated with influencing others, convincing. Often participation is considered a key to successful leadership. This instrumental treatment of participation is what we call partial participation. Business teachers are rarely good models for students of participation. In TPM leadership has a local cluster like character. Today I am your leader, tomorrow you are mine. In communities of practice, systems of participation are becoming increasingly more important than individual leadership. As the education of employees increases, organisations have to fight for talent, expertise and innovation by encouraging their employees to participate in a specific trajectory of activities. The role of a manager in the 21st century may be less important than it used to be so far.

7. The teacher acts and the students have the illusion of acting through the action of the teacher

Traditionally, the basis of teaching is some experience from the past (the *Traditional Case Study Method* is based on this idea), which is acted out during the course. This way students solve problems that have already been solved or are irrelevant today. When Jeffrey Bezos recruited staff for his newly established Amazon.com, he was not interested in their experience, simply because there was no such experience before. He was only looking for talent. More and more companies today are in the same situation, because their domain is historically, business wise and person wise unique. Live case studies change the situation. It is no longer a secure case of the past, but a present pending case, which has to be solved by students with the instructor's assistance. The instructor shows his or her real business professionalism. The real dynamics of this method of teaching makes people create the knowledge they require. Furthermore, an increasing number of organisations are interested in participating in communities where they can find solutions to their problems.

8. The teacher chooses the programme content and the students (who were not consulted) adapt to it

The reason for this is the implicit expertise criteria, which are only intuitively known to the staff. Once they become explicit, the education can become more flexible. Within the implicit expertise, education had to be associated with one institution. The better a faculty was in defining its expertise, the better school it was. In addition, institutional management education should be distributed between various groups of beneficiaries (undergraduates, postgraduates, MBAs, executives). All these groups have different life situations, different priorities. However, experienced, knowledgeable and goal oriented people can profit from contact with inexperienced, yet flexible, enthusiastic and innovative students, especially if they are united by the same concept of management. What we propose is to establish an international committee for the establishment of explicit expertise standards. The process, courses and events would be related to these standards. The challenge is the administration of the process. There is nothing wrong with mixing groups, as long as they fulfil the entrance requirements.

9. The teacher confuses the authority of knowledge with his or her own professional authority, which he or she sets in opposition to the freedom of the students

How often do we despise a domain because of the instructor we had for that domain. Similar confusion appears between the brand of the institution and the authority of each particular teacher. So far, education is branded by institutions like Business Schools or Universities. Within the limits of the institutions the students usually have little choice. They are free only at the moment when they are choosing the institution. The better the selection of teachers, the better the school. The problem here is the same as before – how do we know that knowledge from a given institution is worth the money it costs? With an open community of practice we move from a "centralised" to a "free market" educational economy. Of course there will still be better and worse institutions. Brands will still exist, but they will be related to specific persons and teams. Moreover, the community approach can operate parallel and in cooperation with Universities and other educational institutions.

10. The teacher is the subject of the learning process, while the pupils are mere objects

This is especially true when it comes to the temporal aspects of the relationship. As long as you are a student you are OK, but once you finish you can join an alumni club at the most. People stay in contact for networking purposes and the institutions expect mainly such contacts. Very little is offered to alumni, particularly if they are no longer regularly paying students. The community of practice will be a life-long community. Participation cannot oblige to any financial costs. Naturally, like with any other community, its quality depends on what the members have to offer. Good advice, expertise, mutual support, time spent together – the more you give, the more you get.

In the next section we present the main principles of the TPM Global Community of Practice, which may serve as a summary of the new approach to education.

EDUCATIONAL EXPERIMENTS AT THE JAGIELLONIAN UNIVERSITY

At the Institute of Psychology of the Jagiellonian University there have been attempts over the last 14 years to create a new participative philosophy of education in managerial psychology.

The first attempt started with the introduction of the so-called META system in 1994. Several courses related to organisational development and change, and organisational psychology have been linked into one harmonious whole. The community that was started in this way was not only involved in common educational and training efforts, but was also involved in a common research project on managerial literacy, which culminated with a presentation of the results at a conference in Athens. The system was based on the common base of knowledge. The courses were conducted by practitioners and Ph. D. students. Students also participated in live case studies, consulting projects for real organisations.

This system encountered several obstacles. The activities of both instructors and students could not be framed within the University accounting systems of calculating hours of classes. The courses were very popular and many students wanted to participate, yet, with limited resources, additional recruitment (conducted by the students as an educational project) had to be performed. The Institute authorities forbade this practice. The courses related to the META systems were forbidden to be marked as such in the catalogue of courses, so they were blended in with other courses. The META system was transferred to a regular study path and lost its participative character.

The next attempt appeared in 2003 as an “ABCD Company”, a simulation that in the process changed its name to “Neolution” (www.neolution.pl). Many features of the META system were continued – e.g. live educational consulting projects for companies. This time around however, several courses were united by the idea of a virtual training company. The students were employees who had their career paths and had to both conduct and participate in the trainings and consulting projects. During the first year the CEOs of the company were instructors, but this was changed in the second year and the students took over the management of the company. The practices of Neolution are very similar to a community of practice. The simulation exists till this day and students are recruited for it, although it is not directly related to any University courses. The simulation also started a Leonardo da Vinci internship programme, which also culminated with a conference presentation.

As before, the simulation uncovered new weaknesses. There was a lack of an “organising course”. In fact, the simulation meetings were at the expense of other courses, or at the expense of the private time of both students and instructors. Despite learning a lot, students did not receive credit points for their effort, while the instructors did not receive compensation.

There was no appropriate point – activities control system. One of the students volunteered to create one. It had not been finished for the first year and as a result the control of the whole simulation relied on just one person – not prepared for this task. Students did not accept the "portfolio based examination", based on participative management standards and engaged in projects involving "mystery shopping", which is the opposite of the total participation philosophy. In other words, the simulation drifted towards traditional human resource management practices, both in internal management and external projects.

The next simulation, called "Symeo", was based on a limited number of courses. The short duration and lack of live case study projects caused it to cease existing. Some reasons for the failure might be related to the fact that Neolution had recruited the best candidates before the recruitment to this course and students thought that the two simulations excluded each other. As a result Symeo never gained the brand of Neolution and ceased after a year. It has been found that both Neolution and Symeo lacked the theoretical foundations and differentiation of its practices from partial participation practices. This was to be amended in the next simulation.

The "Acting Person Centre" (www.theactingperson.org) was a simulation course that was thematically, but not organisationally related to other courses. In order not to repeat the mistakes of Symeo, the course was advertised strongly at the Institute. Moreover, it was based from the very beginning on personal anthropology. It was a much greater success. Unfortunately, the lack of an organisational connection to the other courses made it difficult for students to combine the activities of the simulation with participation in other courses. The centre was meant to be a think tank for total participation, yet the difficulties with servicing the joomla-based web page limited its activities. Although the courses were not continued, the simulation is still active and, just as Neolution, conducts live case studies.

To conclude the experience of 14 years of participative courses we should pay attention to the following aspects. (1) The simulations have to be well advertised. The prospect candidates do not differentiate the simulation from other courses. (2) There should be clear and demanding criteria for entering the simulation. (3) It is crucial to have software support for such activities. Open software such as Moodle, Joomla, dot. project and Yuma make present-day simulations much simpler than before. (4) The simulation should be planned as continuous activities (communities) rather than educational projects, as students are so close to it that they are ready to continue even after graduating. (5) It is of fundamental importance that all instructors present the participative philosophy and closely cooperate with the programme of the courses. (6) It is important to remember that at the beginning short and easier projects should be undertaken, so members are not discouraged by an early failure. The conclusions from the experiences are expressed in the idea of the TPM global community of practice, which will be presented in the next section of this paper.

TPM GLOBAL COMMUNITY OF PRACTICE – PRINCIPLES

The concept of a community of practice (sometimes abbreviated as CoP) was first introduced in 1991 by Jean Lave and Etienne Wenger (1991) and later on developed by Wenger (1998). It is the process of social learning in groups of people who have a common interest in a domain of expertise and collaborate over an extended period developing their expertise.

Communities of practice, though not given that name, have always been an important part of the learning process – very often more important than traditional learning. In the past they had a rather regional character and were therefore not easily accessible. Now, with the development of Internet technologies, the communities have got a powerful instrument for their functioning. Internet communicators (e.g. Skype), free e-learning software like Moodle and Internet conferencing software like Yugma make learning today a completely different phenomenon than it used to be even 10 years ago. Below you will find some general rules for the community.

- Similarly to selling/buying communities like eBay or Allegro, everyone here can be both a teacher and a learner, regardless of the institutional membership or scientific title. The role of the instructor can be that of a person designing an e-learning course or even only a single case study. It can also be a one-year programme of mixed character including lectures and parallel seminars.
- The members of the community can offer and participate in open free courses and commercial ones. The community character of the process makes it possible to learn quite cheaply or even for free and offer knowledge to others with no tuition fee. The courses and lecturers can be significant if extra funds are found for their development. An attractive course can also be offered for a decent price, especially if it involves time on the part of the instructor.
- The lack of institutional limitations allows anyone to study all through their lifetime and change their involvement throughout the process, depending on their life situation.
- The learning community is a community united by the same practice. This is why borders and nationality should not be obstacles for the exchange of ideas. As most materials, books and practices are available in English, it does not mean that some national sub-communities cannot evolve in the process. This will be possible when the community has enough resources for translation.
- When you buy something on eBay, the minute you receive it at home you are able to say whether you have been cheated or not. Your negative comments and those of other cheated persons quickly eliminate such a person from the community. Unfortunately it is not that easy with learning. The teachers' mistakes are often visible only after

many years. Sometimes they are never discovered. This is why we decided that participation in the community has to be certified on the basis of objective, clear criteria. There is more about certification in the next two points.

