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THE SOCIAL STRUCTURES OF VALUE CREATION

ABSTRACT

It seems difficult to speak about value creation by staying simply in the field of the measure and without taking into account the existence of a really political dimension for business activities. This political dimension may only be studied in relation with the social orders. It is in the context of a critical perspective that this paper invites to examine this question. The subject of value creation would mask the fact that companies, legitimized traditionally as the place of exercise of the individual initiative, would not be in fact this place any more. It is for this reason that the subject of corporate governance and value creation would induce to make "as if" the places which tend to become today those of the private initiative have to be runned as companies. It is so in the light of the categories of the political philosophy that one can then speak about about the ideological vocation of the company to generalize the efficiency logic to all the organizations.

- About corporate governance
- The skid of the efficiency logic
- Business ethics, a discipline of management science?

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It seems particularly difficult to speak about value creation by staying simply in the field of the measure and without taking into account the existence of a really political dimension for business activities. This political dimension may only be studied in relation with the social orders. It is in the context of a critical perspective that I invite you to examine this question.

The subject of corporate governance takes its ideological real dimension from the moment one examines the vocation of it to be applied to all the institutions that have been called today « organizations ». It is considered generally justifiable to propose management tools to all organizations (schools, universities, hospitals, public services, municipalities etc.) independently of their objective and their place in the social link. Such a perspective is far from being neutral because it questions the principles of democratic control in the name of the « transparency » principle (firms of auditors have then vocation to substitute themselves, for part, in this democratic control, to elected bodies). It modifies the nature of the activity of the civil servants and widens the field of privatizations. But a more detailed investigation of this situation can as well drive to the report that companies would be paradoxically today in situation of deep crisis. The subject of value creation would mask the fact that companies, legitimized traditionally as the place of exercise of the individual initiative, would not be in fact this place any more. It is for this reason that the subject of corporate governance and value creation would induce to make "as if" the places which tend to become today those of the private initiative have to be runned as companies.

The « liberal moment » is indeed correlative to a modification of the question of politics. The subject of political life was traditionnaly devoted to the "live in". It has been put to the fore put by the « Philosophy of Enlightenment » in the lineage of the Greek political philosophy, particularly with Aristotle. It has been replaced by the subject of the "live with" which is in the heart of liberalism and the utopias which are associated with it. Let us not forget, for example, that Robinson Crusoe's figure is correlative of this thought. The "live in" is articulated with the concept of law seen in the context of its genesis (who create laws?), that of its legitimization (the democratic vote), that of its application (the State and its organizations). "To live with" takes the individual and the expression of its freedom as point of departure. The concept of standard is then substituted to the concept of law. A standard is, in fact, an autogenesis of rules by a social group independently of its political representativeness. These standards are an expression of the freedom of the actors in relation with their interests in the general frame of a "lean State" which fixes the rules of the game. Ethics then replaces politics. In the contemporary version of liberalism, the figure of the expert replaces the figure of the wise person conceptualized by Greek philosophers (mainly Aristotle) and realized by the Roman Senate. The question of the « live well » replaced the question of the « just human beeing ».

About corporate governance

If we want to speak about the theory of organizations, we have to refer to the company as if the model of organization that it covers has vocation in the universality. It is what works in the vocation of corporate governance rules, and, in particular, the

modes of control which are associated to it (for example those that are related with value creation) to be applied to all organizations.

The problem arisen from the division of companies in responsibility centres is double:

- The « responsibility » which is attributed to managers concerns simultaneously two levels. At first that of the know-how and, on the other hand, that of the means to be combined to realize objectives. Is it really possible to qualify this conception by the concept of responsibility? It is in fact a tension towards efficiency because of the necessity of creating profits.
- The articulation between these centres of responsibility with a system of transfer prices and, for internal invoicing, an administrative work that the so called information technologies allow to manage more easily now with low costs. Is it sufficient to confer on companies attributes supposed by the efficiency of markets? The transfer prices raise finally difficulties of the same kind of those lived by the soviet economic planning system because of the differences between costs and market prices (if they exist independently of a social orders!) and introduce in fact a bargaining system within a company. In spite of all the conceivable efforts to make these transfer prices system realistic, one can so stay only in the fiction. It also legitimizes the construction of a world of cupidity in its vocation to be applied to all organizations.

One finds indeed here the will to expose an organizational structure in the light of the criteria of governance stemming from the market (a regulation based on deals, a coordination seen as the relation customer - supplier instead of the relation superior - subordinate and an adaptation which has to take advantage of "the invisible hand" instead of modifications introduced by reforms).

It is so on the basis of this organizational structures that management tools offer an hybrid conception for the control of actors and for the exercise of power (hybrid of the hierarchy and the market). It founds a governance with an universal vocation built on the superiority of economic values and devoted today to value creation.

