

Ethical Economy. Studies in Economic Ethics and Philosophy

Volume 51

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Ethical Economy describes the theory of the ethical preconditions of the economy and of business as well as the theory of the ethical foundations of economic systems. It analyzes the impact of rules, virtues, and goods or values on economic action and management. *Ethical Economy* understands ethics as a means to increase trust and to reduce transaction costs. It forms a foundational theory for business ethics and business culture.

The Series *Ethical Economy. Studies in Economic Ethics and Philosophy* is devoted to the investigation of interdisciplinary issues concerning economics, management, ethics, and philosophy. These issues fall in the categories of economic ethics, business ethics, management theory, economic culture, and economic philosophy, the latter including the epistemology and ontology of economics. Economic culture comprises cultural and hermeneutic studies of the economy.

One goal of the series is to extend the discussion of the philosophical, ethical, and cultural foundations of economics and economic systems. The series is intended to serve as an international forum for scholarly publications, such as monographs, conference proceedings, and collections of essays. Primary emphasis is placed on originality, clarity, and interdisciplinary synthesis of elements from economics, management theory, ethics, and philosophy.

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Jacob Dahl Rendtorff
Editor

Perspectives on Philosophy of Management and Business Ethics

Including a Special Section on Business
and Human Rights

 Springer

Editor

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ISSN 2211-2707

Ethical Economy

ISBN 978-3-319-46972-0

DOI 10.1007/978-3-319-46973-7

ISSN 2211-2723 (electronic)

ISBN 978-3-319-46973-7 (eBook)

Library of Congress Control Number: 2016962633

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Printed on acid-free paper

This Springer imprint is published by Springer Nature

The registered company is Springer International Publishing AG

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Preface

Welcome to the proceedings from the 2015 EBEN (European Business Ethics Network) Research Conference. The EBEN conferences have been going on each year since year 2000, and I am happy that CBS was able to host one of these conferences. This conference was organized as a cooperative project between Copenhagen Business School, Roskilde University, and EBEN Scandinavia (the Scandinavian Chapter of the European Business Ethics Network). Inside CBS the conference is also a result of a collective work cooperation between the Center for Corporate Social Responsibility at the Department of Intercultural Communication and Management and the Department of Management, Politics and Philosophy. “Philosophical Foundations of Business Ethics” is an important topic for Copenhagen Business School and Roskilde University. CBS values research on business ethics and philosophy of management, and we find it important to ask the fundamental questions of the foundations of business ethics and of the ethical economy. The research at Roskilde University is based on an interdisciplinary approach to responsibility, ethics, and legitimacy of corporations. The role of philosophy in management and leadership is important for developing good managers and reflective leaders. Topics like philosophy of management, leadership philosophy, business ethics, corporate social responsibility (CSR), corporate governance and ethics, business, law and human rights, and cultural conditioning of business ethics are essential for developing good leaders in a complex society today.

Therefore, the proceedings with the papers from the conference fit very well with the series *Ethical Economy: Studies in Economic Ethics and Philosophy* at Springer Publishers. It is important that many people will get access to the results of the conference. In this context the topic of the conference of business ethics is in close connection with the strategy of teaching business at Roskilde University and Copenhagen Business School. The vision of liberal education with focus on humanities and social sciences as foundation of knowledge of good management has been considered as an essential part of the ethical vision of management education. The education in business ethics is an important part of this program, and theories and practices of ethical accounting, values-driven leadership, business ethics and virtues, normative leadership philosophy, business ethics and spirituality, as well as

critical concepts of business ethics coming from critical management studies as well as from systems theory have emerged from this research environment.

In Denmark and Scandinavia, this research and teaching in business ethics and philosophy of management have contributed to a higher level of ethical knowledge and ethical formulation competency among managers in private and public organizations. The focus on the importance of ethics is increasing in a society where the Protestant ethics is challenged by new societal problems, including concern for transformation to sustainability and development of more consciousness of ethical dilemmas of management at the national and global level.

We are therefore happy in section I with the title “Business Ethics, Philosophy of Management, and Theory of Leadership” to present some of the contributions to the Copenhagen Conference in this volume of proceedings from the EBEN Research Conference, October 1–3, 2015. Indeed, we would like to express our gratitude to members of the Scandinavian Chapter of EBEN; EBEN; the Center for Corporate Social Responsibility at CBS; the Department of Management, Politics and Philosophy at CBS; and Roskilde University for the help with organizing this conference.

Also in this book in section II with the title “Business and Human Rights”, we have in addition to three papers on business and human rights from the EBEN Research Conference five other papers on business and human rights. The papers on business and human rights are some of the contributions to the conference on The Power of Human Rights in Economics and Ethics in 2013. This conference was initiated by the German Philosophical Society’s Research Group on Philosophy, Ethics and Economics organized together with the Scandinavian Chapter of EBEN in Copenhagen at Copenhagen Business School and Roskilde University, November 29 and 30, 2013. These articles contribute to develop the field of business and human rights in relation to business ethics. These contributions fit very well with the general theme of the publication, which is business ethics and philosophy of management. The issue of business and human rights entered the global policy agenda in the 1990s, reflecting the dramatic worldwide expansion of the private sector at the time and a corresponding rise in transnational economic activity. These developments heightened social awareness of the impact of economic activity on human rights and also attracted the attention of the United Nations.

The role of human rights in the world of commerce is officially being promoted since 2008 in a framework that consists of three normative imperatives – protect, respect, and remedy. The UN Human Rights Council has specified the role of these normative imperatives as “guiding principles”: The first principle is the duty of states to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, regulation, and adjudication. The second is the corporate responsibility to respect human rights, which means that business enterprises should act with due diligence to avoid infringing the rights of others and to address negative impacts. The third is the need for greater access by victims to effective remedy, both judicial and nonjudicial. The (1) duty to protect lies at the very core of the international human rights regime, with states as the principal actors, whereas the principal bearers of (2) the responsibility to respect are corporate

actors, this responsibility being the basic expectation society has of business in relation to human rights, and (3) access to remedy is important because even the most concerted efforts cannot prevent all abuse.

From the perspective of business ethics and philosophy of management, we can mention theoretically interesting and probably also practically important shortcomings in the framework at its present stage. The following are to highlight some of the points that stand in need of philosophical discussion and elaboration: (1) The semantics of human rights is barely connected to business ethics discourse and to ethical discourses about the foundations of human rights in human dignity. (2) The key notion of CSR which, according to the framework, should absorb the normative responsibility to protect human rights lacks conceptual, and specifically business ethical, clarification. (3) There is a tendency in the framework to collapse the conception of human rights into a narrowly legal conception, omitting the poly-normative character of human rights. (4) Not enough attention is paid to problems of integrating recognition of human rights into the rationality constraints under which the strategic management of corporate commercial actors has to operate in order to adapt to the forces of competition in globally integrated capitalist markets. (5) Too little attention is paid to the need to construct plausible narratives that would explain the importance and justify to skeptics from within the entrepreneurial world view the possible burdens of making human rights the business of business.

With this collection of articles from the 2015 EBEN Research Conference at Copenhagen Business School and the meeting of the German Philosophical Society's Research Group on Philosophy, Ethics and Economics, organized together with the Scandinavian Chapter of EBEN in Copenhagen at Copenhagen Business School and Roskilde University in 2013, we hope to give a picture of the state of the art in the fields of business ethics and philosophy of management and business and human rights. Moreover, we also hope that this initiates future research in these fields. We wish the reader happy reading and great joy with all these exiting articles.

Roskilde, Denmark
August 2016

Jacob Dahl Rendtorff

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