

HUMAN CAPITAL – A BUSINESS ETHICS PERSPECTIVE

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Purpose: The subject of the article is the problem of object-oriented treatment of human resources. In the author's opinion, despite the relatively long period of widespread respect for ethical requirements addressed to business entities, the issue of an instrumental, object-oriented approach to personnel employed in companies has not been satisfactorily resolved. The purpose of the article is to show that recourse to the assumptions of the feminist concept of ethics of care provides an opportunity to overcome the instrumental, subordinated to utilitarian goals approach to the issue of social responsibility in the field of human resource management.

Design/methodology/approach: The author accepts the approach of cultural constructivism. The subject of the research is axiological assumptions applied to the issue of human resources, and the research method used is a critical analysis of scientific discourses in the field of economics and economic ethics.

Findings: The author has shown that to facilitate change through an individual-focused approach to human resource management, it is essential to recognise and effectively eliminate the error of conflating economic ethics and corporate social responsibility (CSR) within the axiological framework of economics, which prioritises material utility. Harnessing the potential of the concept of ethics of care can be helpful in this regard.

Originality/value: The value of the text is in proposing a – different from the traditional – account of human capital issues and in demonstrating how to overcome the axiological crisis in economics and economic ethics.

Keywords: human capital, axiological turnaround, CSR, ethics of care.

1. Introduction

Traditional economics practised along the lines of the neoclassical approach conceives of economics as making choices under conditions of resource constraint. A rational actor makes decisions that are optimal under the given conditions and that maximise benefits. The specificity of economic thinking is defined by two key elements: the assumption that market actors are always and only guided by their own self-interest and that they compete for access to benefits with other participants. This leads to certain consequences – treating economic activity as taking place under conditions of competition with other market participants for a better position.

Thus, the market economy appears as an area of social practice in which one strives for their own well-being, and competition is the dominant attitude. The available resources at the disposal of a given economic entity are treated instrumentally, i.e. they become a means of multiplying economic value – profit from the activity conducted. This, of course, also applies to the specific resource of human capital. The instrumental, object-oriented treatment of the people who make up a company's staff is therefore deeply embedded in the fundamental beliefs that are the building blocks of the orthodox market economy model.

Awareness of the origins of the human resource approach in question is a key element that should be taken into account when considering the role of human capital in the modern economy and in discussions on how to manage people in an organisation. For many years, a move away from the traditional model of human resource management referred to as the resource approach, of which Taylorism or Fordism are iconic exemplifications, has been advocated. The contemporary humanistic approach, which embraces various assumptions and promotes a significant shift in the management model, prioritises such values as personal integrity of employees, openness to cultural and generational diversity as well as consideration of neurodiversity. This approach is already firmly established in practice. However, despite the clearly ethically positive developments, the question remains topical: are we overcoming the difficulty mentioned earlier, i.e. the problem of a systemic instrumental approach to employees, grounded in canonical assumptions? Can the transmission of humanistic values in contemporary approaches to human resource management constitute the basis for the belief that we are effectively reorienting our thinking and practice of personalised treatment of employees? The aim of this article is to formulate answers to the above questions and to demonstrate that making a real change in the approach to human resource management requires a different axiological perspective from the previous one.

2. Human resources as an object of corporate social responsibility

The issue of the personalised treatment of a company's stakeholders is of particular interest to business ethics, and has resulted in the formulation of the concept of corporate social responsibility. This has contributed to a widespread belief in the need to pressure economic actors to take responsibility for all the consequences (including the non-economic ones) of their actions. Initially, in the earliest phase of the development of CSR, the requirements placed on businesses were relatively simple and limited in their scope. The evolution of views on corporate social responsibility is presented by Frederick (1994, 1998, 2003), who distinguishes the following phases in the development of the idea: the era of greed, philanthropy, marketing and management. They cover the period from the mid-1950s to the end of the 20th century. A progression can be seen here, consisting of increasingly boldly formulated expectations –

