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# Dialogue, ethics, economy The application of dialogue in management (in the context of business ethics in the German-speaking area)<sup>\*</sup>

#### Abstract

The article names the conditions that a conversation has to fulfill in order to become a dialogue. The author undertakes to present the philosophy and ethics of dialogue, which were established based on the concept of dialogue. Its representatives include Jürgen Habermas and Karl-Otto Apel. Next, on the example of German business ethics, it is demonstrated how the philosophy and ethics of dialogue could become the foundation of the Republican economic ethics, developed by Peter Ulrich, and corporate ethics, put forward by Horst Steinmann. In the author's opinion, they may prove useful in developing a new version of business ethics, formed upon reflection about experiences of the financial and economic crisis that began in 2008 and the effects of which are visible to this day.

Keywords: dialogue, philosophy, ethics, economic crisis of 2008, Jürgen Habermas, Karl-Otto Apel, Peter Ulrich, Horst Steinmann

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### 1. In search of dialogue

It would seem that in the era of information technology development, in which the Internet, e-mail and instant messengers were invented, and the use of mobile phones became widespread, there is an ongoing dialogue taking place within companies. Nothing could be further from the truth.

We no longer have time to engage in dialogue at work; on the contrary, electronic media available in the company bombard us with one-way messages—information. The amount of information collected by companies and passed on to employees is so large that it starts to slip through the internal control, let alone the external one. Disclosing information to unauthorized people frequently brings discredit to companies and can be even used to terrorize them. These billions of pieces of information that someone gathers, reviews, selects and passes on, reduce our time to talk and sometimes prevent us from collecting our own thoughts.

Thus, in the era of ever more perfect communication systems, we have the same amount of—or perhaps less—time at work for holding conversations that could transform into a dialogue.

The overflow of private and business information naturally leads to a situation when a conversation is reduced to an exchange of information. Yet, if we solely exchange information, we do not enter into a dialogue.

And as life demonstrates, rather than acquiring knowledge, i.e., making an effort to synthesize information and trying to understand the laws governing reality, one just needs to read instructions. Instructions, however, do not allow us to see the reality in a broader perspective, do not teach us to ask questions, do not encourage discussion or a joint search for answers, but conversely, they make us unwittingly participate in a society which resembles a supermarket, and its main operating principle is self-service. The instructions show us that we can solve all problems "step by step", without deeper reflection. Increasingly, it is enough to familiarize yourself with the instructions or to create them. Critical thinking skills are replaced by thinking based on algorithms, which makes us choose alternatives.

And so, we live in a time when the word "menu" is no longer a harbinger of the unknown—of a dish which can be delicious or quite ordinary. Now, the word merely foreshadows possibilities coming from the choice of keys on the keyboard. Thus, there is no need to discover or even know the rules. All we need is a pragmatic choice. Instructions replace knowledge, while the laborious task of acquiring it, holding a discussion and contemplating, is left to specialists, who are behind the closed doors of some research centers.

An even greater threat lies in the fact that instead of seeking wisdom, we resort to passing on sets of information and instructions. They can be easily communicated. A dialogue can be replaced with a reading of instructions.

In a similar manner, issued commands have little to do with dialogue, though they constitute a form of defective communication. Unlike dialogue, they are oneway communication. Going further in search of a dialogue, it should be noted that the form of conversation called consultation is still not a dialogue, although it may lead to it. Regarding their forms, consultations vary greatly depending on how well-informed about a given situation the person with whom we consult is, as well as to what extent we are willing to follow the offered advice. All of them, however, are only types of conversations and dialogue is still out of the question.

Let us conclude by stating that when we talk, in the majority of cases we do not engage in a dialogue. However, in the contemporary understanding of this word, is what even such authorities as rhetoric and philosophy refer to as dialogue really true dialogue?

