Ethics in Organization and Management: The Application of Contemporary Theories of Ethical Decision-Making in Global Conditions

Thomas Joseph, Western Governors University, USA
https://orcid.org/0000-0003-4854-9142

ABSTRACT

A fundamental challenge for scholars and practitioners of organization and management is the integration of theoretical ethics with practical decision-making. This article discusses the historical evolution of ethics in organization and management through today. Additionally, the article utilizes a compare and contrast approach of three contemporary theories of ethical decision-making, namely ethics of virtue, ethics of care, and ethics of justice, to implicate their applicability to practice under conditions of globalization. Ethics of virtue, care, and justice share common concepts imperative for organizations in a global environment. They address the idea of equality and self-sufficiency and are concerned with the establishment and sustenance of lasting relationships. Organizations can, therefore, succeed in any environment providing that decision makers make the effort to adhere to standards that are moral, fair, caring, and just. Every unethical behavior should be condemned.

KEYWORDS

Cultural Relativism, Ethical Decision-Making, Ethical Theories, Ethics in Organization and Management, Ethics of Care, Ethics of Justice, Ethics of Virtue, Feminist Ethics, Kantian Ethics

INTRODUCTION

The complexity of business environments necessitates the need for responsible and conscientious decision making processes in organizational management domestically and globally. The sensitive aspect of this concept is that organizational leaders and/or managers must choose to lead by ethical standards in business circumstances that require them to make hard decisions, for example, in areas of conflicts and interests. Velasquez (2006) expresses that the foundation of an organization is its values and practices. Needless to say, when an organization faces situations that require tough decisions, adherence to strict ethical business codes could facilitate decision making. Cottone and Tarvydas (2007) acknowledge that demonstrating constancy in ethical decision-making encourages employee trust or confidence in the organization.

According to Gena (2000), ethical decision making in an organization is derived from applying ethical theories to practical dilemmas from top-down and that predominant decision making paradigms require more than a single ethical theory. Keatings and Smith (2000) described ethical theory as a
systematic compilation of interrelated principles and rules that guide moral behavior. LaFollette (1991) and Rachels (2003) confirmed that a single theory or a set of rules founded on a theory is adequate to direct ethical actions in general especially management practice.

This paper will be concerned with the integration of theoretical ethics with practical decision-making in organization and management (business ethics). First, it will discuss the historical thoughts that shape the concept of ethics in management and organization through today. Then, the study will address various contemporary theories of ethical decision-making such as Ethics of Virtue, Cultural and Ethical Relativism, the Ethics of Justice and Kantian Ethics, and the Ethics of Care and Feminist Ethics. Last, it will compare and contrast the Ethics of Virtue, Ethics of Care, and Ethics of Justice theories in terms of their applicability to practice relative to global conditions.

**HISTORICAL EVOLUTION OF ETHICS IN ORGANIZATION AND MANAGEMENT**

Velasquez (2006) posited that the concept of ethics is generally coined to the thoughts of Greek philosophers as Socrates and Aristotle and the ideas of hedonism and stoicism. These legendary ideas in context, addressed issues and questions about morality - good and evil, right and wrong, and justice and virtue.

Socrates was one of the primary Greek philosophers to persuade intellectuals and ordinary citizens to direct their attention away from worldly conditions to human conditions. This shift in knowledge would allow human life to be eschewed higher than any other available knowledge. An awareness of self was considered a necessity for success. In the book “Idea of great philosophers” William Sahakian and Mabel Sahakian (1993) explored the values and beliefs of Socrates acknowledging that the conduct of a self-aware individual is totally construed in his/her highest capabilities or competencies. In their writing, they concurred to Socrates’ beliefs that if an individual desire to obtain self-knowledge, he/she must be conscious of every detail of his/her existence. Socrates proposed that people have a natural alertness to do good only if they are aware of what is right. Sahakian and Sahakian accepted Socrates’ concept that bad or evil actions derive from ignorance (not-knowing) and that people who genuinely know what is right will automatically do the right thing. Socrates essentially associated knowledge with morality and morality with happiness. Sahakian and Sahakian posited, according to the values of Socrates, that an honest prudent (intelligent and sensible) individual with complete knowledge of what is right, will only do what is good, and experience happiness. These early concepts of right and wrong, good and evil, adopted by Socrates, influenced the fundamental concept of ethics or moral philosophy.

