

International Business Ethics in Western Europe

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Introduction

This article provides sources of information, referrals, plans for further research, and an overall picture of the clustering of efforts of business ethics in Western Europe. To address these objectives, the article explores the realms of academia, networks and organizations, which are the primary forces that have contributed to developing business ethics. Also presented are the history of business ethics in Europe, current available sources to help researchers gather data, and a comparison of business ethics between continental Europe and North America.

History of Business Ethics in Europe

In 1984, Sankt Gallen University in Switzerland founded a research position for business ethics. Several years later, Nyinrode University, through their Netherland Business School, founded the first professorship in business ethics in Europe. Attention was given to matters of morality in business relations; this has increased steadily, both in theory and in practice. Today, fifteen years later, all over Western Europe business ethics is a distinctive field of research, teaching, and monitoring that has gained a tremendous and permanent impact on society.

Academia

The most visible sector in the broad sense in the field of business ethics, but not the most influential, is formed by academic activities. As mentioned above, the first chair in business ethics was founded in the early 1980s. Today, in Europe, there are over twenty-five chairs. However, only half of them enjoy a full academic weight. The reason is that for the other half, their schools do not have a full university status, so chair assignments are awarded on a very restricted time basis of one or one-and-a-half days a

week; or else the professorship itself does not rank high enough in the academic nomenclature because it does not belong to the core positions of that faculty.

Nevertheless, in many European countries, some academic visibility is guaranteed through a fair number of professorships. The same is true regarding the number and nature of courses taught in the field, at universities, and at business schools and professional institutions. This situation varies from country to country. Classes are run at an undergraduate level as either an elective or a mandatory course. However, on the whole, it is no longer rare that future managers in Europe prepare themselves, in both universities and business schools, for a managerial career. They become explicitly familiar with the moral questions they probably will meet in real life situations in the work force.

In 1990, Jack Mahoney wrote the book, Business Ethics in the U.K., Europe, and the U.S. Since then, the number of places where business ethics courses are taught has increased. Unfortunately, the methods used have changed little. So, what prevails is, on one hand, case studies on basic moral approaches, consequentialism, and utilitarianism; and on the other hand, Kantian formalism that is an approach based on rights and respect for human dignity.

The number of books, journals, and reports of quality publications is constantly growing, and in various languages. It is fair to mention that the quantity of journals being published in the field of business ethics is a clear sign that this new discipline is coming of age.

The most accessible journal, because it is published in English, is Business Ethics: A European Review. Professor Jack Mahoney, a professor at the London Business

School, is Editor-in-Chief of this quarterly review, published by Basil Blackwell at Oxford in the United Kingdom beginning in 1991. The review is written for both business and academic readers. It presents a broad overview of issues and developments in the European region. Published at regular intervals, the reports in the review present the current condition of business ethics in various European countries.

Another well-known publication, written in French, sometimes with an English summary or translation, is Review Ethique des Affaires. This quarterly publication, published by Editions Eska in Paris, France, began in 1995. The review presents itself as bilingual; translations of articles can be requested from the editor.

In Italy, Etica degli Affari e delle Professioni began in 1988 as a journal on business ethics, but has since changed to professional ethics. The publication is similar to the American quarterly Business and Professional Ethics Journal.

Standard American reviews are fairly widespread in Europe today; including, Journal of Business Ethics, Business Ethics Quarterly, and International Journal of Value-based Management. With such publications, readers in Europe who are interested in business ethics can keep themselves informed and updated about the field as it is practiced and evolving on both sides of the Atlantic.

The handicap to the expanding field of business ethics is language barriers. For example, to follow developments in business ethics in Germany or Switzerland, one has to be able to read German in order to access the various research papers and journals. Also, to take full advantage of information in various newsletters published in different European countries by several groups and networks for their members and other interested parties, one must have a command of several languages, including Spanish,

French, Dutch, and German.

There are many centers and institutes active in business ethics in Europe. The number is increasing and the quality of work is improving. However, the publications are available only in native languages, which limits accessibility to the information. The Centrum voor Economie en Ethiek (Center for Economics and Ethics) at the University of Louvain, Belgium, has done interesting research regarding values and moral standards among Flemish managers, but the results are written only in Dutch.

