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Leading Ethically – The Foundation for Successful Change Management

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Abstract

Much has been written about the need for value based leadership in successfully managing change, but what values are important and how are they balanced? To address this question, this article presents a model for discussing different ethical theories. The model suggests that ethical theories can be demarcated on the level of innateness and the level of enlightenment. The article discusses several models of ethics within the perspectives of these two dimensions, and concludes that a good model of ethics considers and balances these viewpoints. Specifically, this article suggests that many ethical theories favor one dimension over the other, and that a holistic version is required when deciding and taking ethical actions.

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Ethical Leadership: The Foundation of Success

Value-based leadership is the only course open to leaders that want to be effective change agents (O'Toole, 1996). It can be argued that the primary focus of leadership is managing change as change is the only constant in the contemporary business, and O'Toole (1996) has cogently argued that moral behavior is necessary to lead that change. However, many perspectives and models exist for determining what is or is not moral and ethical. These models exist on several different dimensions. Some divide ethics between the study of goodness and the study of right action. Audi (1999) states, "the general study of goodness and the general study of right action constitute the main business of ethics" (p. 285). Others suggest ethics is modeled based on different theories. The most prominent theories of ethics are 1) divine command theory, 2) social contract theory, 3) utilitarianism, 4) deontological theory, 5) social biological theory, and 6) virtue theory (Morris, 1999). Others take a macro look at ethics by determining how to balance ethical principles and stakeholder interests. Macro-ethics (balancing priorities) is developing the cohesive vision that incorporates several ethical principles and balances stakeholder expectations (Saxton, Toney, & Fleming, 2000). Contrastingly, micro-ethics is the specific actions and reasoning that is effected by the organization's members. Micro-ethics focuses on individual and group decisions (Saxton et al., 2000). Each of these approaches are further demarcated in order to discuss their main points. Nevertheless, their basic building blocks are two dimensional. Each of these ethical perspectives can be discussed on collective versus individual and teleological versus deontological dimensions. That is, ethics can be viewed from an individual or community, and from a goal or innate focuses simultaneously. By understanding this model, a business leader will be better prepared to make complex, ethically based decisions by balancing the different perspectives of ethics in a systems perspective.

Discussion

A model of the metaphysics of ethics is shown in figure 1. Metaphysics is the philosophical investigation of the nature, constitution, and structure of reality (Audi, 1999). As used in this paper, it is the nature, constitution, and structure of ethics. It is its Being. The metaphysics of ethics model suggests that ethics can be examined based on the level of innateness and on the level of enlightenment. The model also suggests that any single perspective is lacking by itself, and a complete ethical position a leader takes must be decided based on a rational balance of both dimensions simultaneously.