If one returns in the historic role of the company such as it exists under the current shape since the Industrial Revolution, let us remind that it is a question of producing scarce goods and services, of creating wealth and job places. The generalization of governance modes devoted to the efficiency drove to succeed in two of these three domains: the production of goods and services in a dynamic of material creativity without limit and the creation of material wealth. Work has been seen under the angle of an element of cost. It was so « normal » that it has to be reduced and this tendency raised the problem of sense and value of work. But the first postulate of this paper which is that a company is a social and political institution, raises also the problem of its institutional justification, particularly the balance contribution - retribution and the devolution of an increasing part of its efforts to the capacity to create capital, as it is possible to see it with the increasing importance of the variable part of the salaries distributed to the leaders and their subordinates and also in the vocation of corporate governance to be conceived in terms of conflicts of interests with an arbitrage favorable to the owners. But it is also since the beginning of a new area of "positive financial pension" in 1980, that the creation of financial value develops to the detriment of the social vocation. It is also why it has seemed indispensable to legitimize it.

It is so in the light of the categories of the political philosophy that one can then speak about about the ideological vocation of the company to generalize the efficiency logic to all the organizations. The efficiency logic is so proposed as to be the one that has to inspire the functioning of the public sector, while its common justification is more based on a doctrinal logic to justify the actions of State bodies. It was indeed the game of the representative democracy which, on the basis of the demands of the voters, drove to the developments of the public sector.

In particular, political values are guaranteed, in democracy, by the State bodies, the economic contesting of which undermines at present their legitimacy and finally their existence. This contesting is based on the supposed superiority of the efficiency logic which is postulated not to be applied in the public sector or even not to be able to be applied. The contesting of the public organizations brings more generally to the contesting of the State and its values. For example, the most favored Americans live, in the name of freedom, in enclaves monitored by associations which they finance and which will treat the presence of animals, children, internal police in a specific way on the basis of the communitarian legitimacy. This way of thinking is based on the superiority coming from the principle of freedom registered in a legalist frame. It is on this ground that the legitimacy of the efficiency logic spreads bit by bit to the detriment of collective values.

Furthermore, in the United States at first as in Europe as well, a legal power formed itself around the judges and the lawyers independently of a doctrinal frame. This tendency is characterized by the explosion of the case law source to the detriment of the doctrinal source from the moment the legitimacy of the State bodies had been disputed. It is naturally possible to advance the case law tradition in the United States but let us not forget that the political justification of this situation is characterized by the election of the judges and the questioning of its legitimacy by the vote. It is the case law genesis by the lawyers has changed fundamentally this situation by pushing away in the second rank the importance of the election of the judges and by giving birth to a legal "body" which occupies in a sense the ground left vacant by the State bodies and its doctrinal foundations. So, the judges become lawyers and the lawyers become judges according to elections and it builds up a social game which is translated, except any doctrinal frame, by the "inflation" of the jurisprudence and that of the profitable opportunities of the exercise of their profession. One finds here the characteristics of a "liberal - bureaucracy" which consumes resources without real creation in return.

In Europe, it is the absence of a political foundation that legitimizes the production of laws, as underline it L. Cohen-Tanugi¹. The political dimension of the European Union is then developed on the basis of an « enlightened tyranny ». Result was however there the construction of an unidentified political object. The specificity of the European construction is characterized by the construction of two institutions independent from States members and placed on an equal rank with the Council: the Court of Justice and the Commission. In 1963, the Court asserts the principle of "the direct effect" of the Community laws for the citizen and, in 1964, the superiority of the Community laws on the national laws. It means that the citizen of a country member of the Union can now exceed the applicable rules in his country directly to refer to the European Court of Justice. It is on this modality that a legal Europe supplants a political Europe. The weak role of the European Parliament is revealing the weakness of a democratic control. This construction is similar, in a certain way, in that of the « standards » instead of the laws.

The emergence of legal power deeply interferes with the context of the standardization. The relative game between the national, European and international level where the actors and social game differ becomes essential and arises the legitimacy of liberalism which is based on the contesting of the rule as mode of governance.

The skid of the logic of the efficiency

The United States offer at present the most clear example of the skid of the legal sphere with lawyers who win enormous sums and judges who are tempted with this fortune or legal drift independently of any reference to a general interest. Drift for

