Business Ethics in Poland: Plans, Implementation, Challenges Revisited

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Abstract

The text reports on twenty-five years of business ethics in Poland. It outlines some of the plans and implementations of projects and activities aimed at increasing the business community’s belief in the importance of responsible business operations. There have been many successes in education, including responsible training of managers. Recognition should also be given to the genuine commitment of a sizable group of enthusiasts to making business ethics an academic discipline providing cognitive foundations for the practical dimension of ethics in different kinds of business pursued by numerous companies, organizations and the institutions supporting them. The author also draws attention to threats and points to challenges connected with new technologies: the Internet, big data and artificial intelligence. All this makes business ethics extremely important, and means that business ethicists are guaranteed to be busy for years to come.

Keywords: business ethics, ethical infrastructure in organizations, responsible management education, philosophy, phishing, praxiology, artificial intelligence, trust

It has been more than a quarter of a century since we began working towards the triple E – the praxiological and ethical triad of effectiveness, efficiency and ethicality – in business. Resourcefulness is efficacious (i.e. effective and efficient) activity for a proper (i.e. ethical) purpose, as Tadeusz Kotarbiński taught. Remembering these words and watching entrepreneurship rise like a phoenix from the ashes after the centrally planned economy was abolished and replaced with the free market, the praxiology community noticed that less effort was required to ensure the triad’s praxiological components – efficiency and effectiveness – in business activity, as they were in plentiful supply at the start of the transformation, than was the case with ethicality, the shortage of which had a significant impact on the propriety of aims and means. Some false slogans returned to prominence: “you have to steal your first million”, “what isn't forbidden is allowed”, “anything goes”, “everyone’s on the take”, and so on. Professor Henryk Hiż² from the University of Pennsylvania, a student of Tadeusz Kotarbiński, who took part in the conference Praxiologies and the Philosophy of Economics organized by the praxiology community in Warsaw in 1988, i.e. on the eve of the transformation, pointed out that

“Although ethical values must be supplemented with praxiological values, the two kinds should not be confused. Efficiency can serve any purpose … It is good to be efficient in good; it is evil to be efficient in evil. The same is true in economics. We cannot help Adam without adopting sound economic


Taking all this into consideration, we decided to set up the praxiological Research Unit for Ethics in the Economy and Business at the Institute of Philosophy and Sociology of the Polish Academy of Sciences (IFiS PAN) as well as its social extension in the form of the Business Ethics Group of the Learned Society of Praxiology (TNP). These initiatives resulted in: the organization, in association with the Educational Enterprise Foundation (FEP), of the First Polish Business Ethics Conference\(^3\) (Łódź 1994); the organization of the national Seminar on Ethics in Business, the Economy and Management\(^4\) (EBIGOZA); the appointment of the Business Ethics Subsection at the 6th Polish Philosophical Congress\(^5\) (Toruń 1996), and participation in the First ISBEE World Congress of Business, Economics and Ethics (Tokyo 1996). It needs adding that a book – the fifth volume in the PRAXIOLOGY series\(^6\) - dedicated to that congress was published: Human Action in Business: Praxiological and Ethical Dimensions, its editors being the president of the Business Ethics Society, Prof. Leo V. Ryan, C.S.V.,\(^7\) and the author of the present text (see Box 1). There was no indication at the time that the collaboration with the International Society of Business, Economics and Ethics (ISBEE), organizer of business ethics world congresses held every four years and thus called the Olympics of business ethics, would get Warsaw chosen as the venue for the Fifth ISBEE World Congress in 2012. Before that happened, though, many other events took place that are also worth remembering.

Polish business ethicists next met at the Second Polish Business Ethics Conference\(^8\) (Łódź 1997), where invited guests included the President of the European Business Ethics Network (EBEN), Professor Henk J.L. van Luijk from Nyenrode Business University in the Netherlands. He shared with us other European countries’ experiences with developing business ethics, because “researchers working on ethical and business issues or intending to work in this field will benefit from shared experiences

\(^3\) The conference proceedings were published in: Dietl, J. & Gasparski, W., eds., 1997, Etyka biznesu [Business Ethics], PWN, Warszawa.