# 2. The experience of philosophy and rhetoric in laying the foundations of dialogue

Few have noticed that despite all the historical discontinuities in the development of the Mediterranean cultures, rhetoric is the only subject that has constantly been taught for 2,500 years. The fact that in the initial period of its development, rhetoric was a weapon of both the advocates and opponents of philosophy demonstrates how much importance was attached to it. Nonetheless, when rhetoric established the tradition of writing "dialogues", which was continued in the Middle Ages, it reflected a completely different understanding of a dialogue than the one we have today.

The rhetorical-dialectical argument was introduced in philosophy at the end of the 5<sup>th</sup> century BC by Zeno of Elea. It regarded dialectical reasoning and consisted in proving the theses of Parmenides' teachings, which were in contradiction to common sense and previous philosophical positions. His treatise was a "defense of Parmenides' argument against those who tried to make fun of it" (Plato, 2002, p. 17). Therefore, being a defense, it did not provide foundations for holding a dialogue.

Zeno of Elea also wrote his own philosophical theses. A specific phrase is used in Polish for this genre: *rozprawa*. It means "to think over" and to outwit [Polish: *rozprawić się*] the opponent using the power of argumentation. It appears that authors of philosophical dissertations frequently lack the ability that every philosopher should demonstrate, i.e., remaining neutral throughout the discussion. Hegel's famous statement referring to the facts that contradicted his theory—"all the worse for the facts!"—reinforces the belief that this type of dialectical argumentation is not enough to enter into a dialogue, in the contemporary sense of the word. We belong to the camp defending a particular thesis, whereas those who challenge it are considered to be adversaries.

As the democratic spirit grew in Athens, the conversation became a tool for seizing and keeping power. The quality of arguments offered in a conversation allowed the listener to determine the true measure of a speaker. In a democratic system, a person can gain a political function thanks to convincing argumentation. Nevertheless, the political discourse of Athenian democracy was not a dialogue but a conversation full of rhetorical tricks verging on manipulation.

In the late period of sophistry, eristic emerged as the art of disputation, in line with which the resolution of a dispute is presupposed, in favor of the person using eristic argumentation. Speakers employed rhetorical figures that were a mix of logical argumentation techniques and emphatic statements, intended to convince the listener of their credibility.

A conversation that seeks to impose our own views will not turn into a dialogue since the dialogue is not founded on attempts to persuade one another. What is more, in such a conversation, the arguments of our interlocutor are not even taken into account. Although a dispute is taking place and the arguments are being heard, it is not done in order to consider them, but on the contrary – to refute them. And so, there is another type of conversation which does not turn into a dialogue: a polemic. In polemics, the purpose of conversation boils down to actively forcing our own views on others. To engage in polemics is to wage a war of words; hence, its name derives from *polemos*, which stands for war. Even though, from the outside, polemics can be perceived as a lively exchange of arguments, it will never become a dialogue as it is all about defending our position using verbal argumentation, and not about exchanging ideas, examining the matter together and in cooperation, arriving at some conclusions.

"Socratic dialogues", i.e., those in which we can find traces of the thoughts of Socrates himself, can be barely distinguished in Plato's works. Yet, if it is achieved, the persuasive function of a pedagogical conversation conducted by Socrates will fully reveal itself.

It should be underlined, however, that contrary to what the name "Socratic dialogue" may suggest, these conversations do not constitute dialogues in the full sense of the word. It is missing the most important elements of dialogue, namely its participant has to assume that the other party will contribute to the conversation. In a "Socratic dialogue", on the other hand, the participation is limited to accepting statements or contradicting one's own views.

Dialectic, as Socrates understood it, is a specific type of discourse addressed to a student, which is to create a new form of knowledge in his or her soul. As Socrates puts it, it serves its purpose when

the dialectician chooses a proper soul and plants and sows within it discourse accompanied by knowledge—discourse capable of helping itself as well as the man who planted it, which is not barren but produces a seed. (Plato, 1958, p. 78)

According to the Greek philosopher, dialectic is the art of "defining concepts and classifying them" (cf. translator's note in Plato, 1958, p. 59). The proper cognition lies in drawing valid conclusions by rejecting the paths of reasoning that lead us astray (cf. Zwolski's commentary in Plato, 1996, p. 70). However, the student

should not challenge the theses of the teacher, and he surely should not try to argue with them by coming up with his own ideas. As mentioned before, the role of a student is to support the thesis, or rather to nod in agreement.

