
DEVELOPMENT OF BUSINESS ETHICS AS ACADEMIC AREAS

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Abstract: The subject of this paper is business ethics as an academic discipline, which is analyzed through the prism of its development, the influence of scientific research and technological development on the enterprise and its ethics, and through interested actors for its improvement. In order for the analysis to be successful, and the data and conclusions that have been relevant are relevant, it is necessary to locate the problem in the broader context of economic events, in order to identify the basic influences on the paths of developing business ethics as an academic area - which, ultimately, is the main objective of this study. The methodology of research in work was selected to support the basic research objectives. In this sense, several methods have been used. Namely, a historical method was used in analyzing the emergence and development of business ethics as the academic area and the various schools of thought that are relevant for a more detailed understanding of the investigated area. Consequently, the method of model analysis was used to analyze different theoretical concepts of business ethics. Also, a general scientific method has been used, with the aim of discovering certain phenomena in business ethics and specific links with the socio-economic context and the impact on the business of the company. There has been a growing specialization on the academic and intellectual horizons, motivated by a variety of old and new disciplines and complex areas of research. Also, the fund of scientific and technological knowledge and relevant information has increased significantly recently. All this influenced the development of business ethics. Since modern business is rich in various ethical issues and doubts, with the simultaneous weakening of public morals and traditional values, a new research motive and new research specialization in the field of business ethics has emerged. The development of business ethics during the last thirty years of the 20th century has been accelerated and multifunctional. Business schools have formed study programs in business ethics: students have begun to receive doctoral degrees in this field; centers of business ethics have expanded to numerous universities. The results of the research indicate that business ethics is a significant factor in the business operations of companies in modern conditions, but it has also undergone rapid adaptation to the goals and requirements of education in the 21st century. In such conditions, the two biggest challenges of business ethics at the moment are the changed business environment due to globalization, as well as redefining the target function of the company according to the concept of sustainability: economic development, responsible attitude towards society, environmentally sound business. Business ethics is also important because it provides knowledge that goes beyond traditional business school study programs. It also opens and offers solutions to some of the most important issues facing modern economies and societies. The subject of this academic field can therefore be enriched because it provides us with valuable support and skills that are useful for business. Finally, it allows us to understand the modern economy and society in a systematic and objective way, which can lead to the development of the ability to solve many life challenges and problems that are not directly related to business and education.

Keywords: business ethics, morale, academic discipline, economy, science, capitalism.

1. INTRODUCTION

“Ethics is an important segment of corporate culture and ethical principles, which are increasingly embedded in the global economy in the management systems of all economic entities” (Radovanović, Savić & Bešić, 2016, p. 267). „Business ethics covers lots of things, from corporate governance to corporate social responsibility” (Teresiene & Budriene, 2021, p. 212). Business schools have formed study programs in business ethics: students have begun to receive doctoral degrees in this field; centers of business ethics have expanded to numerous universities. “Making a good business ethics decisions is just as important to business success as marketing management, marketing, finance, and accounting” (Ferrell & Fraedrich, 2021, p. 3).

“Business ethics is more and more a utopia of civilizational development of a society burdened with numerous problems and doubts, a society of distinct contrasts, a society that sets and nullifies the values on which it is based” (Rakas, 2011, p. 425). On the other hand, “the individualization of responsibility is identified as a major risk associated with excessive legalization in business ethics” (Khaled, Gérard & Farjaudon, 2021). “Business ethics, however, cannot be excluded from this legal thinking, so a critical legal thinking must be used to promote a critical

business ethics, and therefore ethics” (Jansen, 2021, p. 75). However, the term has gained wider application and its meaning in Europe, which differs from the meaning in the United States. “The constant improvement of the environment requires the company to constantly develop, to follow the trends and new opportunities that they provide” (Boljević, Radovanović & Strugar, 2015, 115). Accordingly, the idea of business ethics has continued to develop to this day. “The dominant research trends and theories in the field for the 2000-2010 period have been identified as leadership, corporate governance, trust, corruption, codes of ethics, and stakeholder theory, while the dominant research trends and theories identified for the 2011-2020 period are virtue ethics, sustainability, ethical leadership, culture, religiosity, stakeholder theory, and institutional theory” (Bağış & Ardiç, 2021, p. 296).

