

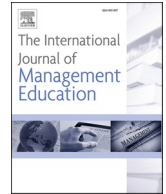


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Challenges of managerial responsibility and ethics for Central and East European countries based on the experience from the Czech Republic

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ABSTRACT

The study aims to identify the typical key factors of ethical thinking and behaviour in Central and East European (CEE) countries, and regard them from the experience of privatization and transformation process in the Czech Republic. The background of ethical scandals and dilemmas of CEE countries reflects their roots in socialist education and state-planned economy, which are based on Marxism, which had and has serious consequences. The study describes the main philosophical reasons affecting the managerial limits in the ethical context of business and management behaviour after the transformation period with the apparent challenges in management thinking and executive education for today. The following description and interpretation of the fundamental implications of the presented analysis for managerial responsibility and ethics are discussed with the relevant professional literature that illuminates the personal, social and economic long-term consequences. Cross-country comparisons reflect developments in the European Union, the Amnesty International Corruption Index and other specific influences according to regional sources. Resulting challenges relate to challenges of business and management philosophy in business schools. The conclusion shows the space for the following professional discussion with European partners and PRME signatories regarding the ethical challenges for executive education and sustainability management in CEE. Recent academic publications show that managerial responsibility and ethical behaviour are increasingly in the focus of interest of both academics and company management.

1. Introduction

To understand the development of managerial responsibility and ethics in Central and East Europe (CEE) today is necessary to analyse the main background and development of CEE and especially the Czech Republic as an example of transformational economy in the last years. The transformation process was caused by the “velvet revolution” at the end of 1989 and subsequent years influenced by the privatization process in history. The anniversary in 2019 after 30 years of free-market society challenges many scholars to analyse the privatization process accompanying the complex political, social, and economic changes of the socialist way to the capitalist one.

Focusing on the situation in one of CEE countries is given by the author, a teacher of Business Ethics in several international master and MBA programs and active also in the steering committee discussing the ethical challenges of the PRME CEE chapter.

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Abbreviations

CSR	Corporate Social Responsibility
CEO	Chief Executive Officers
EU	European Union
CEE	Central and East Europe
SCR	Sustainable Corporate Responsibility
V4	Visegrad four (countries)
PRME	Principles for Responsible Management Education
SDGs	Sustainable Development Goals
UN GC	United Nations, Global Compact

Looking for the contextual understanding of the post-communist region in the frame of our topic is necessary - first, to identify the typical factors of ethical thinking and behaviour in the environment of CEE countries with the same or very similar conditions. The study describes and discuss the main reasons affecting the moral climate of business and management, interprets their fundamental implications for managerial responsibility, ethics, and the current challenge of business ethics for students in business school and entrepreneurs or managers in companies, which discuss the following study with the focus on initial conditions for managerial responsibility in the CEE countries.

- Comparison of outcomes in CEE countries with the Western managerial environment.
- Selected essential aspects of business and management thinking concerning managerial responsibility and ethics.
- The resulting challenges of business ethics for executive education

The methodology The conceptual study bases on the following methodological steps:

- The study starts with an analysis of the substantial scientific contributions to the topic. A review of the available academic literature and historical sources identifies critical factors that played an essential role during the period of transformation and privatization process in the Czech Republic.
- The first analytical part reveals the philosophical background of ethical or unethical thinking and behaviour in the business environment, which is of interest to us when observing the environment of CEE, especially in the Czech Republic.
- The next part examines the social implications of the prevailing Marxist philosophy in CEE.
- Finally, the first part addresses how the introduced Marxist philosophy factories have influenced and continue to influence economic thinking and managerial behaviour to this day. As examples, the authors' perspectives in CEE and specifically in the Czech Republic on key economic concepts such as the "invisible hand", "spontaneous order", and the role of the market, the state, law and morality are selected. The passage provides essential research sources.
- The second part of the study opens with an overview of relevant EU and Transparency International research. Essential is the comparison of Western thinking with the emphases of CEE or directly Czech authors. The comparison expects to recognize fundamental differences that shed light on understanding the unique characteristics of the ethical thought of Eastern economies and business schools.
- The critique of CEE thought and practice opens up a new space for learning about the current Western debate on entirely new topics such as sustainability, business ethics, and managerial responsibility. The part seeks to interpret identified critical factors in sustainable economic and social development, looking for new solutions.
- The final part presents the valuation and possible application of current ethical challenges for responsible management education according to the UN PRME in CEE countries, especially with the example of the Czech Republic.
- The presented study also formulates its limitations and conclusion regarding the academic discussion.

2. Initial conditions of research

First, the analytical studies of the ethical environment of business and management of CEE countries with philosophical questions are not focused on international management journals. Known and significant researchers from the region of Czech and Slovak Republic were using either detailed empirical research in companies and published summaries of current trends in management (Remišová and Lašáková, 2014) or a general description of the transformation process in CEE countries (Bohatá, 1997) and direct to Czech Republic (Scott & Mondschein, 2000). The impact of transformation on small enterprises after the fall of communist regime described other authors (Benáček, 1994; Smallbone & Welter, 2001). The most profound analysis of Czech and CEE development introduced the Czech researcher Loužek (2018). His critical work is in the CEE environment remarkable, but it leaves some substantial questions unanswered. He instead advocates a bold and, above all, rapid progress of Czech privatization. Loužek argues that there is no known integral theory of private property in economics. He advocates a neoliberal economic focus on the importance of competition and profit potential. Loužek, in his flagship work on Czech privatization, also criticizes complaints about the lack of a legislative framework (British model), exclusion of ethical considerations, and concentration on minority shareholders. For the background, it is

essential to understand the identified space for speculations based on the different interests of the managers and new owners who paid a low price for the substantial future potential of companies. The economist and business people tended to ignore the interests of consumers or employees. The Czech government changed the national economic strategy many times without a long-term perspective.

In comparison to Poland, where the role of state and workers was much more substantial, and Hungary, which already had some experience with private property in the communist time, was the Czech privatization process, according to Loužek, probably the fastest one. A positive effect of this quick “unique process” was stopping the growth of public expenditure and creating the means of limiting public debt. But there are no known philosophical analyses of the transformation process in the economic publications, so the following study covers the remaining gap, especially with the more in-depth social and ethical approach with the implication for management education.