For this reason, a "Socratic dialogue" is actually a monologue—despite Socrates' declarations that he learns from others. There is a particular point in a "Socratic dialogue" that prevents it from turning into a real dialogue, namely the moment when the other party, or the interlocutor, solely tries to keep up with the flow of his masters' thoughts. And since an exchange of ideas is not taking place, we cannot speak of dialogue in this case either. Socrates does not engage in a real dialogue, which means he does not take advantage of the wisdom of his interlocutors.

Contrary to popular belief, philosophy does not leave much room for the dialogue in which the master listens carefully to students and allows them to make comments. It usually takes the form of a lecture that leads the student to adopt the master's viewpoint.

And it is still only part of the truth about the absence of dialogue in philosophy. Plato's experience proves to be highly informative to us as well. In those fragment of Plato's writings that present his own views, the interlocutor is, above all, a teacher who, employing rhetorical figures or myths, tries at all cost to impose own—the only valid—vision of reality. In such conversations, Plato becomes a defender of his philosophical system. Particular statements of interlocutors in "Platonic dialogues" represent as if various paths that thoughts of Plato himself follow in order to experience the truth. Yet, these roads go astray. Setting himself an ambitious goal—full knowledge, Plato experiences that it cannot be achieved by thinking. Thus, being aware that the theory of ideas cannot be supported with rational argumentation, Plato resorts to a myth so as to make his system credible in the eyes of his interlocutors.

It is difficult to participate in a philosophical conversation which sets theoretical requirements that high. As in the case of "Socratic dialogues", an interlocutor can only nod in agreement or refute. What distinguishes Plato's conversations, however, is the fact that his interlocutors express astonishment and admiration for the unusual images that the master conjures up when he lacks rational argumentation to convince his students of the validity of his theses.

Consequently, the philosophical lectures-conversations led by Plato do not constitute a dialogue in its contemporary sense either.

#### 3. Conditions for dialogue

So far, we have identified the following types of conversations that do not transform into a dialogue: an exchange of information, reading instructions to each other, giving commands, a speech of praise, polemics, an active imposition of one's own views, a lecture and a monologue of the master. Thus, there is a whole spectrum of possibilities when getting into a conversation: from issuing peremptory commands or advancing our own theses—which we consider the only valid ones and so, we do not have an obligation to listen to opinion of others—through expressing our view and hearing what our interlocutors have to say, to deliberating together with other people.

During the day, we repeatedly utter so many words, make so many conversations. However, does it mean that we enter into a dialogue? As it follows from the above considerations, we definitely do not. Dialogue is more than just speaking or having a talk.

A dialogue is not any other conversation between two people, but the conversation in which the testimony of the other person is recognized as an indispensable source of knowledge about the subject matter. A dialogue is above all a method of cognition. (Tischner, 1981, p. 182)

Trying to begin a conversation, we should be aware of whom we are addressing. What is the topic of conversation? And why do we start it in the first place? Are we just looking for silent approval or do we want to hear something from others, open to being convinced by them?

The first condition for turning a conversation into a dialogue concerns the ability to listen, which needs to be developed. From the very beginning, we have to be convinced that others can express their opinion and we should be willing to consider their arguments. Once the argumentation of our interlocutor gets through to us and we are able to seriously consider it, a conversation assumes the character of a dialogue.<sup>1</sup> It is therefore about identifying the problem and focusing on solving it together.

For the conversation to be transformed into a dialogue, a person also needs the courage to express their own opinion on what is most important to him or her, i.e., the capacity to become aware of and present their own worldview and the associated system of values to a bigger group of people.