2. MATERIALS AND METHODS

The paper uses DESK research related to the following areas: development of business ethics, the influence of science and technology on the company and its ethics, business ethics as an academic field, the importance of business ethics, etc. was used. The methodology of research in work was selected to support the basic research objectives. In this sense, several methods have been used. Namely, a historical method was used in analyzing the emergence and development of business ethics as the academic area and the various schools of thought that are relevant for a more detailed understanding of the investigated area. Consequently, the method of model analysis was used to analyze different theoretical concepts of business ethics. Also, a general scientific method has been used, with the aim of discovering certain phenomena in business ethics and specific links with the socio-economic context and the impact on the business of the company.

3. RESULTS AND DISCUSSIONS

“Academic research ethics have received increased attention in recent years as high-profile cases of research misconduct have been disclosed and the overall number of retractions at academic journals have increased” (National Academies of Sciences, Engineering, & Medicine, 2017). A number of specific ethical issues may arise, in relation to these technological products. Is the production, use and disposal of waste carried out in an environmentally responsible manner? Is the compromise between those who benefit and those who pay the price ethically correct and justified? How will we assess the “outsourcing” and export of business, as well as the disruption of local economies by global companies? Does morale allow employees to be available to their employers at any time of the day?

Technology is an accelerator of business challenges and new opportunities. It also speeds up the development of events, which reduces the time we need to single out those problems that are really ethically serious. In 1911, Frederick W. Taylor published a book, *Principles of Scientific Management*, which established a new paradigm for corporate governance. “In this important book in the field of management, priority is given to professional and technical assessments related to the management of the production process” (Taylor, 1911).

The basic assumption from which Taylor started is that production efficiency is the basic goal of human labor. Consequently, variables that cannot be measured or evaluated are in fact irrelevant. This approach began to be applied to Henry Ford's product line. Workers have become literal additions to machines. Although there are certain benefits in production from the Taylor and Ford principles, during the seventies of the 20th century it became clear that it is possible to achieve even greater productivity primarily through humane and fair treatment of workers. In analyzing the economy and technology, there is an underestimation of the way in which technology is embedded in company values and principles. Namely, technology should not be viewed only as a set of technological processes and tasks that enable companies to achieve business goals. Technological values can be a valuable support for creating a more diverse business culture whose focus is: innovation, acceptance of business risk, improvement of working conditions, but also the quality of interpersonal relationships in the company. The trap in which technology is given a primary role should be avoided, and it inevitably conflicts with the interests of workers, users and other economic actors. Consequently, in the coming period, business ethics will have to pay equal attention to the complexity of technological innovations as well as to the overall impact on business goals and business culture of the company. “The fact is that technological breakthroughs introduce new approaches to unethical behavior and that one of the biggest concerns from that level is the ease with which personal information can be collected and shared over the Internet” (Pećanac, 2016, 279).

“There is no good way to do a bad thing, a business that strives for long-term success must respect basic moral and human values” (Prelević, 2011, p. 36-55). Business ethics is an important area of research, both for business school students and for managers who can use it to improve managerial skills. The following are the main reasons that point to the usefulness of knowing and understanding business ethics (Bernstein, 2000, p. 52-60):

1. The influence of modern companies on local communities and society is great.

2. There is a great potential of business ethics in the development of modern society, primarily through adequate satisfaction of consumer needs, additional employment of workers due to economic progress, regular collection of tax revenues in accordance with developed business ethics and business culture of tax payment, etc.
3. Wrong business decisions that do not actually respect the principles of business ethics cause great harm to individuals, the community and the local environment in terms of non-compliance with social and environmental principles and standards.
4. Over time, criteria for assessing the ethics of certain business decisions and business in general are raised.
5. There are a small number of managers, entrepreneurs and other economic actors who have been formally educated in the field of business ethics.
6. Violation of the principles of business ethics continues to occur in the modern business of the company.

After all, despite the fact that business ethics has been researched and taught at universities for many years, the problems remain, and the public is still skeptical about it. On the other hand, business ethics is receiving increasing attention, both from students and scientists, and from consumers, businesses and government. “Business ethics is also influenced by various competitive and complementary models that compete for influence” (Koven & Perez, 2021). “While the market model of business ethics has long endured, alternative perspectives of business ethics such as the stakeholder model of corporate social responsibility and the sustainability model have recently arisen in popular discourse and are explored” (Koven & Perez, 2021).

