

# THE ETHIC IMPERATIVE OF THE SUSTAINABLE DEVELOPMENT – THE NEED FOR "MORAL CREATIVITY"

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**ABSTRACT.** In our approach we choose to sustain also the view that the „moral life is inherently creative”. As John Wall (2005) said in his bold book „Moral Creativity: Paul Ricoeur and the Poetics of Possibility”, „If moral life is creative at its core, this proposition challenges oppositions and demands a fundamental rethinking of the nature and meaning of moral life itself.” (as it is currently supposed and applied into nowadays business life). We agree with Mike Martin (2007) who said that „moral creativity consists in discovering or making new and morally valuable products”. So if „scientific creativity is also moral creativity when it provides new and morally valuable products”, going further on, we affirm that „entrepreneurial creativity is also moral creativity when it generates new and morally valuable enterprises (ventures, firms, other organizations)”. Moral creativity in entrepreneurship brings with it, and further develop, responsible inventing, sustainable and purposful innovation, as well as attracts „responsible impact investing”. We also arrived at the conclusion that „any creative, innovative and/or entrepreneurial advantage cannot be sustain in the long term without a dual corresponding one, the moral advantage”. And for Romania, the ethic imperative applied to any kind of business (traditional or innovative) is urgently / baddly needed.

**KEYWORDS:** sustainable development, moral creativity, entrepreneurial creativity innovation, ethics.

## Introduction

William Damon (2004,) in his surprising book, „The moral advantage : how to succeed in business by doing the right thing”, has conceived and synthesized a, what could be called, „a sub-ecology of moral principles (or recommendations and/or learned lessons and/or guidelines)” to be implemented by any business, from the beginning, in order to generate and to obtain a „successful, long lasting, moral adavantage”:

1. Find a larger purpose that inspires your work. People who are truly successful in business strive to “make a difference,” to leave the world a better place by virtue of their career accomplishments.

2. It is never too early to find a noble purpose in your business career— and it is never too late. Successful businesspeople find noble purposes at many phases of their careers, and in many ways

3. The path to success in business begins with an act of self-discovery. Getting in touch with all your motives and desires, from the mundane to the spiritual, will help you figure out how to pursue them all without compromise during those high-pressure times when it may become tempting to let your most noble

4. Find mentors who represent models of success and integrity. By observing a successful businessperson, you can learn about how to pursue the kind of career that will give you the most personal satisfaction.

5. Use your moral imagination to generate creative business solutions. Many of the best ideas for new products and services come out of a quest to fulfill a moral purpose. Similarly, the best managerial solutions to tough personnel problems can be found through applications of your moral sense.

6. Use your moral imagination to transport yourself into the thoughts and feelings of everyone in your business world. These include partners, employers and employees, customers, investors, and other community members. The empathy results from this act of imaginative role-taking

7. Stay humble, especially after gaining financial power and influence over others. When success turns into arrogance, we often lose our capacity to learn from our mistakes—or even to notice when we are making mistakes. Pridefulness harms everyone, and ultimately it can destroy the very purpose that has fueled our accomplishments.

8. Find and sustain your ethical bearings by paying attention to both the ends that you seek and the means by which you seek them. There are three questions that you should ask in your pursuit of any business goal: what am I trying to achieve, why am I trying to achieve it, and how am I going about it?

9. Resist the cynicism and discouragement that may arise with the realization of how far from perfect you really are. We all operate with a mix of motives, and a moral life is found in the constant effort to do your best, and rarely in a pursuit of absolute altruistic purity.

10. When you attain a leadership position, consider it a service rather than a privilege, and use it to pass your purpose on to others. In particular, find positive ways to influence the younger employees. Set up apprenticeships. Get young people engaged in the noble causes that inspire you.

### **The entrepreneurship, factor of creativity**

Entrepreneurial creativity constitutes the cornerstone of organizational innovation and performance. Entrepreneurial efficacy requires leadership qualities, creativity, as well as a wellcrafted global strategy.