Sahakian and Sahakian (1993) did not stop at the beliefs of Socrates in acknowledging ethical values, but also paid close attention to the writings of another Greek philosopher Aristotle. Aristotle’s concept or system of ethics can be recognized as self-realization (the consciousness of a person’s nature and talent development) in comparison to Socrates’ self-awareness. Sahakian and Sahakian stated that, according to Aristotle’s viewpoint, whenever an individual behaves in line with his/her natural-self and becomes conscious of his/her complete capabilities, that person will execute good and be satisfied with doing good. Aristotle believed that the cause of unhappiness and dissatisfaction was an individual’s inability to realize their potential. Like Socrates, Aristotle accepted happiness as a person’s greatest goal. In fact, Sahakian and Sahakian accepted that self-realization was the most assured way to happiness. Moreover, they submitted to the ethical beliefs of Aristotle that people should not barely live, but instead live happily with behaviors that are governed by modest and judicious virtue, realizing that virtue entails doing the right thing to oneself and to others, subject to the right time, within the right boundaries, in a manner that is correct, and for the right cause.

Another historical thought that paved the way to ethics in organization and management is hedonism. Hedonism proposed that the standard code of ethics is to maximize pleasure and minimize pain (Sahakian & Sahakian, 1993). The concept of hedonism has been filtered into Christianity in what has been identified as Christian Hedonism. John Piper (1986) posited that a pleasure-seeking,
self-gratifying (hedonistic) practice ought to be the primary determinant for living a Christian lifestyle. He acknowledged that the mind of almost everyone within a society is consumed with seeking pleasure and self-gratification. Hedonism, in fact, adheres to the philosophy that happiness and pleasure is the best good in life. Sahakian and Sahakian accept hedonism as an ethical theory that the achievement of an individual’s own happiness is the right ambition of all conduct. The ethical concept in hedonism, however, is to maximize pleasure as well as happiness for the majority.

In light of the ethical concept of hedonism that most people should maximize pleasure and happiness, Epictetus, a Stoic philosopher, accepted that the best good was happiness (satisfaction) and tranquility (serenity, peace). In their writings about stoicism, Sahakian and Sahakian (1993) acknowledged Epictetus’ philosophy that an individual’s greatest value was peace of mind and that a person who learns to master his/her emotions and passions will enjoy spiritual peace. Epictetus believed that the will of people should never be violated and that it ought to be independent. Furthermore, life’s difficult situations ought not to be circumvented, but instead they should be embraced. He recognized the value of abstinence implying that it should be chiefly desired and that to abstain in the midst of temptation was a victory won of which the victor should be proud (Sahakian & Sahakian).

The early ideas in ethics from Socrates (a self-aware person will do what is right and enjoy happiness), Aristotle (self-realization – that people will execute good and be satisfied with doing good), hedonism, (maximize pleasure and happiness), and Epictetus, (the best good was happiness and tranquility) paved the way to modern ethics of consequentialism and deontology.

Consequentialism is rooted in ethical theories that posited that the consequences of specific deeds served as the foundation for any justifiable ethical judgment relative to that deed. In effect, an ethical action can be considered as an action that results in good or consequence. Anscombe (1958) has been credited for coining the concept of consequentialism. In her article “Modern Moral Philosophy”, Anscombe discussed the central mistakes she detected in ethic theories. For example, Anscombe stated that there need to be an explanation in contemporary philosophy to determine the declaration of an unjust man as bad man or an unjust act as a bad act. She proposed that the explanation for this declaration could only come from ethics. This explanation, she stated, cannot start until people are equipped with a solid psychological philosophy. Anscombe asserted that in order to declare an unjust man bad or an unjust act as a bad act, society would need an affirmative description of justice as a form of morality. Mackie (1990) added that the features which define consequentialism or moral theories are the level of attention that is placed on evaluating the consequences of right and wrong actions. The consequences of an action oftentimes offset other concerns. According to Mackie, the kinds of consequences that should be of importance are the ones that count as good conditions. Consequentialism, however, echoes the consequences of actions.

Deontology, unlike consequentialism which emphasizes consequences of an act, is considered an ethical approach that establishes good or right by examining actions (acts). Slote (1993) affirmed that deontologists examine duties and rules. According to Olson (1967), an act or action may be considered judged as the right thing to do under three circumstances: if it produced a bad consequence, if it adhered to the rules, and if the individual who did the act lacked virtue and had a bad intent in performing the act. Swanton (1995) implied that people have an obligation to act in ways that are intrinsically good or to adhere to and respect mandatory rules. The consequences, therefore, of an action and an individual’s intent are not significant by themselves alone.

