

Workplace Ethics

Since the discovery of several bookkeeping scandals a couple of years ago, the need was found for better ethical practices in companies. This not only resulted in legislation being passed to enforce practical standards (e.g. the Sarbanes-Oxley Act), but also the creation of more awareness among the employees of these companies about ethical issues. Companies created Codes of Conduct (COCs), founded Ethics Boards and employees went through extensive training sessions in order to increase their awareness of ethics.

However, looking at the contents of such trainings, COCs and procedures surrounding Ethics Boards, the impression is invariably that the word “Ethics” is interpreted in a very limited way, focussed on compliance with rules that are either externally imposed (e.g. Laws) or adopted by the companies themselves (e.g. COCs). In reality, ethics is something much broader and deeper than that and the implications of the full definition of ethics in the workplace is worth looking at if a company wants to be ready for real ethical governance.

The aim of this document is therefore to present a more comprehensive model of ethics and apply that model to practical workplace situations. This requires at first to deal with some theory to introduce that particular model, but this will be followed shortly by more practical examples of how the model can be applied in the workplace.

For starters, a model will be introduced that is helpful in order to look at a phenomenon from all perspectives that are needed: this model will be referred to as the Integral Model. After this, the model will be used to determine what the various aspects of ethics

are that we need to take into account. Then, these aspects are used to fully define workplace ethics and the practical application thereof.

The Integral Model

The Integral Model that will be introduced in this chapter is based on the model that was developed by Ken Wilber, an American thinker who has read written a lot in areas such as psychology, spirituality and philosophy. The model basically divides the world in four parts that he calls quadrants. Furthermore, he combines this division with a hierarchical development in each of the quadrants.

The four quadrants

The four quadrants are the basis of the model of Ken Wilber's. The quadrants make a division in the way in which all things, living beings and events in the world can be seen by us. What is exactly seen and in which way that happens can be anything and anyway: the model includes man himself, politics, medical science, economics, culture, etc. Each of the quadrants forms a specific perspective on things, so a way in which one can look at something.

Let us make this more concrete and more visual. As you can see in the figure below, Wilber's model makes a division in two ways. The first division (the one shown on the right hand side, between an upper part and a lower part) is between the individual, that is, a single person, and the collective, that is, the greater group that this person is part of. A collective can be society, the culture, the family, etc. The second division (the one shown on the left, between a left hand side and a right hand side) is that between an internal view on things and an external view on things. The internal view is the experience of a person or a group itself, their outlook on things. The

external view is that of an observer of that person or that group, how they are looked at from the outside.

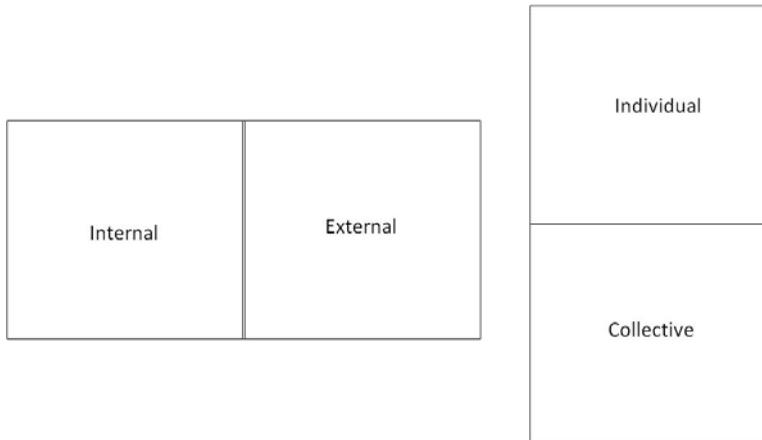


Figure 1. Two divisions of the world: Internal versus External and Individual versus Collective.

So with this, we have a division between the individual and the collective and a division between the internal perspective and the external perspective. If we now put these two divisions together and on top of each other, we get the four quadrants:

- The internal experience of the individual (internal-individual, upper left),
- The external vision on the individual (external-individual, upper right),
- The internal experience of the collective (internal-collective, lower left) and
- The external vision on the collective (external-collective, lower right).

