

MORALITIES AND ETHICS. THE PARADOX OF THE PARABLE OF THE UNJUST STEWARD AND THE PARADOX OF CREATIVE ACCOUNTING

Balaciu Diana

University of Oradea

Faculty of Economics

Bogdan Victoria

University of Oradea

Faculty of Economics

The paper targets the approach of the implications regarding the compliance or non-compliance with ethical principles in the accounting profession, the interest for this debate being the profound crisis we are experiencing which makes us come back to fundamentals, the current world trying to discover them morally and ethically.

In order to reach the purpose of our research, we have carried out an exploratory research, as a specific research method, using the analysis of secondary data. In this view, starting from the behaviour of the characters of the controversial biblical parable of the unjust steward bringing it into the context of our days, we can notice that the wit of the above mentioned steward mentioned above, it cannot be underestimated and we cannot, even now, underestimate the creativity of a “good” accountant when he has “to solve” a problem or to reach a certain purpose. Also, we have used a descriptive research, too, the research method used being the survey. In making up the surveys, we used the 5 level Likert scale, this type of scale targeting aspects related to the relation ethics-morality-religious values with which, the respondents, in our case represented by a sample made up of the managers of large enterprises and those of the SMEs in the Bihor County, agreed or disagreed.

This paper shows that, from a philosophical and spiritual point of view, the contemporary crisis is a conscience crisis and a crisis of the humanity’s moral values, emphasising the idea that humankind must enter a phase of new humanism, meant to cultivate the features of a morally developed man, endowed with responsibility regarding the choices that he makes as well as the capacity to suffer the consequences of his choices.

In our opinion, the parable mentioned has in view the accentuation of the moral aspects of the steward’s behaviour and, extrapolating, of the accounting professional in creating a solid basis for an ethical behaviour. Thus, the solution for the economic, political, or environmental problems we identify in the world we live in, depend, to a high extent, to the way in which the moral problem is solved, a problem depending, in our opinion, on the spiritual problem.

Keywords : ethics, morality, creative accounting, economic crisis

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1.Introduction

The relation between ethics and moral philosophy, as it is defined by Paul Ricoeur (quoted by Crăciun D.,2005), is a relation “perfectly applicable to enterprise”, the economic and business environment. According to the latter, intention and purpose bring together and connect ethics and moral philosophy; they precede, in his opinion, the notions of law, of moral exigency. The author presents in his work *Soi meme comme un autre* (1990) the basic triangle of ethics as being composed of Me, You, Him.

In his first study, Ricoeur notes, I believe in my freedom: “I do what I can and I can what I am”: an act of evulsion, of power stating, the esteem form your own person. Yet, actually, we really enter ethics when we state both our own will and the other’s freedom: an act of absolution. Therefore, the ethics is born out of this transgression: to act in such a way that “the other man’s

freedom is like my freedom". In other words, "the other is my fellow creature". According to Ricoeur, the *Him* pole "qualifies the meditation of the rule".

In business relations, this idea might be translated as such: "To agree my own project with the institutional project" Meditation permits coexistence" "your freedom is as worth as my freedom". In this way, we can move on from ethics to philosophical moral with the notion of exigency and law. Thus, formalism in ethics defines morality.

The profound crisis that the world is experiencing represents one of the first factors raising the interest for ethical debates. In this context, we notice a statement from The Declaration of Global Ethic, adopted in 1993 in Chicago by the Parliament of the World's Religions according to which: "The world is agonising. The agony is so overwhelming and penetrating that we are forced to unveil all the manifestations, thus underlying the depth of crisis of the world" (Kung, quoted by Singer,2006:14).

A second factor is the religion's resurgence at the planetary level. Gilles Keppel (quoted by Singer, 2006:14) stated: "God takes His revenge". After, at the end of the 19th century and the beginning of the following century, Nietzsche enacted "God's death" (by the famously known statement "God is dead"), we are witnessing an opposite movement.

The third factor is related to real life itself, with its more and more varied aspects. The numerous problems starting with those referring to global governance or the environment preservation and ending to those referring to the behaviour towards fellow creatures, require that ethics should be acknowledged and, also, taken into consideration. Thus, the solution to economic, political, environmental a.s.o problems that we identify in the world we live in, highly depend to the way in which the moral problem is perceived and solved, a problem depending, in our opinion, on the spiritual problem. This thing was perceived even at the level of common sense, in this view being eloquent the statement of a rescue teams member, who, after the tragic events of September 11th 2001 in the United States of America, said: "we either accept the Ten international Commands as compulsory or we will perish together."