- To make participation as broad as possible I propose a broad and multilevel certification programme. As the certification process may be quite costly, we are going to find sponsors. The first draft of the Certification Standards was formulated in an International Ownership Education Project of the Capital Ownership Group in the State University of Ohio. We hope to further develop the certification process in cooperation with this and other international institutions. For example, the European Federation of Employee Stock Ownership in Brussels has wholeheartedly supported this project.
- The community is devoted to participative management. We know one thing for certain: you cannot teach participation in non-participative or sometimes totalistic institutions. This is why the educational practices that are offered in this community should be audited and certified. We shall develop a set of criteria for educational practices to be considered participative, which will also allow to certify any programme, course or seminar as a TPM one.
- Participative management is a very demanding phenomenon. A manager, consultant or a trainer who would like to use this approach has to be business and psychology literate. We would like the community to be the community of professionals. This is why we propose a preliminary programme before one is able to join the community. The programme ends with an exam, which is at the same time an entrance exam for the community.
- The community may be associated with any institution that has a certificate of Total Participation Management Education Provider. The courses for the Certificates in TPM can lead to other Certificates and University graduation.
- Multiple simulations – all members of the community are invited to create more or less fixed teams for performing educational, research or consulting projects.

The idea of the TPM community of practice can be considered as a good alternative to traditional education, if total participation management is to be taught as a model for future organisations. The historical and contemporary evidence of total participation successes makes the educational efforts leading to it a particularly attractive choice.

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THE COGNITIVE MODEL OF ETHICS EDUCATION: CASE STUDY

1. THE OBJECT OF ETHICS EDUCATION

Though business ethics is being more and more often incorporated in academic curricula and employee trainings organised by firms, opinions on the reasonableness and effectiveness of these actions are not unanimous. On the one hand, business ethics courses are perceived as an effective means of improving the moral standards of managers, but on the other hand, opinions are expressed that they will not give the desired results. These opinions are based on two main reasons. Firstly, moral standards of adults (students and employees) are supposed to be firmly shaped in the earlier phases of life by family, school, social institutions, general education and by practising some behaviours. These standards cannot be changed, especially not by academic persuasion. Secondly, moral decisions are believed to be based on a personal hierarchy of values, sensitivity, emotions and needs, which are the result of upbringing and not reasoning. Levin argues that moral behaviour is the product of training, not reflection. He insists that honest men do not have to think about how to answer under oath, just like bicyclists do not have to think about which way to lean (Levin 1989).

The opinion that it is impossible to change moral standards is questioned by the findings of some psychological research. For example, Rest (1988) showed that: 1. Dramatic and extensive changes occur in young adulthood (the 20s and 30s) regarding basic problem-solving strategies used by the person when dealing with ethical issues; 2. Deliberate educational attempts (formal curriculum) to influence awareness of moral problems and to influence the reasoning and judgement process can be

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demonstrated to be effective; 3. Studies link moral perception and moral judgement with actual, real-life behaviour. The influence of moral training not only on reasoning but also on the system of values has also been proved by Kaplan (1989). It turned out that methods to improve the level of moral reasoning, by group discussion and judgement of moral problems, can change the values of the discussing people, especially by being in regular touch with each other. The opinions and choices of some people can be shifted towards those that dominate or are most discussed, which was described as the group polarisation effect (Kaplan, Miller 1983).

It would be interesting to carry out an experiment verifying the influence of a business ethics course on the moral choices in business. This experiment would consist in a comparison between solutions to ethical dilemmas made at the beginning of the business ethics course and at the end of it.

It should be mentioned that the potential possibility of influencing the students' reasoning and values in the process of educating is promising and dangerous at the same time. It is promising, because it gives a chance to shape the desired values for socially responsible business. It is dangerous, because it creates a risk of regress of the individual values of people that are dominated by the majority or by the teacher's authority.

Another wrong assumption made by the opponents of ethics education is that moral decisions are derived exclusively from the decision maker's emotions, evaluations and values. In such a model there is no place for thinking, for knowledge. This model is not complete, because moral decisions are not only based on noble or wicked impulses, made in simple, yet sometimes dramatic circumstances. The situations in which decisions have to be made in the contemporary economic world can be very complex. Everyday categories are not sufficient to analyse such situations. Honesty, a willingness to do the right thing and the rules assimilated at home or at school alone are not sufficient to make proper moral decisions. Telling whether some actions shape economic and social order and to what degree depends not only on moral sensibility and intuition, but must also be based on knowledge. This inductively justified knowledge, referring to collective experience, is a base for formulating some rules in business ethics. It turned out that individual experience and conscience do not necessarily lead to generating such rules.

One can show empirical reasons for the thesis that knowledge is a necessary condition of ethical behaviour in business. One of them are the results of my research concerning ethical standards of employees (Lewicka-Strzałecka 1999). The respondents were asked to choose the proper behaviour among the presented items in two situations. Some of the items that could be chosen in the first situation could lead to the violation of the fair competition rule. As it turned out, over one-third of the respondents, who earlier stated that a violation of the fair competition rule could never be justified, chose such items. They were of the opinion that when a new competitor enters their company market, it is acceptable to ensure the company's market share by tying up possible suppliers and distributors with exclusivity agreements and/or by meeting with the competitor to agree upon separate territories and to set similar prices. In the second situation, some of the items that could be chosen may lead to disclosure of trade secret. Similarly, it turned out that over one-fourth of the respondents, who earlier stated that a disclosure of trade secret could never be justified, chose such items. They stated that when they had learned trough internal company channels that their company was about to be awarded a major new contract, which would be very profitable for the company, it was acceptable to advice a friend to buy their company stock. Obviously, general approval of the fair competition rule or acceptance to keep trade secret is not sufficient. One must know how these rules should be complied with in defined practical circumstances. Using these concepts intuitively would be deceptive, as they have an elaborate operational meaning being a result of collective reflection and they are subject of legal regulation.

Business ethics limited to the proclamation of universal values appears not in its role and promptly loses the trust that it was given. Business ethics should state something more than just that one should be honest, respect somebody's property, keep one's word etc. As Gasparski (2007) says, its basic aim is not inducing to “economic vegetarianism”, but an interpretation of these general norms in the modern world of business. Moral appraisal rarely has two values in this more and more complicated world. Most of the situations in which managers have to make decisions are very complicated practical situations. They are not situations of simple choice between right and wrong, but dilemmas in which one has to choose between the right of one group and the right of another one, between present and future advantage, between the protection of the environment and the security of employment.

The participants of business ethics courses are not supposed to receive ready and only right solutions to such dilemmas. However, they may acquire some skills of perception of moral problems in business and get the knowledge needed to analyse them. Both these skills and knowledge go beyond elementary feelings and everyday knowledge. Thus, first of all, ethics education should influence the ways of categorising the world, and provide knowledge on the relationship between the ethical and effective dimensions of business. In this approach, the direct object of business ethics education is a cognitive component of moral attitudes in business, and the indirect one – the attitudes themselves.

Moral attitude is a special kind of attitude, the notion being an object of keen interest and research in social sciences. Though this notion of attitude is differently interpreted, a significant group of researchers recognise Smith's (1968) proposal of identifying three components of its structure. These components are the following: 1. affective, 2. behavioural,

3. cognitive. The affective component is constituted by the emotions and evaluations of the attitude object, the cognitive component (by the knowledge and beliefs connected with it), and the behavioural component (by the actions towards it). The attitude components are related to each other, especially the programme of action is based on the evaluations and knowledge. In spite of the lack of logical interference between sentences that include evaluations, knowledge and norms of acting, the last ones are determined by the first ones to a certain degree. Influencing the affective and cognitive components one can indirectly influence the behavioural component. In other words, providing students with additional concepts and instruments for moral analysis means broadening their behavioural repertoire.

2. THE COGNITIVE COMPONENT OF MORAL ATTITUDES IN BUSINESS

The education of the cognitive component of moral attitudes should achieve two objectives. The first one is showing future managers the wealth of ethical concepts and developing the skills to operate these concepts. According to the theory of linguistic determinism, our perception of the world depends on our language – the wealthier our language, the more complex our perception and larger our repertoire of evaluations and possible actions. In the opinion of Sapir (1929), one of the founders of this theory, the idea that we adapt to reality without using language is an illusion. Since our language is not only an instrument of communication, but also describes our way of structuring the world, providing students with additional ethical categories will have an influence on their perception of the moral dimension of practical situations. These additional categories should make future managers notice ethical dilemmas in business more than they would equipped only with elementary categories. Paine (1991) calls it the shaping of ethical sensibility. In his opinion, such sensibility can be developed by enriching the vocabulary of students with ethical notions and by developing skills necessary for using this vocabulary when describing reality and own experiences.

