

Chapter 12

A Conceptual Framework for Ethical Decision Making in Organizations: A Review of Ethical Triangle Model

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ABSTRACT

This chapter addresses the lack of a framework that allows the generation of mechanisms and processes that benefit ethical decision making in organizations in order to promote civic virtue in its members. The authors explore how constructing spaces promote an honest and open dialogue among citizens, associations, business, and various levels of government. These spaces encourage the development of mechanisms and processes for social and personal benefit among its participants. The conceptual framework discussed is created by De la Cruz and Sasia (2013), named the Ethical Triangle Model. This model proposes at least three dimensions in an organization: legitimacy, motivation, and capacity. The proposed conceptual framework is dynamic and it is applicable to any organization. Future research must be made for testing the framework proposed here.

INTRODUCTION

The ability of organizations to influence society is undeniable; their work is significant in the construction of the environment. Individuals who are part of organizations are adapting their personality and behaviour around the identity of the organization. This collective identity has an

undercurrent of shared values that shape the formation of virtues in the individuals. (Camps, 2003).

Liedtka used the concept of “value congruence” defined as the correspondence between an individual’s value and the values of an organization. In her research she stands the point “clearly, the organizational value system plays a critical role in setting the stage upon which the ethical

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dilemmas that their managers face are played out” (Liedtka, 1989) The concept of “value congruence” was also studied by Adkins et al. (1996) and by Poster and Schmidt (1993) whose studies demonstrate an association between value congruence and ethical decision making.

In latter studies, a distinction was made between value and ethical congruence. Ethical congruence was defined as the agreement on appropriate actions, and value congruence as the agreement on fundamental values (Kuenzi and Schminke, 2009; Sauer and Chao, 2005; Sullivan, 2004; Wyld and Jones, 1997). The focus on how things are done involves the studied in organizational culture, climate, and individual moral development. According to Adela Cortina, individual ethics today seems insufficient to solve the problems of our coexistence: applying ethics to the various fields is derived from a social need (Cortina, 1996).

In the late twentieth century applied ethics deepened the analysis of specific and controversial moral issues in fields like bioethics, economic ethics, business ethics, and professional ethics. The principles most commonly appealed to in applied ethical discussions are: personal or social benefit, benevolence and paternalism, harm, honesty, lawfulness, autonomy, justice, rights. (Beauchamp, 2007) (Wong & Beckman, 1992)

An issue to study in this chapter regards on how to acquire the ability to care for the common good and to increasingly promote spaces where ethics becomes a guiding principle in organizations. Here is the value of the model proposed here. The ethical decision making in the organization must be anchored by an ethical framework which promotes value and ethical congruence. The framework created by De la Cruz and Sasia (2013), propose three dimensions in an organization named Ethical Triangle Model, and a Multistage Ethical Deployment Process which allows the value and ethical congruence oriented for a social construction in an organization.

The chapter consist of six sections, including this introduction. The background section pro-

vides the theoretical overview of the studies in ethical decision making and two perspectives in organizations: Social Responsibility and Ethical Responsibility. The next sections presents the basis of the Ethical Triangle Model and the three dimensions an organization must recognize in the construction of the framework: *legitimacy, motivation and capacity*. Following sections presents the Multistage Ethical Deployment Process. The next sections discuss recommendations in dealing with the Models proposed and its relevance in value and ethical congruence, and the final sections concludes with directions for future research. The chapter provides a model for understanding the significance of previous ethical models and allows direction for future studies to test the framework proposed in different organizations.

BACKGROUND

Numerous authors have cited many reasons to practice ethics in organizations. The importance of ethics within organizations and the results due to a lack of ethics in decision-making are seen in the following examples:

- Political scandals, such as Watergate; discretionary decisions of managers that affect the lives and welfare of others in the areas of health, safety, and wellbeing (Trevino, 1986);
- Abuse of privileged information on Wall Street; defence contractor scandals that involve the participation of both the public and private sector; surcharges on the repair of rental cars; resignation of officials in the public federal administration (Jones, 1991);
- Modifications to international trade agreements; different nations understanding of morality and how these different viewpoints should be addressed by transnational corporations (Robertson, 1999);

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