Making Ethical Decisions in Professional Life

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The global world of today dominated by fast technological change, scientific innovations, communication, and openness implies new unanticipated ethical challenges. Not knowing the morally right way to act may have a serious impact on all kinds of activities, including professional life. Given the high pace of changes inside and outside organizations, it is impossible to foresee ethical problems and conflicts, and it is therefore very difficult to construct ethical guidelines with any practical value. Under such conditions, individual decision makers as well as groups and organizations must acquire high ethical competence and confidence in handling all possible ethical problems that may arise in everyday, real-life professional activities. What is needed is a psychological approach to ethical competence implying high ethical awareness, adaptive problem-solving and decision-making abilities at personal and organizational levels, effective ethical argumentation skills, and high ethical confidence. In this chapter I discuss development of assessment methods as well as construction and implementation of training methods for ethical decision making and problem solving. Application in real-life professional activities has shown that individuals, groups, and organizations can be trained to cope with difficult ethical problems.

Moral knowledge is necessary for the functioning of society. Humans need to be able to anticipate the actions of other people as much as other people need to know what we are going to do in a certain situation. Ethical rules convey moral knowledge and guide persons, groups, and organizations in their relationships to other people. This is true under stable condi-
tions in society, but ethical rules and guidelines are even more important in the fast changing world of today.

THE DIFFICULTY OF HANDLING MORAL PROBLEMS IN REAL LIFE

The changing, open, and global world gives rise to ethical issues the resolution of which are of vital importance for the functioning of society. Information technology, which is the motor and channel of the new, fast-moving world, develops and changes more rapidly itself; scientific advancement in the areas of medicine and biology forces people into making decisions that they are not prepared to make but cannot impossibly avoid. People are confronted steadily with an increasing number of unanticipated ethical challenges without having the same chance as before, under stable and recurrent conditions, to use already existing moral knowledge or consult insightful moral authorities. The changing conditions make it hard to foresee actual or future moral problems and conflicts, a condition that results in making it increasingly difficult to construct ethical guidelines that can be used in real life. In this changing context, only skills can offer escape because they are not connected to specific problems as ready answers are but are general methods applicable to all problems of the same kind. That means that professionals, as well as their organizations, have to acquire practical ethical skills. They need ethical competence and confidence in handling all possible moral problems that may arise in everyday, real-life, professional activities. Professionals need high ethical awareness, adaptive ethical problem-solving and decision-making abilities at personal and organizational levels, effective ethical argumentation capacity, and high confidence in their ability to cope with moral problems.

Just as people living and working together need moral rules, so do organizations. These rules tell professionals how to be with each other and how to cooperate and to coordinate activities. Moral rules help people to predict the behavior of others, guide their actions, and tell them what to expect from their own and other groups, organizations, and social institutions. This knowledge is absolutely necessary. Society cannot function without moral rules. It would be impossible for organizations to operate and for persons to live and work together with other people if they do not know what is expected of them and how relevant others will act under certain conditions.

The interesting issue today is what people do when they do not have access to such knowledge, that is, moral rules that can guide them right in the fast changing society of today. When people do not have this moral knowledge conveyed by adaptive moral rules, do they at least know how to acquire that knowledge? The answer is no, and the reasons for that are many.

People live in an open and fast-changing environment. Modern society is global, more unpredictable, and more complex than ever. That gives people more pressure to try to find out what the right answers and actions are. Moral authorities, ethical codes, and guidelines are not as functional as they used to be. What people are usually missing in front of a moral problem are pieces of good working advice; they need concrete hints and directions for satisfying solutions. Another way to describe this is to say that people need to know how to apply their personal or organizational principles to concrete moral problems. General moral principles are impossible to apply directly in real-life problems because people cannot automatically deduct the right course of action from them; that is usually the cause of moral problems. The conclusion is that old ways, habits, and traditions cannot provide the right answers to modern moral problems.