The twentieth century brought about an expansion of critical theory. The ideas of Karl Max had permeated various beliefs and created a standard for recognizing the interactions between individuals and their society. Hoy (2004) explained post-critique ethics as the responsibilities that imply that they are necessary to be accomplished, but they are, however, neither pushed nor enforced on anyone. Singer (2000), on the other hand, submitted various thoughts about what is not ethics. He claimed that ethics is not a moral or ethical code for a specific group. Ethics, according to Singer, is not a system that is theoretically or practically good. He accepted theory as being good only when it is realistic or practical. Ethics can be considered as universal, but in a practical manner it provides the
best consequences and fosters the concerns of the affected individuals. Hoy believed that people resist ethics when they realize that power is being exerted on them and forcing them to specific responsibilities. These obligations, due to the virtue of force they contain, would be considered unethical. He accepted that the people who exercise ethics are those who have no power and others uphold it because of personal opposition. Contemporary theories of ethical decision-making have shaped today’s organization and management decision-making process.

Ethics of Virtue

Ethics of virtue describes the nature of a moral person as a motivating force for ethical behavior. The concepts of ethics of virtue was born from the early writing of Socrates and Aristotle who proposed that an ethical person is a virtuous person, that is, an individual who has specific and particular qualities or intrinsic worth (Rachels, 2003). It refers to a compilation of subscriptions from philosophers who emphasized being instead of doing or rather, the virtues that makes an individual a virtuous person. The argument resulted in a list of characters that represented or depicted virtue, that is, compassion, generosity, courage, honesty, dependable, and charity to mention a few.

Virtue, therefore, refers to an individual’s nature to do the right thing for right cause or reason in a suitable manner. This entails being affective and intellectual (Rachels, 2003). The virtuous individual, however, consistently does the right thing for the right reason and realizes that this is the only right thing to do. Velasquez (2006) summarized ethics virtue in light of four concepts or theories: Aristotle’s belief that habits allows a person to live in accordance with reason; Aquinas’ idea that habits permit an individual to live rationally or practically in this world and then will be united with God in the next world; McIntyre’s concept that disposition enables an individual to attain the good which human efforts aim to achieve; and Pincoff’s idea of dispositions one uses when deciding between persons or prospective future selves. Virtue, however, does not only provide a standard for assessing actions, but it also offers a standard for assessing organizational and managerial practices.

Cultural and Ethical Relativism

Cultural relativism indicates how morals and ethics changed over time and among different cultures. Rachels (2003) affirmed that cultural relativism cautions about the dangers of cultural or racial intolerance and shows how to maintain an open mind. In essence, people should not be quick to judge the ethical or moral values and principles of other cultures because that culture is not similar or the same as theirs. According to Rachels, all cultures have customary or common values that exist from common living. Cultures may only appear to have different values, but in essence they are all similar. Rachels accepted that what makes the difference is how each society practices those values.

Lafollette (1990) described ethical relativism as a theory or proposal that ethical standards, beliefs or judgments are subject to an individual or that individual’s culture. The idea is comparative to cultural relativism with the exception that ethical relativism can be present within a specific society or culture. Lafollette, in referencing the civil rights movement, mentioned that the multiplicity of ethical rules can result in social transformation. Cultural and ethical relativism are essential for creating ongoing workplace relationships and respect for each individual.

The Ethics of Justice and Kantian Ethics

Keatings and Smith (2000) accepted Kantian ethics as a type of deontology, an extensive form of ethical theories whereby right and wrong is decided based upon rules and principles that are then assumed from ethical duties and responsibilities. Immanuel Kant, an eighteenth century writer, developed an unconditional essential obligating the universality of morality systems. The rules and principles that provide guidance to behaviors are applicable to all places, times, and society. Ethical judgments, on the other hand, exercised in related situations at dissimilar times ought to be the same (Keatings & Smith, 2000; Burkhardt & Nathaniel, 2002). Davis, Aroskar, Liaschenko, and Drought (1997) proposed that a person should be treated as the end and not as the means of another person’s
purpose. This mandates respect for others and equal treatment. Kant’s writing promoted equality, fairness, justice, and reason.

Ethics of justice embodies an enhancement of Kantian ethics and is sometimes referred to as the ethics of right. Botes (2000) affirmed that ethics of justice typifies reliable and verifiable decision making, fairness, equality, objectivity, and independence or self-sufficiency. From a theoretical standpoint, ethics of justice addresses the importance of equal rights for everyone, the treatment of people as an end, the formation of understandable and transparent rules that determine what is right and what is wrong, and the utilization of reason in decisions that are ethical.