Second, according to the author’s teaching experience is continuing an academic discussion and executive education to create more profound understanding of transition in post-communist economies. For the beginning and fundamental starting orientation, are recommended some studies dealing with business ethics in other countries of CEE. Some researchers called the development of Transitional Economies as Buy-Outs management (Filatotchev et al., 1994; Brown, McCabe & Primeaux, 2003). Exceptional contribution to the privatization and Corporate Governance in CEE countries added to the World Bank Research Observer (Gray, 1996). The transformation was also connected directly with a crisis in CEE following the global financial crises (Hardy, 2014). The individual description was published regarding ethical perceptions of Polish Business (Ryan, 1995). The critical study explains why business ethics is not legitimate in CEE (Zsolnai, 1994). Other researchers also analysed the political economy in Russia (Myant & Drahokoupil, 2010). The critical Czech studies focus on the restructuring economy after privatization (Mejstřík, 1999) and the change from public ownership to private ownership in a short time of five years (Mertlík, 1995). More critical studies used the Czech vision of economic transformation as a “foggy” with the lack of transparent legal and ethical background (Mlčoch, 1997).

Third, the below-described analysis is essential for the practical orientation of investors, entrepreneurs, managers, and business schools. The excellent basis for the analysis of economic and legal transformation is the evidenced experience and published critical discussions between responsible politicians, economists, social scientists, and academics.

2.1. Philosophical conditions

The Czech Republic, like other CEE countries (former Czechoslovakia, Hungary, Poland, Bulgaria, Romanian or post-soviet countries) and their economies have been almost 50 years managed according to plans of socialist governments, not according to the democratic principles, free market opportunities and democratic principles. The region was determined by socialist doctrine and experience of “real socialism,” which in theory referred to Marxism and have been selected by the Soviet fundamental ideological understanding of Marxism, Leninism, and Stalinism for many decades. The following lesson from the communist economic system was described by Rusmish and Sachs. Rusmish and Sachs (2003) or (Pullman, 2011) as a failed experiment. The authors are in tension with the positivist interpretation of the privatization process by Loužek.

Pullman agrees with Loužek that although the Czech Republic and most other CEE countries are already 20 years full members of the EU and global market, it is not possible to underestimate the Marxist influence and the influential role of the state up to the present time in government, economy, and education. Graduates of the socialist philosophy and pragmatic morals are active both in the political and economic environment. Many managers, ministers, and the last two presidents of Czech country after Vaclav Havel (Václav Klaus, Miloš Zeman) are former members of Czech communist party and followers of a Marxist understanding of human society with a noticeable accent of the economy (Hrstková & Ježek, 2014). The region had not aware exchanged the Marxists’ materialism with any traditional Western understanding of the “spirit of capitalism” (Kučera & Müllerová, 2017). The revolution was primarily based on economic changes with the next political steps toward the European Union (NATO) and Western democracies. There was no time and a deep interest in any philosophical reformation. Some relevant retrospective analyses were published many years later (Klíma, 2013; Pavlík, 1999). Both authors admit how difficult it was to stop believing in the beautiful parts of communist ideas and social securities and start thinking about it critically and then practically refusing and replacing it.

The socialist philosophy in CEE countries before 1990 was replaced with pragmatic capitalist practices of the absolutely free

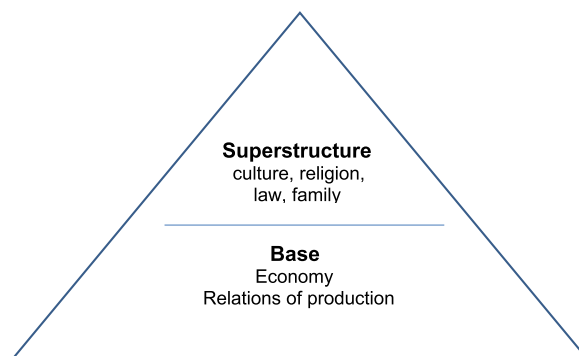


Fig. 1. Marx concept of society. Source: own.

market. For the privatization was not available any particular appropriate legal or economic theory. The CEE countries could not even use the British privatization program (Vickers and Yarrow, 1988). However, the ideology of Marxism in the environment of real socialism was still alive. Although the CEE countries represent some differences in the intensity and consistency of the system, basic orientation was uniform - Marxists materialist thinking. Responsibility and ethics belong on the contrary to the field of philosophy (social or spiritual sciences). The non-materialistic philosophy was 40 years active only among some individuals and consequently suppressed with repressive measures. Therefore, in the social or economic life, it was impossible to speak publicly or act and live with a different philosophy that describes the basic concept of Marx's thinking (see Fig. 1), which is based on the emphasis on production and economic relations (called as "Grundlage"). The culture, law, or arts (spiritual values) belonged to the so-called superstructure ("Überbau"), which must arise from the economic (materialistic) base (Marx, 1859). In fundamental understanding, the culture and law or ethics were subordinate to the revolutionary Marxist vision and, of course, the power control of the state. Any "human" or ethical considerations from universal moral (democratic) values have been rejected as bourgeois and old anti-communist ideology.

In the Czech Republic, entire private property was nationalized in 1948. The communist state under the Soviet control power supervised everything that happened in the society or state companies in the spirit of Hobbes's Leviathan until the end of 1989 (Hobbes, 2017). Any personal initiative and responsibility have been minimized. Any motivation for personal courage, which is essential for any ethical position, was reduced to a minimum and connected with repression. Generally, people subordinated themselves to the state regime to work in a wished place and use the ordered ways of all activities.

We find the confirmation of our assessments in analysing public opinion on socialism during the Czech revolutionary period of 1989. Only 3% of the population would choose a direct path to capitalism. 41% of the population was in the "social path," and the most significant part of the population (52%) would choose "something in between" (Vaněk, 1994). The research has shown how strongly communist propaganda influences the people over 40 years with tendentious media, supervision of education, and control of cultural creation according to the Soviet model. The missed ethical concept is influencing the pragmatic managerial thinking even after 1990.

2.2. The social conditions

After 40 years of real socialism under the communist ideology came to the revolution, the "iron curtain" was pulled down, a new stage of history started - politically and economically. Of course, many culturally and intellectually oriented people have welcomed the opportunity to travel and see the differences in Western countries or read previously forbidden and rare books. Many have followed the Western European tradition of thinking. They also did not have a problem with a value orientation, and ethical challenges were adapted as the essential ethical source for the new conditions. They used the pre-war concepts of society and the indispensable role of man in society. However, to understand the culture of morals in the mirror of history, sociology and anthropology were also in CEE countries during transformation defined by materialism, positivist rationalism, a neo-liberal economy focused on profit, Freud's psychology, and Darwinism (Kohák, 1993). The view of man has concentrated on his physical and economic needs. The family, the marriage, the upbringing of children, moral values, the education, or the function of conscience, were ridiculed as a social utopia. Not only universal laws but also many natural patterns (e.g., in agriculture and its collectivization, climatic changes) have even been long time denied (Moldan, 2009) and forbidden to implement and develop. The global changes in CEE were officially partly admitted according to the world economic and political forums (UN, 2018)

The materialistic, short-term, opportunistic approach became the backbone of the education system of the whole region in general for many decades and specifically for business schools supported by the influence of neo-liberal economy or misunderstood Thatcherism. Many ideological and economic statements have the leaders after the revolution not scientifically argued or publicly explained. To understand the complicated situation in CEE countries, we have to know the concrete reasons and consequences of Marxist errors. (Hornung, 1978). The American economist born in Czechia has missed the theoretical basis for such solid accents and black-white positions after 1990 (Sedláček et al., 2012, Novinky, 2017). The ideological background of materialism with other typically modernist directions (scientism, empiricism, Darwinism, the emphasis on a mechanism in society development, beliefs in positivist progress and industry) is essential for misunderstanding personal managerial accountability concrete regional cultural conditions. In the Czech Republic, even the legal text of Business law had reduced the goals of entrepreneurship on the profit and other financial figures:

"Entrepreneurship is a systematic activity carried out independently by the entrepreneur in his name and on his responsibility for profit." (Obchodní zákoník, 1991). The broader clarification and justification of the law for extensive and sustainable managerial responsibility entered into force till 2014 (KPMG, 2017).