At the same time, we should shake the conviction that the only valid claims are our own, and open ourselves to the criticism and argumentation of others. A dialogue presupposes the courage to question all the assumptions to the point that we might have to reconsider our own position. Accordingly, to turn an ordinary conversation into a dialogue, it is necessary to be able to give up our own view of the world in favor of a common perspective. We should also refer to our own "conceptual apparatus" with reserve. Language must not be a barrier but a bridge. Moreover, it is indispensable to hold no prejudice towards our interlocutors. And following Descartes' example, we need to become skeptical about the value of arguments advan-

<sup>&</sup>lt;sup>1</sup> How rich in meaning is the verb to consider. In Polish, *roz-ważyć* means colloquially in trade: "divide into parts that are equal in weight". So we have some constants: a specific measure and weighted parts. The emerging arguments are classified according to their weight, grouped and considered. *Ważyć* (literally: to weigh) is to determine the weight, and in this case to weigh up (*roz-ważyć*) the gravity of arguments. In turn, in German, we find a new clue. *Erortern* is to consider, and it means nothing else but "to draw attention to, or to indicate the place (*Ort*) where the subject of discussion is born." Cf. Heidegger, 2000, p. 27.

ced by authorities or resulting from what is commonly agreed upon. By doing so, we get the best out of tradition as it is during a dialogue that tradition is "battle tested" and proves its value.

People engaging in dialogue should be thorough, i.e., ready to fully explain the issue in question as well as to understand the thoughts of the other party without distorting them. Listening to something does not necessarily mean paying heed to it or recognizing the strength of the arguments behind it. It takes more than just listening, as taking heed of what others say presupposes that we try to understand their viewpoint in order to eventually grasp the complexity of the issue.<sup>2</sup>

However, the willingness to hear, consider and jointly seek answers is not the only condition for a dialogue. A conversation aspiring to dialogue must be unaffected by non-subject-related argumentation, namely by violence. In a nutshell, if it is to be a dialogue, the conversation must be unconstrained. Interlocutors cannot be scared or see the possibility of aggressive behavior of the other party, or fear even the slightest reprisal. For this reason, in the case of terrorists or representatives of totalitarian systems, one does not enter into a dialogue but into negotiations.

Let us attempt to establish the preconditions for turning a conversation into a dialogue. It is believed that both sides of the dialogue:

- (1) recognize that rational argumentation is the foundation of a conclusive dialogue.
- (2) assume that the interlocutors are capable of providing rational arguments which support their views.
- (3) rule out irrational argumentation.
- (4) denounce violence.
- (5) are ready to take back their arguments if proven invalid.
- (6) by recognizing the strength of rational argumentation, they are able to accept the conclusions to which this argumentation leads.
- (7) on the basis of conclusions founded on logical argumentation, they are able to jointly establish what rules should be applied in a given situation.
- (8) by way of rational argumentation, arrive at a conclusion that is acceptable to everyone, not just to those interested in reaping benefits from it.

The philosophy of dialogue shows that if we want to enter into a dialogue, we must not objectify the other person. Someone becomes the participant in a dialogue when we allow his or her personality to reveal itself here and now—in the present (*Gegen-wart*). The German term best reflects the condition for being a participant in the dialogue. *Gegen-wartig*, literally: "waiting in front of us", is someone waiting in a given moment for our arguments. And because of this waiting in front of us, our thoughts are not left alone, but in every moment of the present, they meet the thoughts of other people with whom we are having a dialogue. The other participant in the dialogue constantly reveals to us new possibilities of addressing the issue in question, surprising us with his or her argumentation. Thus, his or her being there is the opposite of the encountered "standing in front of us", opposite to the certain

 $<sup>^{2}</sup>$  Heidegger emphasizes that "to speak to one another means: to say something, show something to one another, and to entrust one another mutually to what is shown. To speak with one another means: to tell of something jointly, to show to one another [...]" (2000, p. 191).

kind of permanent state which we are not moved by and which shows only its "passive persistence." Passive persistence is not connected with waiting for something and, as such, it constitutes an objectified being. As Martin Buber points out, the word object (*Gegen-stand*) best describes the still being in front of us, which is incapable of dialogue (cf. Baran, 1987, p. 11).<sup>3</sup>

Let us state it once again: the ability to listen to and accept the arguments of other dialogue participants, and not to treat the person we talk to as an object that has nothing to say, is a necessary condition for the conversation to become a dialogue.