The second objective that should be accomplished while forming the cognitive component of moral attitudes is teaching about the complex relations between ethics and the economic world. This concerns the knowledge about the ethical foundations of operating economic systems, firms and individuals. This knowledge is theoretically justified and empirically confirmed by collective experience.

Forming the cognitive component of moral attitudes serves the development of skills necessary for making ethical choices and for justifying these choices. Paine (1991) argues that students should be able to base their intuition on arguments, present these arguments and defend them while being questioned. This objective should determine the range of ethical theories presented on the business ethics courses. However, determining this range is connected with the trap of falling into one of two extremes. A too wide range of these theories changes business ethics courses into history of ethics courses and do not leave time for actual business problems. A minimum range of the basic ethics knowledge, or omitting it altogether and starting an analysis of ethical dilemmas in business at once, changes ethics education into a loose discussion based on intuition and common sense.

Being aware of this trap one can draw the conclusion that the most desired solution in ethics education is a balance between theoretical knowledge and case studies. The casuistic method, which is willingly and often used during business ethics courses, and has a great and old tradition, should support theoretical considerations. This method enables to specify abstract ethical concepts and to apply general moral norms in particular situations. Its didactic advantage is that on the one hand it gives a closer understanding of complex and multidimensional concepts and general moral norms, and on the other hand it forms the skills necessary for operating these concepts in individual situations. However, the limitations of the casuistic method should not be forgotten and the mistakes that led to the degeneration of it should be remembered (Dylus 1997; van Luijk 1994).

Case analyses in business ethics consist of three parts: narrative, analytical and normative (van Luijk 1994). The narrative part is the description of the situation, place, time, people and the course of action. The analytical part is the identification of the moral aspects of the case, calling up the appropriate moral rules and formulating the corresponding arguments. The normative part involves decision making and a defence and justification of that decision by the person making the analysis.

Case analyses do not always contain all the three elements mentioned above. However, the method of gradual reduction of particular elements seems to be most appropriate one in didactic practice. The first stage involves a description of the situation as well as the making of the analysis and showing the solution. In such model analysis, conveying the structure of this method is important. The last stage does not only involve an independent analysis, but also the finding of an adequate case illustrating the corresponding general phenomenon or theoretical conception.

3. THE INFLUENCE OF KNOWLEDGE ON MORAL DECISIONS: CASE STUDY

The idea of an experiment verifying the influence of knowledge on moral attitudes towards buying cosmetics that are tested on animals came up during classes on consumer influence on business. Giving various examples of such influence and wanting to use the example of activists defending animal rights, I asked the students if they base their decision when choosing cosmetics on whether they are tested on animals or not. From the thirty people participating in the classes only two lifted their hand. One of them stated that she avoided animal tested cosmetics and the other one – quite the contrary – considered such cosmetics more credible. When it turned out that the word vivisection was totally unknown, I gave up my initial intention to present various aspects of testing cosmetics on animals and proposed that the students themselves prepared such a presentation for the next classes. Two students that belonged to the "indifferent" majority of the group volunteered to prepare the presentation. During the next classes it turned out that they were deeply emotionally moved by the information that they had found in literature, the press and on the Internet. It was information concerning the sufferings of animals about which they had known nothing. The presentation prepared by the volunteers made a great impression on the other students and initiated an animated discussion. The agenda of this presentation was the following:

- **The concept of vivisection**
- **Descriptions of animal experiments illustrated by shocking pictures**
  One of them presented rabbits held firmly in a fixed container with the body inside and the head outside in order to unable them to scratch their eyes after applying stinging drops. Tearing the rabbits died in horrible torture. The other picture showed monkeys that were being scaled without anaesthetics in order to try a substance to regenerate the skin.
- **Examples indicating the unreliability of transferring the results of experiments from animals to people**
  Experiments on animals are not reliable, because of different reactions of particular species to the same substances. Therefore, their results cannot be applied to men without risks. There are a lot of substances to which people and animals react in an extremely different way. For example: morphine calms people down, but provokes aggressive behaviour with cats; amyl nitrite increases the pressure of the eye ball with dogs, but decreases it with people; a toadstool is mortal for people, but causes no harm to rabbits; a small quantity of prussic acid can poison a whole company, a porcupine stands such a dose without any problem. There are famous examples of medicines tested on animals that had disastrous consequences for people, e.g. thalidomide taken by pregnant women caused the birth of thousands of disabled people.
- **Uselessness of many tests**
  A lot of tests are carried out unnecessarily, because they repeat experiments that were already conducted and are well documented. It

is estimated that about 8000 chemical substances have been tested on animals, from which 2000 strictly cosmetic. In the time of common electronic communication the access to the results of these tests is not difficult. It is sufficient to use a ready-made data base, like the Computational Biology Gopher Server.

- **Alternatives to vivisection**
  Animal tests can be replaced by other methods, which not only spare animals, but are also faster, more credible and more effective. The application of many chemical substances can be more and more precisely simulated on a computer. In a lot of research cell cultures can be used, especially human cell cultures. There is advanced *in vitro* research, enabling to anticipate the basic cell toxicity. Many skin tests can be carried out using artificial human skin. Some of the research can be conducted with volunteers.
- **European legislation**
  In 2003 the European Parliament approved a directive known as the Cosmetics Directive, regulating the use of animals in cosmetics testing. The testing ban on finished products has been in force since 2004. The ban on testing ingredients or combinations of ingredients is being introduced step-by-step, as alternatives to vivisection are validated. Nonetheless, the Directive imposes a final cut-off date, the 11th March, 2009, irrespective of the availability of alternative, non-animal tests.
- **Consumer actions**
  Consumers looking for products that are not tested on animals and boycotting companies that use such tests, force business to change its course of action and contribute to changing the legislation.

4. CONCLUSIONS

At the end of the classes I asked the students who among them, when buying cosmetics, will be taking into consideration if they are tested on animals. Every student declared such an intention. It is important to realise that their real behaviour might still be different, but this is a certain prognosis of it. Some of the students declared that they would be propagating a negative attitude towards animal testing among their friends and family in an active way. I repeated the experiment described above several times and every time it had a similar effect. To sum up, from over two hundred people taking part in this experiment, an overwhelming majority changed their attitudes towards buying cosmetics, positively affected by the proper information.

The case presented above does not prove that affecting the ethical attitudes of people is an easy task. The participants of this experiment were young people, open to new information. Moreover, the experiment concerned cosmetics, a luxury product. There are many alternative versions of these products on the market and it is not difficult to choose those that fulfil the ethical criteria. It is also essential that this choice does not imply an individual loss or risk. No one knows what part of the students that declared to care for animal rights will actually keep their word while buying cosmetics.

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DILEMMAS AND PARADOXES OF BUSINESS ETHICS EDUCATION – WHAT MAKES ECONOMISTS SO AMBIGUOUS?

1. INTRODUCTION

Today we observe an increasing debate on business ethics, business ethics education and ethics in the economy. Some authors also discuss new intellectual trends, like

Corporate Social Responsibility. However, the above-mentioned disciplines also cause serious methodological controversies. According to some economists and not only, business ethics should be treated as an oxymoron. There are a number of arguments that are more or less critical towards business ethics. However, there are also many serious arguments supporting the axiological approach to economic and business processes.

Controversies concerning business ethics can be considered in the field of phraseology. Some scholars prefer the traditional term “business ethics”, others prefer using more general concepts, like “ethics in economy”, “ethics of the markets” or even the very wide and general concept “business and society”. Other scholars and teachers as well as authors of handbooks use the relatively modern term “Corporate Social Responsibility”, or the less socially oriented term “Corporate Responsibility”. Some economists also treat the elements of ethical reflection as a part of institutional economics, the public choice theory, constitutional political economy, the theory of social capital or the international competitiveness theory.

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2. THE DEVELOPMENT AND EVOLUTION OF THE AXIOLOGICAL AND ETHICAL REFLECTION ON ECONOMY AND BUSINESS

The scientific and ethical reflection on economic life can be treated – paradoxically – as a very old and at the same time very young discipline. Old, because it was typical for the ancient world and Middle Ages and is older than modern economics. Young, because today we observe a renaissance of studies on philosophical and ethical reflection on economics and business administration. This is caused by many factors, including serious ethical scandals in business, crises of trust towards business, the globalisation of business activity, a greater than in the past openness of the society to new problems, as well as a development of new currents in economics and business administration (new institutional economics, social capital theory, human capital theory).

Ethical reflection on economic life and education in this field was popular – as mentioned above – also in the ancient world: characteristic for many great religions as well as philosophers, like Plato, Aristotle or (later) saint Thomas Aquinas. For them economics was above all a part of social and moral philosophy (compare: Stackhouse 1995, p. 10–34).

The classical school of economics brought a serious paradigm shift. Economics becomes independent from ethics. Economists try to concentrate on the facts and their interpretation, not on the judgment of human behaviour from the moral point of view. Such a shift had both positive and negative consequences. Positive – because economics is an independent discipline with its own methodology. Negative – because ethical reflection very often has been marginalized or even condemned.