2. Research methodology

To reach the purpose of our research, we performed an exploratory research, and we used as specific research method the analysis of secondary data. In this view, we started from the biblical parable of the unjust steward trying to transpose it in our days and to identify the aspects related to the creativity of professional accountant. Also, we used a descriptive research, too, the research method used being Likert's scale with 5 levels of appreciation, this type of scale targeting aspects connected to the ethics-morality-religious values relation to which the respondents, in our case represented by a sample made up of the managers of large enterprises and SMEs in Bihor county, expressed their agreement or disagreement.

3. The paradox of the Parable of the unjust steward and that of creative accounting

For the times we live force us to go back to bases, the current world trying to rediscover them morally and spiritually. Therefore, we found both interesting and opportunistic the idea of debating in this paper the parable of unjust steward for, from our point of view, the religious aspects concur to a great extent to shaping an ethical profile of any individual, being able to easily to extrapolate to the one at the basis of his professional rationale formulation. Let's see first the content of the parable:

"1. And he said also unto his disciples, There was a certain rich man, which had a steward; and the same was accused unto him that he had wasted his goods.2. And he called him, and said unto him, How is it that I hear this of thee? give an account of thy stewardship; for thou mayest be no longer steward.3. Then the steward said within himself, What shall I do? for my lord taketh away from me the stewardship: I cannot dig; to beg I am ashamed.4. I am resolved what to do, that, when I am put out of the stewardship, they may receive me into their houses.5. So he called every

one of his lord's debtors unto him, and said unto the first, How much owest thou unto my lord? 6. And he said, An hundred measures of oil. And he said unto him, Take thy bill, and sit down quickly, and write fifty. 7. Then said he to another, And how much owest thou? And he said, An hundred measures of wheat. And he said unto him, Take thy bill, and write fourscore. 8. And the lord commended the unjust steward, because he had done wisely: for the children of this world are in their generation wiser than the children of light. 9. And I say unto you, Make to yourselves friends of the mammon of unrighteousness; that, when ye fail, they may receive you into everlasting habitations. 10. He that is faithful in that which is least is faithful also in much: and he that is unjust in the least is unjust also in much. 11. If therefore ye have not been faithful in the unrighteous mammon, who will commit to your trust the true riches? 12. And if ye have not been faithful in that which is another man's, who shall give you that which is your own? 13. No servant can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon. (Luke 16)

Let's try to further analyse the **characters of the parable**.

The first character is "a certain *rich man* who had a steward" (v. 1-2)

This second character, the *steward*, handles the master's businesses. He can sell and lend, forgive and pay debts in the name of his master, earning his existence from the commissions and taxes resulting from the transactions he makes. From the parable, it follows that the steward must carefully record all his transactions (according to the rabbinic tradition, the copies of the transactions were usually made in two copies – one for each party). In this way, the steward dealt with his master's debtors, those identified by us as the third character of this parable. They could be those who took goods from the estate – for which they have not yet paid – or the lessees who agreed to pay in a fixed quantity of products for the annual rent. Thus, the steward could directly deal with the people indebted to his master.

It seems hard to believe how the main character of this parable, from an unjust person can become a model followed by others. He would have used the reduction of debts either by eliminating any hidden extortion-like debts or by eliminating the commission requested for himself previous to the writing of the documents.

Bringing this parable to our times we can, without great difficulty, identify common elements, "the wisdom" of the steward being assimilated to the accountant's "creativity".

This orientation towards creativity is told also by Feleagă (2002: 447) in transposing the story of the creative accountant that we are going to present further:

The manager: "Mister Accountant, could you explain these figures in the financial statements? Do you think I hired you to destroy my business? You have two weeks to fix this. Otherwise, you will be fired."

The accountant: "I cannot believe this. I will lose my job. What will I do? I am too old to change my profession and too proud to ask for my family's help. Yet, I might use these two weeks to my interest..."

"Hello! Client X? The accountant speaking. We have not heard from each other since the last receipt. Tell me, how much do you owe to our enterprise? 80,000,000 m.u.? If I grant you a 50% discount, do you think it will be easier for you to pay us right now? I think this is to your advantage. By the way, I am thinking of changing my work place. If your business goes well, I might come and work for you. Keep in touch."

The manager: "Mister Accountant, I can see you can do a good job when you want. Yet, your actions cost me too much and you are fired. I will give you, though, good references because I liked your creativity".

Even though, they were fired, the steward from our parable and the accountant from the story are given an unlimited period of time to prepare their reports about their economy, yet they still having the power to act (in a certain way) for a short period. The story maintains the tension by creating this scheme of "already/not yet" for report or judgement.

Verse 3 brings us closer to the steward character, discovering his thoughts through a monologue. The monologue in itself has the role to put us in his place. This internal reflection suggests the **huge importance of the crisis and decision moment**.

The steward is thinking to what kind of job could find if he were rejected from his position or if he could live from the others' goodwill. The steward knows his limits, setting up a plan based on his power of execution. In the first place, the steward rejects a plan of action in which he can count on himself. Also, he cannot conceive a plan based on his generosity, without any implication on his part.

