EDITORIAL

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This issue of the bulletin showcases the efforts of students studying on the MSc International Management and the BA (Hons) International Business Management degrees at Prague College School of Business, run in partnership with Teesside University.

A critical element of their studies is to undertake assessments that consider important aspects of modern international business and this special selection of papers provides a range of perspectives on topic areas, Managing Across Cultures, Business Ethics and Corporate Social Responsibility (CSR), and Marketing.

The papers demonstrate quite clearly how and why the dynamic changes resulting from the volatility of business environments, together with exponential technical and social changes, due to rapid developments in technological advances, are creating unique pressures upon businesses and business leaders of the future. There is an increasing recognition in the literature that the new business models and their development will require better comprehension of society's needs and emerging demands, yet new leaders will also need to develop adaption, innovation, and responsibility as key character qualities if their leadership skills are to be successfully employed in such complex business environments in order to face the new challenges created by post-financial crisis times.

With the business environment constantly changing, the leaders of tomorrow are going to be faced with increasing complexity in the market and society that they will deal with and will therefore need to develop the necessary skills and aptitudes to not only face new challenges, but to harness them effectively to survive and grow in what is becoming a complex and highly interconnected business environment (Drucker, 1994). Yet, these challenges will not only demand the ability to respond effectively, but to be able to respond in an ethical and responsible manner, meeting the needs of complex groups of a multitude of stakeholders with different cultural backgrounds.

In addition to changing business environments, the increasing complexity of financial markets and economic environments (Porter, 2008) has led to a change in the management and delivery of higher education. As a result, the focus of education provision needs to explore to a greater depth the difference between education and the learning process itself. It is evident from the skills currently being taught in business schools that most of the time education has been focusing on the delivery of "know how". Such a kind of knowing focuses on how to attain the best possible ways of carrying out a particular set of tasks, such as developing an investment model to meet the needs of customers and aiming at getting this right or creating profitable business models. However, it lacks a proper meaningful assessment of its wider consequences. Such a focus tends to emphasise solely the acquisition of the best skills amongst students to attain the final results, and as a result, teaching methodologies are geared towards such effectiveness. Therefore, such learning is transmitted to students and future business leaders, providing a unique vision of the world in which performance is judged as the attainment of the final result, and it is a paramount valuable criteria that gains importance.

However, environmental complexity demands another important element that education will need to take into account: the "know why" mode of knowledge. Knowing the Meadian symbolic interactions (Herman-Kinney, Reynolds, 2003) taking place in social environments and the reasons why the skills and methods are being applied effectively to reach desired ends involves a process of self reflection, a process that explores the motives of why the "know how" is effectively implemented. This process allows one's values to be assessed in an exploratory manner and motivates the development of responsible elements of one's character that the first processes of the application of "know how" does not necessarily allow. Thus, by adapting Habermas (1987) and the idea of the theory of knowledge as social theory, one could say that the shift in the perspective from the "know how" to the "know why" allows an extension of the instrumental knowledge sphere. The enlargement into the reflective and critical sphere of knowledge can be achieved via interpretive research and hermeneutics methods. In particular, the classic empirical and analytic methods producing causal explanations will be complemented by hermeneutic methods providing comprehension and understanding of the complexity of business and social environments using reflective and critical practices.

The educational approach that is emphasised in the programmes at the undergraduate and at the post-graduate level run at Prague College aims at both the "know how" and the "know why" modes of knowledge to create future business leaders capable of different and adaptive styles of leadership with a pronounced critical sense of ethical responsibility. In this respect, new leaders will be able to meet the requirements of changes that foster relationships and accompany ethical burdens and implied responsibility, as discussed by

Gerstner (2003). The "know why" mode of knowledge will allow one to grasp the full meaning of ethical implications and social responsibility by allowing a different perspective, a "shift of mind", to undertake the development of new business models, including a new level of financial and managerial engagement between people, firms, organisations, and society.