It also means that the concept of (managerial) personality, which is crucial for management, is based on Freud's mechanistic approach. The typical example is the collection of basic statements of the "father of Czech privatization" – active "believing" in the power of "free market" even referring to the "spontaneous order" of Friedrich August von Hayek (Hayek, 1973; Levitsky & Ziblatt, 2018) but without any contextual arguments (Němec, 2007). For too many years was not accepted and published no personal psychology for managers concentrated on values and sense or meaning of life descended from Jung, Adler, Frank, Fromm, and others. The consequence is that two generations of managers who are still active in the region have not heard about any moral orientation in the school, valid as principles without direct materialistic or economic advantage. The pragmatic influence in economy and management offered only sporadic opportunities to meet the deeper personal understanding of managerial personality called "homo economicus" (Sedláček et al., 2012). The social analyses critically described the former Prime minister and later Chairman of Senate in Czech Republic Peter Pithart (Pithart, 2016).

The image of managers and their position in society has been introduced into everyday life, hoping that the community itself will reach a higher level. As mentioned already, the state's horizontal vision and the economy reject a binding moral status as obsolete,

bourgeois, and therefore anti-state. The generations did not have a different perspective than the empirical one officially. How can we expect from the same era the opposite approach that would subordinate everyday experiences to any higher ideas and norms? Agnieszka Holland speaks openly about “*the mental iron curtain*” among CEE countries, which still divides Europe (Holland, 2013). We try to understand that managers and entrepreneurs naturally want to survive with pragmatic (opportunistic) strategy, live, work and enjoy their lives according to the trends and clear statements of the majority of society. However, all this has serious ethical and social consequences (Mlčoch, 1994; Gasparski, 2017).

2.3. The economic and ethical conditions

The post-revolutionary development in CEE countries in the 90s was marked by “wild privatization, “which carried the typical features of a hasty negotiation (SME, 2013). The critical discussion was also that no adequate legal and moral basis supported the privatization process (Weigl, Klaus, Trfška, Dyba, Jakl, Louzek, 2013). The new phase of economic development in the CEE countries was led by a desire to reach the economic levels and the standard of living of developed Western countries. It is natural that after years of isolation, this desire marked a certain impatience and haste. Hurriedness and the absence of ethical perspective management in the majority explain many managerial scandals from 1990 to the present. In the early years after the democratic revolution, morality, ethics, and accountability were neglected. Short-term economic and political goals naturally did not offer sufficient space for long-term goals or sustainability.

In 1990 the CEE managers and employees entered a new political situation and began to exploit new economic opportunities - business and international companies’ cooperation. There was no public debate about the change of philosophical thinking! The CEE countries did not encounter, for example, an attempt by economic schools to deal with the Marxist heritage. Schools tried immediately to find a new orientation to individual freedom, entrepreneurship, economic growth, management responsibility for economic stability, and trade. The pragmatic goals and the CEE comparison with the West prevail in the media and companies. Who has noticed adequately whether Marx’s concept still holds that the production and economic base has the right to influence and determinate the superstructure in the form of culture and law? The question remains to be open.

The economists in CEE continued the same thinking and rhetoric: economics and GDP growth are the foundation of society. It means that first, the state needs a positive budget, and when there is enough money, it can also support culture or education. The government is in the society of CEE legitimized primarily by the level of the state economy, not by the level of culture or the legislative stabilization. When looking for a different philosophy than the only Marxist one, we cannot find any neoliberal economic, pragmatically rationalist, and empirical. In the 1990s, government circles claimed that lawyers were a barrier to privatization because they demanded a legal framework for private ownership and property transfer. However, economists have accused them of hindering economic growth. The minister of finance and later Prime Minister Vaclav Klaus augmented as professor of economics with the idea of “*market freedom*” where the actors are pursuing their own goals and the “*invisible hand*” will take care of the general good (Némec, 2007). Klaus often referred to the writings of Frederick von Hayek and his concept of “spontaneous order.” Still, this concept was never understood because he spoke again and again about the “market without attributes” (Klaus and Hais, 1991). Mr Klaus as the “*father of Czech privatization*,” also naturally did not perceive on the conferences the economics as “social science”, but rather in the materialistic frame as “*exact - based on numbers*”. In the 1990s, he argued in many debates that “*there could be a social policy, but ... a market economy only with additional social policy and not a social market.*” Eastern philosophy negated the so-called “*Soziale Marktwirtschaft*” promoted in Germany (Horn, 2014). The CEE daily newspapers describe every day some of the examples of unethical, corrupt, fraudulent behaviour of businessmen, managers, and state institutions made in the name of “*economic growth*” and “*profit*.”

Of course, similar experiences could be explicitly described from the perspective of Hungarian, Slovak, Polish, Bulgarian and Romanian socialism as “*the end of one experiment*,” from which we did not deduct enough moral instructions or ethical foundations for sustainable development of the society (Pullman, 2011). The subsequent analysis of Topalli & Ivanaj (2016) confirms the approached challenges of CEE enterprises according to 2053 scholarly papers during the 1989–2013 period of the transition process. It identifies the similar discussed factors of their evolution.

An example of a different starting point is the introduction of Czech economists to the book by A. Smith: *The Wealth of Nations*. The authors are naturally aware that Smith’s book builds on his “*Theory of Moral Sentiments*”. The reader follows confirmation that Smith draws on general Christian moral principles such as humanity, a sense of justice, generosity, and sociability. These are thus different traits than “self-interest” that applies in the marketplace. And Czech economists conclude that Smith’s conception of the “invisible hand” does not ambition to judge all human behaviour in society, thereby reducing it to mere market behaviour. The “invisible hand” explains only market behaviour, which does not exhaust all human activity” (Smith, 2016). It can be seen as presenting a dual morality - one for life, the other for economics.