**Ethics of Care and Feminist Ethics**

Conventional theories like Kantian ethics have received criticisms for a lack of attention to women’s life experiences. Gilligan (1982), who studied the distinctions in moral development and moral viewpoints of women and men, claimed that women and men make ethical judgments in a different way. Gilligan affirmed that men usually approach moral concerns as issues that need to be resolved. They employ rules and reason (common sense) to circumstances of contending rights. Women, on the other hand, are prone to identify moral issues in relation to the relations between the affected parties (Keating & Smith, 2000). Furthermore, women have a greater tendency to find conflicting resolutions by applying a realistic communication method. Woods (1996) confirmed that overall men and women have more similarities than differences in the way they resolve ethical issues.

Davis et al (1997) credited the study of Gilligan (1982) as the basis for the advancement of the ethics of care and feminist ethics. They stated that, from a justice standpoint, an independent moral representative (for example, a manager) determines and utilizes a set of supporting rules by means of general and conceptual reason. From the care perspective, the fundamental concern is an openness and awareness of others that influences giving care, avoiding harm, and sustaining relationships.

Ethics of care is described as an ethic that puts emphasis on caring for the actual well-being of those that are interconnected with each other (Velasquez, 2006). Moral responsibilities arise from the relationships among the involved individuals, preferably between the one being cared for and the care giver. Whatever is employed to sustain the relationship comprises ethically respectable behaviors. In addition, more important aspects of ethics of care include sympathy, compassion, and assistance for each person, a holistic attitude about care giving, and thoughtfulness to the needs of other people (Velasquez).

**COMPARING ETHICS OF VIRTUE, CARE, AND JUSTICE**

The concepts of contemporary ethical theories as ethics of virtue, ethics of care, and ethics of justice are imperative for organization and management in their quest for making ethical decisions on a domestic and global scale. As more companies begin to explore global markets, it is becoming much more important to understand various cultures, norms, principles, and standards that govern individual behaviors around the world. Globalization has been defined as the practice of social, cultural, political, economic, and technological incorporation between countries around the globe (Luthans & Doh, 2009). Discussions on globalization are oftentimes shaped by nationalized interests which also includes ethical decision-making processes. It is, therefore, imperative that organizations and managers seek out some measures and processes for global disagreement solutions and mediation. Huntington (1996) proposed that the development of any type of global civilization must emerge progressively by means of investigation and extension of various commonalities. In effect, there ought to be consistent decisions that are governed by ethical or moral rules.

Ethics of virtue, care, and justice share common concepts imperative for organizations in a global environment. Virtue ethics emphasize the significance of individual characteristics and that which is looked upon as virtue. Different concepts of virtue ethics include sympathy (empathy), honesty, and compassion. These same concepts compass ethics of care and ethics of justice. Ethics of care
focuses on providing care, avoiding hate, and sustaining relationships. Ethics of justice maintains reliable decision-making, equality, and impartiality.

Virtue, care, and justice address the idea of equality. As companies explore international markets, they will be faced with the challenges of varying cultures, personalities, sex, and race. It is imperative to make decisions that take respects every aspect of human being. Decisions in a global market should take into consideration the moral good of everyone and not just the good of an organization.

In a global market, managers should be also concerned about establishing lasting relationships (Luthans & Doh, 2009). These relationships should be carefully managed in order to advance the organization’s effectiveness and profitability. Care, virtue and justice address the ideals of relationship implying that ethical decisions should be concerned with establishing, maintaining, and sustaining relationships. Robbins and Judge (2007) acknowledged that a great way to establish lasting relationships is through an effective communication process. Communication, they discuss, must entail the transfer and comprehension of meaning.

Another concept that surrounds virtue, care and justice ethics is self-sufficiency (independence and self-government). Managers operating an organization globally must not try to impose their culture on other cultures, but rather allow each culture and individual to practice their moral values and principles in a way that is beneficial to everyone. People within a society should not be looked down on because they do not do things the way that is common to everyone. Rachels (2003) asserted that while people are different, they also share very similar beliefs that could promote individuality and respect.

Virtue ethics, ethics of care, and ethics of justice share similar ideas that are imperative for organizational decision-making processes domestically and internationally. However, each theory shares different concepts that make them unique for application and for management.

CONTRASTING ETHICS OF VIRTUE, CARE, AND JUSTICE

Overall, virtue ethics is primarily concerned with virtue – the evaluation of moral characters. Ethics of care focuses on caring. Caring is concerned with the well-being of those within a specific group. Ethics of justice is concerned with what is fair. What is considered fair to one group could be considered unfair to another group.