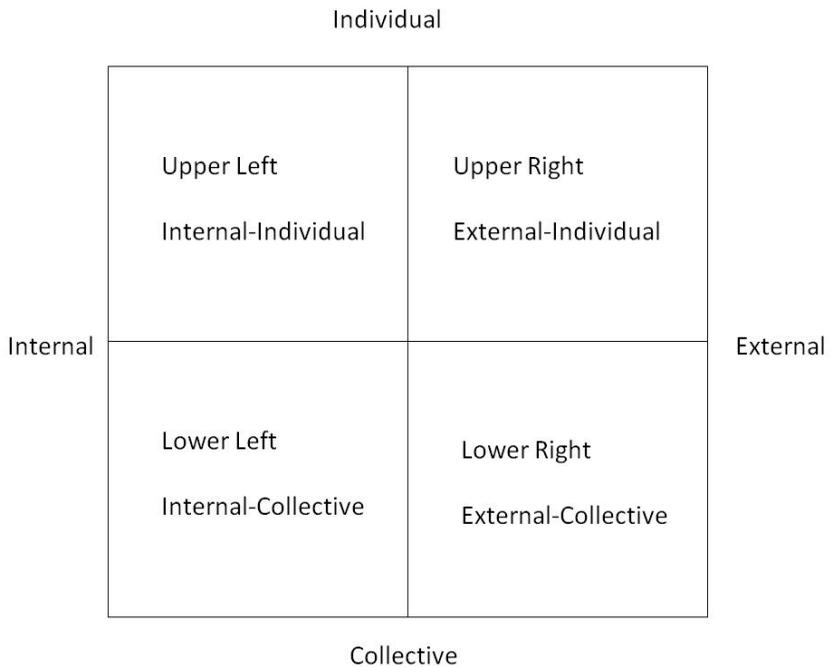


Figure 2. The four quadrants (after Ken Wilber)

This is probably still pretty abstract, so it is time to clarify it with something more concrete. If we apply these theoretical divisions on a human being, then we can give the following contents to each of the quadrants.

The Upper Left (UL) quadrant deals with the internal-individual aspects of man, that is, the personal experience of someone about his life and what happens in it. The psychology of this person is in this quadrant as well as his personal development in the mental, emotional, psychological and spiritual areas. How does he experience the world around him himself?

The Upper Right (UR) quadrant deal with the external-individual aspects of man: the development of the body, including the brains. Also the classical medical science is part of this quadrant. It deals with how man is seen from the outside.

The Lower Left (LL) quadrant is the internal-collective or the experience of a group of people: a family, a tribe, a society. Similarly to how an individual has an emotional, cognitive and spiritual experience of life, a group has a similar experience. How do British people see the world? How do Buddhists see the world? How does your family see the world? These are things that are to do with culture, religion and other aspects.

Finally, we have the Lower Right (LR) quadrant. This is the external-collective side of things, in which a group of people is looked at from the outside. So it mainly deals with the structure of that group and how the people in that group deal with each other. Sociology, politics and systems theory exist within this quadrant.

The quadrants are not totally independent not isolated from each other, but all of them are connected to each other: there are no walls between the quadrants, but there are connections and interactions between elements from the quadrants that each deal with a part of man. For example: a certain level of psychological development (that exists in the upper left quadrant) has a relationship with a certain development of the human body, more specifically of the brains (that exist in the upper right quadrant). Psychological development also leads to a certain way of thinking within the greater community or culture that someone is part of (in the lower left quadrant). That way of thinking in that community has in its turn an influence on how that social structure of that community is formed (in the lower right quadrant). It is useful to be able to see these relationships between the quadrants, i.e. to be

able to think integrally and get a full view of a situation, a problem, a phenomenon or a human being.

All-Quadrants All-Levels (AQAL)

By combining the Integral Model and its four quadrants with a general model of development in all those quadrants, we can get a full Integral Model. This model can be depicted as in the following figure: development is shown as a number of concentric circles that transcend and include each other. On top of that, the four quadrants are shown, resulting in a full Integral Model of interrelated development in four perspectives on the world.