\(^4\) This seminar, expanded to include the sociology of business, continues to meet once a month.

\(^5\) In my paper presented at the congress, invoking Tadeusz Kotarbiński’s notion of “small philosophy”, I suggested we view business ethics as a “small ethics of management”. Small – because it would not aspire to building an Arcadia of economic life but would realistically strive to civilize business, i.e. to professionalize it, which requires professional and moral competence (Gasparski, W. W., 1996, Działalność gospodarcza z punktu widzenia filozofii: między prakseologią a etyką [Economic activity from the point of view of philosophy: between praxeology and ethics], Prakseologia No. 1-4 (130-133), pp. 9-28).


\(^7\) He was a brother of the Clerics of St. Viator.

and mutual support”. He added that “business community representatives having a natural sensitivity to the moral aspects of market activity will find allies” among academic researchers interested in these issues. This synergy will work to ensure that “the joint effort of different parties will make society realize that responsible business is not just a utopia, but a real-term prospect”. He also expressed the hope that “people and companies operating in Poland and other European countries will largely take advantage of joint efforts aimed at the widespread promotion of moral principles in the decision-making process in business”.9

With this in mind, representatives of IFiS PAN and Kozminski University (then called the Kozminski Higher School of Enterprise and Management) signed an agreement on the formation of a joint Business Ethics Centre, which I had the honour of heading10 in 1999-2013, my successor being my long-time deputy, Prof. Bolesław Rok who specializes in issues related to corporate social responsibility.11 He thus expanded the centre’s field of interest to include social innovation (see Box 2). From the very beginning, this unit inspired research and activities supporting business practice and was the organizer of annual conferences on different aspects of business ethics. These conferences were a continuation of the meetings that started with the two conferences in Łódź.

The choice of Poland for the European promotion of the U.N. initiative called Global Compact12 was a major event, confirming recognition of our achievements in business ethics by the academic world and that part of the business community which remembered “good merchant practices”, as fair play in trade and “dealings” was once called. Meetings of the Business Ethics Subsection (BES) were also continued at successive Polish Philosophical Congresses. Prof. Jacek Sójka, who headed the Polish Business Ethics Association (EBEN Poland) founded in 2000, took it upon himself to organize the latest BES meeting at the 11th Polish Philosophical Congress held in Lublin in September 2019 (see Box 3). The representation of business ethics issues at philosophical congresses proves that this field of knowledge constitutes a philosophical discipline that is practised in an interdisciplinary approach, since it also involves economics, sociology, psychology and management science.

The Business Ethics Centre created conditions fostering collaboration between researchers and practitioners interested in business ethics and corporate social responsibility. The group of colleagues forming the centre worked to set the trend for this field, preparing and presenting collective studies on important issues.13 These are works distinguished by the common denominator of a high

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10 See: CEEMAN Interview with 2014 CEEMAN Champion Dr. Wojciech Gasparski, CEEMAN News Issue 74, Winter 2014, pp. 8-10.
13 Besides the work listed in the previous footnote, the Business Ethics Centre’s publications include: Gasparski, W.W., Lewicka-Strzałecka, A., Bąk, D., Rok, B., Kuraszko, I., 2016, Evolution and Specific of Business Ethics in Poland, in: A. N. Krylov, ed., Handbuch zur Europäischen Wirtschaftsethik: Business Ethics: Expectations of Society
standard of expertise.\textsuperscript{14} Being aware that business ethics was a codifiable ethics, the centre undertook activity to help business organizations build ethical infrastructure,\textsuperscript{15} both tangible, i.e. programmes and codes of ethics and codes of best practice, and intangible, i.e. knowledge on the ethical foundations of business operations as a component of the economic, business and labour culture.\textsuperscript{16} Research as well as educational activities were thus important. The research focused largely on corporate social responsibility and was conducted within European Union framework programmes as well as the European Academy for Business in Society (EABIS),\textsuperscript{17} latter transformed into a global organization the Academy of Business in Society (ABIS).