According to Tenbrunsel and Smith-Crowe (2008), the difference between these ethical theories is based on their approach, that is, normative versus descriptive. Normative ethical approaches are concerned with what people ought to do while descriptive ethical approaches are concerned with what people actually do. Virtue ethics is concerned with what people should do, that is, whether they should be moral or not (amoral). Justice and care ethics are descriptive because of their focus on people's exact actions. In different cultures people are expected to be a certain way and in some cases, to do what an organization requires of them. Practicable, global managers would encounter greater difficulties making ethical decisions within an ethics of virtue because that would not allow self-sufficiency. People should not be enforced to ethical decisions, but should be able to follow specific rules and principles that allow them the freedom of choice. While virtue promotes what is to be done, justice and care adheres to individuals’ consistent actions. These actions should not be taken lightly or for granted.

Another difference between virtue ethics, care and justice ethics is the significance of organizational decision makers’ responsibility to make ethical decisions based solely on moral characters or awareness (Martin, 2007). As mentioned above, virtue ethics is ethics that evaluates the moral characters of people or groups. Within ethics of virtue, global managers would be required to make decisions based on what individuals, a group or culture consider moral. This would, in essence, negate the value of ethics of care (caring for the well-being of other people) and justice ethics (distribution of benefits as well as burdens justly between people). March (1995) implied that the manner in which decision
makers interpret the dilemma of making decisions based on morals only is critical to them because it would determine whether they attained moral responsiveness or not.

Ethical decisions domestically and internationally can pose a great challenge for organizational managers. They ought to be tact in their decision making process and ensure that their decisions or results are not unethical. While moral awareness plays a significant role in ethical decisions (virtue ethics), the concepts of justice (dealing fairly with everyone) and care (caring for the well-being of those that interact together) are also significant and considerable for effective and efficient global organizational decisions. According to Hunt and Vitell (1986), theories of ethical decision making propose that managers ought to first recognize a situation to inhibit an ethical problem before enacting an ethical decision making practice.

CONCLUSION

Ethical decision making is a critical factor for effective and efficient organization and management. Ethics and the theories of ethics is not a resurrection story, but rather thoughts and influences that promote growth and huge organizational opportunities especially under conditions of globalization. Velasquez (2006) stated that business managers need to focus their attention on developing an all-inclusive theoretical proposal from which practical work in moral principles and moral values can remain. Gena (2000) proposed ethical decision making in an organization is derived from applying ethical theories to practical dilemmas from top-down and require more than a single ethical theory.

Greek philosophers like Socrates and Aristotle have influenced the concepts of early, modern, postmodern, and contemporary ethical theories. Socrates, for example, believed that people have a natural alertness to do good only if they are aware of what is right. Aristotle believed in the idea of self-realization, the consciousness of a person’s nature and talent development. Ethics also evolved from the perspectives of hedonism, stoicism, consequentialism, and deontology. Contemporary theories of ethical decision-making have shaped today’s organization and management decision-making process.

Ethics of virtue describes the nature of a moral person as a motivating force for ethical behavior. Virtue refers to an individual’s nature to do the right thing for the right cause or reason in a suitable manner. It does not only provide a standard for assessing actions, but it also offers a standard for assessing organizational and managerial practices. Cultural relativism indicates how morals and ethics changed over time and among different cultures. Lafollette (1990) describes ethical relativism as a theory or proposal that ethical standards, beliefs or judgments are subject to an individual or that individual’s culture. Ethics of justice embodies an enhancement of Kantian ethics and is sometimes referred to as the ethics of right. Ethics of care is described as an ethic that puts emphasis on caring for actual well-being of those that are interconnected with each other (Velasquez, 2006). Moral responsibilities arise from the relationships among the involved individuals, preferably between the one being cared for and the care giver.

Ethics of virtue, care, and justice share common concepts imperative for organizations in a global environment. They address the idea of equality and self-sufficiency, and are concerned with the establishment and sustenance of lasting relationships. The difference between the ethics of virtue, care and justice theories is based on their approach - normative versus descriptive. Another difference is the significance of organizational decision makers’ responsibility to make ethical decisions based solely on moral characters or awareness (Martin, 2007). While these differences hold true to specific ethical theories, managers still have the responsibility to make decisions that are governed by moral principles. Organizations can, therefore, succeed in any environment providing that decision makers make the effort to adhere to standards that are moral, fair, caring, and just. Every unethical behavior should be condemned.
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