The most characteristic economist for the era of the enlightenment school of thinking as well as for the main current of modern economics was Adam Smith and his utilitarian theory. According to him the market and the market economy offer the most efficient solutions in accordance with the human nature and the will of Creator. From this point of view the most useful intellectual construction is the idea of *homo oeconomicus* as well as the invisible hand of the market. According to A. Smith human beings try to maximise their utility function and it is ethically acceptable if they act within the limits created by the law and morality. It is also the best way to satisfy the needs of society. For Adam Smith the market system itself can be treated as a school of virtues and is the best way to educate an honest and successful person.

The second "founding father" of modern business ethics, Immanuel Kant, represented a different point of view and philosophy. He focused his attention not on the consequences of human behaviour, but rather on the ethical motivation of human choices and acts. Particularly important was his idea that the human being should always be treated mostly as an end and goal, not only as an instrument to achieve our own goals.

Generally speaking, the XIX century and the beginning of the XX century cannot be treated as a good time for the development of a mature ethical reflection on economic life and business administration, or on business ethics education. This is, among other things, caused by the very strong influence and expansion of ideologies that are characterised by tendencies towards reductionism and social engineering. This is why Marxism – paradoxically – cannot be treated as a good philosophical background for modern business ethics. The effects of this philosophy could be treated as very ambiguous from this point of view.

Nevertheless, the end of the XIX century also had some positive implications, such as the renaissance of the axiological approach to business and economic life – the development of catholic social teachings as well as modern democratic socialism and Christian democracy. Also important to remember are Max Weber's reflections on the role of protestant ethics in the development of capitalism and on the role of catholic scholars who represented modern personalism (J. Maritain, E. Mounier), also typical for the fathers of German ordoliberalism, on the social market economy and the way of thinking of the founding fathers of the European integration after World War II.

From the point of view of Christian philosophy, the intellectual legacy of John Paul II is particularly important, including his encyclical letters: *Laborem Exercens* and *Centesimus Annus*. The first document discusses the economic, social, spiritual and moral problems of human work and labour. *Centesimus Annus* concentrates mostly on the ethical dimension of the free market and suggests an interesting look upon capitalism as a social, economic and political system. John Paul II (1991, p. 33–42) acknowledges here the positive role of the market, profit, a free economy and capitalism; he underlines the important implications of freedom, entrepreneurship and participation. However, according to him profit maximisation cannot be treated as the sole motivator. The market should also be accompanied and regulated by a good law system and high moral standards.

The last decades of the XX century can be seen as a good time for the renaissance of ethical reflection among economists and specialists in management. A good illustration of this process is the development of new institutional economics, the social capital theory as well as studies about the soft factors of corporate competitiveness and the negative role of corruption in the economic development of many countries. According to some scholars, social capital (treated as a ability to cooperate and to create relations of trust) and good institutions (treated as the rules of game: a good law system, but also informal institutions like religion, morality and culture) from the preconditions of a successful modernisation process.

3. SOURCE OF AMBIGUOUS ATTITUDE TOWARDS BUSINESS ETHICS

The ethical reflection on the economy and business implicates very different reactions – enthusiastic as well as hostile ones. Why? There are many reasons. Some people treat the *homo oeconomicus* model as a dogma and a scientific interpretation of the human nature (a kind of economic imperialism), and some of them represent a pessimistic interpretation of the human nature (it means that ethics in business is an oxymoron), and others do not like the moralistic approach and they are afraid of *crypto-socialism* and treat business ethics as a kind of camouflage.

This sceptical attitude towards axiology is to some extent reasonable and cannot be treated only as a symbol of cynicism. Some criticism can be justified by:

- the danger of an excessively moralistic approach
- naive expectations that ethics will solve all problems and is more important than a good law system and economic policy
- a possible populism and ideological treatment of ethics
- a high scale of ethical problems in economic life and business
- a lack of professional knowledge among moralists as well as a lack of understanding of the complexity of economic processes.

However, it is necessary to admit that for some scholars and economists business ethics is really treated as an oxymoron – it is worthless to focus attention on such a naïve discipline. Such a point of view is also characteristic for many modern opinions, but we also observe a positive evolution – more and more economists and specialists in business administration recognise the important role of good institutions, a high level of social capital as well as the soft factors of growth, such as development and competitiveness on macro and micro level.

Nevertheless, the moralistic approach and ethical reflection cannot be treated as an equivalent of an economic mechanism, a good law system or efficient management (Dylus 1995, p. 20).

Business ethics teachings can also not be treated as an ideological instrument neither by the supporters of capitalism nor the critics of this system.

4. MANAGEMENT, ETHICS AND THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

A particularly interesting current in the development of modern business ethics is the concept of Corporate Social Responsibility (CSR). According to Milton Friedman, a representative of the utilitarian school in business ethics and economics, the social function of business is to maximise profits within the law and morality, while many other scholars try to show that the situation is more complex and complicated. According to them, the stakeholder approach is much more adequate than a strongly stockholder-oriented utilitarian philosophy. According to the stakeholder approach a corporation has to focus on profit maximisation, but also on satisfying all other groups: managers, employees, suppliers, consumers, competitors, the local community, the national environment, etc. A corporation is not only a business unit, but also a moral community (Friedman; Evan, Friedman in: Ryan, Sójka 1997).

The Corporate Social Responsibility philosophy tries to show that trust and good relations with Stakeholders are particularly important for competitive corporations. One of the aspects of the development of the Corporate Social Responsibility philosophy is popularising the ethical codes of conduct. Some of them have been created on a corporate level, some on an international or even global level (*Global Compact, Caux Round Table, OECD Guidelines for Multinational Companies* and many others). Today it is almost impossible to be successful without a well-developed ethical code of conduct or without the implementation of quality awards and standards, like: AA 1000 (the Account Ability 1000 Standard), Social Accountability 2000, ISO or the European Quality Award.

The concept of Corporate Social Responsibility is sometimes treated primarily as a new current in the business ethics development, but sometimes also as an element of the modern managerial theory and practice. According to some sceptics it can be treated as an element of Public Relations. This is why some specialists in classical business ethics prove that CSR is not a step forwards towards the development of business ethics, but rather step backwards – due to the instrumental approach to the ethical reflection.

5. SUSTAINABLE DEVELOPMENT AND CSR. GLOBAL AND EUROPEAN DIMENSION

Modern ethical reflection on business and economic life can be found in the development of the philosophy of sustainable development and sustainability. The concept of sustainability means the integration of business orientation, ecological orientation and social orientation on the macro as well as micro level. This approach is particularly characteristic for the European Union and its Lisbon Strategy aimed at making the EU the most competitive region in the world. The concept of sustainability is also supported by the UN and some other international organisations (Zsolnai, Lang 2004, p. 187).

The above-discussed questions also have their international (European and global) dimensions. One of them is the globalisation process and its positive as well as negative consequences. Particularly important and controversial is the activity of transnational or even global corporations. This is why scientists, political leaders and all groups of stakeholders discuss the question of ethical codes of conduct for national and multinational companies, being an important and necessary instrument and element of corporate governance and global governance.

Particularly interesting are the reflections of one of the most famous specialists in International Economics and International Business – J.H. Dunning. According to him modern capitalism and the world economy should be treated in the categories of global capitalism (globalisation – a global scale of operations), alliance capitalism (alliances on corporate levels as well regional integration on the level of countries), and a knowledge-based economy (the role of science, human capital and modern services). Modern capitalism is a combination of global orientation and local orientation, coexistence of co-operations and competition, centralisation and decentralisation, and market and governmental intervention. It is reflected in old and new values and virtues: responsibility, individual creativity, trust, teamwork and solidarity. This is why he writes about the "3 C's" – a combination of three particularly important virtues of today: creativity, cooperation and compassion (Dunning 2002, p. 48).

The importance of ethical values for the economic development is also underlined by F. Fukuyama. According to him the spirit of trust and ability to cooperate can be treated as a basic fundament of social capital, one of the most important elements of capital.

The integration processes in Europe are also important from the ethical point of view. The advantages and disadvantages of the European social model and problems with competitiveness have encouraged European leaders to focus their attention on the Lisbon Strategy and the implementation of CSR. Also more and more European leaders and specialists declare (sometimes however only declare) the importance of axiological, ethical or even spiritual fundaments of common Europe.

6. FROM BUSINESS ETHICS TO THE SPIRITUALITY OF MANAGEMENT. THE LEGACY OF M. NOVAK

More and more specialists are interested in the new and future-oriented current that reflects on the relations between religion, ethics and economic development, called *the spirituality of management*. According to this school of thinking religious and spiritual inspirations are very important and creative on both macro and micro levels, including distinctive corporate cultures and corporate governance in different regions of the world. However, the spiritual approach to management and economic and social policy presumes interreligious and intercultural dialogue and tolerance.

The concept of spirituality in management is completely opposite to the dominating among some scholars presumption that the future belongs only to secularisation processes and will be dominated by them. Religion and spiritual inspiration can indeed play an important, creative and positive role in the future, but it should be dominated by the spirit of tolerance and dialogue (Stackhouse 1995, p. 500).