In the second place, the terms "when the lord taketh away from me my stewardship" and "they may receive me" refer explicitly to the character's unjustness and to the debtors' houses, expressing a financial and a judgement relation. These two concepts – the threat to be fired and the hope to be well received – become the two coordinates of the steward's rationale.

The steward's plan to impoverish the rich man from the capital which was lent, using the practice of writing a debt document for the amount lent plus interest, not noticing any difference to what is officially written on the official receipt. The wit people demonstrated the permissiveness of rabbinic writings to support this practice as a way to make businesses profitably, **without breaking the law (creative accounting)**. Hence, the well organised usury practices in Palestine against the Israelite law. We learn from his deed that, being afraid not to be thrown away from the people's houses, the steward is reducing their financial obligations for his master.

The steward's ingenuity consisted in the fact that he knew how to use the means he had, thus ensuring his future. By reducing so generously the loan agreements, the steward significantly favoured the debtors; for he is further the rich man's steward, his agreements with these debtors being compulsory. Money lending and interest charge (which is forbidden, for example in Exit 22,25), presents a juridical fiction conceived through the payment of projected interests, modified from that written in the initial credit. In v. 5-7 the steward is simply detached from this interest his commission and his engagement in unfair activities. Similarly, it is postulated that the steward is the one having the power to release the debtors from the interest charged against the loans, in contradiction to the Jewish law against the usury.

The steward has become the benefactor of those who borrowed and, in exchange, he can expect reciprocity through the hospitality granted by these, thus allowing him in their houses. Thus, the steward enjoys the advantage of his current status, using the time interval in which he was a steward and makes a wealth management accounting (v 2), ensuring his future. The parable ends surprisingly. The master praised the steward for unjustness, yet he was unfair. The master suffered substantial losses, but the new debt can be considered, according to the Mosaic Law requirements, "little or a trifle". The steward moved from the position of being fired and thrown in the street to a favourable position due to the quickness he solved the urge of the moment. The master does not praise the steward for his lack of honesty, but his prudence in making business. "The children of this world", says Messiah, must understand how the world works and how everything is used to have benefits.

There are many questions without answer in the parable, for example: the steward was unjust his entire career? Does he continue as a steward because he gave up to the interest for himself and for his master, concentrating on debt collection? The limited space that we have does not allow us to give an answer here to all these questions, leaving yet the possibility to meditate on the message that this parable wishes to send us. A possible interpretation could be mirrored in Father Arsenie Boca's learning (2006) : "By forgiving, you erase what you forgive. What you forgive in another, it will be erased to you. This judgement takes you from the Judgment."

4. The economic crisis viewed through the relation among ethics, morality, and religious values

The circuit of businesses and its information networks operate as efficiently as any others. The persons with arguable intentions are discreetly identified and avoided. In the world of businesses, somebody bragging how they have cheated or stolen from other people will be tacitly avoided. People can continue to be polite, yet nobody wants to make business with them, being afraid not to be the next victim.

Ethics in itself represents a system of moral principles and methods to apply them, providing the instruments needed to draw up the moral judgement. In this view we have to take into consideration a series of ethical principles characterising current behaviour: what we must do, how we must do; people's customs and attitudes regarding the good and bad, truth and lie, equity and discrimination, freedom and constraints general concepts etc.

The application of ethics to business is made on at least 3 levels, that is:

The micro level – being the one established among individuals based on the principle of trade, containing promises, intentions, consequences, individual rights. All these are governed (as Coșuț I stated, 2008), by the principles of fair trade, fair treatment.

Individual or personal ethical orientations refer to each individual's ethics in an organization. They are the result of a more varied set of ethical pressures or influences. As an individual, each of us “enjoys” a series of ethical pressures influences containing the following: parents, social groups, religion, culture, profession etc.

The macro level – refers to institutional or social rules of the business world. The main concepts afferent to operating within this level are usually the result of political, cultural, legal and religious pressures.

The corporation level – implies aspects related to social responsibility.

The three application levels show the society's interest, as a whole, for the use of ethics both at the individual level through work relations, the preoccupation with the application and compliance with the professional ethical codes, the preoccupation with the creation of the feeling of belonging to a professional group (the micro level), at the national level – in institutions, governmental organizations, state bodies, the emphasis being on the preoccupation with transparency of national decisions to the detriment of personal or group interests, the preoccupation to ensure the fair legislative framework, the preoccupation with economic, social policies etc. of national interest (the macro level) and at world level through multinational corporations (the corporation level). Taking into consideration the last aspect, the current trend is to implement social responsibility programmes, strengthening this preoccupation both at the company level and at the consumers and business' third party level.