The emphasis of such a kind of "ethical" leadership development is based on trust, that plays a central role in developing relationships with employees, to support them in their growth and their future development within organisations (Dalla Costa, 1998). Trust is conceived as an authentic behaviour to be implemented in daily activities where the principle of justice as fairness will be the key criteria for addressing problems and solutions. Thus, Ciulla (2003) identifies authenticity, as a degree of independence from external pressures and factors, will be a character trait developed as a result of a highly interactive learning environment.

Thus, the conflicting requirement-horizons will not only offer opportunities to future leaders and add another dimension into the complexity of the business environment to be explored, analysed, and adopted effectively, but also ethical decision making processes will take on paramount importance and the needs for sustainable balance will require to be established within the networks of stakeholders and their ever growing conflicting interests and influences.

Such dynamically adaptive and flexible ethical leadership qualities that will actively encourage the development of discerning abilities to judge between the need for "know how" and "know why" will be of paramount importance for future business leaders. Following in the footsteps of Aristotle (Aristotle & Sachs, 2003), it could be emphasised that such adaptive skills will need to be ingrained in the character of future business leaders via the adaptation and delivery of changing educational requirements that should find the right balance between the different modes of knowledge which characteristically should represent higher education.

Therefore, the emphasis of these collection of papers is to bring together the different areas that have been explored by students with a particular focus on the development of "ethical" leadership qualities. The first two articles below provide evaluations of the marketing strategies of two international companies. Katerina Haskova provides a critical analysis of the marketing approach of Starbucks. Using a range of analytical tools, she offers a balanced view of Starbucks current strategy. She then goes on to discuss the importance of CSR for major firms and the importance of environmental scanning to identify and deal with the demands of a variety of stakeholders.

Veronika Šírová provides a similar strategic marketing analysis of L'Oreal, the cosmetics and beauty corporation, again offering perceptive insights not only on the current strategy of L'Oreal but on its potential future direction. This article also provides an evaluation of L'Oreal's relationship marketing strategy, which is complex given the indirect sales channels adopted by the group. Šírová highlights the importance which customers attach to issues such as value and quality, and demonstrates how L'Oreal uses its position to influence sales through cross-selling and up-selling of its products.

These articles provide just two examples of how a challenging but practical programme prepares students to be immediately useful in the world of work, whether with a large or small corporation or in public service.

The next three articles are taken from a module dealing with business ethics and CSR. All three articles offer illuminating perspectives on the relationship between company success and the values that are portrayed by the company and its employees. However, whilst Arlind Svarca's piece demonstrates through several examples how a company with positive ethical values appears to be placed in a better position to be financially successful, the articles by Natália Krätšmar-Šmogrovičová and Anna Prošková focus more on an ethical justification of appropriate CSR, both drawing on Rawls's formulation of justice as fairness, but also applying Kant's deontological

expression of the "categorical imperative" which is preferred to a more utilitarian expression which they claim has a negative impact on those affected by particular business strategies. There is a growing view that as technology and alternative information sources develop, it will be more difficult for companies to mislead or hide their activities from stakeholders, and that it will be essential for the company and its employees to display an authentic face to the world, and that behaviour that is perceived to be unethical will be frequently rejected. Whilst this view might be challenged by some, but not all, free market protagonists who will suggest that market value will trump other values, there is sufficient evidence here to suggest that stakeholder views are rather complex.

The final two articles offer an internal and external view of cultural understanding and its importance in a globalised world. Katerina Reznickova provides a helpful synthesis of leadership literature and challenges traditional views by offering alternative perspectives on what might be considered to be good leadership suggesting that contingency approaches to leadership are important in an international context.

Alex Semerad in the area of Managing Across Cultures explores the external responsibilities of managers in unfamiliar situations. As Reznickova also observes, cultural difference places negotiators in difficult situations, and Semerad draws upon insights offered by Hofstede's cultural dimensions and complementary work by Trompenaars and others to suggest how the US and Arab business culture differs, and he applies knowledge of business behaviour, symbols, and artefacts to offer up one practical approach to entering negotiations. Whilst these perspectives are open to challenge, and adaptation appears to be principally a mono-directional process, Semerad's conclusion is practical and informative. In these articles below it is possible to find a wealth of expertise applied directly to practical business problems. They are challenging, and even if one might not agree with the analysis and conclusions, still the reader will find much to reflect upon. ■

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