¹ L. Cohen-Tanugi, *L'Europe en danger*, Fayard, Paris 1992

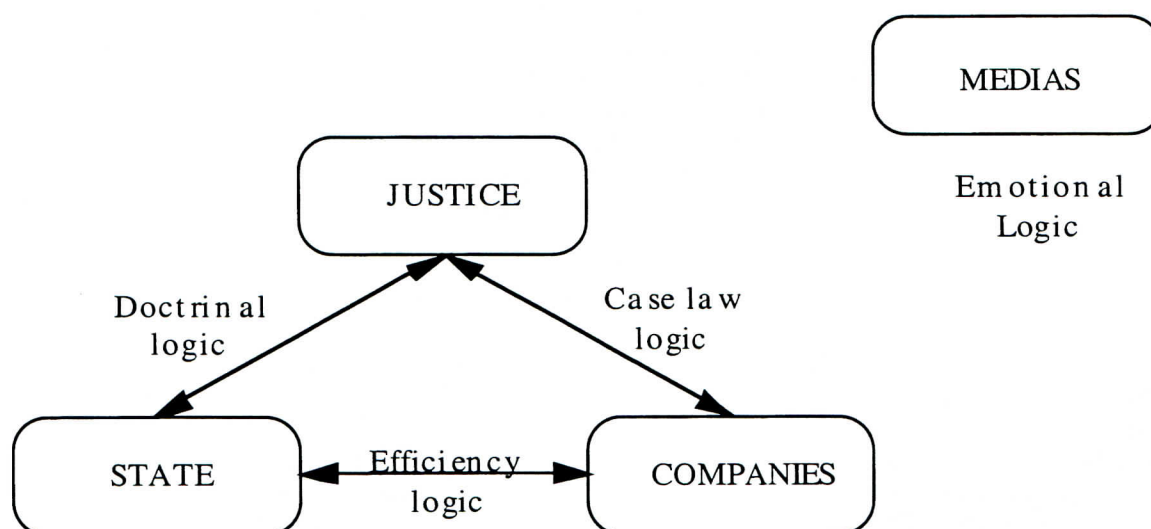
corruptions, machinations and interventions become more and more frequent and go so far now that it undermines political power in its foundations as in " Monicagate " for example. The social game of this profession deplaced bit by bit from constraints of a strict deontology to an auto-proclamation of contingent standards.

In a context where companies advance the respect for customers with the generalization, for example, of total quality policies developed also on the basis of standards, the moral disintegration of the legal sphere constitutes a threat susceptible to drive to a disintegration of the social link connected with the multiplication of procedures.

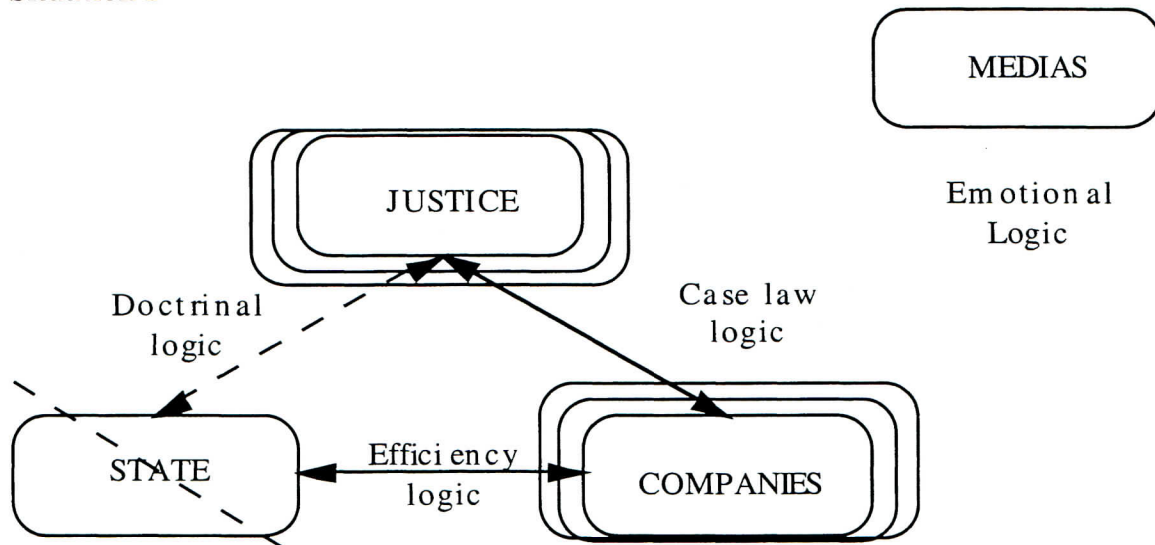
Connections between these three spheres (political, economic and legal) considering the sphere of media, become now the object of a debate of society.

Figure 1: A model of confrontation of interests

Situation 1



Situation 2



The efficiency logic constituted the base of a material progress of the consumers and the employees within the framework of the fordian regulation (the fordian regulation existed when salaries grew with the production of goods and services). Companies are now pursuing to spread this efficiency logic by the increase of the quality and the decrease of costs and prices of goods and services, but no more in the context of a fordian regulation. The efficiency logic is developed on the basis of an ideological speech of the increasing importance of shareholders as well toward the employees as toward the society. These speeches are above all focused on the recognition of the superiority to be granted to the shareholders. And value creation is mainly related with these speeches.

In front of an ideological space opened by the failing of the doctrinal logic of State, the companies have become a support of sense by the game of the efficiency logic as the expression of the primacy given to economic values which consists:

- inside the company in a pressure towards more economic performance,
- outside, towards a tendency to an increasing consumption.