This integration of the four quadrants and the development model is also referred to as “All Quadrants, All Levels” or AQAL. The AQAL model give a description of a phenomenon from the perspectives of an individual person and the community that he is part of, both from an internal and from an external perspective. It is this AQAL model that I will be using to explain the way of working of Integral Therapy.

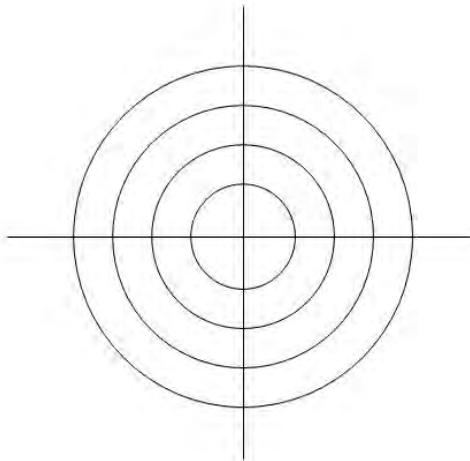


Figure 3. The complete Integral Model: the four quadrants and a model of development.

The idea behind the Integral Model with the four quadrants is the fact, that a phenomenon and, specifically in the context of this book, a human being, can only be fully described if aspects from all four quadrants are taken into account. The internal experience, the external state, the culture that someone is part of or comes from and the social structure of the society he lives in. All these perspectives have their influence on people.

Let's now have a look at what this model means when we are talking about ethics.

Application of the Integral Model to Ethics

Levels of Ethics

Personal development means that we grow in certain aspects of who we are, such as mentally, physically, emotionally, but also in terms of our own ethics or morality. Growth typically means that more and more of the world around us gets included in our view on things. Ethically, the question is, who do we include in our consideration of an issue? Whose interests do we look at when making a decision? Is it just our own interest or the interest of our families, our nation? Ethical development can be divided in a number of stages that succeed each other and, in a simplified scheme, look as follows.

| Stage | Scope of Ethical View |
|----------------------------------|------------------------------|
| Multi-world Centric | All beings, pluralistic |
| Post-conventional, World centric | All human beings, All of us |
| Conventional, Ethnocentric | Us, team, family, nation |
| Pre-conventional, Egocentric | Me |

Table 1. Stages of ethics.

These stages or levels are in integral theory said to “transcend and include”, where higher levels transcend, but also include all lower levels. This means that higher levels encompass more of the world around us and include the views of the preceding levels. So the lower levels do not disappear when we grow, but will always be present as the foundation on which the higher levels rest. These stages are depicted as concentric circles in Figure 3, indicating the “transcend and include” nature of them: lower stages are closer to the centre of the figure; higher stages are the larger, encompassing circles.

As you can see in Table 1, the basic stage is an egocentric one, where the only interest of a person is him- or herself. The next level

is the ethnocentric one, where the smaller or larger group that one is part of is included in the scope of interest. This can be as small as a partner, or be extended to the team, the family or the nation. The world-centric level is next, where all human beings are taken into account in ethical decisions. The last one, for the purpose of this paper, is the Multi-world Centric or Pluralistic level, where all living beings, human or not, are included.

Similarly, the stages can be named slightly differently, based on what is considered “conventional.” The Conventional stage of ethics then reflects an attitude that strictly adheres to the rules of the group, to social norms and traditions. There are absolute distinctions between right and wrong. Before this stage, there is the pre-conventional one, which is a stage in which these rules are not deemed important from an egocentric point of view. This stage rejects those rules that are not considered favourable for the individual. On the other hand, the stages beyond the conventional one are called post-conventional and these reject the conventional rules and traditions as well, but from a different point of view: traditions are said to prevent personal development and are being replaced with individual norms and rules that are considered more appropriate for the development of all people. This is different from the pre-conventional stage, as that one is based on egocentric motives that reject any external rules and this one is based on world-centric intentions that promote better-tailored, individual rules.