demands addressed to economic actors and a gradual expansion of the scope of their social responsibility. Nevertheless, throughout all this time we have remained in a mindset that subordinates ethical requirements to the overriding issues of economic efficiency. Despite increasingly bold demands to broaden the scope of corporate social responsibility, the author argues that it has not been possible to move beyond the prevailing profit-first approach. This approach follows the model presented by Carroll in the 1970s, which priorities economic values first, followed by legal and ethical obligations, and finally, social involvement¹. In later publications (Schwartz, Carroll, 2003; Carroll, Buchholtz, 2015; Carroll, 2016), as if in response to the accusations directed in his direction of the primacy of economic interests over ethical principles, Carroll argues that the levels/areas of responsibility he indicated should not be treated as separate; on the contrary, as Carroll argues, ethics permeates the scopes of economic and legal responsibility (“ethical motivations and issues cut through and permeate all four of the CSR categories and thus assume a vital role in the totality of CSR”) (Carroll, 2016). This presence of ethics at lower, basic levels of responsibility is specifically understood as the recognition that an entrepreneur’s economic responsibility is an ethical obligation to ensure a fair return on investment. It is also emphasised that laws are largely based on ethical norms, so compliance with the law indirectly means respect for moral principles. All four dimensions of business activity should be considered as elements of an integral whole². However, attempts to defend this position appear to have failed. The way of thinking presented in the original approach (later referred to as CSR 1.0) has been strongly criticised by, among others, Visser, who believes that the idea of CSR should be fundamentally restructured and, more specifically, that the profit-driven approach present in the CSR models constructed to date should be replaced with an approach that starts with the inversion of Carroll’s pyramid³. According to contemporary researchers, a re-evaluation involving a reconciliation of social priorities is necessary. We can no longer tolerate social, ethical and environmental burdens by justifying them with the desire to increase our well-being. The real threat of a global environmental catastrophe is forcing us to self-restraint in meeting needs, renouncing over-consumption, moderation in setting economic goals and prudence in disposing of resources. The goal of humanity’s viability must be recognised – both locally and globally – as superior to all other objectives, including economic and political ones. Therefore, the axiological turn that is taking place today means establishing the supremacy of existential and ethical values over all others.

¹ Many years later, Carroll (2016) presented an interesting discussion of his original position in the article *Carroll’s pyramid of CSR - taking another look*.

² “Stated in the form of an equation, it would read as follows: Economic Responsibilities + Legal responsibilities + Ethical Responsibilities + Philanthropic Responsibilities = Total Corporate Social Responsibility. Stated in more practical and managerial terms, the CSR driven firm should strive to make a profit, obey the law, engage in ethical practices and be a good corporate citizen. When seen in this way, the pyramid is viewed as a unified or integrated whole” (Carroll, 2016).

³ It is an absolute fallacy to say that the purpose of business is to bring profit or benefits to its shareholders. These are merely means to an end, which is to serve society by providing safe, high-quality products and services that contribute to the quality of life without deteriorating ecological and social systems’ (Visser, 2010).

This changes our approach to the treatment of resources: the issue of constraints on the disposition, acquisition and use of resources in such a way as to reduce negative environmental impacts to a minimum becomes important (cf. Zboroń, 2023).