Romania's entrepreneurship development became stagnant after its accession to the EU, due to the economic crisis, and especially due to inadequate policies and corruption. Nevertheless, in recent years, the country has run entrepreneurship training projects, which have been mostly inadequate, too formal and too didactic, and which were funded by the EU through the HRD programme.

According to different EU and global entrepreneurship and innovation measures and indexes during the last few years, Romania is still in the same precarious situation, as it is positioned last in the annual rankings of comparative evaluations such as the Global

Entrepreneurship Monitor, the Global Competitiveness Report, the Innovation Union Scoreboard, the Global Venture Capital & Private Equity Country Attractiveness Index, etc.

In less developed countries and regions without an entrepreneurial tradition that evolved naturally over time, or that was interrupted by almost half a century of communism, it is inadequate to merely adopt models as turnkey solutions. These models aim to stimulate an entrepreneurial culture and to develop creative entrepreneurs, but they are mostly taken from the countries with a developed economy and with a rich and uninterrupted tradition of entrepreneurship. In these less developed countries and regions, radical innovation is necessary, perhaps even a disruptive one.

Entrepreneurship is essentially a creative activity, even if creativity is not limited to the entrepreneurial creativity. Thus, creative economy shares some of the most significant properties of an entrepreneurial economy. Creative activities rely on innovations, vision, and talent of authors, creators, and performers. Development opportunities related to changes in cultural practices also require a high degree of alertness from creative economy stakeholders. Besides, creative economy must cope with high demand uncertainty.

As entrepreneurial creativity, artistic and cultural creativity is an activity based on risk. Creative economy combines two types of entrepreneurs.

A first type relies on the shifts that occurred in the cultural policies of cities and in the proximity dynamics of creative clusters. And the second type is linked to the economy of contribution and to its different application fields, especially digital economy and social economy.

Entrepreneurial creativity is infused with a range of new ideas coming from other entrepreneurs across the world. Furthermore, it offers a worldwide platform for new partners and suppliers around the world, giving entrepreneurs a wider scope for adding value to their offer.

### **A responsible and ethical behavior**

If ethics was the first reason invoked by the tenants of a social responsibility of enterprises, the literatures on corporate social responsibility and on the objectives of the firm put forward two main reasons for developing responsible behaviors. The first one is related to the constraints that the external pressure from stakeholders such as employees, shareholders, customers, suppliers, the State, and the civil society puts on the firm. The second one is the opportunity for the firm adopting a responsible behavior to improve its economic results. Thus, developing a responsible behavior would be a “win-win” strategy first because it is more respectful toward the environment and the society and also because it is a profitable strategy. In order to improve its economic results in a global competition based on innovation as it is today, a firm needs to constantly develop and renew its products, processes, and organization. Innovation, whatever its forms, thus appears as the best solution to conciliate the idea of social responsibility with the necessity to make profits.

It is therefore possible to see a connection between responsible behavior and entrepreneurial behavior, for entrepreneurial behavior is also tightly linked to innovation, defined in the sense of Schumpeter. According to him, entrepreneurship is an economic function, which takes the form of a new product delivered through a new process, implementing a new organization, opening a new market. Entrepreneurial behavior, defined here by the innovation

act, may be observed when an innovative firm is created as well as when an innovative project is implemented within an existing firm.

### **Corporate social responsibility (CSR)**

Corporate social responsibility, or CSR, is an older concept than sustainable development. According to Aggeri et al. (2005) [1], the concept of CSR emerged at the same time as large firms at the end of the nineteenth century and continued to develop throughout the 1920s, focusing on the question of the relations between firms and society.

The debate was formalized by H. Bowen in an academic book entitled Social Responsibilities of the Businessman (1953) [2]. He presented social responsibility as a voluntary initiative on the part of businessmen and founded on ethical considerations.