\textsuperscript{14} This common denominator was jokingly called “cebism”, from the acronym of the Business Ethics Centre’s Polish name – CEBI.


\textsuperscript{16} Gasparski, W., 2009, Kultura organizacyjna i etos pracy [Organizational culture and work ethics]. Paper presented at a panel session of the Congress of Polish Culture in Kraków.

\textsuperscript{17}G. Lenssen, W.W. Gasparski, B. Rok, P. Lacy, scientific editors of a special issue of Corporate Governance: The International Journal of Business in Society published in connection with the EABIS international conference organized in association with the Business Ethics Centre, Warsaw 2006.
from business circles on a declarative level, but there was no unequivocally positive answer to the question if and to what extent words had translated into actions. A dual attitude towards the ethical aspect of business activity was noted: on the one hand, businesspeople demanded compliance with ethical norms from competitors, suppliers and sellers, while on the other, those who expected this from others often ignored those norms in their own operations (see Box 4). What is certain, though, is that business ethics and corporate social responsibility as concepts had taken root. Quite a large number of companies and business organizations made an effort to introduce programmes and/or codes of ethics. One example is the Association of Financial Businesses in Poland, which has not only introduced a code of best practice but also promotes ethical behaviour in business as well as relevant education, every year organizing the Verba Veritatis competition for the best paper or treatise on these issues. However, some reserve and even scepticism towards the axiological aspect of business operations is still being shown by people who think business is guided solely by economic values. There is thus still a lot to be done. That is why it is important to disseminate knowledge on business ethics, above all through appropriate education and training. Focusing such education on manager training and publishing the book Responsible Management Education were especially important measures.  

The aforementioned educational activity involved lectures as well as supporting them with textbooks. One university textbook worth mentioning is Biznes, etyka, odpowiedzialność [Business, Ethics, Responsibility] which received the First Award from the Polish Economic Society and was chosen the best economics textbook published in the years 2012-2015. This volume, the work of a large group of business ethicists from many organizations, testifies to good collaboration among the Polish community of experts on business ethics and its leading role in creating conditions for positive cooperation, to use a term coined by Tadeusz Kotarbiński. Participants of the earlier mentioned Fifth ISBEE World Congress agreed that the business ethics development programme had led to educational commitment from the world of academia. This was confirmed by a global business ethics survey published in 2012 which found that “A country like Poland has today around 44 different state recognized universities. In almost all of them there will be some form of business ethics or CSR teaching

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18 Gasparski W., ed., 2008, Responsible Management Education, Wydawnictwa Akademickie i Profesjonalne, Warszawa. A publication addressed to managers as well as people working in public administration, education and nongovernmental organizations. The authors, who included Jacek Sójka, Witold Kieżun, Andrzej Blikle and Janina Filek, discussed the quality of present-day education of managers and its impact on the functioning of the organizations those managers run. The book comes with a CD with the papers in Polish.


going on. The boom of business ethics and CSR clearly took place over the past ten years” (op. cit., 223).

Against this background, how do we look on the 25th anniversary of business ethics in Poland? Not so bad, actually. We, too, wrote about the importance of an organization’s ethical content and, consequently, about business’s need to introduce an intellectual infrastructure, i.e. knowledge on ethical standards, and a tangible one as well, i.e. tools and instruments of social responsibility. We also suggested the introduction of programmes and codes of ethics, and offered advice on how to do this. We highlighted the importance of education and published the textbooks needed. We even won international recognition, as proved by the organization of the Fifth ISBEE World Congress, an event dubbed the Business Ethics Olympics, in Warsaw; our university was the host. Other universities and organizations issued invitations to numerous conferences, while the Polish Philosophical Society made sure to give the Business Ethics Subsection a place at its successive congresses. In other words, the outcome appears to have been positive, and we can declare that business ethics, now practised for 25 years, has entered maturity. The joy connected with this, however, is not absolute; there is still something lacking.