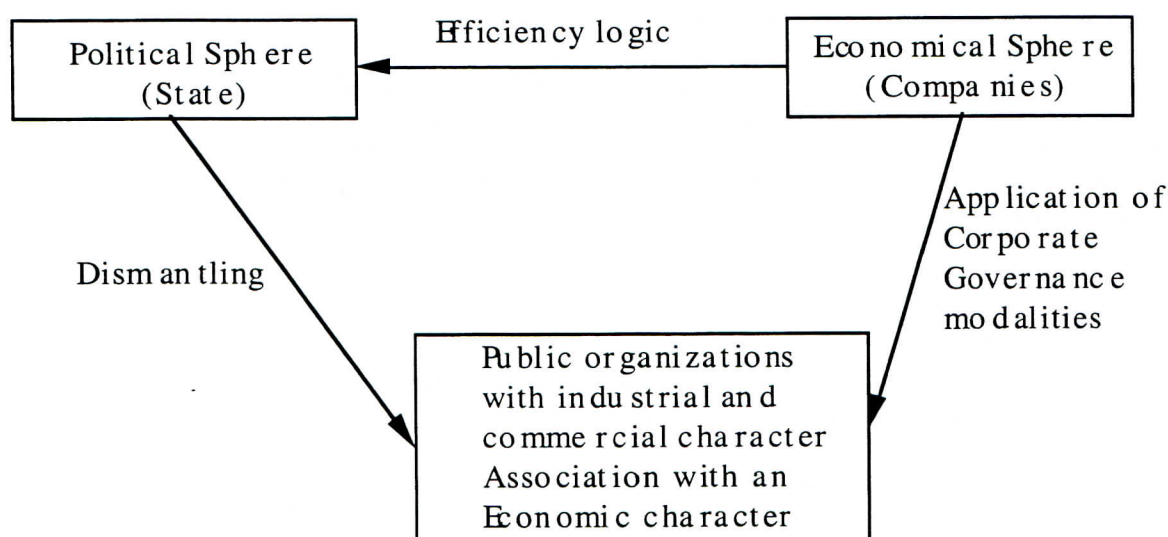
The joint realization of these two aspects is supposed to achieve material prosperity as realization of the happiness, within the framework of a market which holds place of the « just city ». This conducts the actors of a company to have to adapt themselves in a permanent way to the necessities of the market by imposing on all to accept the judgment of the market. It also means the superiority of the owners interests by giving to the company, and consequently to the public sector, the objective to be efficient, so by privatizing this one because the efficiency logics expresses itself better in a governance where the superiority of the right of property can express itself the most clearly as possible.

That is how was developed the universality of the model of the company in its vocation to be applied to all organizations. It is within the framework of this ideology that governance and, among this, the modalities of control, have vocation to be applied to entities such as hospitals, municipalities, public services etc. The introduction of this governance, because of the representations it carries with, drives to prepare privatization and, more generally, the ideological development of management. The management tools diffuse with them representations and speeches of efficiency and, because of the social interactions which they infer, a modification of the political model serving for legitimizing creation and development of the public sector. For example, if you introduce management control in an hospital, you may subcontract meals and

dismiss nurses. It is also highly astonishing to see how these organizations are porous to these tools and their effects, despite the fact that these tools competely undermine them. It does not mean that management control infers in a deterministic way such effects but it means that, *de facto*, the adoption infers such effects in public services.

Completed by the vocation of the accounting representation to report the activity of all organizations on the basis of the principle of transparency reduced to its financial dimension, the ideology of this governance is also strengthened by the development of « legal beings » which, for lack of public services, are not still companies as, for example in France, public establishments with industrial and commercial characters, agencies in Great Britain etc. It is also the case, in France, for the associations related with sports which, although preserving the characters of the law of 1901, give the obligation to adopt accounting representations, tools of management and modes of governance of a company. It's the same case for associations with sanitary and social character etc. In other words, the broadcasting of the ideology of efficiency and of the governance modes of a company drives to reduce the legitimacy of the political doctrine in the public sector and the social activities which are situated outside the sphere of activity of the companies. Finally, these entities adhere *de facto* to the efficiency logic. For example, museums develop products and derived services, create strategic alliances with other museums, and it is taken as to be positive.

Figure 2: The public utilities in the light of the efficiency logic



The State and the public services suffer from the application of this logic and are losing the legitimacy of the doctrinal logic of which they were traditionally bearers. Therefore they appear more and more as being powerless to offer an answer to the problems of society, leaving free the field with the development of the legal sphere, so released from the doctrinal constraints which pressed traditionally on it. The legal sphere becomes so able to propose an abstract and unstable frame comparable to the standards. It is also suggested to Authorities, in the name of the principle of subsidiarity, to leave the field of these activities to entities which are companies or which, in defect, are rather as them (at any case not public services).

That is why the legal sphere then grows rapidly because all its domains of possible application, including the shape of pseudo legal of the standard:

- qualitative standards offer the frame of the performance between companies or between a company and its customers and constitute the basis of a guideline of good relations or, the other possible reading, the orders to which the actors should be submit,

- the standards of conception come to guarantee the legitimacy of the performance which will be put into action, as well toward the principal as toward the suppliers, even then with the users, opening the field to the contractual legitimacy of the relation owner - subordinate,
- computer standards offer the frame for an internal formal system of information to the company as well as for the relations between organizations (with the protocols of exchange of computerized data),
- accounting standards come to guarantee the semantic orthodoxy of information between companies and financial world...