This is why authors like M. Novak promote the concept of the spirit of democratic capitalism, the moral ecology and the universal hunger for liberty. According to M. Novak the ideas of freedom, democracy and market economy should not be separated from religion and morality. According to him, ordered liberty cannot survive in an adequate way without religion, ethics and spirituality. Religion and morality need freedom and democratic capitalism and vice versa (Novak 1992, 1998).

7. POLAND AND CENTRAL EUROPE – THE LEGACY OF JOHN PAUL II AND „SOLIDARNOŚĆ". IMPLICATIONS FOR EDUCATION

In the case of Poland we observe some very specific paradoxes: the relative success in the transformation process is usually discussed in very individualistic categories. Thinking in the categories of common good and social cooperation, it can be said that they do exist, however they are still relatively weak. There are many interpretations to this phenomenon, such as the negative legacy of the traditional Polish *nobles'*, the traditional economic underdevelopment, the legacy of the partition in the XIX-century, the lack of freedom as a result of wars (particularly World War II) and especially communism. The transformation and transition process was neither easy nor free from mistakes. However, in some periods of our past the history of Poland also gives us many positive examples of the spirit of freedom, entrepreneurship, nobles' democracy and economic development.

The most recent period of time was not a very good and too short for the development of Corporate Social Responsibility. CSR is relatively new, but lately it has become quite popular.

Paradoxically, the legacy of the "Solidarność" movement and the teachings of John Paul II (both in fact very important for the reflection on economic and social development as well as business ethics) is still not very well known and understood on political and corporate level. One of the most important challenges for scholars, political, social and business leaders is to think much more about the integration of modernisation and tradition, community and individual freedom, solidarity and liberty. This is not easy, but it seems to be an important precondition for future success and development.

The legacy of "Solidarność" and the teachings of John Paul II, as well as the integration of modernisation and tradition should be treated as one of the most important elements of business teaching, including business ethics teaching.

8. CONCLUSION

Ethical reflection on business and economic life can be treated as an old as well as a new discipline. Old, because it has roots in the ancient world, and new, because now we observe a renaissance of this reflection.

Ethical reflection on business in society encounters very different reactions nowadays. On the one hand – enthusiasm, and on the other – aggression and criticism. There are very different reasons behind such negative reactions: ideological fascination with the *homo oeconomicus* model, treated as a direct and simple interpretation of the human nature (a kind of economic imperialism); a pessimistic opinion on the human nature and the nature of society; and opinions that business ethics can be treated as an ideology or a type of social camouflage.

Today we observe a specific evolution from traditional business ethics towards a concept of Corporate Social Responsibility (CSR), sustainability as well as new currents in the social capital theory and the theory of institutions (new institutional economics).

For Christians the ethical reflection on economy is very important and necessary. However, an excessively moralistic approach should be avoided. This is why new currents of studies, like *the spirituality of management*, are under observation.

The ethical and axiological reflection on economic life and business cannot be reduced only to Business Ethics. It should also be the subject of reflections on modern economic and social science: the studies on the Theory of Institutions (institutional economics), the theory of social capital as well as the economic theory of competitiveness. Furthermore, particularly in a country like Poland, nowadays ethical reflection should also focus on the legacy of "Solidarność" and the teachings of John Paul II, including the reflection on the morality of markets, relations between spirituality, religion and the free market, solidarity, freedom and development.

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FORMING MANAGERS' ATTITUDES AND CODES OF ETHICS

The question of responsible management education can be considered in two scopes, a less and a more wide one. The first one is limited to didactics. The objective is the academic preparation of a manager in order to achieve the professional functions and analysis of the way in which a manager acquires professional and axiological competences. In the second case it can be said that responsible management education is a permanent process of building up ethical sensibility and providing the instruments to help solving ethical problems that appear while exercising a job. As D. Goleman writes, professional knowledge is for the most part a combination of common sense, professional skills and experience which we get doing a job. It reveals as a sense to pass by the obstacles and traps, which are unavoidable for an inexperienced novice (Goleman 1998).

The responsibility for creating the right ethical standards then rests with a company, its organisational culture and its system of managing. More and more firms undertake activities to stimulate and guarantee a proper level of professional ethics between their employees, using such mechanisms as ethical schoolings, codes of ethics and codes of ethical conduct, and by introducing the right quality standards. Many instruments for prevention and control serve not only to promote the highest ethical standards but also to minimise the possibility of reducing ethical consciousness. A common method of ethics' promotion is the forming and setting up of codes of ethics. The conception of codes of ethics has its own well-fixed specificity based on professional ethics (in the case of codes for particular professions) or management ethics (in the case of codes for companies and organisations). To define and form desirable attitudes and behaviour in a firm is one of the most essential instruments.

The idea of the codes of professional ethics has a more rich history to it. The codes concern people who follow the same profession. The creation

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of the codes was conditioned by a number of factors, such as the specificity of the practiced work, the range of responsibility, the scope of competence, the long and difficult path of professional promotion, the exclusiveness of a profession and the functioning of ethos in a professional group. It is not without reason that the medical code, expressed by the Hippocratic Oath, is considered the very first code of professional ethics. The code has been preserved till our times in its nearly unvarying form.

In the course of time the existence of an ethos group related to particular professions has become sufficient for forming a code. The reason for this was the growing autonomy, specialisation and exclusiveness of particular professions.

The ethical codes of companies and organisations have their own specificity. The code emphasises a subjective distinctness of a firm and from this perspective it defines its obligatory system of values and goals. It describes relations to the groups of external stakeholders, partners and competitors. Another in-coming group are the employees or internal stakeholders. The code has to facilitate their identification with a firm. It serves as a charter of prevention and prophylaxis, it promotes high ethical standards and it counteracts corrupt practices. Unlike the codes of professional ethics, the codes of companies are not restricted to the affirmation of a definite system of values. Practicing the codes leads to building up a positive image of a firm, to introducing new methods of management and to arranging better conditions that are to improve the quality of business relations.

The role of the ethical code in creation and fixing specified standards is unambiguous. It is the main instrument of ethical infrastructure. The sense of the code can be considered in two scopes: an internal and external one. In the first meaning the point is to create a positive image of a company – in that case the code is one of the PR elements. From the ethical point of view it opens possibilities to forming relations with the environment based on the values of common respect and reliance. In the second meaning the code is to unite the employees in realising the company's intent. The code has to indicate its system of values, to define relations in a group, to emphasise and eliminate conflicts of interests and to help in situations of moral dilemma. The goals are directly formulated in the code.

From the forming managers' attitudes point of view the essential question is the internal meaning of the code. A formative character of the code of ethics is stressed by passages that put the employees under an obligation to keep and promote a clearly defined behaviour. In this context it is worth to underline the importance of hierarchical order, the role of management and professional authority – the elements that maintain the persistence of professional ethos.

It could be understood that professional ethos is just a point of reference to every consideration. If the ethical code is an exponent of norms that could be admitted and accepted, then ethos is a token of norms that are admitted and adopted. As M. Ossowska writes, the word “adoption” demands more from us than the word “admission”. To admit a norm it is not the same as to adopt one. The adoption of a norm in common sense requires an adaptation of ourselves to the norm through our behaviour (Ossowska 2005, p. 110). To a certain degree it is the realisation of Aristotle’s demand, according to which the moral level of a social group depends on the incorporation of a specified set of norms to the sphere of customs. Aristotle saw this as the “second” nature of the human being. It leads to a transition from the norms admitted to the norms adopted. At the same time ethos is a community phenomena, which always assumes a kind of exclusiveness[2].

A fixed ethos of profession influences the forming of responsible attitudes in an irresistible way. And usually the opinion of the professional circle plays the role of sanction. This is a powerful instrument, considering that the way of a professional career is joined to the necessity of providing for elementary community principles, just as well as for the want of acceptance, appreciation, respect and pride. The existence of professional ethos solves a huge part of professional ethical problems, since it is a competence for avoiding conflict situations and for settling ethical dilemmas, which is fixed in its tradition. The limits of admissible and inadmissible activities are pointed out in an explicit way, though it is not written.

Referring to the ethos of profession, the formal code of ethics seems to play a secondary role. The question *What is the efficiency of the code’s functioning and of all the institutional solutions in the sphere of professional ethics?* seems to be well founded. Too often the ethical code is treated as not obligatory. In the opinion of many managers it is considered as a good tool to create a positive image of a company, without influencing the realities of the company’s management.

> “As an example we can take the functioning of ethical programs in the ENRON company. In many relations that described the spectacular crash of ENRON it has been stressed that the employees, especially at the lower levels, were well engaged in the sphere of values and intent of the company. This was in conflict with the managers’ activity, which treated the question in a purely instrumental way”.

(Lewicka-Strzałecka 2005)

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[2] In *Polish Honor Code*, Art. I, Chapter I, W. Boziewicz gives the definition of *the person who is capable of demanding and giving honor satisfaction*: “The notion of the person who is capable of demanding and giving honor satisfaction, or shortly: the honor person, or English speaking: *gentleman*, applies (excluding the clergy) to people who are male and who rise above the common level of the honest man because of their education, personal intelligence, social position and by birth”.

Such kind of approach is clear if one takes under consideration an axiological perspective of the functioning of most of the managing staff. The question can be viewed from two perspectives. Firstly, there are objective principles in order to form high ethical standards as a framework for ethos, both for the manager profession as for the company. These are:

- a long and often difficult way of professional promotion;
- high professional competence;
- specificity of work – managing a team;
- huge ambitions, need of satisfaction, want of pride.