Organizations try to adapt to these new conditions by changing themselves. Hierarchical structures are suitable for stable and predictable conditions, but organizations decentralize to be more flexible. Responsibility of making decisions is pressed downward creating a more flat organizational structure. However, this demolition of organizational pyramids is not followed by the corresponding transfer of power and resources. At the same time, an increasing and intense public and media interest is directed toward everything persons and organizations do or fail to do. The press on decision makers to come up with satisfying answers to moral problems is immense, resulting in increasing uncertainty, insecurity, stress, and anxiety. A solution that attracts many people is to somehow get a ready answer, usually by relying on ethical guidelines or authorities. However, functioning ethical guidelines demand stable conditions, and this is not what the world looks like today. Applicable and satisfying solutions to moral problems are also generally difficult to construct because moral solutions are controversial in themselves. Moral problems are also difficult to process critically because of all the strong emotions involved and because the decision maker more easily focuses on authority and content than on process and method (Kavathatzopoulos, 2003; see also Grissi, 2002; Schwartz, 2000).

What should people do then? What should be the focus of business ethics research and what should be the focus of training programs for decision making in ethics? There is a consensus that decision makers, persons as well as organizations, need some capacity to cope with moral issues. They need to anticipate moral problems, recognize them, and take them seriously when confronted by them. They need to raise their level of ethical awareness and become more alert to moral issues. They need to be unconstrained by moral fixations. They need to know how to explain to others involved, but also to themselves, why their decision was the best possible and to do it convincingly. They also need to know how to lead others in their organization in their common effort to take care of actual moral prob-
lems as well as to construct ethical rules and guidelines (see, e.g. Stark, 1993).

Yet the dominating idea and educational practice is that all of the preceding goals can be achieved by the transmission of moral values and principles. Theoretical knowledge is at focus in business ethics education programs (see, e.g. Tullberg, 2003). Students learn theories of moral philosophy and train in philosophical argumentation. This educational method does not bring the success in professional life one would expect. Students may be successful in their academic business ethics courses but subsequently have great difficulty showing the same level of excellency in real professional life (Sims, 2002; Weber, 1990).

Nevertheless, it would be very difficult to be successful in achieving the goal of transmission of moral principles. People in responsible positions, leaders, and professionals are not easy to convince when they believe something is right. They usually have strong ideas about the matter. Accepting someone else’s authority would mean a corresponding loss of their own, and that is hard for a professional to accept. Thus, what commonly happens in training programs is that the moral values offered are at such a general level that everybody can agree with them.

Handling moral problems in real life is not easy. Educators may very well be successful in transmitting moral values to participants in an education program, but this is not really any gain. These kinds of moral values are general in character and therefore not possible to apply automatically and directly in a concrete, real-life situation. Besides the fact that all people already possess general moral values, probably the same values as those educators try to transmit through education, the real problem is how to apply them in reality. It seems that knowing what is right and wrong at a general level is not that useful in solving concrete moral dilemmas. The difficulty is inherited in the nature of moral problems: Moral problems are about the conflict of valid moral values. Solutions to real-life dilemmas are both right and wrong. It appears then that what really matters is to know how to handle such conflicts, to acquire ethical competence.

If the goal of education is to acquire competence, training should focus on the components of this competence. Ethical awareness is one of those skills. It must be easy for decision makers to see when and where a moral problem may arise to prepare for dealing with it. If they do not anticipate an upcoming problem, they can do nothing, and it can grow in an uncontrolled way causing greater damage. Education can train decision makers’ ability to see what is important for customers, employees, the public, and so forth. They can also be informed of what issues are important for different stakeholders.

The next step is to acquire the skill to cope satisfactorily with moral problems. Confronted with a moral problem, decision makers need to know how to think, how to analyze the problem, and how to reach a solution. In a corresponding way, making satisfying moral decisions at an organizational level implies the adoption of appropriate routines and processes. The organization must be able to find solutions and to create ethical rules according to its basic values and the values of its stakeholders. It must also have the ability to adjust its ethical activities continuously to existing conditions. Persons and organizations need also to be able to argue, motivate, and defend their moral decisions convincingly. Confidence in one’s own ethical ability, as well as readiness to execute difficult and controversial moral decisions, are very important, too.