From the philosophical point of view, the CEE business environment is missing the ideological roots of any sustainability, foundation or tradition, source, political interest, and support for an ethical perspective. The moral orientation of the past decades is an import of international companies and the European Union. Both political institutions and businesses or Business schools in CEE are called to respond to the International quality and sustainability requirements, ISO or accreditation standards like EQUIS or AACSB with the accent on the new dimensions (ethics, responsibility, and sustainability) and the new approach (description, interpretation, argumentation, valuation in the required context). In this context, we can see the causes of the current scepticism, pragmatism, opportunism, absence of personal courage and commitment, unwillingness to express own opinions or defend higher principles of business ethics and sustainability. Better assistance in orientation in the relationship state - power - money we find by sociologists (Ježek, 2007). The social anorexia of post-revolutionary development in CEE comment also Czech professors working abroad (Bělohradský, 2007; Pribán, 2002). Due to the power changes and changes of contradicting ideologies and revolutions in the CEE

countries, there appears to be a high degree of atheism or indifference (in the Czech Republic, Hungary, Slovakia) as a reaction to the loss of one's own identity and vertical values (Hošek, 2012). The same roots in CEE countries will be related to growing intolerance, hatred towards foreigners, populist success, migration situation in Europe (Geiselberger, 2017), influencing the level of ethical thinking and sustainability approach.

3. Looking for new philosophical basis of responsible and sustainable management

The question is which philosophical roots could draw the entrepreneurs and managers in the CEE countries into the new situation. Not only one author raised the question of ethics just after the revolution: "Is there economic ethics in post-communist society?" (Vaněk, 1994). The first market consequence of post-communist immorality, as mentioned above, was also described by academics (Pavlik, 1999).

There are two steps about how to look for ideological resources for management responsibility and sustainability. The first one is to start at the founders of liberal Economics; the second one is to see the practical experience of Western society. Of course, it was a politically more pragmatic offer for the CEE countries to copy the West's economic models and corporate practice. However, the CEE governments have not used all the opportunities. Even the Western culture of managerial relations suffered from many afflictions in the 20th and 21st centuries. The liberally-minded CEE economists came very soon to a certain degree of dissatisfaction because even Western countries have found themselves in a particular "crisis of capitalism" or "crisis of the West." Today is the discussion about the "crisis of the European Union."

3.1. Uncertain west

Western society, its level of democracy, quality of the educational system had an exciting development. The "barometer of democracy" follows concrete criteria (individual liberties, the rule of law, public sphere, competition, mutual constraints, governmental capability, transparency, participation in public life and representation between 1900 and 2007). As far as we concern the CEE countries, some difficulties have already occurred soon after the democratic changes in 1900 and next years, which the authors of the social studies "all "post-honeymoon effect" (Bühlmann, 2011, p. 16). There have been many disillusion and unexpected challenges that communist countries have not been and are not ready for the challenges of a free society. Some disappointments also come from negative development in Western society. For several years, Western society and capitalism itself have become a bust for a title like "Twilight of the Eurasian tradition" and "West in the fog" (Cox, 2012), "Capitalism at the end" (Brenner et al., 2013). Wolfgang Schreck called the current fiscal situation of many Western countries as a "Bought Time. The Delayed Crisis of Democratic Capitalism" (Schreck, 2013). His last book is much more critical: "How will capitalism end?" (Schreck, 2017). The book describes the long-term capitalist failures he evaluates as a decline in economic growth, rising indebtedness, and growing disparities between poverty and wealth. The authors do not doubt the collapse of the original vision of capitalism but the failure of solid guarantees of its sustainability (Habermas, 1973). Together with many others, Harvard Professor Sandell has warned that capitalism focuses mainly on money instead of values, which is a long-term danger to all companies (Sandell, 2013). The Austrian teacher, in turn, analyzes as an example of the market crisis and failing marketing (manipulative) methods (Kraigher-Krainer, 2014). Lack of ethical values caused the last financial crisis in 2008, which has become a culmination of the long-term global crisis of actual Western values, reflected in entrepreneurs' and managers' inconsequent thinking and behaviour in many International companies and banks.

David Harvey published the book: "The Enigma of Capital: And the Crises of Capitalism" (Harvey, 2012) In the Czech translation, we read the title: "Will capitalism survive its last crisis?" Harvey considers the nature of the capitalist crises as the crises of the system of capitalism. Capitalism has been developed by a specific philosophy and model of social order we are leaving step by step. Such is the trend of the discussion outside the CEE countries about the sustainability of capitalism today. We will not teach sustainability, but universities also print the analyses of bankruptcy tendencies and the regressive trends of our society (Nachtway, 2016). The current situation describes the British economist and bank adviser Stephen King: "When the Money Runs Out. The End of Western Affluence" (King, 2012). All this is even for CEE countries not encouraging for the effort of SDGs because the crisis of Western society is in the crises of credibility (Segbers, 2010) we have to improve.

The author has chosen the example of the Czech Republic, where he is living and teaching. In Czech literature, it is possible to read the same questions about the sustainability of capitalism: Is it just the crisis of capitalism or its end? (Pehe, 2012). All readers from CEE could see that the crisis of capitalism is related to the trouble of democratic systems. We know from Schumpeter that capitalism needs democracy (Schumpeter, 2005). With his warning that capitalism could get into a crisis due to social change, he disapproved the Czech father of privatization Vaclav Klaus, who believed in the natural power of the market itself (Klaus, 1989). However, we know how many economists in CEE countries like to underestimate sociology, which leaves us with no doubt that sustainability business depends on society's stability (Žižek, 2009). Western critical analyses of capitalism follow Czech scientists with similar titles as in the West: "Decline of the West" or "The Crisis of Capitalism" (Steurer and Konrad, 2009). The significant contribution is even in the Czech language translated book: "How democracies die" (Levitsky and Ziblatt, 2018) and the following title: "The road to unfreedom" (Snyder, 2019), touching the broader social prerequisites of democracy for the free market also threatened in CEE. Naturally, similar topics are opened by local authors in CEE countries, the inclusive Czech Republic with the title "Abandoned Society" (Tabery, 2017) or the comprehensive social analysis of social values, cultural tensions, growth of populism, and the threat of Czech democracy (Prokop, 2019). The level of social fragmentation in CEE countries critically monitors many other European institutions (Milo et al., 2019).