In Germany, the European Institute for Business Ethics (EIBE) is a joint venture of the European Business Ethics Network (EBEN) and Nijenrode University Breukelen of the Netherlands. This group is working on a research project on “The Moral Profile of the Gambling Industry.” The leading question is: What are the conditions under which producers and exploiters of gambling machines can gain and maintain moral respectability? The two reports, comprising sixty and one hundred pages, respectively, were published in Dutch.

Where geographic distances are relatively small, language barriers are frustrating to researchers. For example, in Western Europe, almost everyone lives less than a two-hour flight from each other. Scholars in Indonesia have difficulty following the development of business ethics in India, China, and Japan because of their language gaps.

Consultancy in business ethics is on the rise in some countries. Activities can take the form of support given to corporations and sectors for developing and reviewing codes of conduct. More and more business ethicists are setting up ethical training, sometimes called “dilemma training,” for professional groups and companies.

Networks and Organizations

At the organizational level, several networks and organizations are worth mentioning and deserve to be listed as contributors to the growing field of business ethics in present-day Europe.

The European Business Ethics Network (EBEN), founded in 1987, is an association of representatives from academia, business, and the professional world. The over seven hundred members, mainly in Europe, are required to have a clear record of social responsibility and ethical management, so they have an open eye toward the ethical implications of doing business. Some of EBEN's activities are an annual conference, publishing books and a newsletter. In recent years, EBEN also has organized annual meetings of research center representatives. Two of EBEN's important initiatives have been founding the European Institute for Business Ethics and promoting National EBEN Networks in Germany, Spain, Italy, the Netherlands, and the United Kingdom.

The European Institute for Business Ethics (EIBE) is a joint venture founded in 1994 between EBEN and Nijenrode University. The new institute, EIBE, supports research in business ethics with a European outlook. EIBE takes initiative in research, develops trans-national projects, and welcomes scholars to work at the institute. EIBE is a viable non-profit organization that earns its own living. With a purpose to serve as a link for the National EBEN Networks and other EBEN members, the EIBE institute provides information and documentation about business ethics on the European scene.

Other European groups and associations are also active in the field of business ethics and corporate social responsibility. Social Venture Network Europe (SVNE) was founded in the United States in 1987. The business leaders and social entrepreneurs of

this association are committed to using their organizations as catalysts for social change toward a more just, human, and sustainable world.

The European Business Network for Social Cohesion (EBNSC) was founded in 1995 by a group of European business leaders, together with President Delors and Commissioner Flynn of the European Economic Commission. EBNSC launched a manifesto and action plan to seek commitment from business organizations to take part in a joint effort to prevent and combat social cohesion.

In Norway, the Confederation of Norwegian Business and Industry (NHO) on employers' organizations features a regional network of 11,000 member companies. The aim is to increase awareness of ethics and values in Norwegian business and industry; mainly, by setting up a business ethics program of brief reports and brochures prepared for member companies.

Sources

In an age of information technology, one expects all data concerning an emerging field to be easily available. However, this is not the case for business ethics. It is necessary to search at various locations, combine files, and work through lists in order to find data. Some information is available in Western Europe. A fair number of countries' reports have been published in Business Ethics: A European Review. The list includes: Spain: Vol. 1, NR. 1, January 1992; Vol. 5, NR. 1, January 1996. Germany: Vol. 1, NR. 2, April 1992; Vol. 2, NR. 2, April 1993; Vol. 5, NR. 1, January 1996. Ireland: Vol. 1, NR. 2, April 1992. Belgium: Vol. 2, NR. 2, April 1995. United Kingdom: Vol. 3, NR. 1, January 1994. Austria: Vol. 5, NR. 1, January 1996. Norway: Vol. 5, NR. 2, April 1996. Italy: Vol. 1, NR. 1, January 1992. France: Vol. 2, NR. 3, July 1993; Vol. 3, NR.