At this point, please note that for people functioning at different levels of development, their ethical choices may be totally different if they were put in the same situation. For instance, when negotiating a deal with a customer, is the interest of the individual negotiator the only thing taken into account or the interests of his team? Are only the interests of his team important, or also the interests of the other teams that are involved? How about the

interests of the company as a whole? How about the interests of the company *and* the customer together? This shows how greater inclusion of involved people makes decision-making and specifically ethical decision-making more complex.

Ethics in multiple quadrants

Apart from the developmental levels, ethics can also be looked at from the four quadrants or perspectives that were described before. If you take Figure 2 and in each quadrant look at ethics, you get the following results:

| | |
|----------|-----------|
| Morality | Behaviour |
| Ethics | Laws |

These expressions can be explained as follows:

Morality includes our personal intentions, promises and commitments. It is based on our internal experience of what is right and what is wrong. This internal experience is primarily based on our development in other areas, such as cognition, conscience and Self-Reflection. In this quadrant, we make our own determination of what is important to take into account when making ethical decisions. Our personal moral virtues, beliefs and values play a significant role in these decisions.

Behaviour is the external activities that result from our morality. The actions we take based on our morality reflect the practical results of our ethical decisions. Note that not only does morality influence our actions, but our actions also provide feedback for our morality. Once the result of our actions is known, we can morally assess whether our actions were justified or not. This may result in us developing our morality further, based on that feedback. This

quadrant also permits us to have a neutral look at the situation that we are in and observe our actions and those of others objectively.

Ethics is the equivalent of morality applied in a group context. Within organisations, there is a commonly understood set of moral standards that members of the organisation are expected to adhere to. These standards are often not written down, but implicitly applied. For instance, not using office supplies for private purposes is a generally understood rule in many companies that is, however, not always explicitly written down in Codes of Conduct and the likes. Relationships with other people in the company and with customers are in this quadrant, for which it should be verified how these are affected by our decisions and actions. Apart from relationships, also culture, religion, gender, etc. are to be considered here.

Laws are the external rules imposed on organisations. Organisations are expected to adhere to the laws and regulations that apply to them and need to base their conduct and internal processes on them. When looking at Codes of Conduct of several companies, these are usually written somewhere in between this quadrant, i.e. adherence to the law, and the lower left quadrant, i.e. the company's own ethics.

All-Quadrants, All-Levels (AQAL) Ethics

So if we take the view of ethics at all levels and in all quadrants, we arrive at a comprehensive view of ethics that can be called "Integral Ethics" or "AQAL Ethics." So what is it that is central in Integral Ethics?

In the first place, it looks at depth and span: (vertical) **depth** is defined as the level of care and compassion we have for other beings, equivalent to the levels defined before. The greater the depth, the more levels we take into account in our ethical decisions.

(Horizontal) **span** is the responsibility we take in the quadrants: the more quadrants we take into account, the greater the span. Integral Ethics protects and promotes the greatest depth and the greatest span and that is the central point of view that we will be taking in the practical examples that follow. This means that the ethical view that comes from a higher ethical level and includes the greatest community takes precedence over lower ethical levels. At the same time it says that we need to look at ethical dilemmas from all four quadrants: our own internal and external aspects and our company's, society's or even greater group's internal and external aspects.

Apart from this, three values need to be taken into account as well: Ground Value, Intrinsic Value and Relative value. These are defined as follows.

- **Ground value:** every being is equally deserving of ethical regard. This means that whatever the nature of a being, be it a dog, a child or a grown-up human being, the ground value is the same and therefore every being deserves to be valued in the same way.
- **Intrinsic value:** the more developmental depth a being has, the more its intrinsic value is. This makes a differentiation between the dog, the child and the grown-up in terms of this specific value: the dog has a lower intrinsic value than the child and the child has a lower intrinsic value than the grown-up. This may have an implication in specific ethical circumstances.
- **Relative value:** usefulness in specific contexts. This third value looks at the practical use of someone in a certain situation. For example, in an extreme case where a group of people needs to survive in the mountains and for some reason need to reduce their team size, who is most useful

to keep in the group, the seasoned mountaineer or the accountant? It can be said that the accountant has in this case a lower relative value than the seasoned mountaineer.