# 4. Ethical dialogue

Not every dialogue has to do with ethics and can be recommended by business ethics as a management tool. An ordinary dialogue cannot solve a conflict situation for the benefit of all. A dialogue can be held as a type of negotiation in order to determine the best use of resources for satisfying the interest of the conversation participants. An ethical dialogue is distinct from the negotiations in which the course of action is determined on the basis of the expected benefits and anticipated losses.

When a conflict situation arises—and this happens when both parties follow the rules which are "at first glance" worthy of application and, as a result, they adopt contradictory action directives—the participants in the dialogue should turn to ethics. Then, there is a chance that it will be possible to solve the conflict if both parties recognize certain ethical principles. This way, an ordinary dialogue turns into an ethical dialogue, which lies within the scope of business ethics.

The indisputable requirements for an ethical dialogue are (cf. Apel, 1997, p. 85):

- (1) the intelligibility of what is being said;
- (2) the recognition of truth as an overriding value;
- (3) the assumption of truthfulness;
- (4) the endeavor to demonstrate the moral validity of one's own solutions that are proposed in the course of the discussion.

These principles of ethical dialogue must be accepted by the parties. Otherwise, an ethical dialogue becomes impossible.

By way of argumentation, critical consideration and reasonable acceptance, the parties in an ethical dialogue jointly (Habermas, 2000, p. 55):

- (1) establish the veracity of statements (cognitive rationality);
- (2) examine and recognize the effectiveness of intentional actions (instrumental rationality);
- (3) assess the aptness of specific (moral) standards of behavior in a given case and in given circumstances (moral-practical rationality).

<sup>&</sup>lt;sup>3</sup> Thus, only a person constantly developing his or her own abilities can participate in a dialogue, and is not an object that stands still in front of us. The idiomatic expression of "talking to the wall" carries profound wisdom. The basis of a dialogue is therefore a meeting that takes place in a present moment and with someone who gets into a conversation with us while displaying his or her intellectual involvement.

In this context, it becomes visible what importance and sense the application of ethical principles has in the argumentation during a dialogue. An ethical dialogue makes use of the regulatory potential of ethics. Ethical principles, aspiring to universal validity, provide an argumentative base on the long way towards reaching a consensus. This way is marked by:

- (1) seeking common reasons for action;
- (2) making a decision to support argumentation through the application of ethical principles;
- (3) consciously recognizing the argumentation and jointly considering the arguments that are based on ethical norms and principles;
- (4) accepting those ethical arguments of which we were convinced during the discussion;
- (5) reorganizing or supplementing the personal motivational system with the directives that we worked out together.

As the first step towards an ethical dialogue, we need to acknowledge the existence of a problem, of an issue worth examining in an ethical perspective. Next, in the dialogue, we should answer the question of why the problem occurs. Does it arise from an error, omission or due to unforeseen circumstances? Is the problem directly related to the activities of our organization? Can we hear out all the people affected by the issue? At the same time, we should try to conduct a thought experiment together, which consist in imagining how the other people engaged in the dialogue assess a given problem situation. It is crucial to remain open to the ethical argumentation of others throughout the dialogue and to notice what was invisible from our perspective. By doing so, we can also find the courage to change our own moral judgment. A subsequent task that participants in an ethical dialogue have to undertake is to explain that the essence of the matter that they agreed poses an ethical problem. In order to do so, it has to be translated into ethical terms. Then, the dialogue should result in suggestions on how to solve the problem based on the application of ethical norms and principles. These suggestions should be considered together, and thus, we should encourage our interlocutors to present the ethical argumentation that led them to the proposed solutions. And since ethical standpoints are revealed in the dialogue, we should discuss how to bring about the situation in which, working on different ethical assumptions, we will be able to unanimously resolve the conflict situation.