3, July 1994. In addition to this list are reports in French about France, Spain, Italy, Portugal, and the United Kingdom, published in Jean-Yves Naudet, Enseignement et Recherche en 'Ethique Economique' Bilan et Perspectives en Europe, 1995, librairie del 1 'Universite' d' AIX-en-Provence, 27-64.

For researchers reading in German, an excellent guide to the field of business ethics is Lexikon der Wirtschaft Sethik (Lexicon of Business Ethics) edited by Georges Enderle, Karl Homann, Martin Honecker, Walter Kerber, and Horst Steinmann; published in 1993 by Herder Verlag, Freiburg Basel Wien.

The normal place to look for European book titles on the subject of business ethics is in reviews and announcements in the journals previously described. While one can find quite a lot of material on business ethics, it is dispersed through several publications. Also, essential information is missing, and there is no easy access to firms and corporations regarding a clear profile on business ethics. Nevertheless, the European Institute for Business Ethics (EIBE) has set high on its agenda a documentation program that will be partly on the Internet. EIBE can be reached at: Nijenrode University, Straat Wey 25, NL-3621 BG Breukelen. Telephone: 31-346-291-290. Fax: 31-346-265-453. E-mail: eibe@nijenrode.nl.

Comparing Business Ethics in North America and Continental Europe

In Business Ethics: A European Review, Georges Enderle (1996) published a substantial study called "A Comparison of Business Ethics in North America and Continental Europe." For a basis of comparison, he proposed a matrix of three different modes of understanding business ethics: as practice, acting ethically in business, and as

theory. Using three qualitatively different levels of acting—individual, organizational, and systemic—Enderle (1996) pointed out some striking features of business ethics in Europe. Compared to the situation in the United States, he wrote that “Europeans seem to be more reluctant to speak about ethical issues in public. Moreover, they often use indirect ways in order to express concern, particularly legal regulations and negotiations between social partners” (pp. 33-46).

According to Enderle (1996), Europeans are predominantly concerned with systemic macro-issues, while North Americans mainly deal with personal micro-issues. The matrix enabled Enderle to present many comparative observations for both sides of the Atlantic regarding teaching business ethics, ethical initiatives in corporate practice, and the role of business ethicists.

In a 1999 article in the International Business Ethics Review, Professor Georges Enderle wrote:

North Americans and Europeans are both relatives and strangers. When their paths cross outside the Western world in Africa, Asia or Latin America, they tend to realize what they have in common. When they meet inside their own worlds, however, on either side of the Atlantic, many dissimilarities leap into view. It is no different with respect to business ethics. Europeans in North America and North Americans in Continental Europe experience language barriers, differing sensitivities to ethical issues and distinct ways of reasoning. Yet when they meet with Asian, African, or Latin American colleagues, these differences between Atlantic partners seem to fade away. (Enderle, p. 1)

Enderle’s 1999 article explored seven primary differences in business ethics between North America and Europe. The article looked at how each continent “can learn from the other to achieve a more comprehensive concept of business ethics” (pp. 5-6). The author described the dissimilarities in business ethics between Americans and Europeans:

Europeans focus on societal issues ... In Germany ... one sees business ethics publications dealing with issues of resource allocation, theories of wealth distribution, strategies to fight poverty in developing countries, international indebtedness to low-income countries ... Europeans focus more on the 'rules of the game' while North Americans focus more on the 'play of the players' in following pre-existing rules ... Europeans tend to put the moral priority on the societal level, sometimes going as far as to contend that only societal rules matter ethically, while individual and organizational conduct is merely a question of efficiency and expediency. (p. 5)

In the 1999 article, Enderle also discussed teaching business ethics, rationales for ethics in business, practical versus theoretical orientations, ethics initiatives in corporate practice, and creating a more comprehensive and better integrated concept of business ethics.

Conclusion

International business ethics, whether in Western Europe or any other part of the world, faces enormous challenges and needs multiple approaches in both practice and theory. An alliance is needed that will be effective in both the short and long-run.

This article has represented a short description of the forms of business ethics in Western Europe, plus a section on types of information available regarding the founding of national and European networks and organizations, and has compared business ethics as practiced in both North America and Continental Europe. More complete information than can be described here regarding names, addresses, and achievements is warranted.

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