Putting Integral Ethics into Practice

Now that all the elements of ethics from an integral framework have been described, let's look at how we put this into practice in the workplace. This will be a two-fold discussion: in the first place, the question should be answered how you *do* ethics practically and after that, a number of practical examples will be dealt with that should be recognisable to many readers.

The Practice of Integral Ethics

In practice, Integral Ethics should be asking a set of questions for each dilemma we find ourselves in. These questions should at least be asked in each of the four quadrants and in those quadrants on several ethical levels. In this way we should be able to cover both the full depth and the complete span of ethics.

Making a seemingly easy start with this approach, let's look at the lower right quadrant, in which the laws of society are located. The most basic question when dealing with an ethical situation is obviously if there are any laws that are broken by our decisions. But this question cannot be looked at in isolation. It would be easy to base our ethical decisions on external laws only, but what if our own morality or our group's ethics are in conflict with the applicable laws? You need to realise that laws are a reflection of the society they are defined in and as such laws can exist at various levels of development. If the laws that apply to our society are defined at a lower level than the one we function at (i.e. society has a shallower depth than we do), then we should determine if our moral or ethical standards need to overrule those laws. For instance, some Arab

countries require foreign companies to sign non-Jew declarations for employees that want to work in those countries. If those requirements are part of the local law, looking from the lower right quadrant, we'd need to sign such a declaration. However, when we look at it from the point of view of our personal morality or our company's ethics, we could decide that signing such a declaration is in conflict with those higher standards and can therefore not be done. The consequences would then possibly be loss of our business in those countries, which needs to be balanced against the ethical dilemma.

Going to the lower right, the ethics of the group need to be taken into account. Limiting the group to mean the company, we find subtle interaction between the individual morality in the upper left quadrant and the company's ethics in the lower left quadrant. Company ethics are usually imposed on the employees via Codes of Conduct or similar documents, which in turn are often mainly based on (lower right) laws and regulations and the intention to adhere to them. Often, externally imposed laws and regulations are translated into company standards that provide black-and-white guidelines for employees' behaviour. In that sense, the so-called company ethics actually move from the lower left quadrant to the lower right quadrant. The lower left quadrant is more involved with shared values and beliefs, corporate culture and internal and external communication. These can be found back in some Codes of Conduct and in that case show something of the ethical level at which the company functions. It won't be surprising that this level is often the conventional, ethnocentric level at which the focus is on following the rules and taking care of the interests of the company and directly connected external parties such as customers and suppliers.

Within a company, there may be an apparent conflict between an employee's morality (upper left) and the company's ethics (lower left). It is the conflict between notions of "What is right?" from a

personal perspective and “what is right?” from a company’s perspective. This conflict may seem tough to deal with, but can actually be looked at in a not-so-complex way using levels of ethics. First, it needs to be acknowledged that the ethics of the company may be at a different (lower or higher) level than the morality of the individual employee. Then, from the point of view of Integral Ethics’ strive for the greatest depth and the greatest span, it should be acknowledged that the interests of the company as a whole transcend the interests of the individual. This is the case in ethical situations that affect the whole company or the team that the employee is part of, but not in cases that only affect the individual employee. For instance, a pharmaceutical company may require all employees to report on accidents in order to safeguard the employees’ safety by monitoring potential hazards and taking corrective action before serious accidents happen. An individual employee whose lab setup exploded but was not injured may think that it is not necessary to report this incident given that he was not harmed. However, the company requirement is there for the purpose of safeguarding the greater community and as such is ethically a level higher than the employee’s morality. On the other hand, a conflict between an individual employee who e.g. has missed a promotion whereas others with a similar track record did get their promotions has a case that may be a conflict between the individual’s sense of fairness and the company’s sense of fairness. If no agreement can be found in these kinds of cases, the employee may want to consider the question whether a company with ethical standards that are below his own standards is the right place for him to work at. Following your own ethical standards may have to result in leaving a place where those standards are not honoured.