Ethical principles must be used in a dialogue in a sensible way, i.e., choosing norms that are rationally applicable in a given case, while taking into account all aspects of their application.

In order to choose moral norms and ethical concepts that will solve the issue in question, we can apply two particularly useful rules: the *Prima Facie* principle and the principle of double effect.

An ethical dialogue should make us choose a reasonable action, that is, the one which adheres to ethical standards and respects ethical principles that are possible to implement. We should also avoid solutions which, though admittedly well perceived from the perspective of ethics, are not to be achieved in practice. During a dialogue,

ethics takes a non-rigorous form, possible to implement. Interlocutors often try to reasonably get out of a situation in which strict adherence to all moral principles may cause more harm than good. Ethics is by no means inclined to enforce the rule "let justice be done, and let the world perish." The parties should, however, establish which norms must not—on no account—be violated in a given situation.

Therefore, it is necessary to determine the scope of responsibility and the ways to meet its requirements, to fully realize that in certain circumstances, taking responsibility involves making choices and disregarding less important imperatives, such as the principle of kindness, so as to reach the absolute ethical minimum. Because in some cases we are unable to achieve all moral standards, we should mention in the discussion each and every time that we have a responsibility to work towards the change of a situation which still does not fully meet the ethical requirements. Hence, an ethical dialogue is the search for an optimal solution, which takes into consideration the situation as well as the organizational and life necessities and requirements; it is a sustained effort to determine a certain minimum of ethical requirements that in a given situation have to be complied with. An ethical dialogue should make us adopt a responsible stance (cf. Apel, 1992, p. 16).

An ethical dialogue can thus reveal the power of ethical thinking, which is applied when our predispositions (courage, virtue) acquired in the process of our upbringing, allowing us to act quickly and intuitively, are no longer enough to take the proper action. Engaging in an ethical dialogue allows us not only to use the intellectual potential and coupled strength of feedback that was created thanks to the joint mental effort, but also to resort to the collective wisdom which was professionally accumulated throughout centuries of ethical considerations. As a consequence, if we agree to participate in an ethical dialogue, our actions become more efficient since they are more acceptable, less conflicting and they readily achieve the goals that are set in front of us.

To facilitate an ethical dialogue, we can distinguish four closely interacting elements in what is being said (cf. Brown, 1997, p. 12):

- (1) proposals for solving the problem, suggested ways of bringing the situation to an acceptable state;
- (2) observations, or showing the root of the problem;
- (3) assessments of a given situation, pointing to obligations that we and the organization have to shoulder;
- (4) hidden assumptions on the basis of which the solution to the problem is put forward.

To provide an example, let us consider a fragment of ethical dialogue containing all four elements:

- (1) Observation: The number of incidents of breaking into the IT systems of the company is increasing.
- (2) Proposal: It is necessary to take measures in order to protect the privacy of our clients.
- (3) Imperative: We are obliged to guarantee the confidentiality of data.

(4) Assumptions: Respect for the privacy lies in the canon of the European tradition, provides the foundation for one of the basic norms and is a requirement resulting from Immanuel Kant's practical imperative.

As it follows from the foregoing deliberations, an ethical dialogue is the only dialogue that can be promoted by business ethics, because it is the dialogue that defends the interests of all people, and not just of advocacy groups or of commercial organizations.

#### 5. The role of dialogue in business in the context of business ethics

The importance of all the above-mentioned conditions for entering into and conducting an ethical dialogue is particularly apparent during conflict situations that occur in economic life. In these situations, we are always tempted to either reduce the possibility of holding a reliable dialogue or to turn the considerations into a search for ways of safeguarding our individual interests so as to produce desired economic outcomes. What is more, an ethical dialogue is necessary. A great example is provided by the sphere of Swiss and German political culture, where economic projects and strategies are lively discussed and if they do not fulfill ethical and social requirements, they are subject to severe criticism.

For this reason, the business ethics of the German-speaking area could not ignore the possibility of using an ethical dialogue for introducing moral norms into economic life.