The sphere of media, product of the information technology, occupies a specific place whether it is the activity of a company or a public service. The audimat serves as judge (statistical judge). This sector privileges the logic of the testimony and the emotion. What is showed can only be true and the journalists, because of trade competition, are capable of self-proclaiming the good by offering of a "true" fiction. There also, the ethical perspectives of the journalism is in a sense an autoproclamation of standards and values. The current situation of the sphere of media is characterized also by the fact that any observer is susceptible to be able to give evidence and to see his testimony being diffused.

It is here possible to make reference, for example, to the case Greenpeace - Shell which ended in a major damage for Shell (degradation of the brand image), following the confrontation with Greenpeace activists and this in spite of all the rational and legal validity this company brought as justification of its choice of dismantling of the oil platform Brent-Spar.

The potential of emotion conveyed with the sphere of media contributes widely to the destabilization of the universe of action.

Sentimentalist references drive to « cynical exits » connected to the contradictory orders which address the human being in the company as well as in the society: one asks him, in the name of the efficiency and of the adaptation the whole and its opposite. Not amazing, for lack of the existence of a doctrine, that he reacts emotionally.

For example, the manager in a company has to react to the fluctuations in the demand by minimizing the delay of answer and to be flexible in front of the modification of this demand, he must also be honest and increase the turnover... For lack of a referenced values system except the economic one, such a situation favors the individual interest as key point and a behavior in the sense of what was called a "cynical exit". It does not mean that such a responsible will be dishonest and will privilege the increase of the turnover but it means that it is not possible to predict what he will make and when he is susceptible to be honest and dishonest... It is also what constitutes the modalities of the coupling utilitarianism - liberalism because it is a question of seeing the expression of his interest in a totally contingent way regarding the punctual circumstances and the individualized representation.

As it was mentioned higher, liberalism is, in terms of political philosophy, may be considered as the contesting of the rule as governance tool. Utilitarianism is of another kind: it is based on the primacy given to the utilitarian Reason as standard of the Reason in an ethical perspective. It is possible to conceive an utilitarianism without liberalism and it is doubtless that it was in question, for the economic aspects, in the construction of the socialism in Russia and then in the other socialist countries as well as for Western managers. In this sense, companies were created to meet the needs. Utilitarianism coupled with the liberalism reduces the contesting of the rule to the superiority of the individual interest taken in its selfish dimension. The legitimacy of

the liberalism of the end of XX-th century carries with it that of the utilitarianism. Indeed, if political philosophy advances the question of the State and forgets the company by quartering it in a second-class position, liberalism advances the company and sends back the State to a second-class position. If the contesting of the organizational structure of a company in the name of the State laws puts the problem of the negation of the political dimension of a company and edicts the rules of exercise of its activity, the connection is today knocked down. The contesting of the state bodies in the name of the efficiency logic comes so to legitimize privatizations.

The political sphere having lost the traditional function of sensemaking, the State bodies are confronted with a dilemma:

- to treat effectively, in the sense of the doctrinal logic, the social problems by rules,
- to limit rules to face the contesting made from the point of view of the efficiency logic addressed to public services and pass by the demand of the realization of performances within the framework of the same organizational structure than a company what increases the legitimacy of privatizations.

The most radical consequences were proposed by C. Castoriadis². He refers, in this article, to the autonomy which is put to the fore in place of freedom. Giving oneself its law means that one asks questions by oneself and that one does not accept any authority. The fact of the autonomy drives the individual to create his own institutions. *"It requires that one tries to put these institutions with full knowledge of the facts, in the lucidity, after collective consideration. It is that I call collective autonomy, which is absolutely linked to individual autonomy"*. From this correspondence between a « free » society and autonomous individual, we achieve a position in which the first is offering the frame of the second, but certainly not in an individual shape. The expression of the popular sovereign power in current democracies is made in the context of a situation inherited from the previous Parliament which fixes the terms of discussion. Political representation expresses itself also, in a sense, by the alienation of the sovereign power of the represented towards the representatives whom, by the election, offer them a white momentary signature. C. Castoriadis then poses the problem of the corruption of the representatives in a broad sense by the presence of the pressure groups in the election of such or such of them. The "lobby" becomes so justifiable. C. Castoriadis sees the development of *"a type of individual which is not any more the type of individual of the democratic society but a society where one can fight for more freedom, with a type of individual who is privatized, who is locked into its small personal environment and who becomes cynical regarding to politics"*. The voter establishes his choice negatively, in an utilitarian way, according to what he considers as being the lesser bad (and not in a positive way, in reference to principles). It is also question here of "cynical exit". Liberalism, in its current shape, consists especially in legitimizing the dissociation of the sphere of the public domain, that of the agora, deprived of its legitimacy.