To complete the cycle through the quadrants, the upper right quadrant deals with the individual behaviour; this necessarily is a result of a balance between aspects from the other three

quadrants. Our behaviour is the result of ethical decisions we make based on external laws and rules, the team's, the company's or society's ethics as part of their culture and our own personal sense of morality. Balancing the feedback we get from each of these on an ethical decision we need to make results in an action we take and as such reflects in our behaviour. Seen from the other side, our behaviour shows the decisions we, consciously or not, made in an ethical sense. Say a sales representative approaches his customers in an overly informal way, which is perceived by the customers as lacking respect. This behaviour probably is not in violation with any laws. It may be a reflection of the company's culture, though, and therefore condoned by the company's ethics. However, it may merely be a reflection of the individual sales rep's morality and therefore in violation with the ethical standards of the company. A response to potentially complaining customers may have to find out what the sales rep's behaviour was exactly based on and then see how to communicate this back to the customers.

Ethical dilemmas need therefore be approached in all quadrants and at all levels. Moreover, we need to pair the masculine values of discernment (analysis of the situation) and discipline (obeying the rules) with the feminine values of acceptance (accepting the situation and the rules of the group) and compassion (care for others, for the greater groups we are part of and for the world as a whole).

Case Studies

The following case studies are standard case studies taken from the Internet (see the references section at the end for the exact sources). Exactly because they are so generic makes them suitable to illustrate the use of Integral Ethics with them.

1. Discrimination in the Workplace

Marian, a top graduate from a famous university, was hired by a major corporation into a management position. Marian finished the corporation's management training program top in her group, and is performing above the norm in her position. She is really enjoying her work.

As a black woman she feels isolated, as there are no other black women managers and few women in her area. One night at a company party she heard a conversation between two of her male co-workers and their supervisor. They were complaining to him about Marian's lack of qualifications and her unpleasant personality. They cursed affirmative action regulations for making the hiring of Marian necessary.

Marian is very upset and wants to quit.

Discussion:

Let's look at this case in all four quadrants and see what perspectives are relevant.

Starting in the lower right one, what laws are applicable here? There is mention of "affirmative action regulations," but at the same time it is doubtful if these were applied in Marian's case at all. Given that she is widely regarded as a high-performer and a very qualified manager, it can be considered unlikely that affirmative action regulations (if any exist in the first place) came into play when hiring her. On the other hand, the remarks of her co-workers, no matter how unfounded they are, are not breaking any laws or regulations.

Moving over to the lower left quadrant, the co-workers may be expressing something that relates to the team's or company's ethics. It would be worthwhile to find out if their remarks are

exemplary of the ethical culture of the team as a whole or even of the company as a whole. A course of action for Marian to follow may be to contact her management to hear their opinion about the situation and find out how that opinion reflects the company's ethical position.

In the upper left quadrant, Marian should see if her own morality conflicts with the company's ethics. In this case, it is not clear if there is a conflict at all, but if there is one and it turns out that Marian's and the company's level of ethics are in conflict with each other, it is necessary for her to consider her position and see if she wants to continue for an organisation with ethical values that conflict with her own.

Marian's behaviour initially indicates she wants to quit, but according to this quick round through the integral model, she may want to hold off and get some more information before making up her mind. Her co-worker's behaviour is questionable from an ethical point of view, given that they seem to function at a fairly low, probably egocentric, level that excludes people that don't belong to their own small group. Given the fact that their arguments are simply not true, it is shown that their and their supervisor's behaviour is incorrect in a company that hopefully functions at least at a conventional ethical level.

It would go beyond the scope of this chapter to discuss the ethical aspects of affirmative action as such. However, it would be interesting to look at it from an integral ethical perspective that promotes the greatest depth and the greatest span, which on the one hand implies embracing the greatest number of people, such as minority groups, but at the same time should take care of not leaving other people, such as those part of a majority group, in the cold.

2. Tax Return Preparation

Major Certified Public Accounting firms are known for their accuracy and competence in preparing tax returns. Each return is reviewed three times for accuracy in the tax department before it is finalized. Thus major CPA firms must charge high hourly rates, which average \$75 per hour or approximately \$1,000 per return, for the preparation of returns. Clients expect the best service and advice that money can buy.