The Czech philosopher Michael Hauser called his book: "Capitalism as a zombie, or, why we live in a world of ghosts?" (Hauser, 2012). He analyses the disintegrating pillars of today's economic, political and cultural arrangements, such as neoliberalism, liberal

democracy, and postmodernism, referring to Donatella Della Porta's Italian sociologist. She points out how quickly the original artistic password (especially in Italy, Spain, and Portugal) spreads over Europe the slogan "no future" (in Prague can read students of the University of Economics on the wall next to the main street leading to the school). This philosophy is resulting in the "generation of no future" (Novinky, 2017). Maybe this is why it is so difficult for the students of Business schools to believe that capitalism in a globalizing environment can overcome all the current obstacles. The original Polish sociologist has convincingly shown that neoliberalism creates a so-called "fluid society." Workers have to travel a lot (be mobile) to get to the working place, have little or no hope for the future, lose the cultural background and essential conditions in that their parents have grown up before (Soto, 2000). The discussions with managers and MBA students can fully confirm the author's experiences for executive education courses.

4. Solutions for the development of managerial responsibility in CEE countries

What is significant for the solution searching? It is the fact that in the minds of sociologists continues the discussion turning aside of neoliberal economy. It is because it is no longer possible to rely on economists' teachings that the market itself will act as a pacifist and that it can play a significant role in building a continental political project (Rendueles, 2017). Some inspirational examples for support of sustainability, managerial responsibility, and ethics are the following:

4.1. The value orientation of Czech companies

The latest study from the University of Economics, Prague, regarding the value orientation of selected Czech companies confirms only the gradual awakening of the ethical perspective based on the awareness that business is related to the social environment, nature, and ethics. The results of the pre-research (Kučera, Müllerová, 2017), which is still ongoing, are based on 1-h interviews with 53 CEOs (owners or representatives of top management of firms) using a structured questionnaire. From the interviews and the validated results of the aggregated questionnaire, it was possible to identify and describe emerging indications of responsible awareness of the importance of corporate sustainability (SCR offers a time-shifted meaning of the familiar term CSR).

The study (see Table 1) confirmed an association between priorities in ethical values development and the education of employees in the company and the goal of a company effort to solve social and environmental problems locally. If shortly after privatization companies were focused on short-term financial goals related to strengthening their position in the new market environment, in 2015 we can already see a clear shift in the formulation of corporate goals. The shift concerns especially the long-term perspective, in which CEOs and top-managers are aware of the needs of customers with expectations of quality of services and goods. A shift is also visible in solid association with sustainability and fits social and environmental context. It is interesting to analyse the concrete goals of companies in a short and long time perspective:

Table 1
The goals of the companies in the short and long term period.

Goals	Period	It is not the major goal for number of respondents	It is the highest goal for number of respondents
Financial profit	Short – about 1 year	7	22
	Long – more than 3 years	6	26
Value of company	Short – about 1 year	7	22
	Long – more than 3 years	4	26
Needs of the customers (quality of products and service, social and environmental context)	Short – about 1 year	7	29
	Long – more than 3 years	7	31
Financial interest of the owner	Short – about 1 year	3	26
	Long – more than 3 years	6	28
Market share	Short – about 1 year	2	14
	Long – more than 3 years	1	18
Solving of local social and environmental problems	Short – about 1 year	15	7
	Long – more than 3 years	13	8
Solving of global social and environmental problems	Short – about 1 year	16	4
	Long – more than 3 years	14	5

Traditional business goals of questioned CEOs in Czech companies have minor differences between short and long-term strategies. Exciting is the approach to the specific aspect of responsibility and sustainability – solving social and environmental problems – this has very low priority by the higher number of respondents. It means an essential input for the business schools because, in the questioned companies, employees' most used forms of education are training courses, mentoring, coaching, and e-learning is not very common.

Only 34 of the CEO respondents (N = 53) answered “strongly agree” or “agree” that the company’s values are well known to all employees, and that the company’s goals are top management’s thoughts on employee training. However, professional development has the highest priority for executive education: 33 CEO respondents “strongly agree” and “agree”. In contrast, only 26 and 25 respondents think that ethical and personal development of employees are CEOs’ top priorities.

After the research, we can generally say that in latest years there is:

- a) A significant relation between values (priorities) and goals of the companies. And we can believe it will grow.
- b) For top managers, the company goals in the frame of neoliberal economic philosophy oriented on financial profit, the company’s monetary value, shareholder values, and market share were still very dominant. It is the reality of Czech companies even after 25 years of privatization.
- c) The Czech managers are starting to be aware that meeting the customers’ needs is necessary. Still, solving additional social and environmental problems on a local or global level (holistic approach) is for the majority of companies not in the focus of the business strategy.
- d) The social and environmental context of business is not attractive for managers; the latest accent of business schools on SDG is not yet visible among the managers.

The latest research of the University of Economics in Prague introduces to accept this challenge and calling for CEE schools to teach business ethics not only for the master programs but also in the practical executive education and MBA programs. The next step is educating broader public awareness about SCR (Sustainable Corporate responsibility). It is necessary for the company, employees, society, environment and future generations. This confrontational approach is visible also among the members of the Czech government. We see a very similarly weak attitude, for example, in the “green deal” or the emphasis on the importance of democratic institutions in the EU among the other V4 countries. A comparison of Western and Central European societies still shows some challenges to be addressed. Still, a particular turn in the concept of social responsibility began about ten years after the fall of communism. Nevertheless, a comparison between selected Western European companies’ attitudes and those of Central and Eastern European companies shows some differences (Steurer & Konrad, 2009).

4.2. Cooperation with UN PRME (CEE)

A thorough description of the Principles for Responsible Management Education was published in The International Journal of Management Education (Parker et al., 2017). The chapters describe the historical development of PRME in different areas, settings of various challenges, goals, and achievements under the new program called Sustainable Development Goals (Haertle et al., 2017). The academic studies rely on the CSR concept’s long-term development in the past 50 years (Kolk, 2016). The following paper contains several in-depth analyses and suggestions for applying the SDGs principle in educational institutions and companies. The project bases on the Agenda 2030 UN Global Compact (Norman, 2017). For CEE countries and their educational institutions, PRME’s initiative and activity are very inspirational and encouraging. However, there are not so active PRME members from CEE countries. Let us compare the numbers of schools in CEE countries with other small European countries (Table 2) regarding their PRME representations (www.unprme.org).

If we open a more in-depth analysis, what the actual practice of schools in CEE means, the result will be that managerial ethics or SDGs is not a priority at universities. We realize that we cannot compare the sheer number of schools in each country, regardless of the size of each country. Russia is a country several times larger with more schools than the other relatively small CEE countries. Yet we can observe that the business schools in CEE in general are not so far like the Western schools implementing the interdisciplinary in education, including physical, biological, and social sciences (Annan-Diab and Molinari, 2017). The understandable reason for this is

Table 2

Participation of business schools from CEE countries in PRME.