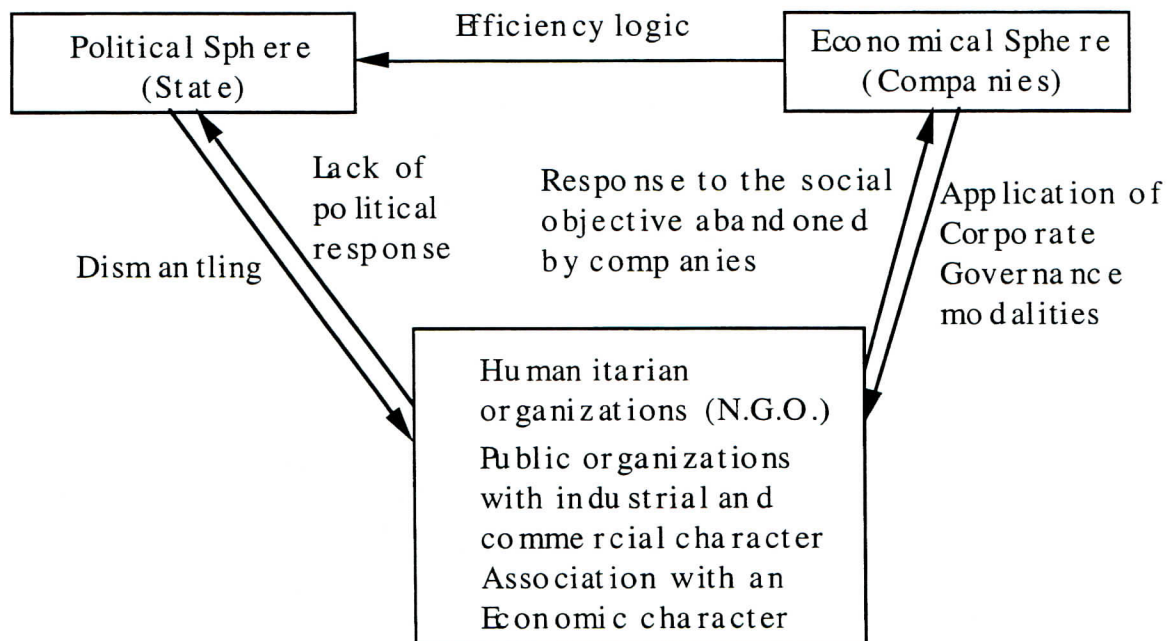
At the same time, if one observes this situation for a company, it is necessary at first to note the collision which takes place between the efficiency logic and the case law logic emitted by the legal sphere. These two contingent categories, freed from the constraints of political doctrines, become in themselves "by default" categories of politics with a major consequence for a company which has lost so one of its objectives – the social objective. Because of lack of a political answer, "private" initiative tends to develop, in a palliative way, the associations of humanitarian type - administered in reference to the governance modes of companies, but adding, because of other motives, a new type of organizations to those arisen from the legal creativity connected to the dismantling of public services. The governance modes are inherited from companies but

² C Castoriadis, L'individu privatisé, *Le monde Diplomatique*, février 1998

they are subordinated here clearly to a humanist and social objective which is lacking as well to companies as to the State. However the humanitarian associations officially raise the question of the place of the private initiative: is it still the company as one asserted it up to here?

One can so complete the previous figure:

Figure 4: The humanitarian associations in the light of the objective of efficiency



These humanitarian associations have the same shape than associations with "economic character" or establishments "with industrial and commercial character" but their political nature is different in terms of "generative fact". They build a new institutional group which does not clearly belongs either to the categories of the public services or that of the companies and its importance in all the domains of society today (one qualifies them as N.G.O. - not governmental organizations) makes that one can not ignore them as specific category.

Let us add the following argument, of moral order, for the creation and for the development of the humanitarian associations by calling back here, with Luc Ferry³, the fact that, since the 60s, the radical suspicion of the morality would have driven to the refusal of moral standards. And nevertheless, this goes in the direction of the humanitarian order on the basis of the recognition of the causes which need a sacrifice what, in a sense, constitutes the testimony of the obstinacy of a transcendence beyond the context of legitimacy of the utilitarian Reason associated to the development of corporate governance as an ideology.

And sacrifice is here voluntary, for the benefit of the other people. The human being would have become object of the transcendence on an individual base. The duty of humanitarian assistance is inspired and exceeds at the same moment Christian charity but it exceeds it also in its universal dimension. The humanitarian does not collide in the limits of religious, national, ethnic membership. But it is necessary not to underestimate the media perspective of the humanitarian because only the television is capable of provoking an emotion of mass which ends in an humanitarian "spectacle"

³ L. Ferry, *L'homme-Dieu ou le sens de la vie*, Grasset, Paris, 1996

where one finds the logic of the emotion already mentioned above. In the same way, it is not possible to forget the justification that it operates toward States, companies and citizens. Humanitarian action put the problem of the articulation of politics and humanitarian even though this humanitarian is symbolic of a sacrifice of one for the other one and than it is therefore available for sensemaking. Humanitarian then raises the problem of the vocation to build a common sense.