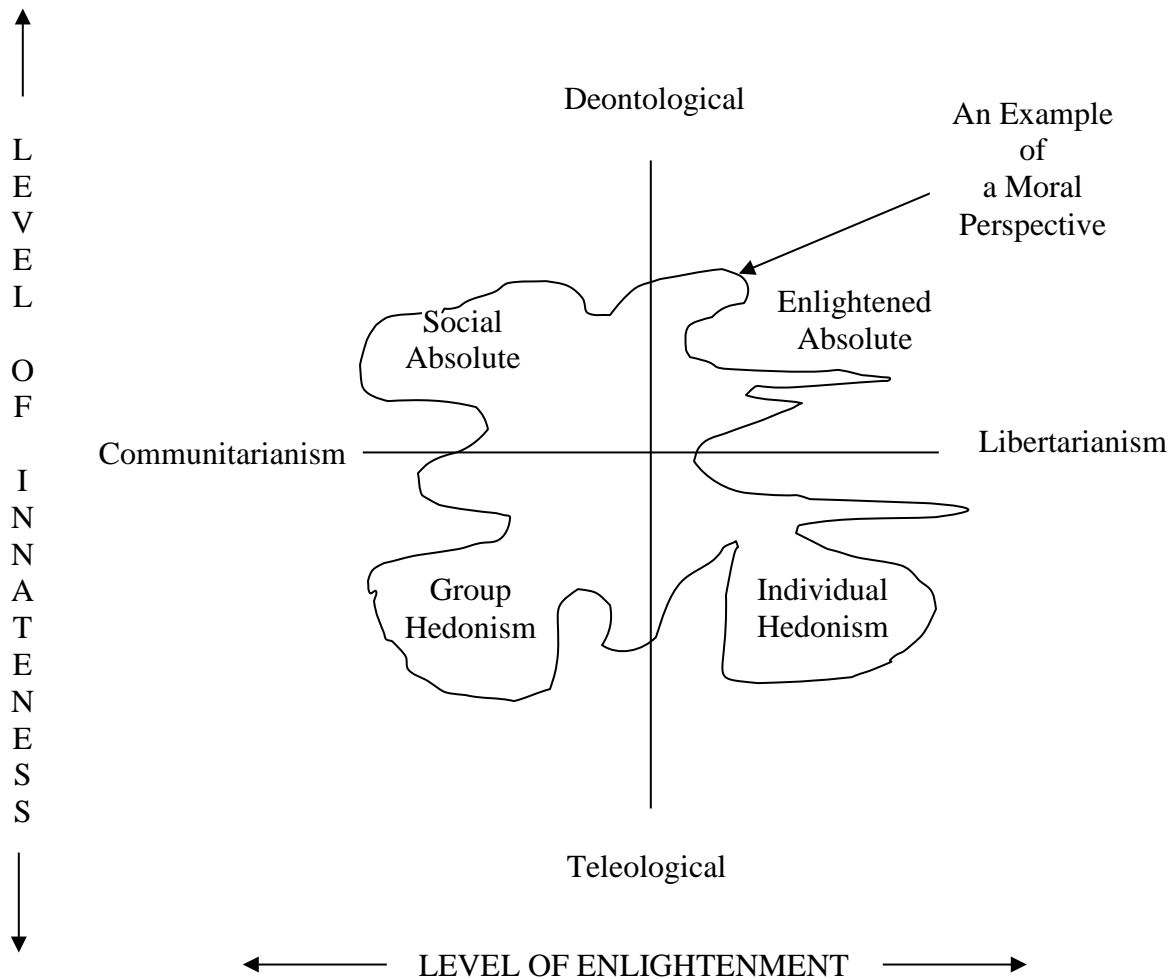


Figure 1. The Metaphysics of Ethics

When viewing the metaphysics of ethics model, the vertical dimension represents the level of innateness. It contrasts absolute ethics against goal driven ethics. Goal driven ethical behavior is determined by the level of good or evil that an action generates. This teleological approach suggests the end justifies the means. Audi (1999) states that teleological views determine the principles of right and wrong based on the ends that need pursuing. Stated differently, right or wrong behavior is determined based on goals. The measure of goodness in the end justifies activities along the way.

The absolute perspective suggests that right and wrong behavior is independent of the goodness that is created. That is, the deontological approach suggests the ends cannot justify the means. Audi (1999) suggests that deontological views of right or wrong prescribe actions regardless of the good or evil that would result from doing them. That is, right or wrong behavior is innate in the behavior. The measure of goodness in the end does not justify the activities along the way.

The horizontal dimension of the metaphysics of ethics model presents the perspective of enlightenment. It contrasts individual rights against collective rights. The individual perspective puts personal benefits at the forefront. The libertarian perspective promotes individual freedom to choose, which is based on the enlightenment of “man.” Enlightenment is characterized by the belief that human beings are free if they are allowed to carry out actions based on their rationality, and this liberation requires weakening, if not overthrowing, traditional religious or political authority (Audi, 1999). This perspective raises individual authority and rights above those of societies’.

Contrastingly, the collective perspective puts the group’s benefit first. The communitarian viewpoint suggests that collective rights trump individual ones. The communitarian viewpoint

suggests that individuals do not exist, and that only members of this or that community are real (Etzioni, 1999).

The metaphysics of ethics models can be used to explain differing ethical models. That is, the ethical models of ethical egoism, utilitarianism, formalism, and contractarianism can be examined using the metaphysics of ethics model.