Secondly, there is a series of conditions, which do not exclude an assent to the ethical norms, but which can make consolidating and adopting them difficult. These are educational conditions, such as:

- high education "in masses";
- competition on the educational market – student becomes a customer of such a "company" as a university;
- "market value of a diploma" – university studies become an investment in career.

As a reason for the above-mentioned conditions let's take the conclusions of the all-Polish conference concerning the academic ethos, organised by the Economic Academy in Krakow:

> "The destruction of the academic ethos has its own reasons. First of all, the cause is the «marketing» of education and – in effect – the competitiveness of education and the education «in masses», which is visible both in the activity of universities and in the behaviour of the employed staff.
>
> A crisis of social attitudes and the examples of corrupt practices (...) have become the academic reality over the last years. The acceptation of breaking the ethical norms, the primacy of instrumental values over intellectual and moral ones, the lack of care for common good and the lack of consciousness of the responsibility for work of one's own, the anonymous and impersonal character of the relations between members of community – these are only some indications of the decreasing significance of the fundamental values in academic life".
>
> (Kloc, Chmielecka 2004, p. 15)

The next types of conditions are the social ones, such as:

- attaching importance to universal values and norms, but in restricted ways (norms bind or not, depending on the situation);
- covering up the limits between right and wrong (limits are vague, suppressed);
- mistaking values and business (values are supplanted by business) (Mariański 2002).

No less important are the individual conditions. It is generally accepted that each of the employees contributes and consolidates his own goals, motivations and schemes of behaviour in a place of work. This can be grouped and described as strategies of: surviving, prospering and fulfilling[3].

- The surviving strategy occurs in situations of extreme uncertainty about the future; it generates activities of a preservative character, oriented to survive "from day to day". Work is carried out in an instrumental and egoistic way. The ground of the strategy can be a mismanaging, inappropriate organisational culture, a lack of clear criteria in the process of the evaluation of employees, a frequent staff rotation, promotion depending on somebody's own recognition, cases of mobbing and molesting.
- In the prospering strategy all the activities are directed to realising the ethos of success. The instrumental values become a priority. The strategy is characterised by conformism and pragmatism. The place of work is a place of generating definite profits, so the satisfaction of the carried out work is treated as secondary and less important. In the case of a moral dilemma or just a conflict of interests, the criteria of choice are undetermined, often depending on circumstances, the opinions of others and potential profits. The prospering strategy does not exclude a motivation that is ethically right, but only if it fits the scheme of providing for the material or emotional needs.
- The fulfilling strategy – work is a place of self-realisation. In this case we can notice a considered hierarchy of values, which – in the consciousness of employees – assumes a shape of a dogmatic arbiter. It comes to being in a way of recognition of the great value of work, the engagement in obtaining a general goal and the acknowledgement of the great value of a person.

According to the above-mentioned conditions the reception of a company's code of ethics is confronted with other kinds of difficulties than in the case of the admission of the norms of ethos. The phenomenon of the ethos of a profession, the ethos of a company or – generally speaking – the ethos of a group is characterised by an advanced eclecticism. In free proportions, it joins the elements of emotivism, customs and normative ethics. **The functioning of *a kind of liberty of acknowledgement* in the framework of ethos is just a factor in which one should perceive a sense of institutional instruments, especially the formal codes of ethics. The codes are an essential supplement to the ethos built up in a company, because they guarantee compactness between the intent declared, the ethos consolidated in customs and the organisational culture, and the ethical requirements laid down before managers.**

[3] Compare: Pietrasiński 2001, p. 30.

In order to make the code an efficient instrument that fixes high ethical standards, the following elements must be fulfilled:

- creation of informal (but unsociable) relations and points of reference;
- participation of employees in the process of creating the code;
- adjustment of the form of the code to the professional and moral progress of employees;
- adjustment of the wordings of the code to the internal and external politics of a company, its organisational culture and the way of management;
- match the wordings of the code to the conditions of environment, habits and culture;
- introduction of processes of evaluation and ethical audit.

It is worth to pay attention particularly to the first three conditions. The first one is of humanistic nature. It tends towards placing the questions of professional ethics on a broadly understood plane of ethical culture. It is an attempt to form an ethical outlook on life. It is particularly important, because the people, who take a decision in a company, considering specific goals, the pressure of time and competition, may lose sight of the universal horizon of axiology. Some codes include instruments that indicate how to make a problem or dilemma objective and how to show them in broader context. An interesting example is the extremely pragmatic wording in the ethical code of the AON company, which suggests:

> "A good guideline is to act, at all times, in a manner that you would be proud to explain to your clients, family and friends".

The code also commands, in any doubtful cases, to pose the question:

> "How would I feel if my decision were featured on the front page of the newspaper?"
>
> (Aon's Code, http)

Another example is a passage of the *credo* of the Johnson&Johnson company, in which we read:

> "We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens – support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources".
>
> (Johnson&Johnson, http)

The above-mentioned formulas refer to the common sphere of values and at the same time to the ethical sensibility of the individual. It is particularly important that formulas are incorporated into codes. It indicates how closely the common good of such a space as a company is connected with the common good of a social space of a higher level. The connection also has a non-economic dimension. It helps the employees to pay attention to the question of material and economical values only being instrumental by nature. That the human being is implicated in the process of generating profits. That the human being is a subject of all the activities and requires a subjective treatment.

The above is reflected in more detailed solutions, such as for example the one of co-creating of the code by employees. A rule stating the participation of employees is well grounded from the theoretical point of view. Common discussion in a group on the essential values can lead to consolidation and building up the identity of the group. The employees, like anyone else, have a consciousness of needs, which are then incorporated into the wording of the code. In practice, the work of a manager alone already shows the areas that pose threats to ethics, moral dilemmas and problems to solve. A work on the code of ethics should then be propitious to the affirmation of rules of professional ethics. A kind of side effect in this process is the affirmation of dignity needs and fixing the ethos of profession. It is also important to create a sense that the codes are formed in the own environment of a group and that they are just the group's property (and not the property of the institution). It leads to a greater determinism and strictness in complying with the recommendations of the code. According to W. Gasparski "the codes worked up by a group are the codes more open to critique, not made only for show; are filled in by ethical content; favour greater morale of employees and create good social relations" (Gasparski 2007, p. 289).

The issue of employees' participation introduces one more, particularly interesting element. The ethical codes should have a dynamic character and cannot only be a static interpretation of values and norms. Usually when talking about the dynamic, evolutionary character of codes an argumentation is used that the codes are conditioned by changing external factors, new forms of management, innovative technologies that generate a potential moral dilemma, changes in legal regulations, etc. One does not take under consideration the internal factors, such as the axiological competences of employees, who are submitted to the regulations of the code and who should actively participate in its creating. Meanwhile, it seems that the formula of a code should reflect real needs and – in the same time – the ethical reality of a company.

The analogies that illustrate this issue can be found in the conceptions of situational management. In the method of situational leadership of K. Blanchard and P. Hershey the forming of tasks and relations with followers are conditioned by the development level of a group (competence and commitment of followers). There are four levels pointed out of the development of an individual:

- unable, insecure, unwilling;
- unable, but confident or willing;
- able, but insecure or unwilling;
- able, confident, willing.

The style of leadership should be fit to the development level of a team (knowledge, competence, experience and the will of individuals). Depending on the development of followers, leaders choose a style of managing from directing/telling, through supporting/participating, to a situation in which it is possible to only delegate duties and powers[4].

Referring to the given example, one can assume that the formula of ethical code and the way of its introducing should be fit to the development level of employees. In the case of an efficiently functioning company, with fixed professional ethos and a high morale of employees (fulfilling strategy), the code should assume only a general, declarative form. The constitution of a code should be inspired by the employees themselves, as a manifestation of a cultivated hierarchy of values. In such terms, introducing a normative code of ethics or code of conduct, in a way of order, would first of all be groundless and secondly, it could be taken as a lack of confidence in the employees.

In an opposite situation, if the conducting of employees is often evaluated as unethical (surviving and prospering strategy) and events of breaching the ethical or legal norms require an intervention, the code of ethics should contain formative goals. Then it plays a role of remedial measure. In this situation a declarative code would probably not be respected. One then charges the detailed codes of ethics and codes of conduct with such a task, including sanctions and principles of monitoring how the code influences the ethical attitudes of employees. An initiative to institute a code should be issued by a superior authority. One introduces it in a way that gives a base to execute the norms included. In such a shape the code has to be a signpost and an effective tool to eliminate irregularities. The constitution of a code should be accompanied by a deep analysis of the threats to professional ethics and by monitoring the conflict situations. The next condition is ethical schooling, which translates the language of values into real events. An evolutionary character of a code and its permanent adjustment to the actual terms are extremely important, as well as audit, with which it is possible to evaluate the results of the undertaken activities.