The re-evaluation of thinking about the practice of management also provides an opportunity to overcome the objectivised treatment of human resources perpetuated by economist thinking and to adopt a different axiological perspective in management. This is all the more important because, in relation to this area, we do not have such hard (irrefutable) arguments that would force us – as in the case of the conundrum of an impending environmental catastrophe – to make immediate, radical changes to the ways in which we act in the field of human capital management. Thus, recognising the primacy of ethical norms over material (economic) values may seem more difficult. Of course, one may ask at this point whether it is indeed important to make an axiological turn symmetrically in all fields of the area of social responsibility and to change the way we act with regard to all stakeholder groups? Is it not enough to focus on the most important – ecological – challenges? This question is asked solely for the sake of order, but I treat it only as a rhetorical problem. Such a thought – if it arises – can only be accepted in the context of a utilitarian view according to which positive value is attributed to those activities that lead to the attainment of specific utilities. This, in turn, situates us within the kind of thinking that leads to the instrumental treatment of workers. Accordingly, in line with the declaration adopted here, we are looking for a way to restore the individualised character of relationships in organisations. It seems helpful at this point to move the discussion to the meta-subjective level – in this case, the area of normative ethics, within which concepts are constructed that provide specific arguments to valorise the solutions adopted for the practice of human capital management. Let us examine, therefore, which ethical concept will prove most promising in this respect.

3. The utilitarian ethics approach

The assumptions of the leading orthodox current in economics regarding the nature and motivation of the economic agent, quoted at the beginning of this text, find axiological support from utilitarian ethics. Utilitarianism as an ethical concept emerged at about the same time as economics became an independent discipline. In the dispute over what should be taken into account in the moral evaluation of an act: intention (intent) or consequences (effects), utilitarianism argues strongly in favour of recognising the value of an act by assessing the consequences of an action. In other words, what matters are the results and their value for the subject. This reveals the practicalist slant of this ethical position, which fundamentally asserts that every individual possesses an equal right to achieve the good, defined as pleasure, happiness and benefit. The good is a state of happiness consisting in experiencing pleasure and

the absence of suffering (Mill, 1959). The practicalism of utilitarianism manifests itself in an accepted basic principle: our aim should be to maximise happiness by choosing the action that – compared to alternative actions – brings the greatest amount of happiness, whereby it is not so much a question of quantity as of quality (according to individual preferences). An important condition is the recognition of the same right of everyone to achieve happiness and the requirement of neutrality (impartiality towards individual desires).

In utilitarianism (as well as in economics), the concept of utility is crucial. It was introduced by David Hume, a representative of the Scottish Enlightenment, and is understood by utilitarian ethicists as happiness identified with the concept of the good. The same concept taken up by economists becomes associated with the value of well-being. Recognising that the goal of human endeavour is happiness understood as maximising economic (material) benefits makes it possible to concretise human desires and, what is more, gives them a measurable character. This, of course, required a long process of significant change involving the transformation of the basic assumptions of economics: replacement of the categories of subjectively understood desires (utility) and insurmountable interpersonal comparisons with the category of objectifiable revealed preferences (cf. Kwarcinski, 2014a, 2014b).

Useful, and therefore ethical, is what brings happiness, which in economics comes down to material benefits. The pursuit of maximising the value of wealth is the path to happiness, and anything that leads to this is justifiable. The behaviour of an individual who acts in such a way as to obtain maximum benefit is compatible with human nature and morally positive. The conviction accepted in mainstream economics of the universality of the selfish attitude of man, who, according to a commonly held regularity, is always guided in his behaviour by utilitarian calculus (acts rationally), reinforces the axiologically accepted resolution in economics of the supremacy of material gain over other alternative goals. Acting in accordance with human nature is not only ethically justifiable but also rational. The market system within which an individual operates induces them to make rational choices leading to maximum benefits. Ethically justified rational actions of individuals lead to obtaining justified benefits, and the sum of these actions performed by all market actors in accordance with their own interests allows for the constitution of welfare on a macro scale (Zboron, 2009).