In the 1960s, the “business and society” outlook developed, sometimes taking account of the environmental dimension and involving numerous debates. Then in the 1970s, firms made CSR a more operational consideration through social audits and social reporting with a view to providing answers to social and stakeholders’ demands. The notion of stakeholder has continued to develop since the end of the 1970s, especially with the publication of E. Freeman’s book entitled Strategic Management, A Stakeholder Approach (1984) [3]. Aggeri et al. (2005) note that the “business society” approach does not refer to sustainable development.

Consultants and international organizations made the link between the two concepts.

According to Aggeri et al. (2005), the main figure in uniting the theoretical concepts developed in the field of CSR and the notion of sustainable development is a British consultant, John Elkington (Commission of the European Communities 2002). Through his office, Sustainability, founded in 1987, he developed the strategic council to the companies in the field of sustainable development. He also coined the term “triple bottom line” (TBL), based on the three acknowledged pillars of economic, social, and environmental considerations (people, planet, profit). The World Business Council for Sustainable Development – an association of companies - was founded in 1995, while in 2001, the Commission of the European Communities published a green paper on CSR entitled Promoting a European framework for Corporate Social Responsibility paying particular attention to the relations between CSR and sustainable development.

However, it was in a communication published in 2002 that CSR was most clearly presented as “a business contribution to sustainable development.” CSR was defined as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities 2002, p. 5) [4]. The document stresses the need for businesses to integrate CSR as a strategic point in corporate management.

The environment is one of the dimensions of CSR.

CSR is generally analyzed using three approaches:

- The business ethics approach, which focuses on the moral and ethical dimension of business activity. In this approach, CSR is seen as the application of morality in business and focuses on values and normative judgments. The business ethics approach – considers that companies have a moral duty to operate in a socially responsible way, especially toward their stakeholders. In the field of business ethics, the firm has a moral obligation toward its stakeholders resulting from its moral necessity to contribute to the general welfare of society.

- The business and society approach, a school of thought which is concerned with the relationship between society and business through social contracts. The firm has to prove the legitimacy of its activity to society; otherwise, society could react and compromise its future.

- The social issue management approach is referred to as being utilitarian or strategic. It holds that social issues have to be treated as parameters that must be taken into consideration in the strategic management of the firm.

Environmental management is the environmental dimension of CSR, the application of the concept of sustainable development to business. While the practices are now well developed in large firms, at least according to what they say, a discrepancy can still be observed in small firms between the attitudes of the owners/managers and their behavior. Many studies have been devoted to analyzing these practices as well as the incentives and barriers to implementing environmental practices in small firms. Nevertheless, there are still many areas to be explored. First, there is still no consistent theoretical framework for this analysis, as stakeholder theory does not appear to be suitable. Two lines of investigation could be developed: neo-institutional sociological theories and innovation theories. In particular, very few process-oriented approaches have been put forward, except for the commitment stage.

Another aspect of this process needs to be explored: the use of adequate tools to help SMEs to implement actions in the field of sustainable development.

Values and ethical principles are consequently implicit rather than formally expressed through ethics policies, codes, and programs that are familiar in large companies. If SME entrepreneurs often resist standards and formal codes, large family businesses often face family conflicts, which call for a more formalized attitude regarding the issuing and the perpetuation of values. Latter are set in a “family codex” and aspire to preserve the family values, attitudes, and responsibilities toward business, stakeholders, heritage, and family-business assets.

### **Conclusions**

Innovation, whatever its forms, appears as the best solution to conciliate the idea of social responsibility with the necessity to make profits.

Moral creativity consists in discovering or making new and morally valuable products.

Scientific creativity is also moral creativity when it provides new and morally valuable products”, going further on, we affirm that „entrepreneurial creativity is also moral creativity when it generates new and morally valuable enterprises (ventures, firms, other organizations”. Moral creativity in entrepreneurship brings with it, and further develop, responsible inventing, sustainable and purposful innovation, as well as attracts „responsible impact investing”.

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