Associations with economic character, for their part, put to the fore the problem of the legitimacy of the link contribution - retribution. The companies of the sector of media, heirs of the information technologies, with the broadcast rights, have introduced a new dimension of the income categories. It raises the question of the rights of intellectual property with, for example, the case of royalties connected to software packages. There is, there also, a break between contribution and retribution in reference to an amount of work in the name of an individual value supposed by the artist, by the creator or by the sportsman, valued in fact by a media decree without debate for the social value attributed to this kind of activity. And mediatized sports appear and develop and the unions of "new" sports knock at the door of the Olympic International Committee which then becomes a founder of economic value - very far from the Ethics of the sport - because it allows to broadcast competitions.

Business Ethics, a discipline of the management?

In the universe of the governance, reference to Ethics needs comment. Current positions see in Ethics the foundation of a "science of the freedom". It is a corpus of rules which are necessary in a community but it is also an auto normalization (auto referentiality of Ethics) matched with an auto penalty (no "external" institution equivalent to the justice). Ethics have no territoriality (It is so anti social by nature) and refer to implicit values. It is neither universal (as the morality) nor territorial (as the law) but identital. There are no contents which preexist before the act of statement. It is a creative act of break with past. That reference to Ethics has arisen from the decline of the law inherent at the liberal moment. It is also how we entered the problem of governance. Ethics, quite as governance, emerged in the context of the "crisis of laws" which constitutes one of the aspects of the globalization with the deregulation in the context of a "liberal moment". It is not a question of an answer to a political or social demand. As auto normalization, it is a transfer of legitimacy and a justification of the disappearance of the organs of legislation to leave free the auto ediction of standards by a group. It is a question in fact of including standards in the logic of the market. It is a question also of completing it by a frame which is that of the governance. Ethics and governance are not a "free" production but a consequence of the decline of the law which puts the actors face to face in the context of the disappearance of the intermediate political bodies in relation with of the "live with". Ethics and governance appeared as authority of regulation between the social demands which are taken as being able to express themselves only on the market. It is finally a project of re-normalization regarding an universe of « burst » standards because of the decline of politics. Ethics and governance would be so appropriate to fix the frame of representations for the economic activity set up as the main field of the human activity. It would be an ethical reflection led in terms of governance which would allow to enter the questioning of the sense of action of in a company and so, by extension, in other organizations. It is in fact more an « ethicicity » seen as a system and a mode of functioning than really Ethics. We would be more in front of the emergence of the reference to the responsibility of the decision-maker but in an universe where one is responsible neither regarding facts but because the decision-maker is a decision-maker. Laws then tend to become a mode of regulation for particular cases in relations with specialized authorities posessing a power of regulation (for example C.O.B., C.S.A., A.R.T. in France for example). Independent, they are opened to the influences of the lobbies and have to be the most « transparent » as possible.

In front of the disappearance of the countries of the communist block, the democratic countries have exposed the reading of the democracy to the principles of the economic liberalism and to the light of the categories of the market. The leaders of these countries have given the construction of standards beyond the usual legislative process to the representative companies belonging to the sector of the expertise. Freed from any constraints and in front of opportunities opened by the necessity, for companies and organizations generally to answer these standards, one attends the proliferation of standards in diverse areas (accounting, quality, computer, Ethics...) not inevitably compatible because of their genesis related to the superiority of the expertise. The actors from the normative sources come there to complicate standards in the excess to guarantee the safety of their interventions in the processes of audit. And also to guarantee their outlets. Strong of the political legitimacy which they possess implicitly, one attends then the emergence of a sort of "liberal - bureaucracy" (whose political nature can not be perceived as being fundamentally different from the one that had been organized in the countries of the communist block) but legitimate in the context of the "live with".

This "liberal - bureaucracy" is characterized by actors who emit rules the management of which will drive to consume resources without real creation of something in return but legitimate in the name of the economic liberalism. This fact is assimilated as a guaranty of creation of economic value in the name of the economic efficiency.

Because of the privatizations of public services, these standards overflow today the field of companies and have vocation to apply to all the organizations, even those that recover from the agora, especially since the services which remain public. Soon, municipalities, schools, hospitals owe or should have to (according to countries) "return accounts" under accounting forms normalized in the name of the principles of "accountability" and transparency to borrow funds, even to obtain subsidies. The respect for standards, by the potential of structuralization which it contains in terms of institutional functioning, is today considered as a security of "checked" governance. Indeed, not only companies were obliged to gain certification of their standards to firms of auditors but also governments. International entities such as the European Union, the World Bank etc... have given missions for checking their policies of quotas and subsidies to these firms. These last ones were capable of advising the application of the legislative executives to open the field to the business activities in zones freed from restrictive rules.

This abolition of the law is made by destruction of a space of discussion, the one that exists among isolated individuals and, as a consequence, power exercised with the intermediate bodies in a context of rationalization of the efficiency. And it is indeed what we notice today in the universe of the mass communications which tends again to remove the intermediate bodies. Those that appear make this discussion on the bases of communities which are far more restricted than these intermediate bodies were (N.G.O. in front of the lack of the public services, the associations of « activists » for which what they defend can be considered as "noble" if one refers, for example, to the subject of the defence of the nature).