During April of a specific tax year Bob, the manager of a CPA firm, assigned a young staff tax preparer, John, the responsibility of preparing a tax return for a very wealthy client who lived in Honolulu, Hawaii. In preparing a return the first step is always to look at the client's prior year's tax return to familiarize oneself with the client's sources of income and deductions.

In reviewing the prior year's tax return, John noticed that the client had a \$10,000 home mortgage interest expense tax deduction recorded. He telephoned the firm's client and asked very diplomatically if the client had any mortgage interest tax deduction for the current year. The client answered that he had "never had a mortgage on his home."

John thanked the client and immediately walked into Bob's office and asked if an amended prior year's tax return should be prepared. Bob said, "No! Turn right on around and walk out. And remember I will deny ever having had this conversation. Have a good day!"

Discussion:

Let's make the round through the quadrants again and look at this case from all perspectives.

Apparently, in the previous year, the CPA firm made a tax deduction for their client that was illegal, as it was based on a mortgage that did not exist. Given that clients' tax forms are reviewed multiple

times before being submitted to the tax authorities, multiple people must have known about this fraud and therefore the firm has broken the law.

John's behaviour when he found out about what he might have thought of as an error was justified based on his findings after speaking to the client. His morality may have been at a conventional level or higher, for he clearly wanted to correct the previous year's tax return form based on the legal requirements. His manager Bob's behaviour clearly violates the law, be it because his morality is pre-conventional, viz. he is trying to cover up the firm's faults for the benefit of the firm only, or because his morality is post-conventional, viz. he disagrees with the law and thinks it is more favourable for his client, firm and society to break the law. The latter is quite unlikely, given his remark to John to keep everything silent.

So we have a CPA firm here that, at least partially, functions at a pre-conventional ethical level and breaks the law where it deems it to be favourable to do so for itself and its clients.

3. Pollution

Joyce is the environmental compliance manager for a small plastics manufacturing company. She is currently faced with the decision whether or not to spend money on new technology that will reduce the level of a particular toxin in the wastewater that flows out the back of the factory and into a lake.

The factory's emission levels are already within legal limits. However, Joyce knows that environmental regulations for this particular toxin are lagging behind scientific evidence. In fact, a scientist from the university had been quoted in the newspaper recently, saying that if emission levels stayed at this level, the fish in

the lakes and rivers in the area might soon have to be declared unsafe for human consumption.

Further, if companies in the region don't engage in some self-regulation on this issue, there is reason to fear that the government — backed by public opinion — may force companies to begin using the new technology, and may also begin requiring monthly emission level reports (which would be both expensive and time consuming).

But the company's environmental compliance budget is tight. Asking for this new technology to be installed would put Joyce's department over-budget, and could jeopardize the company's ability to show a profit this year.

Discussion:

This case explores the somewhat higher levels of ethics and morality. Clearly, the company already complies with the laws when it comes to pollution of the environment. The question here is if the company is willing and able to take an extra step to preserve the environment. Joyce's point of view may be based on at least a post-conventional, if not world-centric level of morality. She clearly wants to go further than required by law (even though the law may be changed some time soon to actually require stricter limits on emission of polluting substances). The question here is, if the company as a whole is willing to go as far as Joyce wants to go and at the same time wants to bring out the money for the new technology required for it. The real balance to be found is therefore one between a cut in the profits and the ethical position of the company towards the environment.

Integral ethics requires the company to go for the greatest depth and the greatest span. This means that the environment definitely needs to be taken into account in company decisions (i.e. honouring the greatest depth). However, the interests of the company in all four quadrants also require the company to look at its own future

and that of the people working in it (i.e. lower left and right quadrants, leading to an approach with the greatest span). Perhaps some creative measures need to be taken to be able to fund the environmental requirements and at the same time protect the financial interests of the company as well as the interests of the people working there. There is a balance to be found between these two aspects if the decision is to be taken based on integral ethics.

4. Performance Appraisals

Frank recently became chief financial officer and a member of the Executive Committee of a medium-sized and moderately successful family-owned business.

Soon after Frank started, the company decided for the first time to "right-size" to respond to rapid changes in its business. The CEO was relying on Frank to help him determine how to downsize in an ethical manner; he said he trusted Frank more on this than he did the head of his personnel department, who had "been around a little too long."