Relating the above beliefs to the issue of human capital management has specific implications. This utilitarian approach is present in the decisions of the first phase of development of the CSR idea. This is because the introduction of social requirements as to how an organisation should be managed was associated with both specifically articulated standards of managerial ethics and expectations as to the benefits to be gained from respecting them. Indeed, considerations of managerial ethics largely focused on issues of economic responsibility and concerned the professional, effective management of a company. In addition, it was shown how ethical business management and fostering constructive relationships with internal stakeholders can yield positive economic outcomes. Among the external benefits, the following were pointed out: improvement of the company's image, increased trust on the

part of existing customers and the possibility of attracting new customers, increased investor interest and gaining a competitive advantage. Internal benefits included improving the company's image as an employer, increased effectiveness of internal communication, increased loyalty, commitment and motivation of employees. All of the exemplary positive consequences listed here are treated as tangible utilities that increase economic efficiency. The CSR activities, including the treatment of personnel, are subordinated to economic values, and human capital is treated objectively. Tying the implementation of the CSR ideas into the organisation management process with the possibility of strengthening the economic position of the company is characteristic of the CSR 1.0 model, particularly of the so-called marketing era, which – as Frederick (1994, 1998) noted – was dominated by the promotional approach implemented by public relations functions.

Referring to the above considerations, it can be noted that the introduction of CSR ideas into economic practices has not yielded the expected results, also in terms of changes in attitudes towards human capital. This is because CSR is burdened with the original sin of fitting into the logic of utilitarian-oriented economic thinking. The pro-profit approach characteristic of CSR 1.0 instrumentalises the activities undertaken within the framework of CSR by subordinating them to economic objectives, and people employed in enterprises are treated as objects, i.e. as a tool for generating economic values. Attempts to introduce new solutions in the field of human capital management (a humanistic approach instead of the traditional, resource-based one, eliminating the management style referring to theory X and introducing the assumptions of model Y) do not solve the fundamental problem of tacitly respecting the assumption of orthodox economics, which limits the value of utility to what can be monetised. The key issue, therefore, becomes the above-mentioned problem of the need to face the challenge of changing the axiological perspective manifested in the recognition of the primacy of existential and ethical values over the economic ones. Carrying out this re-evaluation will open up the possibility of breaking with the instrumental, object-oriented treatment of human resources and formulating a different axiological basis for the concept of management than has hitherto been the case.

4. The problem of human capital empowerment from the perspective of the ethics of care

It seems that the search for a solution to the problem of establishing a strong axiological basis for an individual-focused approach to human capital management leads us to abandon utilitarian arguments and turn towards a different proposal. Particularly promising in this

respect seems to be the ethics of care⁴, which places the interpersonal relationship, understood as a unity of values and practice, at its centre. According to this concept, morality manifests itself in thinking about and caring for others, which in turn requires an attentive perception of the other person enabling the identification of his or her needs. Indeed, caring manifests itself in taking action to meet the needs of others and taking them into account in the realisation of one's own desires. "The good is defined by the person acting morally in relation to the person for whom he or she cares. At the same time, it is subject to an inter-individual, non-overriding evaluation. The motives for caring (action) are considered to be important, and their full extent is known only to the person caring for the specific person(s)" (Kamieńska, 2008, p. 10). An important feature of the ethics of care approach is that it challenges categories such as justice, neutrality, entitlement and duty, which are important to traditional approaches. In resolving moral dilemmas, feelings and a particularly understood 'bias' are important, which involves taking the side of the person being cared for: recognising their needs and responding appropriately.

The difficulty of referring to the idea of ethics of care is that it does not provide ready-made prompts, apart from the general principle that we should take care of people with whom we are in relationships; no specific, detailed norms of behaviour are indicated, which raises the question of the legitimacy of including the concept of ethics of care among normative ethics (cf. Waleszczyński, 2013, p. 55). Fixed rules/patterns of behaviour are replaced by adaptive behaviour and finding an appropriate approach to a given – always specific – situation. Reluctance to formulate fixed ethical principles is linked to the belief that caring is more than fulfilling obligations, often without personal commitment to the other person.