Today, there are special modules on business ethics at universities around the world, which is somewhat a response to the many ethical scandals that are the focus of the media. As The Times reported: “Business schools are pursuing their ethics courses in light of recent corporate scandals” (Dearlove, 2006). At Saint Joseph’s University in Philadelphia, the Leadership, Ethics and Organizational Sustainability (LEO) major and minor employ an integrative approach to developing undergraduate students as leaders who use business as a force for good (Dufresne & Steingard, 2021, p. 72). This program requires courses in each of the three areas of focus: business ethics, leadership, and sustainability, as well as a senior capstone course called Applied Sustainable Leadership (Dufresne & Steingard, 2021, p. 72). “Studies on students’ perception of corporate social responsibility (CSR) have been growing in western scholarship” (Ugwuozor, 2020, p. 737). “For students in African countries, such as Nigeria, there is little that is known about how and whether gender, level of study, and being enrolled in business education courses impact their perception of and disposition towards CSR” (Ugwuozor, 2020, p. 737). Education and training of managers and other employees in companies in the field of business ethics is a complex and challenging activity. The limiting factors in this type of employee training are shown in Table 1.

Table 1. Limitations confronted with business ethics training

Limitations confronted with business ethics training	
1.	Limited view regarding spirituality and management Professionals usually practices the mechanism of “insulation”, keeping spirituality and management in two separate compartments, thus making it hard to implement.
2.	The media create the erosion of true traditional values through the transnational culture.
3.	It is a time taking and costly process for business to shift from market economies to the process of humanization.
4.	The growing rate of inflation and recession at times forces people to adopt unethical practices for earning their living.
5.	At times, it is also criticized on the ground of being vague and a form of delusion, which denies reality.
6.	The criticism also extends to the practice of using authority and power by management and leaders to impose spiritual and religious beliefs on employees.
7.	Lastly, it can also be used as a form of control through which management can manipulate their employees.

Source: Nilanjana, K. (2013). Business Ethics and Corporate Social Responsibility: A Holistic Approach, VSRD. *International Journal of Business and Management Research*, 3, 97-102.

Also, business ethics has become a topic of research in numerous books, scientific and professional journals, as well as newspaper articles in this field. At the same time, there is a significant growth of the so-called "industry" of business ethics. Namely, there are more and more business consultants specialized in the field of business ethics, as well as business trainers of corporate ethics. The role of business ethics in financial management is strengthened in areas such as auditing financial statements, financial control and supervision, business and financial reporting. “Modern business ethics is an important science in the field of social sciences, without which the functioning of business organizations cannot be imagined today” (Miljević & Džamić, 2016, p. 257). Business ethics as an academic field is more recent, like business ethics as a kind of business and social movement. The second direction of development refers to business ethics in the form of an academic field. In the United States, the 1960s marked a

change in attitudes toward society and the economy. After the Second World War, the Cold War was fought in full intensity, and the war in Vietnam created a strong opposition to the official government and the so-called military-industrial monopoly, which led to increased criticism and oversight. Citizens' rights movements have won public attention, and the United States has become an increasingly prominent economic power.

“Aristotle identified philanthropy with virtue in enabling elites to justify their special place in society by supporting local communities” (White, 2018, 111-126). Companies have responded to growing attacks and public criticism by devising a business concept that is accountable to society and the local community. In the initial phase of the affirmation of this business concept, the companies invested significant financial resources in its promotion and presenting it as a way to achieve social welfare and eliminate economic inequalities. Namely, “over the past four decades, inequalities of income and wealth have grown progressively in most of the world’s countries, developed and developing, although inequalities between countries have decreased” (Bourguignon 2015). What exactly “social responsibility” meant depended on the industry and the company in question. “Corporate social responsibility (CSR) has an impact on many areas of society, and it has recently been active in the digital space, a growing area of business activity” (López, Dittmar, & Vargas, 2021, p. 1). Whether it is afforestation or reduction of environmental pollution, social responsibility is a term used to denote these activities of corporations that have benefited society as a whole and are usually initiated in response to some immoral activity that has led certain businesses to focus on business and the general public. Consequently, business schools responded by creating programs that studied business concepts that respect the interests of the local community and society in general. Social responsibilities or social issues in management - programs that survive today. In most cases, each of these programs placed an emphasis on law during the 1960s, so the management perspective prevailed, although the perspective of workers, users, and citizens was soon added. Business ethics as a research area developed significantly during the 1970s. Prior to that, there were only a small number of courses (subjects) under that name and a very small number of individuals, such as Raymond Baumhart (1968), who researched business ethics and its impact on business performance. On the other hand, most of the ethical dilemmas and directions were studied within the sociology program. “Individuals will accept external moral authority when it is independently filtered” (Soni, 2022, p. 68). “While formal codes of ethics offer some standards of conduct and guidelines for ethical decision-making, a more effective approach is to mesh code enforcement with a normative approach to establishing an ethical climate” (Soni, 2022, p. 68).