The above-mentioned cases have the characteristics of a theoretical model. In practice it is extremely rare to observe fully explicit ethical attitudes of employees that give ground to accept such-and-such code solutions. The codes then assume an eclectic form, uniting – in different proportions – chosen aspects of the above-mentioned types of codes. The introduction of a code should be accompanied by specified events, while the code plays a role of a finial. Often the objection is made that the codes of ethics are only "occasionally" created, "decorative", incoherent, and only by chance refer to legal regulations, customs and ethical values. In many cases these objections are valid. A different matter is that

[4] Compare: Hersey et al. 2008.

the ethical code is just an instrument, and like each tool it can be used in a less or more proper manner.

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Aleksandra Stanek[1]

RESPONSIBLE EDUCATION OF MANAGERS AT THE UNIVERSITIES IN CRACOW

1. INTRODUCTION

The issue of responsible business starts to be more important not only in theory, but also in the practical approach to managing commercial organisations in Poland. As a result of the changes on the market, but also a change of consumer awareness and behaviour, the way of functioning of companies is starting to change. Responsible business is starting to be, next to price and quality, an important factor of building competitive advantage on the market. The increasing demands of company stakeholders require management to start activities that answer to those needs, which makes it necessary to include responsible behaviour in the company management strategy.

Socially responsible business is becoming important not only to the organisation itself, but also to the environment and the development of the society in which the organisation exists. Therefore, initiatives and projects in this area are supported both by national institutions in Poland, like the Ministry of Labour or the Office of Competition and Consumer Behaviour, and in the European Union, for which responsible behaviour is the activity that leads to sustainable development and the success of business (European Commission 2002).

Responsible business, understood as a strategic and long-term approach, that is based on social dialogue and the search for new solutions that are beneficial for all parties (Rok 2004, p. 18) is a model of

[1] Państwowa Wyższa Szkoła Zawodowa, Oświęcim.

sustainable development of an organisation and a way of strengthening its competitive position on the market, through building stable and positive relations with all stakeholder groups.

A conscious creation of responsible strategies requires not only an increase of consumer awareness, but also an appropriate preparation of the managers that are responsible for these activities. Therefore, the education of future managers to lead business responsibly is of vital importance.

2. BUSINESS IN SOCIETY

Responsible behaviour of companies is the answer to the expectations of society, which, due to given declarations expects: positive relations with employees, significant increase of employment in the region, proper work conditions for employees and, above all, ethical behaviour – according to the law, without bribes and honest towards the employees (World Bank 2005).

Although in Poland the concept of responsible business is relatively young, an increase of consumers that take into account the ethics and behaviour of a company when deciding about buying a product is visible. Research shows that almost every fifth person (19%) declares having refused to buy a product of a particular company, because its activity damages the natural environment. The same number of responders declares having refrained from buying a product, because the producer does not treat the employees properly. Almost every seventh responder (16%) declared not having bought a product, because of the company's unethical behaviour in relations with its suppliers (Roguska 2004).

In many cases responsible behaviour is exhorted by the awareness of society, which more and more often expects private organisations, especially international corporations, to behave ethically and react to social problems, especially if it is thought that the company has anything to do with the problem (Porter, Kramer 2007).

Concurrently, in Poland we can still observe a negative tendency in business, including local entrepreneurship. Although in the public opinion entrepreneurs are well educated, wealthy, provident and have good manners, almost half of the responders says that private entrepreneurs do not act according to the law (48%) and are dishonest (41%). According to 55% of the responders, an entrepreneur is not the ideal employer, and takes care only of himself and not his employees (55%). 71% of the responders says that the private entrepreneur lives off the work of others (Roguska 2004). So despite the fact that private entrepreneurs are believed to be well educated and cultural, they are still perceived as dishonest, with no respect for other people and treating employees badly.

The negative image of entrepreneurs and their image of dishonest people are strongly connected to corruption. 90% of Poles declared corruption to be a big problem. That puts Poland on the seventh place in the European Union. The problem of corruption is not only connected to the public sphere, but also to business. Often enough entrepreneurs see themselves as victims of corruption. However, by the majority of society they are perceived as the initiators of such activities and behaviour. Although private companies are believed to be less corrupt than public institutions, such as the health care system or courts, still in the year 2006 9% of the responders indicated private companies as a place where corruption occurs the most (Fundacja im. Stefana Batorego 2006). Those problems mainly concern private entrepreneurs, a part of which admits to giving bribes, mostly (56% of all answers) indicating pragmatic reasons of such unethical behaviour (Fundacja im. Stefana Batorego 2003).

The problems of business indicated above – the image of business in society, corruption, but also the social expectations towards the business sector, confirm the importance of ethical and responsible business behaviour in the functioning of this sector and thereby confirm the importance of social responsibility in the education programmes for managers. These programmes should cover the problems that the business sector faces nowadays, and prepare managing staff for answering and reacting to the existing threats.

3. THE ROLE OF UNIVERSITIES IN FORMING THE DEMEANOUR OF MANAGERS

The analysis of the diverse problems that business and managers face every day shows how important the knowledge and skills possessed by managers are, and also their demeanour for efficient managing of an organisation. The role of an academy is not only to provide students with the necessary knowledge and skills, but also forming the demeanour of managers.

Management education is practical science, connecting theoretical knowledge with inspiration and showing the opportunities for using it in practice. Due to its specificity, not only is the content of the programme important, but also the environment of education, the didactic base and the teachers.

Management education is a complex process. Some of the goals of management education can be indicated in several categories (Tyrała 2006, p. 41):

- information;
- skills of perceiving phenomena and formulating generalisations;

- standard skills;
- not standard skills;
- socially – professional activity.

This typology shows clearly that the goal of management education is, next to providing students with knowledge, forming their demeanour and worldview.

The content of the programme should be included in the superior categories of the education system, which would determine the structure, level and modernity of education (Tyrała 2006, p. 53–54). Being the base component of the didactic process, the content has sufficient influence on the realisation of the goals, and determines the ending form of the programme.

In Poland, the standards of education in academies are prepared and published by the Ministry of Science and Higher Education. The content is divided into two parts: basic and major.

In the ministerial expectations concerning the content of programmes in the management field of study, aside from the basic matter, business ethics is mentioned at the second level of studies. Concurrently, during lectures on “science of organisations”, issues of corporate social responsibility and corporate governance should be mentioned. As a part of the major content, issues of ethics in human resources should be discussed.

Content is extremely important in the education system. Preparing the programme, the rules mentioned below, necessary for a high quality of the didactic programme, should also be included:

- the rule of observation – according to which, apart from the theoretical knowledge, there should also be an opportunity for observation of the real occurrences of effects;
- the rule of progressive complexity and the level of difficulty – according to which the level of given knowledge, because of its difficulty, increases with the following stages of the education process;
- the rule of systematic and logic order – according to which the student gains knowledge according to the previous rule, but also recognises problems from the most general to the most detailed ones, in a way that helps him indicate the relations and interdependence between them.

Preparing the programme, it is also important to pay attention to the important rules regarding the formation of the demeanour of the student:

- the rule of connecting theory with practice – according to which the student has an opportunity to verify the gained theoretical knowledge in practice;
- the rule of unity of the individual and group training – an important element of management education is preparing students for group work in various roles, therefore management studies should prepare both for individual and group work.

Table 1. Public Universities in Cracow – Management Studies

	Jagiellonian University in Krakow	Cracow University of Economics	University of Agriculture in Krakow	AGH University of Science and Technology	University School of Phisical Education in Cracow	Cracow University of Technology	Pedagogical University of Cracow
BA	+	+	+	+	–	–	–
MA	+	+	+	+	–	–	–
Postgraduate studies/MBA	+/–	+/+	–/–	–/–	–/–	–/–	–/–

Table 2. Private Universities in Cracow – Management Studies

	The A. Frycz Modrzewski Krakow University College	Wyższa Szkoła Ekonomii i Informatyki	Tischner European University	Małopolska Wyższa Szkoła Zawodowa	Krakowska Wyższa Szkoła Promocji Zdrowia	Wyższa Szkoła Handlowa	Wyższa Szkoła Ubezpieczeń	The School of Banking and Management in Cracow	Wyższa Szkoła Bezpieczeństwa „Apeiron”
BA	+	+	–	–	–	+	–	+	–
MA	+	–	+	–	–	–	–	+	–
Postgraduate studies/MBA	+/+	+/-	+/-	+/–	–/–	–/–	–/–	–/–	–/–

Among educational methods suitable for future managers, besides the classical ones that are based on theory, methods based on observation and practical action must also be indicated as important (Tyrała 2006, p. 66–68), but also modern methods, especially problem-based education that encourages to search for new solutions to problems, and staging and games as an opportunity for the practical check and verification of the gained knowledge (Tyrała 2006, p. 84–96). In a knowledge society the Internet is an important tool, not only for gaining information, but also for educating (Garbacik 2003, p. 57–58). E-learning studies are becoming a more and more well-known and popular form of education, implemented by an increasing number of academies. Such forms of education help to make the process more flexible, which is extremely important, especially for people that already work full-time.

Knowledge and education brought together become the most expensive product and a basis factor for development. Permanent education means swapping narrow education for an interdisciplinary, humanistic one. Science does not stop anymore with receiving a University diploma. Permanent education and self development is necessary, as an answer to the violently changing environment (Garbacik 2004, p. 13), because well educated people can adapt themselves easier to the changing reality.