The action in common of the "living in" always come true within the framework of institutional structures which offers the conditions necessary for the perennality of their action. Those of the "live with" appear in a context of disappearance of the intermediate bodies.

This context of superiority given to the value creation arises a problem of sense and Business Ethics has been established as one of the disciplines of management. It is taught with such a status in the American Universities but the introduction with the same legitimacy collides in Continental Europe with the philosophic tradition which

prevents from taking into account the questions of sense in a company in a serious way under this aspect as far as reasoning on the basis of dilemmæ can not be justifiable in itself. The legitimacy of studying ethical perspectives on the basis of dilemmæ where each of them will be taken separately from the others cannot be appreciate outside the primacy given to the utilitarian Reason as a reasoning costs – advantages supposes it. As "critic" of the ethical evidence, it is possible to put in evidence that it is inside this widest modality of the management by the value that a company legitimizes its modes of governance and its vocation to be the heart of economic value creation in relation with ethical values.

It is important to put at first in evidence some methodological marks of an ethical method in its application for management.

The two possible reference positions of an ethical method can be so summarized:

- ethical dilemma is a method rather Anglo-Saxon which is characterized by a vocation for the normative prescriptions and where Ethics is seen as a factor of performance, what justifies its presence as a discipline of management and as foundation of corporate governance.
- Axiological Ethics which is a rather European method which conceives Ethics as way of questioning the role of the organizations aimed by the reflection. This way of thinking also advances the importance of the philosophic dimension. This justifies the conception and the place of Business Ethics as a discipline of cultural order in a management curriculum.

Culture is seen as playing a role, through value systems, on Business Ethics as far as, in a fast way, it can be seen as the " *mental programming* " of behavior to resume the expression of G. Hofstede⁴, one of the authors who introduced the concept of national culture into management science. Culture, by the consecutive vision to which it refers serves of base "to think" things. For example, a subsidiary of multinational settled in China will not be able to work as a French subsidiary even when the formal instruments of governance remain identical. It is the concept of culture in management which allows to bring a collective dimension by its weight on the individuals without discussing the question of the socio-political structures of its expression and then « unthink » the political dimension of the activity of a company.

Definition and treatment of values systems in culture is an epistemological question which gave place and always gives place to numerous works. Since the beginning of the decade 80, the explicit reference to corporate culture entered management science before the reference to national culture and the professional culture. This consideration of corporate culture was moreover operated with all the ambiguities revealed since the identification of the confusion which was made between identity in a company and culture with the management of an identity in a company instead of a culture.

Concepts associated to that of culture are then:

- traditions,
- know-how,
- knowledge.

It is to underline that one very often privileges the aspect of traditions, way of life in the case of a company but it is necessary to indicate that these traditions are linked to knowledges, know-hows which are used in the organization.

⁴ G. Hofstede, *Vivre dans un monde multiculturel*, Editions d'Organisation, Paris 1994

Cultural relativism follows this position with three possible situations:

- the descriptive relativism which tries to observe differences and to wonder about the depth of these differences in terms of faiths, knowledges and morality,
- the normative relativism which considers that all the differences are normally based to exist if they are justifiable in their context and which conducts to perceive as equivalent *a priori* all the behavioral postures,
- the meta-ethical relativism with the traditions as as being significant of the local culture.

The complexity of ethical questions arises then from the implicit ignorance of the consequences linked to the local culture.

The positions which result from these situations are then conceivable in terms of consequentialism and no consequentialism: - The no – consequentialist theories (or axiological theories are then based on a list of rules, commands, rights - but the question to know where these rules come from is then asked. In what are they lawful, what is to do in case of conflict between these rules?

- The consequentialists theories are based on the evaluation made of the consequences, what allows to solve the problem of the conflict of rules because of the maximisation of "positive" consequences. But this position gives a superiority to the utilitarian method (an act is well if it produces more of well than of bad and if the return is superior to that of an alternate act). Central reference value is prosperity defined as the satisfaction of the various desires for each, to fact of producing the most possible material happiness for the biggest number. This eliminates from the list of the possible ethical rules those which deprive the happiness of a group and it justifies, on the contrary, certain actions which would be perceived as amoral in the sense of moralists. Problem is here to know how it is possible to see all the possible consequences, how to measure the quantities of the good and the bad for the various persons and how to confront with questions such as the fact of knowing if the increase of happiness of a rich is as much valuable as the increase of that of a poor man or still on the fact of knowing if a minority can accumulate all the troubles. But it is in fact a question about the position which, in terms of liberalism, is the most justifiable.

These two positions bring to privilege an ethical perspective in its capacity to inspire the governance modes of the company associated to the subject of the value creation. They are in fact significant of the « unthought » political aspect of the functioning of a company. An Ethics arises in the place of a reflection which would have taken into account categories of the politics and characterizes the position which allows the way by which a company and its modes of governance have vocation to create an ideology as well as the fact that social orders which offer the real context of the value creation are forgotten.