Accordingly, thanks to practical research and detailed analysis of examples, the theory of business ethics was gradually developed, which was a valuable support for its development as an academic field. Norman Bowie believes that business ethics as an academic field emerged in November 1974. Then the first symposium on business ethics was organized, at the University of Kansas, where the first anthology was obtained and used in new programs that began to appear in the field of business ethics. (Norman, 1999). The development of business ethics was similar to the development of medical ethics, which dates back to the 1960s. John Rawls' 1971 seminar paper, entitled “Theory of Justice”, helped to apply ethics to the field of economics, but also to make it more acceptable to researchers and professors. The development of the field was far from simple, and the researchers who researched it, at the beginning, also discovered a cold welcome from their fellow philosophers, as well as from those from business schools. The former did not consider the economy to be a philosophically interesting topic, and many of them had ideas directed against capitalist companies. Others questioned whether philosophers had to interfere in the field of business at all. Difficulties with its definition and definition have led many writers to view business ethics primarily as a set of moral rules that guide people in business, all the way to the understanding that business ethics is a teaching about business morality. “Ethics education emerges as one of the linchpins in neo-traditional and non-traditional development initiatives” (Berkovich & Eyal, 2020, p. 270).

The initial effort was difficult and more and more misguided people entered this area. At the same time, many observers saw business ethics as a whim of the moment to come. Also, they did not understand its goals and vision, and that gave them a justification for arbitrary behavior in the economy. Accordingly, it took time to define the research area of business ethics, implement science standards, and become accepted.

What has contributed to the development of business ethics as an academic field, in terms of what common sense could not solve and who was its target group? Those from the world of philosophy have contributed to a theoretical framework that was previously lacking. In this context, they combined the principle of personal responsibility, which business ethics emphasizes, with the social responsibility of the business principle, which is more strongly included in the domain of morality, by applying morality to economic systems, business institutions, and especially companies. The acceptance of certain ethical principles is of great importance, because ethics can appear as an important factor (factor) of competitive advantage in certain markets. Namely, “innovation and business ethics contribute to any kind of entrepreneurship and they make a net contribution to the entrepreneurial capacity and in any entrepreneurial process” (Rodríguez-López & Souto, 2020, p. 23).

The moral status of buying companies through loans, the fight over shares, restructuring, has become the subject of heated debates and questions to which the morals of common sense did not have ready answers or intuitive solutions. The development of this area was not limited to textbooks and study programs at university departments. What distinguishes the initial texts and symposiums on business ethics from the evolution of business ethics after the 1970s is that this area has been significantly institutionalized in the coming period. Numerous associations, centers and scientific and professional journals in this field have been established. A good example is the Society for Business Ethics, which was founded in 1980. Other associations have devoted themselves to business ethics, but also to a number of social challenges (e.g. the Academy of Management, established in 1976).

The area continued to develop with the development of the economy. As the economy became increasingly global, business ethics developed new theoretical and practical concepts that adapted to the internationalization of business. In 1989, Thomas Donaldson published the book "Ethics of Business Ethics", the first serious scientific attempt at research and conceptualization of international business ethics. Then, in 1993, the book "Competition with Honesty in International Business" by Richard De George was published. The subject of the research included, in addition to multinational companies, the globalization of business. Namely, the research focus has shifted towards ethical challenges related to international organizations, such as World Trade Organization (WTO). As the economy became more and more digital, business ethics paid more and more attention to these new topics, which are related to the Internet, information and communication technologies and business digitalization processes.

4. CONCLUSIONS

The constant improvement of the environment requires the company to constantly develop, to follow the trends and new opportunities that they provide. Accordingly, the idea of business ethics has continued to develop to this day. Many in the consideration of business ethics pointed to examples of immoral or unethical actions of individuals. This category, however, includes the criticism of multinational companies that pay shamefully low salaries to workers in underdeveloped countries, etc. Modern business, due to the need to maximize profits in the short term, often neglects investment in science and technology. However, hyper-competition and the need to solve complex business problems have motivated companies to continuously learn, but also to invest in scientific work and technological innovations. Economy, science and technology have been cooperating closely since the "Industrial Revolution". Digitization and information technology are at the center of current business activities, which has been reflected in business ethics. In line with its development, as well as numerous scientific and technological innovations, it seems that biotechnology will be the most important area for cooperation between the economy, technology and science during the 21st century. Consequently, in this area it would be expedient to explore changes and challenges in business ethics in the future.

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