Therefore, the process of management education, both at first and second level, should be the first stage of educating managerial staff, providing them with the basic tools, knowledge and skills, and forming the demeanour of the student. At the same time, academies should be prepared to continue the didactic process and further education of the managers that want to further develop themselves. That requires an adaptation of the form and the methods of education to the reality and problems that managers face on an everyday basis.

4. EDUCATION OF MANAGERS AT THE UNIVERSITIES IN CRACOW

According to the information on the website of the Ministry of Science and Higher Education, in Cracow there are seven public Universities and nine private ones that educate at BA (first) or MA (second) level in a full-time and a part-time system. Out of the seven public Universities, four of them conduct management studies at BA or MA level and also conduct postgraduate and MBA studies. Out of the private Universities, six conduct management studies with different majors.

Most of the Universities in Cracow, according to the requirements of the Ministry of Science and Higher Education, conduct business ethics lectures. At the Jagiellonian University in the Institute of Public Affairs there are "ethics" lectures in the frame of the management studies, within which ethics is discussed in the classical approach, without concentrating on the business ethics specificity and its problems. The Universities

Table 3. Lectures on the issues of responsible business and ethics at the Universities in Cracow – Management Studies

	Public Universities in Cracow			
	Jagiellonian University in Krakow	Cracow University of Economics	University of Agriculture in Krakow	AGH University of Science and Technology
BA	■ Business Ethics ■ Ecology in Management ■ Ethics			■ Environmental Management
MA	■ Dishonest Competition ■ Defence of Consumer and Competition ■ Ethics in Management	■ Corporate Governance		■ Culture and Ethics in Management
Postgraduate studies/MBA	■ Ethics and Business ■ Environmental Management	■ Ethical Aspects in Managing Sport Clubs ■ Environmental Ethics ■ Ecology ■ Corporate Governance		

	Private Universities in Cracow					
	The A. Frycz--Modrzewski Krakow University College	Wyższa Szkoła Ekonomii i Informatyki	Tischner European Univesity	Małopolska Wyższa Szkoła Zawodowa	Wyższa Szkoła Handlowa	The School of Banking and Management in Cracow
BA	■ Ethics				■ Business ethics	■ Business ethics
MA						■ Business ethics
Postgraduate studies/ MBA		■ Professional Ethics	■ HR Ethics ■ Corporate Social Responsibility			

have fulfilled the Ministry's requirement, but the example of the Jagiellonian University indicates that "ethics" is in the programme only because of the government requirements, without any deeper analysis of the goal and purpose of putting it into the programme. The classical origin of ethics is indisputable and very important, but in today's reality the problems that managers face require reference to their specificity. Moreover, business ethics is such a basic problem that it should be treated as a basis for the further education of managers and the formation of their demeanour. The distinguishing factors for this issue should be: the quality of the programme, the diversity of forms, and discussion playing a major role, allowing students to confront their own opinions with the opinions of others. It is important that these forms, besides the classical approach of ethics, cover the problems that managers face in today's reality.

It is clear that business ethics is important in practical management education, which can be seen when studying the programmes of postgraduate studies. Despite the lack of ministerial regulations, most of the Cracow Universities cover this topic in their postgraduate management studies. The practical approach to the functioning of organisations on the market proves how important the manager's attitude and his ethical behaviour are. Moreover, most of the postgraduate study programmes are also formed by people that already have practical experience in managing an organisation and are aware of the fact that unethical behaviour is a problem in today's business reality in Poland. They are also aware of the fact that business ethics is a complex and difficult issue. Therefore, this aspect is also included into the postgraduate studies, where students usually already have some practical experience and their own opinion on reality.

Concurrently, ecology topics or any other CSR issues at the Universities are rare. The Tischner European University (TEU) is the only Cracow University with postgraduate management studies with a separate module covering the corporate social responsibility topic. The TEU is the first University in Poland that is planning to start postgraduate CSR studies.

According to ministerial regulations, the topic of corporate responsibility should also appear on lectures about organisations. The issue of responsible business covers a lot of topics and areas of management, such as: strategic management, human resources management, financial management, marketing, and others. Therefore, it seems logical to educate about CSR not during special lectures, but to implement this issue into separate subjects. For some majors, additional, obligatory subjects that would cover particularly important and complex topics, such as ecology, should be introduced. Some of the Universities already do that. At the Jagiellonian University the subject ecology has already been introduced, and at the AGH University of Science and Technology there is corporate governance.

However, at the majority of Universities, if the topics of ethics and responsible business do appear in the programme, they usually cover only basic issues, without taking into account additional, but also important, aspects of responsible management.

One of the problems of implementing changes and introducing these issues into the programmes might be the lack of academic staff prepared to conduct such lectures. Despite the development of interest in responsible business, there is still a lack of specialists in this area. Till now, in Poland there were only two PhD theses defended in this topic, one of them at the Jagiellonian University. There still are not many conferences on this topic – although the responsible management and ethical issues are more and more becoming the topic of special sessions on conferences.

5. CONCLUSIONS AND RECOMMENDATIONS

The issue of responsible business is important in the practical functioning of commercial organisations; therefore this issue must be taken into consideration in the process of management education.

It is clear that Cracow, a precious Polish academic centre, is not very strong in the area of corporate social responsibility. At the moment, Warsaw is definitely the most important city where this topic is being developed. Being the capital city, Warsaw has better access to both academic and practical knowledge. One of the factors that strengthens this phenomenon is the interest and promotion of this concept by the Warsaw School of Economics, and the Kozminski University, with its Business Ethics Centre. It is worth mentioning that the Wrocław University of Economics, despite of the lack of close connections to business, is also a place where this topic is important and developed.

In Cracow there is still lack of academic staff prepared to give lectures on his topic. There is also lack of feeling that these issues are important, which is confirmed by the way in which these subjects are conducted at the Cracow Universities, and also by the fact that there is no discussion on this topic in the Cracow academic environment. CSR does not occur as a topic of scientific conferences that are organised in Kraków.

The Cracow Universities are acting according to government regulations regarding their programmes. Therefore, in most programmes of management studies the subject business ethics does occur, but it is not treated as an important subject and it is not mentioned among the “more important” subjects of these studies. Moreover, the subject is entitled as ethics instead of business ethics and does not focus on the problems of business ethics. This shows that both the Universities and the lecturers do not treat this subject as an important one, which also makes it unimportant to the students.

The subject business ethics appears in the third year of the BA programme (Jagiellonian Univeristy IPA), or in some cases at MA level (AGH University of Science and Technology). The responsible business issues are such basic and important issues, which influence the formation of the demeanour of future managers, that it sounds rational to have this subject at earlier levels of studies. Furthermore, considering the importance of the problem, but also the maturity of the student that is required for a full understanding of it, it sounds rational to have this subject in the second year of the BA programme. It should also appear in the MA programme.

There are only several Universities in Cracow that include the issues of ecology, responsible behaviour in relations with employees, or social environment in their management study programmes. In some cases, like management studies with a major in tourism management for example, ecology should be obligatory – as it is at the Jagiellonian University. It is worthwhile, following the example of the Cracow University of Economics, to think about including corporate governance into the programme for the studies with a major in corporate management. In addition, the issues of responsible business should not be treated as separate subjects, but they should be incorporated in existing ones, such as:

- strategic management – where the concept should be presented that responsible business is a part of strategic management of a company;
- marketing – within that subject, the marketing tools used for communication with the external environment, such as social marketing (social campaigns) or socially responsible marketing, should be discussed;
- human resources management – where CSR activities, including employee voluntary service, should be indicated as a tool for motivating people and building a bond with the company.

The introduction of the responsible business topic to other subjects requires a selection or the education of the academic staff that till now have had no interest in these issues. That would mean building up in Kraków the necessary conditions for the development and increase of interest in the CSR topic. A support for such activities might be scientific conferences, organised for the academics as well as for students.

It is clear that the problem of responsible business is connected to practice and not to theory. This topic only occurs during postgraduate management studies. The Tischner European University, where all postgraduate programmes related to business include a CSR module, is a good example. European Universities already are aware of the fact that the incorporation of these issues is necessary, for example in the module „culture and society" – a module that aims to form the demeanour of managers and points out his role in society. An example of a European University that included these issues into their management study programmes, without government requirements, is the European University Viadrina (International Business Administration – IBA). Similar modules are in the programmes of the majority of West European Universities. The increasing importance of CSR is confirmed by the fact that a few years ago the Nottingham University has created a faculty that specialises in CSR issues (ICCSR – International Centre for Corporate Responsibility), where the MA, but also the postgraduate and PhD studies are given by educated managerial staff from all over the world.

To sum up, it is necessary to say that the issue of CSR must occur in the programmes of management studies. Regulations from the Ministry of Science and Higher Education require a minimum that has to be fulfilled in this are. It is however recommendable to follow the example of West European Universities and some private Universities and to rethink the option of widening this topic, not necessarily by adding new subjects to the programme, but by including the CSR issues to the other management programmes. The most significant barrier for such changes is still the lack of academic staff prepared to conduct such lectures and insufficient support for the development of this idea in academic centres, with the exception of Warsaw and Wroclaw. Not only the responsible education of managers is necessary, but also a responsible extension of the education of academic staff.

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