What is still causing us concern is the inveterate shortage of trust that, unfortunately, is widespread in Polish society, not only with regard to business but also in other areas of social activity. You cannot buy trust with money, as we are warned by Michael Sandel. Such lack of trust and the abuse it can lead to is exacerbated by the Internet, which is full not only of useful information but also numerous “post-truths” against which Wojciech Orliński warns us, saying “it’s time to be afraid”.

*Tempora mutantur et nos mutamur in illis* (“The times change, and we change with them”), as the Roman saying goes, so let us mention recent changes in practising business ethics. The organizational framework at Kozminski University changed and therefore we changed as well. The Business Ethics Chair set up after the ISBEE Congress, which I headed until I retired to professor emeritus status, was merged with the Entrepreneurship Department to form the Department of Entrepreneurship and Ethics in Business. It is headed by Prof. Izabela Koładkiewicz, co-author of the earlier mentioned business ethics university textbook. In the wake of this union of business ethics and entrepreneurship, it is worth mentioning that the ethical aspect of entrepreneurship was the subject of studies, research and thought presented in the 17th volume of the *PRAXIOLOGY* series, i.e. *Entrepreneurship: Values and Responsibility*, edited by W. W. Gasparski, L. V. Ryan, C.S.V., and S. Kwiatkowski, 2011, Transaction Publishers, New Brunswick (USA) – London (UK) (see Box 5). Allow me

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21 Prof. Milenko Gudic represented CEEMAN at that Congress.
24 “[... ] the message of Gasparski’s praxiologically oriented business ethics, which he recommends to be actualized in terms of the three E’s via good design practices. In Sum: The key points of professor Gasparski’s philosophy and ethics are as against ignoring the ethical dimension of entrepreneurship, and also highlighting the causes of methodological mistakes,” and then the solution, “Co-operation between praxiology and ethics creates the conditions enabling good practice in economic life and outside it.” (Timo Airaksinen, 2017, University of Helsinki, Finland, “Professor Gasparski on Design and Entrepreneurship”, *Zagadnienia Naukoznawstwa*, 2(212), pp.135-147).
to quote an excerpt from my paper on entrepreneurial activity presented at a conference organized by the department in 2017:

“The praxiology and ethics of entrepreneurship are ... the praxiology and ethics of speculation, a kind of game in which one side – the entrepreneur – wants to maximize profits (“sell at the highest possible price”), while the other – the consumer – wants to minimize the costs of purchase (“buy as cheaply as possible”). Entrepreneurship is thus, on the one hand, a kind of negative cooperation. Praxiology defines this concept as the necessary collaboration of entities, each of which strives to achieve a goal incompatible with the goal of the other; this is struggle in a praxiological sense.26 Entrepreneurship, however, is not exclusively about negative cooperation; elements of positive cooperation are found in the entrepreneur’s efforts to satisfy a consumer need or to create a consumer need, or at least to interest consumers in an offered product, or – as they say – an innovation. This leads to a question we could outline as follows: in advertisements transmitted by the media, we hear the recommendation “Before using a MEDICAL INNOVATION, contact a physician or pharmacist, as improper use could pose a danger to your life or health”; this begs the question of what we should do before using a TECHNICAL INNOVATION or a SOCIAL INNOVATION, and what danger is posed by their improper use. The answer to this is sought by the ethics of entrepreneurship precisely”.

currently brought by artificial intelligence (AI) and the way it affects business operations. No wonder, then, that the Globethics.net blog posted a text by its director, Dr Obioro Ike, entitled Between Technophobia and Technoutopia – Ethical Challenges of Artificial Intelligence27 and arguing that apart from its great usefulness, AI creates many new ethical problems. The website of the UK’s Institute of Business Ethics posted a text entitled Business Ethics and Artificial Intelligence28 encouraging business organizations to engage in a multi-stakeholder dialogue to agree on commitment to values in using AI. The text references an earlier article published by Forbes29. Similarly, the website of The Brookings Institution30 features Darrell M. West’s report The Role of Corporations in Addressing AI’s Ethical Dilemmas in which we read:

“The world is seeing extraordinary advances in artificial intelligence. There are new applications in finance, defence, health care, criminal justice, and education, among other areas. Algorithms are improving spell-checkers, voice recognition systems, ad targeting, and fraud detection. Yet at the same time, there is concern regarding the ethical values embedded within AI and the extent to which algorithms respect basic human values. Ethicists worry about a lack of transparency, poor accountability, unfairness, and bias in these automated tools. With millions of lines of code in each application, it is...
difficult to know what values are inculcated in software and how algorithms actually reach decisions”. (op. cit.)

New technologies are causing unease. This is a challenge for the ethics of new forms of e-business based on these elements of the modern-day technology revolution. “Deep ethical questions that have bedevilled philosophers for ages will suddenly arrive on the steps of our courthouses”, writes Jerry Kaplan in his book discussing what everyone should know about artificial intelligence.31 Another challenge for business ethics is brought by attempts to use artificial intelligence algorithms for detecting behaviours violating ethical norms. For example, the Ethikos Weekly newsletter of 29 November 2018 writes that although the great majority of companies are aware of the importance of the ethical aspect of their operations, they have trouble with uncovering unethical behaviours of their employees. Using artificial intelligence systems offered by the AppZen32 platform to analyse ethical compliance in their operations helps prevent conduct that is questionable from an ethical viewpoint.33

This means business ethics has new and numerous tasks ahead. Meanwhile, besides positive entrepreneurship, there is also negative entrepreneurship on the market. This is a consequence of the fact that “… in a truly free-market economy people not only have full freedom of choice, but also completely unlimited freedom to swindle others. The balance developing under these conditions will still be optimal … but it will be optimal not in terms of satisfying our real needs, but in terms of our tastes being manipulated by the market”. This has also been noticed by U.S. Nobel Prize winners in economics George A. Akerlof and Robert J. Shiller, authors of the book Phishing for Phools: The Economics of Manipulation and Deception34, the Polish translation of which (Złapać frajera: Ekonomia manipulacji i oszustwa) has been published by the Polish Economic Society. The authors present well-documented cases of phishing, i.e. setting out to “hook” underinformed or naïve as well as gullible consumers or business partners.35

Encouraging people to counteract phishing, Akerlof and Shiller point out that an organization called Society of Guardians for the Protection of Trade Against Swindlers and Sharpers was founded in London way back in 1776, and in 1912 in the United States, Better Business Bureaus were set up to resolve complaints from customers and complaints about dishonest competition. The two authors add that moral norms are an important form of protection against phishing, especially codes of ethics introduced by the business community itself and business organizations in particular (op. cit.). This confirms the validity of the foundations of our work so far in the field of business ethics, and the Business Ethics Centre’s focus on the importance of an organization’s ethical, intellectual and tangible infrastructure. It also validates our claim that how ethical an organization is – whether it is a small enterprise, a giant corporation or an e-business – depends on the organization’s culture, on a serious

32 The AppZen artificial intelligence platform imitates human intelligence and reasoning, but on a much more productive and effective scale than a large team of auditors (https://www.appzen.com/) (accessed 30.04.2019)
34 The authors explain that they “wrote this book as admirers of the free-market system, but hoping to help people better find their way in it”. We all know that the economic system is filled with trickery, and we all have to navigate this complicated system somehow (full as it is of all kinds of fraud and deception) (op. cit., p. xix).
35 The word phishing is taken from internet slang, where it means obtaining user data fraudulently. In Akerlof and Shiller’s book, it means persuading people to make decisions that go against their own interests and are related to purchasing goods, investing money etc. (op. cit., d. xxiv).
approach to ethics by its boss – because leadership is important – and by employees, and on proper knowledge of the axiological context of business operations and responsible conduct in daily practice.