CEE	Schools	Wester countries	Schools
Latvia	8	Great Britain	64
Russia	7	Germany,	29
		France	
Czech Republic	4	Spain	17
Slovenia, Hungary, Ukraine, Kazakhstan, Lithuania	2	Swiss	14
Georgia, Slovakia, Lithuania, Hungary, Rumania, Bulgaria, Croatia, Serbia, Kosovo, Macedonia, Azerbaijan, Kyrgyzstan, Albania	1	Portugal. Italy	6
Moldova, Montenegro, Tajikistan, Turkmenistan, Uzbekistan, Estonia	0	Ireland	4
		Iceland	2

still generational inertia related to previous education, language limitations, and re-empowering societal influences that focus more on national issues than European or global challenges. A well-known example of this in the EU is the CEE countries' attitudes, which clash with the philosophy of European law, democracy and the current emphasis on ecology. The trend has already been described in 2018 as the "Hungarianization of Czech Central European Policy" according to the country's typical critical stances against the declared EU values (Dostál, 2018). The challenges still open new opportunities and tasks to contribute to local, national, regional, and global sustainability (Weybrecht, 2017) but the call for responsibility management education needs to be more consistently reflected by CEE schools. Major universities in the Czech Republic have already embraced and developed the topics of responsibility and sustainability, yet it appears that international companies in CEE countries are often more active than the schools themselves (Wiesnerová, 2020).

In particular, in the Czech Republic, the Higher Education Council has recommended setting up all colleges the code of ethics and the ethical committee to deal with emerging ethical dilemmas or scandals. The well-described value orientation based on UNGC PRME philosophy is still waiting for its national implementation (Gentile, 2017). The stimulus was the extensive fraud in awarding degrees at the Faculty of Law in West Bohemia University, which links to active politics (Perknerova, 2009). Finally, only the largest Czech state universities responded actively to the challenge and formulated their code of ethics (Aeropag, 2011). From the institutional report is published according to the author's summary, the following:

- The code of ethics expressed the largest Czech Charles University and the University of Economics, Prague.
- None of the private universities has released a code of ethics.
- The situation in 26 public universities in the following (own research):
- Twelves private colleges have no code of ethics.
- Two schools a preparing code of ethics (according to the official school web pages).
- Eight schools have a code of ethics, but only for academic staff.
- Only four state universities have a code of ethics working also for students.
- Three colleges have established the ethical committee as the rector's advisory board.

The analysis of private schools shows that some colleges in the Czech Republic do not include ethics in the curricula at all; some colleges mention ethics only as part of different courses.

A better understanding of the situation in the CEE countries contributes to the fact that managerial and entrepreneurial ethics have not appeared as a topic of master or doctoral theses. The change started very slowly in the last years with some individual papers. According to their research, they wrote all colleges of the Czech Republic about 50 ethical topics in a master thesis. According to the personal investigation of the largest University of Economics in Prague, about ten bachelor's or master's thesis deals with ethical questions with dozens of students during the last ten years. On the other hand, the author's personal experience as the lecturer of business ethics in a master course or MBA program is the number of participating students with ethical thesis growing since 2017 from 3 to 10.

The experience shows not the same strategy comparing with the priorities and gravity as the "The 2030 Agenda for Sustainable development" published by the United Nations. The Agenda's focus is not based solely on economic but on the much broader context of poverty, health, nutrition, quality of education, lifelong learning opportunities for all, sustainable management of water, energy, climate change, biodiversity, or peaceful societies. (Sustainabledevelopment, 2015). As a part of CEE, we have to admit in our countries and institutions delay in these accents and tending to a notable reduction in the general sustainability of economic sustainability. The complexity needs to be explained in management education repeatedly (Norman, 2017).

4.3. Cooperation with public institutions

The formal institutions that help and support SDGs' plan belong to the European Union (research of Eurostat), Transparency International, and Compliance Association.

4.3.1. Cooperation with European Union

While Western countries support the EU very actively, although they remain critical of it, we know the CEE countries (or Visegrad 4) because they questioned the European institutions in recent years. After the "Brexit" process also programs of some post-communist parties tried to call for an exit from the EU. One reason can be to get out of more substantial legislative control.

Another reason is the relation of CEE countries to Russia according to the long-term cooperation after World War II. (Buckley, 2017). That is also why the author (writing for Financial Times) is so cautious about investing in CEE countries. The so-called "illiberal" democracies in Poland and Hungary with the mix of populism in all states of Visegrad 4 (V4), including Slovak and Czech Republic, are making trouble to investors regardless of some significant parts and opportunities their economies.

Remarkable is that, e.g. in the "Statistical source-book on the sustainability issues" of the European Commission, using the UN methodology at the EU level are the CEE countries still not present (Ronconi, 2002). The latest special edition describes all the requested and not reduced areas in the EU regarding sustainability (Eurostat, 2019). The exceptional European documents and reports are appealing on an enormous scale of challenges: active protection of natural resources, sustainable development of economic/financial transparency, social stability, communication level, climate change, transportation change, carbon exhalations, ethics in ICT and political barriers (European Commission, 2012).

Even the humane areas in some CEE countries face risk by working on gender studies or topics relating to sexual discrimination. Romanian should ban the latest gender identity studies in schools and universities (Tidey, 2020). Again, the Polish government opens

the legislative restriction for LGBT with its ideological arguments (Walker, 2020).

The selected indicators close connected to SDGs tell us that from the long-term point of view, this position of CEE countries is not compliant with the EU market and policy. All the mentioned considerations mean that fully integrating businesses and schools into PRME activities in CEE countries will not just be enough to proclaim SDGs' noble goals and benefits. Our tasks and challenges in CEE countries and schools are more demanding than just "monitoring" Eurostat and economic indicators. The statistics provide high accuracy in looking at the past, less in the current presence, and even less in the future of the whole social complex of managerial responsibility, which is interpreted in the right ways and context.

What is essential for executive education in CEE countries is that the European Commission encourages the pursuit of ethical and sustainable goals in European scientific projects, which are accompanied, for example, by the "Roles and Functions of Ethics Advisors" (EC, 2012). The EU puts forward many ethical standards and requirements, needing adequate background from local institutions. It is impossible to expect that all ethical standards will be respected without concrete responsible managers in these institutions. On the other hand, EU funding has been going on in CEE projects for many years. KPMG performs the regular evaluation of European funds in 11 CEE countries (KPMG, 2017). It is noteworthy that the highest sums are flowing to countries that are the most critical to the EU are Hungary, Slovakia, Poland, and the Czech Republic). In the evaluation of KPMG, there are crucial parts of cooperation but also warnings about deficiencies and potential for improvement:

„For all countries (except Croatia) the absorption pressure at the end of the previous period did not always allow for selecting the most sustainable projects. Common areas for improvement include:

- Poor quality of programming documents which resulted in postponed or unproductive calls for proposals and overall low quality of project applications.
- Significant turnover of qualified staff.
- Delayed fulfilment of ex-ante conditionality.
- Dependency on the political cycle, which led to shifts to new policies and delays in implementation

In addition to the EU institutions, e.g., the institution Schoenherr working in Central and Eastern Europe, is offering legal and full-service businesses and institutions in developing practical solutions for future challenges. The legal institution also published a special Anti-Corruption Guide CEE (Schoenherr, 2016). This institution aims to help many companies in CEE prevent damage to their local and international reputation and protect them from high fines for proven corrupt practices, taking into account the country's legal norms.