On Frank's recommendation, the company decided to make its lay-off decisions based on the employees' performance scores. Each department manager would submit a list of employees ranked by the score of their last appraisals. At some point, Frank and the Executive Committee would draw a line, and those below the line would be laid off.

As Frank was reviewing the evaluations, he was puzzled to find three departments in which the employee at the bottom of the list had "N/A" where the evaluation score should have been written. When he asked the managers to explain, they told him these employees had been with the company almost since the beginning. When performance appraisals had been instituted six years earlier,

the CEO agreed that they keep receiving informal evaluations "as they always had."

When Frank raised this issue with the CEO, he responded, "Oh, I know. I haven't really evaluated them in a long time, but it's time for them to retire anyway. They just aren't performing the way they used to. They're making pretty good money, so cutting them should let us lower the line a little and save jobs for some of the younger people"

Discussion

The ethical dilemma of the company is in this case the unequal treatment of staff when it comes to performance appraisals and the use of those in redundancy planning. The dilemma of Frank is whether to make a point of that with the CEO or not.

Redundancies are painful enough themselves and therefore require careful evaluation. Often, there is no clear regulation in external laws or company rules and therefore all kinds of ad hoc methods are devised by management to determine who should leave and who can stay. From my own experience, I know that the agreed rules may lead to some valuable employees having to leave and others that are deemed less valuable staying. Therefore, it turns out that redundancy rules are often bent to accommodate the preferences of managers. In the above case, this is indeed what is happening.

So in order to make downsizing ethical, it is important to establish clear (and public) methods to do so. This covers the lower right quadrant by making it clear for everyone what methods are used and why. Managers should then be held responsible for following those rules and showing the application of the rules in the results for their departments. This may lead to "favourites" having to leave

and “less desired” employees staying, but in the case of a redundancy, this result needs to be taken into account when defining the rules. For instance, in one of the layoff waves that I was involved in years ago, the rule was simply “Last in, first out.” This did obviously lead to the situation that people in crucial positions would have to leave. A simple rule will necessarily lead to such situations and should therefore be made more intelligent, but equally transparent, so that the company can still rely on its most valuable employees after the reductions and the employees are still clear on the rules of the layoffs. The principles of the ground, intrinsic and relative values of people, as described earlier in this chapter, come into play in this situation.

It is clear that in my opinion, the ethics surrounding redundancy planning are to be based on the conventional level of ethics in order to set clear, transparent and fair rules from the start. This is to avoid situations where individual managers, using pre-conventional morality, try to bend the rules to “save” the people from their teams that they want to keep.

Obviously, care for the greatest group should include a social plan for those employees that have to leave. Not in all countries is this a requirement in the case of workforce reductions, but from a post-conventional ethical point of view, redundancy planning cannot do without taking care of the people that are leaving as best as possible. This may be done by providing assistance in finding an other job, some form of financial support for a certain period, etc.

Doing redundancy planning in the right and ethical way will then ensure that the greatest depth and the greatest span are honoured by keeping the process clear for the employees, keeping the company running with the people that can do so in the best way and taking care of the people that have to leave.

Conclusion

This chapter discussed the way in which the integral model can be applied in the field of ethics, with a specific emphasis on business ethics. Using the model and its aim to support of the greatest depth and the greatest span, common business ethical dilemmas can be reviewed from all perspectives and at all required levels.

It turns out that in many cases, businesses should balance their usual business interests (i.e. the bottom line or the right-hand side of the integral model and the people on the lower half of the model) against their ethical standards. These don't always agree with each other, so the question is how far a business is willing to go with its ethical standards and what the effect on its business may be. Ultimately, it is hoped that striving for higher ethical standards in companies will yield more goodwill in the market and therefore increases business opportunities. The short-term business effects may however initially be negative.

For individual employees, the balance to be found is that between their personal morality and the company's ethics. If these clash, an employee should consider whether this company is the right place to work for him. A balance may be found there, but if it affects the employee too much, it may be time to find a better, more ethical place to work at.

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