And, finally, we have a dramatically serious issue that gained wide publicity in recent months. On Monday, 23 September 2019 at the United Nations Climate Action Summit in New York, Swedish teenager Greta Thunberg delivered an accusatory speech starting with the words: “This is all wrong. I shouldn’t be standing here. I should be back in school on the other side of the ocean. Yet you all come to me for hope? How dare you! ... You have stolen my dreams and my childhood with your empty words. And yet I’m one of the lucky ones. People are suffering. People are dying. Entire ecosystems are collapsing. We are in the beginning of a mass extinction. And all you can talk about is money and fairy tales of eternal economic growth. How dare you!”.36 Is this not also an appeal to business ethicists, demanding that they recognize the threat to our planet as being due to far from responsible, ergo unethical business operations? (see Box 637) Surely this is a rhetorical question38.

There is thus no shortage of work for us. Such work is ensured by those who insist on continuing to practise phishing. This trend, as the earlier cited Nobel Prize-winner authors write, is not a rare, occasional nuisance. It is everywhere. "The combination of phishing and manipulated tastes ... goes beyond current behavioural economics and points to a truth that is obvious to anyone who thinks in terms of general equilibrium theory. That truth is the inevitability of phishing. ... The modern economy with its ... free market and competition brings people living in developed countries a standard of living that previous generations could only dream of. But let us not fool ourselves. It also brings an abundance of deception that has a negative impact on our well-being" (op. cit. 208-210). And, let us add, is a threat to our planet. What conclusion can we draw from this? That business ethicists are guaranteed to be busy for years to come (see Box 7).

We have had varying degrees of success with improving the situation in the operations of organizations and companies. Our failures have provided material for further thinking, and that has encouraged social innovation. We can thus say after Galileo: *eppur si muove* (“albeit it does move”). This is the balance of our twenty-

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37 Olga Tokarczuk is a Polish writer awarded the Nobel Prize in literature in December 2019.

five years of practising business ethics. We would like to thank our associates, domestic and international partners, CEEMAN included, as well as sponsors for working together with us to promote fair play, and we look forward to a continued fruitful collaboration.

Biographical note

Wojciech W. Gasparski, (1936 Warsaw, Poland), graduated at Silesian University of Technology (SUT) (MEng 1959), doctoral studies at Polish Academy of Sciences (PhD 1969), habilitation at Warsaw University of Technology (DSc 1978), Professor of Humanities (1985). He is a Professor Emeritus of Koźmiński University (KU). Earlier he was chair of Business Ethics, founder and director of Business Ethics Center (now its honorary director) at KU where he also served vice-rector for scientific research. He is a professor emeritus of the Polish Academy of Sciences (PAS) where he headed Department of Praxiology and was Chairman of the Academic Board of the Institute of Philosophy and Sociology PAS. He is author and editor of numerous works on praxiology, business ethics, methodology of practical disciplines (design methodology), particularly editor in chief of the 25 volume series “Praxiology: The International Annual of Practical Philosophy and Methodology” (Routledge Publishers; https://www.routledge.com/authors/i17176-wojciech-gasparski). He is a real member of Warsaw Learned Society and Polish Philosophical Society, life honorary member of Polish Society of Business Ethics (EBEN Poland), life honorary member of Science Studies Committee PAS, honorary president of Learned Society of Praxiology, and an honorary member of Collegium Invisibile. He was awarded the Commander’s Cross of the Polonia Restituta Order, Medal of the Commission of National Education, Medal of Tadeusz Kotarbiński PAS, Medal of Stanisław Ochęduszko SUT, Distinguished Employee Medal of Koźmiński University, and awarded the CEEMAN Champions’ Award in Responsible Management Education as well as Copernicus Medal of the Polish Bank Association. Hobby: hiking and touring.