4.3.2. Cooperation with Transparency International

The core indicator of responsible management in government institutions and private companies presents the Corruption Perception Index, which Transparency International regularly updates. The last research 2020 shows that New Zealand and Denmark rank highest with scores of 88. Comparing to Venezuela, Yemen, Syria, South Sudan, and Somalia rank lowest with scores between 15 and 12, respectively 57.

The best performing region is Western Europe has an average score of 66. The best performing region in CEE got 60 (Lithuania and Slovenia). By the comparison, we must realize that the position of the CEE countries is indeed a separate topic, which we should pay particular attention to because the historical continuity in Marxist philosophy and practice is evident. The corporation perceptions index of CEE countries ranges from countries like Poland and Georgia (45), the Czech Republic and Slovakia (49), Belarus and Croatia (47), Hungary, Bulgaria, and Romania (44). Baltic republics fall lower to Serbia (38), Kosovo and Albania (36), Bosnia and Herzegovina (35), Ukraine (33). An extraordinary situation is in the region of Post-soviet countries. We see the range between 31 (Kazakhstan), 30 (Azerbaijan) until Tajikistan (25) and Turkmenistan (19). The case, therefore, shows that working with the CEE managers is far more challenging than we are aware. For illustration, see the comparison of the Corruption index between Western

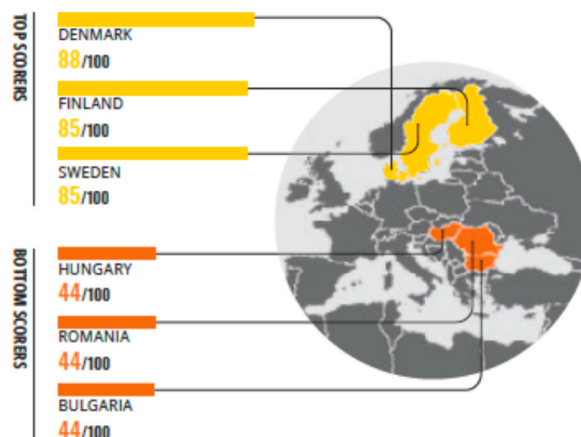


Fig. 2. Comparison Western end CEE countries, Source: Transparency, 2020, p. 22).

European countries and CEE countries (Fig. 2):

According to Transparency International (2019) belonged the Czech Republic to the „Countries to watch” (similar to Brazil and the USA). The events in the past year considered the score result as „fragile. “*The reason is that the prime minister has been „found guilty of conflict of interest concerning his media holdings and accused of another conflict of interest over connections to a company that has received millions of euros in EU subsidies.*” The critical situation is growing in the EU audit report of 2019 as the clear case of conflict of interest of the Czech “oligarchic politician” (Transparency, 2019).

Naturally, a significant role in corruption and business stability or sustainability plays a state of the art of democracy in the reporting countries. The research analysis shows that even in 2020, “*a disturbing link between corruption and the health of democracies, where countries with higher rates of corruption also have weaker democratic institutions and political rights.*” To the “democracy” belongs free and fair election, solid and independent institutions, political rights and right to protest, civil rights – like access to a free trial. The apparent contrast between stable democracies and so-called flawed democracies (like some CEE countries) we see in the comparison between the states.

We find a confirmation of concerns about non-standard developments in CEE countries in the latest findings. In the Union Agency for Fundamental Rights report, we read that corruption is a problem in some member states more than others, particularly in the Czech and the Slovak Republic. „48% of young people would find it acceptable to give a gift or do a favour, compared with under 35% in other age groups. Corruption concerning health services is considered to be a particular problem. In Hungary, Slovakia, Croatia, and Latvia, over 60% of people say that one has to, at least sometimes, give a gift or do someone some other type of favour to get better treatment in public hospitals.“ While in the Nordic countries the figure is around 20% (Sweden, Malta, Finland, also Portugal), in Slovakia, Czech Republic and Croatia it is over 50% of people who would at least sometimes consider it acceptable to give a gift to or do a favour for a public official or a civil servant to have them react more quickly to an urgent request (FRA, 2020, p. 17).

4.3.3. Cooperation with compliance program

The Czech Republic and other CEE countries have only recently become actively involved in International Compliance work. The Czech division has started to be active since 2016 as Czech Compliance Association. The themes of the 2016 and 2017 annual conferences concerned basic approaches to legal regulations, standards, stability, transparency in banks, courts. It means that ethical issues and dilemmas are only marginal. The big point of sustainability remains a challenge for the years to come. A similar situation where managers cannot rely on government predictability and attitude are for Western colleagues out of imagination. Even more challenging is the management situation in Poland, Hungary, Romania, Albania, and Russia.

This pedagogical effort can be helpful the new legislation inspired by the European Union that pledges to the “due managerial care” supported with particular philosophy of individual, social and environmental responsibility also for future generations (Andreisová and Kučera, 2017).

In 2019, however, even this young and hopeful institution has disintegrated and has to be rebuild again.

5. Challenges for business schools and companies

5.1. Challenges for business schools

In the face of many crises, we have been challenged to look for the basics of responsibility, sustainability, and ethics of managerial training and practice because it should create the ability to bridge the current crisis (Scharmer, 2012). We draw here from those considerations that do not justify contemporary phenomena by unknown economic forces (popular understanding of the so-called “invisible hand,” but by the particular personal decisions of responsible entrepreneurial and managerial personalities, always based on individual mental (spiritual) assumptions.

The discussions also discovering the obstacles to sustainability in business could be described as the crises of the neoliberal economy. To overcome the superficial managerial education that does not guarantee companies’ sustainability is possible by opening the classical economics (e. g. the Nobelists like F. v. Hayek, Gunnar Myrdal (1969), or Bradley Robert Schiller (2001) are remembering academic society the real roots and challenges of western capitalism. For executive education, it means to use in the business ethics and responsibility of managers not only the legal considerations of business (Ševčík, 2005). For many years, it was the case and the necessary philosophical and economic foundations for creating the right motivation for responsible managerial behaviour and sustainable business strategy.