Consequently, ethical dialogue plays a key role in both the Republican, integrative economic ethics of the Swiss scholar Peter Ulrich as well as in the corporate ethics based on agreement-oriented management, presented by the German economist, Horst Steinmann.

According to Ulrich, the two perspectives on economic activity—the economic and the ethical—can be integrated. Both the economic calculation and the moral evaluation of economic decisions form the basis for argumentation in the dialogue that takes place between entrepreneurs and society. Taking public opinion into account is a real and crucial factor that entrepreneurs must consider if they wish to avoid incurring unexpected expenses or even having their business project banned altogether.

And so, the integrative ethics of Peter Ulrich aim at making a moral assessment of anticipated actions already at the level of the business project creation. Undertaking these actions should depend not only on the profit they will bring, but also on whether they can be judged as reasonable and justified to society.

An entrepreneur is simultaneously a citizen, and of a special kind—a quasipublic person. In this sense, in real economic decisions, two types of responsibility overlap: economic and civic, and what connects them is moral responsibility. The dialogue between entrepreneurs and society as well as social debates on, for example, the future of atomic energy, is where the usefulness of an ethicist becomes apparent. As Peter Ulrich writes, in the economy, moral responsibility is inseparably linked to political co-responsibility. It is realized in building a consensus among all the people who will be affected by the decisions.

Dialogue between entrepreneurs and stakeholders, social dialogue (e.g. on minimum wages) and public debate are "meta-institutions" which implement moral values in a business activity. What they try to pursue is life politics. It involves creating opportunities for economic development that bring life satisfaction to all citizens. Thanks to it, society develops harmoniously, maintaining its vitality.

Public dialogue takes place within a free, liberal democratic society, in which economic necessities do not lead to economic determinism, but in the process of deliberation, they are presented as facts which should be taken into account. It results in searching for the best solutions in the ethical, social and civic terms, which will pursue life politics, while allowing for an economic reality that is determined by economic necessities.

Entrepreneurs need to engage in a dialogue with stakeholders and, at the same time, by means of political dialogue, they should work out a reasonable distribution of mutual obligations. All conflicts of interests and values between entrepreneurs and stakeholders should be solved based on ethical justification. Yet, although ethical arguments are decisive, the stakeholders may not always be right. Dialogue, therefore, ensures a state of equilibrium, albeit unstable, between the interests of entrepreneurs and society.

In Ulrich's view, a dialogue takes place between an entrepreneur or entrepreneurs and local communities or society. On the other hand, Horst Steinmann's ethics of dialogical management oriented towards communication maintains that dialogue begins in an enterprise.

According to Horst Steinmann, the technical reason indicates what measures can be adopted, while the economic reason assesses which means and goals are profitable. Nonetheless, in certain circumstances, using the principle of profit maximization as the only criterion for making economic decisions may give rise to concern. It is a formal principle that may point to any solution, including illegal or unethical ones as well.

Hence, the input of practical reason is still necessary. It tries to help us choose the right goals and means. Then, it becomes clear why ethical dialogue is the best tool to achieve the goals of practical reason.

It is important that dialogue bring out the dilemmas that are created by conflicting directives, which result from the principle of economic efficiency and the imperatives of morality. Dilemmas are identified much faster in a dialogue between co-managers and staff than in the company manager's solitary search. It is in dialogue where the argumentation on benefits and losses is best presented, and it is what makes a joint decision which respects moral norms and the principles of economic efficiency easiest to reach. Moreover, an animated dialogue makes it possible to look for truly alternative solutions that can rule out the very possibility of conflict. Horst Steinmann notes that since ethics should serve the function of correcting decisions that are based solely on the profit maximization principle, when those decisions lead to a conflict between an enterprise and its employees or society, the task of an ethical dialogue is to keep the peace, i.e., to find a solution that is satisfactory to both parties engaged in the dialogue.

It is understandable that in Horst Steinmann's view the best corporate culture is a culture open to argumentation. In the dialogues conducted within an enterprise, ethical rules are realistically implemented in the management and organizational life processes as the tools of arbitration and regulating intra-organizational behaviors.