Following Noddings, we could say that when acting in accordance with the ethics of duty or justice, the subject relates to the rules, not to the person – it is the rules that are important; it is with them that an individual builds a relationship (of recognition, respect, approval). In the case of the ethics of care, on the other hand, it is the relationship with the other person that is important; it is because of the other person that ethical action is triggered, the impulse in this case is not an injunction to follow the rules, but a feeling, a need to be involved, to help, to support. Hence, real caring begins with a real, and not abstract, interpersonal relationship involving both parties, a relationship established with a specific person. The assumption made

⁴ Derived from feminist philosophy, an ethic of care has been developed in Anglo-American culture for forty years. The starting point was the notion that women differ from men in terms of moral reasoning, and since this issue is overlooked in both philosophical theory and social practice, it is necessary to fill this gap. The concept was initially developed by Carol Gilligan (presented in her book *In a Different Voice*, 1982) and subsequently expanded upon by Nel Noddings. A notable figure within this strand, particularly relevant to this analysis, is Virginia Held. Her work explores ethical challenges that extend beyond familial or close relationships, contrasting with the focus of other prominent figures in this strand. The placement of the ethics of care within feminist philosophy stems from Gilligan's formulation of this concept in opposition to Kohlberg's theory of moral development. Gilligan argued that Kohlberg's model primarily reflected the moral evolution of men, whereas women's moral development exhibits distinct characteristics. According to Gilligan, men are guided by an ethic of justice and women by an ethic of care (cf. Waleszczyński, 2013, p. 45).

by Noddings regarding the occurrence of natural affection for people and the desire to maintain a state of mutual concern is important (Waleszczyński, 2013, p. 80).

The need to rework the issue of employee well-being management is discussed by Jing Xu and Hedley Smyth, who are critical of the results of introducing CSR into business organisations. The authors express their belief that “in the current system, which places the market, the economy and compliance at the centre [...] programmes and initiatives for [employee – HZ] wellbeing under the umbrella of CSR at best attempt to address superficial symptoms and at worse commodify employee wellbeing to support the corporate brand” (Xu, Smyth, 2023). It is not the Kantian ethics of duty or the ethics of responsibility that form the handy basis for building a satisfying concept of human capital management today. The reformulation of the concept of employee well-being management should be done by referring to the assumptions of the ethics of care.

It is important to agree with the authors cited here that feminist ethics of care is increasingly discussed as a concept proposing an ethical turn in which relationships, care, responsibility and intersubjectivity are alternatives to judgements based on rationality, utility, regulation or political interests. An organisation that appeals to the idea of the ethic of care puts people at the centre: it enables dialogue and responsiveness between individuals and groups, allows community to develop, and facilitates the development of social and human capital. Above all, it treats employees subjectively – as an end in itself. This subjective treatment requires a focus on the needs of the individual, with the understanding that care is not about imposing predetermined solutions to a problem or pursuing one’s own goals. It is important to ensure autonomy and provide support to increase decision-making capacity. Applying the ethic of care is a task for the whole team: learning to care is essential for self-identification and building a community on trust, a sense of acceptance, security and creating conditions for the development of all parties involved.

5. Conclusion

Disappointment with the weakness of the results of applying the idea of social responsibility in business practice to date leads us to seek more satisfactory solutions. The condition for success, however, is to realise and effectively eliminate the error of entangling business ethics and CSR in the axiological perspective adopted in economics, which subordinates our actions to material utility. The strategy of seeking acceptance of CSR by demonstrating its potential positive impact on business economic outcomes seems to be a dead end in which the original concept of CSR is stuck. The possibility of solving the impasse lies in reversing our thinking about preference ordering. This is pointed out by many CSR researchers. New concepts are emerging (e.g. Porter and Kramer’s CSV idea or Hausner’s company-idea) that reject the

mistakes of CSR 1.0 and the unsatisfactory proposals of CSR 2.0. It is also important to realise that the utilitarian approach to the idea of corporate social responsibility should be rejected. Turning our attention to the potential of the ethics of care, which approaches issues of ethical relations differently from traditional systems, can bring about the desired results.

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