Thus, ethical competence contains ethical awareness, personal decision-making and problem-solving skills, appropriate organizational processes, communication abilities, and ethical confidence. In that way the definition of ethical competence is based on the processing and treatment of moral problems rather than on the normative aspects of problems or the moral qualities of end solutions to the problems. However, it is not that easy for people to acquire and use this competence because of the controversy of moral issues and the extra difficulty to adopt independent and unconstrained thought processes in handling moral problems.

Therefore, ethics education of professionals, or future professionals, should focus on the acquisition and use of ethical problem-solving skills. Everybody would agree that the kind of method one uses to handle a problem is important. Consequently, one should learn methods rather than rehearse ready answers. However, this approach is rarely applied in ethics education or in ethical assessment (Holt, Heischmidt, Hammer Hill, Robinson, & Wiles, 1997/1998; Rossouw, 2002; Vitell & Ho, 1997).

In psychological research, there are, however, some efforts to focus on the processes of ethical problem solving. Studies have been conducted on how people reason about moral problems and how they solve such problems, what methods are adopted in moral problem solving, and what effect these methods have on achieving moral goals (Piaget, 1932; see also Kurtines & Gewirtz, 1995). It is known from this research that people’s moral thinking is often constrained by certain moral principles or authorities, by uncontrolled decisions, by automatic reactions, and by responsibility avoidance. What is needed is an ability to focus on the concrete moral problem, an ability to perceive the relevant and significant aspects of the problem, and an ability to start the process of unconstrained analysis. This is the skill of ethical autonomy, which is supposed to be the basis of ethical competence.

Based on that assumption psychologists and educators could construct assessment methods to describe professionals’ different ways of handling moral problems as well as to develop educational programs for learning to use what is supposed to be a better way to attack a moral problem. Some
caution is however needed here to avoid the risk of confounding normative or moral content aspects in the psychological, ethical, decision-making and problem-solving process (such as the early work of Kohlberg, 1961, 1984; see also Brown, Debold, Tappan, & Gilligan, 1991; Gilligan, 1982; Jaffee & Hyde, 2000; Miller, 1994; Walker, 1995). Training and assessment of ethical decision making has to be based on the psychological hypothesis of autonomy that is supposed to constitute the critical factor for ethical competence (Kohlberg, 1985; Piaget, 1932).

ASSESSING ETHICAL COMPETENCE IN PROFESSIONAL LIFE

According to the preceding hypothesis, it is possible to describe ethical competence by assessing the psychological construct of autonomy, that is, the different ways people handle moral problems. This has been previously done through interviews (Kavathatzopoulos, 1985; Piaget, 1932), but later research has shown that this can be done by using paper-and-pen questionnaires. These questionnaires contain six to nine moral dilemmas, and they have been formulated so as to be very similar to real and ordinary moral problems in different professional activities (Kavathatzopoulos, 1994b; Kavathatzopoulos, 2000; Kavathatzopoulos & Rigas, 1998).

The task of participants answering the questionnaire is to place themselves in the position of the main agent in each story, accept the dilemmas as their own, and attempt to solve the problems. The items are short stories about some professional dilemma followed by four alternatives representing different aspects to be considered before any decision is made. These alternatives express different ways of thinking according to the hypothesis of autonomy. Two of the alternatives represent a constrained, automatic, and authoritarian way of thinking. The other two alternatives represent thinking that is focused on the concrete conditions of the problem, considering pertinent values involved in the situation. Here is a sample:

You are the president of a major bank, and you have discovered that one of the oldest and most trusted employees in the organization systematically uses a computer-routine to transfer client capital to accounts of his own. He is a high-ranking executive and is seen as one of the bank’s well-known profiles with the public. Will you press charges or discretely settle the matter with him?

Which of the following alternatives are, in your opinion, the most and second most important to consider before making your decision? (Mark with 1 and 2 respectively)

(a) He has betrayed, deceived and hurt a lot of people

(b) Damages claimed will be high

(c) It is important to protect the bank’s good reputation

(d) The temptation is great; anyone could have done the same thing

Four alternatives are given (two heteronomous, a and d, and two autonomous, b and c) to make the choice independent of the preferred solution of the dilemma, for example, to press the charges or not. One of the heteronomous (d) and one of the autonomous (b) imply a preference for not pressing the charges, whereas the other two (a and c) are close to the opposite solution. By neutralizing the normative content of the solution, the focus is concentrated clearly on the psychological process of making a decision.