The German economist asserts that management oriented towards profit should be turned into communication-oriented management. It makes up an organization in which all parties share a mutual trust. At the same time, it increases the likelihood that internal associates of the company will, through dialogue, undertake the initiative to resolve moral dilemmas at lower levels of management themselves.

As Horst Steinmann observes, in the times of moral relativism, or even of amoralism, the only way for moral norms to be recognized is through ethical dialogue. Concrete solutions that participants in the dialogue agree on take the form of a contract specifying which norms apply to everyone. Such values as honesty, promisekeeping, justice, respect for others, reasonable forbearance as well as consistency in thought and deed are the arguments that appear in the dialogue between entrepreneurs and their staff.

At the enterprise level, there are a number of ongoing conflicts which Steinmann refers to as *ad hoc* conflicts. They can be settled in a dialogue with all the parties who experience the sense of injustice.

The actual role of an entrepreneur and a leader is to conduct the conversation in a way that the positions which at the beginning of the discussion were causing controversy can be reconciled. All the same, achieving a consensus should consist in establishing not only the means, but also—if possible—the objectives of a business activity. Therefore, the goal of leadership ethics is political in character, as it should solve conflicts.

Steinmann distinguishes one more important function of a dialogue. As he points out, only when the theory of socially responsible management (stakeholder theory) is combined with the imperative to engage in a dialogue can we challenge its false assumption that managers are the ones who know best what interest was violated and what is good for their co-workers, clients, investors and the external environment of the company. In a dialogue, the wrongdoings are spelled out, and the real ways of compensating them are jointly discussed. Dialogue allows the compensation process to take place as it is used to discuss the balancing of interests as well as to show the possibility of abandoning the strategy that acts against the interests of the parties to the dialogue.

While drawing attention to the importance of dialogue within the company, Horst Steinmann also emphasizes its role in maintaining social peace. A dialogue with employees allows entrepreneurs to notice the sphere of social obligations and, by pointing to ecological problems, to keep the "environmental peace." An international dialogue, on the other hand, maintains world peace through discussions with other communities which aim at working out the basis of justice in global economic relations. By doing so, they create a self-commitment to fight for the change of unjust law, or at least to not make use of it while investing in countries that enforce it.

The critique of both versions of dialogical business ethics raises the question whether a dialogue is always possible in the real life of an enterprise, for example, when it is necessary to make a quick decision or when the secrets of a company cannot be revealed and, consequently, the dialogue participants do not have the full information needed to make the right ethical evaluation. Yet, despite these reservations, the postulate of engaging in a dialogue in every situation can be seen as a kind of ideal aim that one should strive to achieve, always taking into account the circumstances that are determined by a situation of making a decision in economic life.

The application of an ethical dialogue as a management tool is even more conditional. It is due to the fact that the staff's and managers' level of morality must make it possible to apply ethical arguments, and these arguments should be able to influence the course of the economic activity.

Thus, the moral awareness of the staff should be at least at the conventional level; and the management should be at the third level, the most mature one, i.e., the ethical level. People at the third level of moral development, who recognize as good those things that are good for all people, and not just for their own company or their society, are capable of changing an ordinary dialogue, which involves aligning individual interests as well as determining and allocating obligations and benefits, into an ethical dialogue, in which the activities of the company are jointly considered in terms of the good of all people and not just the stakeholders.

Considering the activity of a company in the economic, legal or even cultural context does not offer such a possibility. Only ethics provide a universal perspective. Hence, we talk about the need for an ethical dialogue.

At the end, this long and seemingly roundabout way allowed us to capture the essence of an ethical message for the business world. A dialogue in management is nowadays a necessity, and it has to be an ethical dialogue, the characteristics of which we uncovered by clearing up misunderstandings regarding its substance. Only by searching for solutions that are based on universal principles, i.e., ethics, and are satisfactory to all can we contribute to the construction of an order in the globalized world, and thus avert the conflicts which make it impossible to do fair business.

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