Ethical egoism

Ethical egoism resides in the individual hedonism quadrant because it suggests that the individual and goal oriented perspectives determine right and wrong activity. Right and wrong actions are determined by what brings the most goodness to the individual. The ethical egoism approach determines right action by what benefits the recipient person the most (Donaldson & Werhane, 1999). This ethical theory suggests that an employer or manager must take care of himself or herself. For example, if a manager was given the choice of terminating the employment of a certain employee or being terminated himself or herself, the ethical egoism approach would say, the manager must do what is best for him or her. This most likely would mean letting the employee go. However, this would also suggest that the manager should ensure he or she protects her job to a level that he or she cannot be fired. This approach to ethics would promote power struggles, the creation of rice-bowls, and information hoarding. Thus, this ethical approach must be balanced with the utilitarian approach to ethics.

Utilitarianism

The utilitarian approach resides in the group hedonism quadrant because it promotes the group goal perspective. The utilitarian perspective states “that an action is right if and only if it produces at least as much good (utility) for all people affected by the action as any alternative action the person could do instead” (Audi, 1999, p. 942). This ethical theory suggests that an

employer or manager must do what is right for the organization above all. This approach to ethics suggests that if an employee is causing organizational problems that the manager is obligated to terminate the employee's employment, even if that action would have a devastating effect on the individual's life. This viewpoint of ethics states that the manager would be obligated to do what is best for the organization, even if it has serious detrimental impacts on certain individuals.

The two ethical concepts presented in the previous paragraphs have a common perspective: teleological. However, this goal orientation, regardless of whether viewed individually or collectively, must be balanced with a deontological perspective. That is, some activities are innately right or wrong. That is, some rules of ethics are absolute, and cannot be broken. This is the deontological perspective, and is presented in the theories of formalism and contractarianism.

Formalism

Formalism inhabits the enlightened absolute quadrant because it suggests that the enlightened "man" determines universal laws of ethics. "Formalism is best exemplified by Kant's ethics" (Audi, 1999, p. 286), and Kant reasons that certain acts are done for the sake of what is right, and not for the consequences that they produce (Donaldson & Werhane, 1999). This ethical theory suggests that through individual reasoning that ethical absolutes can be determined. This ethical principle suggests that through reflection universal ethical laws can be determined, and it is duty to these laws that effects ethical behavior. In an organizational setting, this law could be effected by believing that it is wrong to lie to someone about his or her employment. If a manager had decided to terminate an employee's employment, and this employee asked the manager if this was the case; under this ethical theory, the manager would be obligated to tell the employee the truth even if the manager knew the employee would react

badly and harm other employees. That is, the act of lying is wrong, and truth telling must be effected regardless of the consequences.

Contractarianism

Contractarianism is similar to formalism, but with a different twist. Formalism has an enlightened focus, while contractarianism focuses on collective authority. Contractarianism exists in the social absolute quadrant because it promotes socially developed universal laws that do not change. Contractarians are concerned with rules remaining stable (Donaldson & Werhane, 1999). Contractarianism states that “moral principles represent the ideal terms of social cooperation for people who live together in fellowship and regard each other as equals” (Audi, 1999, p. 286). An organization effecting this ethical theory would allow everyone in the organization to participate in creating the organizational rules. This theory assumes everyone would act rationally and would do what is best for the perfect social arrangement. Once these rules were established, there would be no need for hierarchical structure because everyone would behave by the rules that were established. They would act ethically because they are rational and interested in a peaceful organization.

Conclusion

All ethical theories have their pluses and minuses, and when viewed individually, they do not adequately portray a complete ethical approach. However, when viewed holistically, they present a powerful tool for determining ethical behavior. By adopting a system perspective and by applying ethical decision making in the same vein as any other leadership decisions, a holistic viewpoint can be developed and appropriate decisions can be made based upon several perspectives. The metaphysics of ethics model suggests that self-interest and group-interest, and goal-oriented and law-oriented perspectives must be balanced against each other. Specifically,

the metaphysics of ethics model suggests that these dimensions are all one in the same, and that they co-exist with many other perspectives. That is, it is only possible to effect ethical behavior if all ethical viewpoints are considered in determining right and wrong activity. It is this balance that must be approached critically, and by balancing this behavior, a value-based leadership approach can be effected that enables real and lasting change.

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