Different versions of the questionnaire, adapted to different professional activities (business and working life [Ethical Autonomy Questionnaire—Working Life and Business], and politics [Ethical Competence Questionnaire—Political]), have already been tested on more than 1,000 persons working at different organizations and at different organization levels (Kavathatzopoulos, 2000; Kavathatzopoulos & Rigas, 1998). The results have shown satisfying reliability coefficients: Cronbach’s alpha coefficient varied between 0.59 and 0.74, which indicates that the scale has sufficient homogeneity; the stability coefficient varied from 0.74 to 0.78. Confirmatory factor analyses have also shown that the items in all versions of the questionnaire assess ethical autonomy.

The results also showed that in all scales there was a positive correlation between hierarchy level and autonomy score, indicating the validity of the instrument. Decision makers at higher levels of organizations scored higher than persons at lower levels (see Table 19.1). The effect size of the difference between the scores of higher level and lower level decision makers was medium to high (Cohen’s d varied from 0.54 to 1.16). Furthermore, it has been shown that professionals scored higher on autonomy compared to people with no experience in the same professional activities.

| TABLE 19.1 |

| Scoring on Ethical Autonomy: Professional Decision Makers at Higher Organizational Levels Score Higher; Professionals Score Higher than Nonprofessionals |

<table>
<thead>
<tr>
<th>Profession</th>
<th>n</th>
<th>High Level</th>
<th>Medium Level</th>
<th>Low Level</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>1,234</td>
<td>5.3</td>
<td>4.6</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Politics</td>
<td>291</td>
<td>5.3</td>
<td>n/a</td>
<td>4.4</td>
<td>n/a</td>
</tr>
</tbody>
</table>

There are, however, certain limitations connected to the medium level of homogeneity, but given the relatively low number of items in each version of the scale, as well as the high variation of the item content, homogeneity is acceptable. Other limitations are common to all paper-and-pen questionnaires such as the rigidity of fixed alternatives in each item and their weakness in expressing and capturing the differences of ethical thinking when compared to the flexibility of the interview method. The questionnaires (Ethical Autonomy Questionnaire—Working Life and Business, and Ethical Competence Questionnaire—Political) in their present form have sufficient reliability, but the addition of new items would increase the reliability of the instrument, facilitating its use in applied settings. It is, however, possible to use it for evaluations of training programs or mapping of ethical skill needs, as well as for other similar purposes. The strength of this instrument is that it tries to avoid mixing in or linking normative content or moral principles to the psychological process of ethical decision making. It represents a promising alternative, avoiding many of the problems that can be found in other ethical or moral tests, and therefore, it is more easily applicable and acceptable in many different professional organizations.

**TRAINING FOR ETHICAL DECISION MAKING AND PROBLEM SOLVING**

Professional decision makers need the ability to handle moral issues satisfactorily, and this means that they need a high level of ethical competence. Ethical competence consists of a number of skills at personal and organizational levels such as high ethical awareness, personal ability to handle and solve moral problems, appropriate organizational processes and routines, argumentation and communication skills, and ethical confidence. Ethical competence is obviously something that professionals can acquire without any external help in the form of training and education, as the scoring results on autonomy scales have already shown. However, education could still contribute to the acquisition of ethical competence, at least as a complement to real-life experience or as a means to accelerate the development of ethical competence. In that case, the goal of education in ethical decision making should be the previously mentioned skills, and the focus should be on the psychological function of ethical autonomy.

Indeed, an education program (Kavathatzopoulos, 1994a, 1994b, 2000; Liti, 1998) based on the preceding principles has been developed and tested on decision makers coming from different organizations and professional activities. Evaluations by the different versions of autonomy assessment instruments have produced very positive results. After training, participants showed higher scores on autonomy shortly after the course, as well as up to 2½ years later (Table 19.2). It has therefore been clearly shown that participation in those training programs stimulated autonomy in ethical decision making.