In CEE countries and PRME CEE chapter is developed the new structure of courses which contain the following points (Schüz, Kučera, Nový, 2015):

- Complex analysis of current managerial scandals
- Brief historical development of ethical thinking (to understand the intellectual development of value orientation, a transformation of modernism, and its consequences for the loss of infinite horizons).
- The position of ethics in a scientific context (limits of the western frame of scientific thinking) returns economics to social sciences, environmentalism, and a universal framework.
- Managerial anthropology (the limits of rationalism, empiricism, and psychologizing romanticism), conscience’s role, and neuro-leadership limits.
- Overview of ethical schools and their application in managerial practice (utilitarianism, deontology, virtue ethics)
- Extending administrative responsibility from the economic sphere to the social, environmental, and the dimension of the future.

- Case studies of students, discussions about the ethical decision-making process
- Introduction of managerial ethics into the international executive courses. Inspiration can be the Harvard Business School's experience, and the preparation of the so-called "MBA oath" for international business schools support after the last financial crisis with the accent on social responsibility (The Economist, 2009).

5.2. Challenges for companies and management

In CEE, companies were top-rated to understand business ethics only as any activity in CSR. It is clear today that the strategy of CSR is obsolete (used mainly as a marketing tool) and not covering all the necessary challenges of global business consequences today. Nevertheless, only about 72 Czech companies were organized in the CSR platform in the Czech Republic, although the number of Czech companies is around 490,000 (Businessinfo.cz).

The ongoing signals for positive trends need to use that philosophical and pedagogical source of SDG strategy formulated by PRME principles followed already by hundreds of the world's business schools.

One of the understandable models for executive education is prepared by [Hanssmann \(2010\)](#). His philosophy of economics comes naturally from the classics of modern economics (D. Hume, A. Smith, J. S. Mill, M. Weber, F. v. Hayek, G. Myrdal). In the CEE environment, there is still the need to overcome the traditional Marxist teaching concentrating on class struggle and the ownership of the means of production (as the basis of society) that should define culture and law called the superstructure of society. The overcoming of the old ideologies is a constant process. The helping illustration shows the overall composition of the company and its interdependence and responsibility of various components of society. His formulation is based on the methodology of the Austrian scientist Johann Millendorfer, who has been working for more than ten years on empirical research on the relationship between two sketched and named subsystems in the natural world: living area and system area. The relations are described in the following way [Fig. 3](#):

Hanssmann, in his description, explains in the context of this study some critical points:

- Economic success cannot attribute to purely economic factors. The reviews prove that economic activity is also depending on the non-material factors of success. One crucial factor is the value system of an economically active person.
- Human life bases on a network of relationships between nature - people - production and business - and their meaning.
- Principles for the successful development of the economic and social future influence future values.

This model can serve as a perspective of a holistic approach to executive education in CEE.

6. The limitation of the study

The focus on managerial ethics and responsibility is itself a complex topic. Its complexity touches on many factors ranging from management philosophy, the cultural environment, political stability to the strategy of management education. A common basis is the notion of a value system. However, in the analyses we focus after all on selected areas and criteria. CEE countries are oriented towards the Western tradition of management of responsibility and ethics, different countries have different levels of independent strategy influenced by historical inertia of social consciousness.

Another limitation is the dynamic social development, which in turn is influenced by a number of factors. Study summarizes certain research over a certain time span, and it is likely that only at the time of the time of going to press, new events will occur that may push the research interpretation even further in a different direction or affect the intensity of the research results.

There is some variation from one CEE country to another and from one company or institution to another. International institutions in particular are definitely further along in the definition of ethical responsibility management, the application of codes of ethics and compliance programs than, for example, state-owned companies or domestic companies.

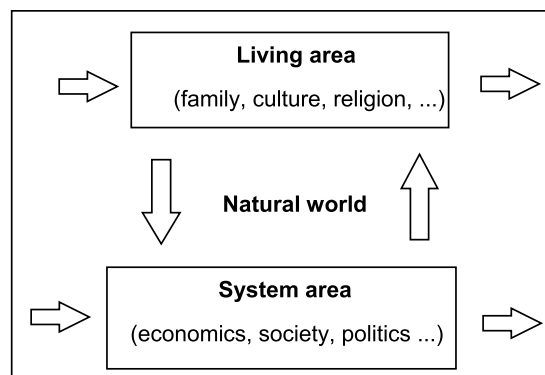


Fig. 3. Simple system model ([Hanssmann, 2010](#), p. 6).

A limitation of the study is also the continuous new publications on the subject that come with current research or commentary on management development. Among the books, these include “East European Culture and Business Ethics” (Warter and Warter, 2021), from professional journals it is e.g. study of Czech researchers: “A qualitative study of perception of a dishonesty experiment” (Frollová et al., 2021). It is clear from recent studies that the younger generation of PhD students in particular are moving towards methods that are based on algorithmic models, games, and laboratory experiments. However, these methods mark a completely new chapter in the research on the ethical behaviour of managers and their level of responsibility.

7. Conclusion

The study focused on the philosophical background and its ethical implications in CEE countries and their companies. In addition to all CEE countries, some specific examples are evident from the transformation and privatization process in the Czech Republic. It turns out that almost half a century of targeted Marxist ideology in the submission of real socialism has a constant strong impact on contemporary events and influences managerial decision-making and the concept of law. The final challenge is to seek the conscionable overcoming of this ideological heritage by learning about the historical development in CEE countries and finding the value roots of the original “Spirit of capitalism.” Its possible application in the updated form is a potential for gradual changes in enterprises’ understanding of sustainability and ethics (Kučera, 2015). The European institutions: European Union, International Compliance Association, Transparency International, and UN GC Principles for Responsible Management Education (PRME), offer a helping hand. The experience of the Steering committee of PRME CEE shows that this effort makes sense.

The differences between CEE and Western Europe do not allow any illusion that the economic transformation in CEE is finished and that the business environment will only evolve positively. The world and European institutions’ annual reports above show that the economy is closely related to the social environment and the level of democracy - many studies evidence weaknesses in these areas. The shortcomings identified are a challenge for company management and the education program of business schools and universities. Some examples are encouraging, others still warning with long-term negative consequences that will need to be overcome by the next generation.

The analytical study opened several views that were not too frequent in the expert publications on management but did not exhaust all the connections in and depth. This task remains for further research and educational process. Above all, the current political education and sustainability concept for management considers historical specifics and everyday needs. Classical education in economics, finance, or administration must be accompanied by the historical implications of the past decades before the beginning of the transformation and the specific legal, democratic, and moral deficiencies at the time of the economic and social change and privatization. On value, the basis is necessary to develop the current executive education supplemented by managerial personality, social intelligence, and ethical motivation for “managerial care” formulated in the new wording of civil and business law.

The study describes all the essential literature sources; another rich literature is available for all mentioned areas. The current mission is apparent: formulate the new fundamental ethical pillars and value system to prepare young managers, economists, financiers, and business lawyers at appropriate universities and business schools. CEE countries have something to do and could also inspire Western governments and their businesses.

Author statement

I declare that I am the only author of the study who adheres to the expected ethical and professional rules.

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