Social responsibility, as a component part of corporate responsibility, implies, in the European Commission's vision the corporations' preoccupation to voluntarily contribute to the society's welfare and to the environment's protection. The difference between ethics in business and corporate social responsibility consists in the fact that the first means to do things ethically (“doing ethical things”). This differentiation is made taking into consideration the importance that the corporation gives to the community where it works. The European Commission's official document directly hints to the advantages coming from the manifestation of social corporate responsibility: the reputation of a company in the place it works, its image as employer and producer, and also as an actor on the local stage surely influences its competitiveness. (Panteliciă, 2008)

Currently, humankind lives within an interactive social system based on « being the first », »being more successful » encouraging the old-fashioned corruption and unfair behaviours when, actually, in a truly enlightened society, the purpose would be everybody's survival, a better life for everybody, the secret being transparency, as it has already said: »Know the truth and the truth will set you free.» (Walsch, 2003), because in such a society nobody would want to get anything on someone else's expense. Instead, the governments, the politicians, the world corporations do not want to allow the promotion of such an economic-social system, taking into account that the

law of gain and the law for power are promoted. We are invited to remain open in order to live the experience of a new system of thinking within a society based on the principle of transparency, without being afraid that someone might have something to lose. Our contemporary thinkers agree that the new model of economic-social development will depend on a renewal of minds, mentalities, and of human beliefs, by directing human will towards the reception of the source of superior Consciousness, generator of unconditioned love, freedom of expression, creativity, inspiration and intuition that human mind can transform into material, concrete experiences and manifestations, for everybody's welfare.

The capitalism, which replaced the ideological dictatorship of communism, through that of money and private ownership, creating the image of an individual sure of his destiny, torn from his metaphysical roots, capable of finding happiness in the prosperity of his life and material success, has proved its inefficiency to ensure the balance of life both affectively and morally.

The actual crisis emphasises these contradictions and the vulnerability of the two systems, opening up a new perspective of reconciliation of private property with collective property, of re-opening the human spirit towards humanistic values and the source of divine wisdom to rebuild a world as it was imagined by the greatest visionaries of all times.

To support the creation of an economic model of quality and transparency, of generosity and simple life yet complex through the Chapter 7-8), this being the authentic paradigm of human relations in the business world and everyday life.

The contemporary world can have this interior force to enrich from the experiences of the past, opening up to new potentialities to explore life at the level of its political, economic, and social institutions.

We consider as purposeful the presentation of the results obtained after applying a survey to the managers of Bihor county, their answers to two questions being relevant for the specificity of this paper. At the first question – When making a managerial decision, is the use of ethics a priority? – the highest part of the managers in the sample chosen (110 of 125, which represents a percentage of 88%) consider that the use of ethics represents a priority in making a decision.

For ethics can be defines from the large perspective as being a set of moral principles or values, that each of us has them defined in a more or less explicit way and because when applying them religious doctrines are also used, we designed the second question: Are ethics and moralities influenced by religious values? The answers to this question show the fact that almost half of the respondents agree or strongly agree, while only 28% do not agree with this statement.

According to the participative theory of the firm, the company does not have obligations only to one group but to the whole variety of social groups affected by the firm's activity. Starting from this enlarged perspective of corporations towards multiple groups of participants, we can conclude that because the managers get a new role, that of finding a balance between the shareholders' interests and the concurrent interests of the other groups of participants to ensure the company's long term survival, rather than the maximization of the profit and the promotion of a single group's interests. Therefore, the purpose of a business is to ensure efficient operations, in the same time answering to a variety of ethical requests of all the parties interested.

5. Conclusions

Starting from the assumption that the profit is the target had in view in any business, are created the premises determining the management of an entity in using the choice between two or more accounting options in order to reach the desired result, therefore they could motivate the management to use creative accounting techniques in order to reach this wish. We insist on this "could" for, in our opinion, the existence of several alternatives and, implicitly, of the possibility to choose among them do not automatically overlap with the idea of accounting manipulation permission. This "permission" exists only in the mind of those for whom, in our opinion, the spirit of the law has become an old-fashioned concept.

In our opinion, the parable mentioned has the purpose to emphasise the moral aspects of the steward's behaviour and, extrapolating, of the accounting professional's in creating a solid base for an ethical behaviour.

From a philosophical and spiritual point of view, the contemporary crisis is humankind's crisis of conscience and moral values culture. We agree with contemporary great philosophers and visionaries thus supporting the idea that humanity should enter the phase of new type humanism, meant to cultivate the features of a morally evolved individual, endowed with the spirit of responsibility regarding the choices he makes as well as the capacity to assume the consequences of these choices. In the specialists' writings more and more often it is used the term of "business transparency", which requires a new typology of business people, a new vision of the essential sense of making material goods and a new conscience of the relation between man and nature and the environment.

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