Ethical competence and its component skills were assessed by using self-report questionnaires and interviews (Kavathatzopoulos, 1994a, 1994b, 2000; Liti, 1998). The results showed clearly that the participants used their new skills in their real professional life and that they were very satisfied. After training, they had higher ethical awareness, it was easier to handle ethical problems at a personal level, ethical argumentation and communication was more effective, and their ethical confidence was higher. However, organizational handling of moral issues was not similarly satisfying. One explanation may be the orientation of these education programs, which was focused on the training of personal and small-group skills. Organizational structure and processes are undoubtedly a decisive factor in the use of ethical competence. Without proper adaptation of organizational structures as well as training of all people in an organization, it would be difficult to extend the positive effects of ethical autonomy education to the whole organization.

These education programs are 2-day or 3-day classical workshops with at least a 1-day follow-up approximately a month later (Kavathatzopoulos, 1994a, 1994b, 2000). They focus primarily on the difference between heteronomous and autonomous thinking that participants have to learn by practicing on a number of moral problems. Participants work through six blocks of exercises covering all aspects of ethical competence as well as its application in real life.

After a short introduction during which autonomous thinking is demonstrated, participants are placed in small groups to work together on moral problems. They are encouraged to identify real problems from their own professional life: problems they feel are important or problems they are
concerned about. Practicing autonomy on one’s own real-life moral problems is a presupposition for learning. As I have already discussed previously, practicing on hypothetical problems at university courses does not lead to ethical competence in professional life (Sims, 2002; Weber, 1990). Furthermore, learning is facilitated if instructions are adapted to the zone of proximal development (Vygotsky, 1962, 1978) or the extension of cognitive schemata (Piaget, 1962), and this happens when instructions are about real problems. Practicing on one’s own real moral problems gives participants the chance to experience directly the value of autonomy in decision making and problem solving. Experiencing the value of instructions is the necessary precondition for learning and using what is learned in real life.

Autonomy training is based entirely on participants’ personal and organizational moral values. Autonomous ethical thinking implies the consideration of significant values involved in a concrete moral problem rather than speculation of general or unrelated moral principles. During training, participants learn how to use autonomy to identify pertinent values and weigh them against possible actions. Autonomy is a tool for the satisfaction of the most important values participants or their organizations possess. This is the focus of autonomy education and the criterion of the usefulness of autonomy skill. In a corresponding way, the use of autonomy to create ethical guidelines for an organization or profession is focused on expressing fundamental organizational and personal values in everyday situations rather than importing irrelevant principles or simply making a list of abstract moral values.

The aim of autonomy training is to provide participants with a cognitive tool to use in ethical problem solving and decision making of real problems and not with a method to handle moral philosophical issues, to participate in general moral discussions, or to contemplate privately hypothetical moral problems. What is important is the way people reason in front of concrete moral problems; therefore, education is concentrated exclusively on psychological processes. Training is expected to result in an improved ability to cope with personal and organizational moral problems as well as to obtain satisfying solutions. At an organizational level, the use of autonomy implies the construction of usable ethical guidelines and the implementation of needed and necessary processes for handling moral issues.

Participants in those workshops (Kavathatzopoulos, 1994a, 1994b, 2000) are trained to use the autonomy method, which implies the opening up of independent and unconstrained decision making about real moral problems. The autonomy method in solving professional ethics problems means that decision makers focus their attention on the concrete problem rather than being constrained by certain moral values or moral authorities. They identify significant values, interests, feelings, and principles pertinent solely to the moral problem at stake. They investigate the relations of influence and dependency among alternative solutions and stakeholder values. Based on this sovereign, down-to-earth analysis, they make their decision.

CONCLUSION

The psychological approach to ethical decision making avoids many of the problems inherited in other efforts to assess and train ethical competence, efforts that are not independent of fixations to particular normative aspects and certain moral principles. Focus on autonomy as a pure psychological process allows the reliable description of ethical competence as well as the construction of education methods that promote the acquisition of ethical problem-solving and decision-making skills applicable in real professional life.

REFERENCES


