Business, Ethics And Governance: The Ethical Absolutism Theory

Executive Summary

This detailed report will identify and analyse the ethical dilemma that has been raised at Fairyland Coast Council. The purpose of this report is to identify the area of concern and provide a recommendation as to how the organisation could have approached the issue differently, to eliminate the dilemma that has occurred and to prevent it from occurring again in the future. Several normative theories including absolutism, consequential and the utilitarian theory is discussed and chosen ensuring that they relate specifically to the conflict of interest ethical dilemma that is occurring in your organisation. These theories are applied in a table (Appendix 1) to show the ‘Pain’ and ‘Pleasure’ aspect of the utilitarian Theory for two actions; Reporting and Not Reporting the Conflict of Interest. This table identifies that there is more pain than pleasure in Not Reporting the Act and therefore it is suggested that the act be reported and resolved by the Human Resources Team. It is recommended that The Human Resources Manager also holds a meeting with the relevant parties and discusses the underlying issue that has been raised by another employee, giving them two options; to cease the conflict of interest breach or to resign from their employment with the organisation. The final recommendation that is made is to ensure that Council’s Code of Conduct specifically states that employment-related decisions should be based purely on qualification, performance and skills to avoid this situation occurring again in the future.

Introduction

The purpose of this report is to identify, dissect and discuss in detail the ethical dilemma of abusing intermit relationships within the workplace that has been raised by the Chief Executive Officer at Fairyland Coast Council. The nature of the problem will be identified and the negative affect it has had on the organisation will be discussed. An explanation of why abusing interment relationships in businesses can create ethical dilemmas. A recommendation will be made as to how the dilemma should have been handled and an alternative course of action to prevent the dilemma occurring in the future using the application of numerous normative theories.

The Problem

The ethical dilemma that has been identified is abusing an intermit relationship in the workplace, as did one General Manager and one Administration Officer during the past six months of work. Although intermit relationships are not recommended in the workplace, there was no initial issue of this occurring until a Human Resources Officer at the organisation highlighted that the Administration Officer had been seconded to become the General Managers Executive Assistant with little to no experience in the role. According to the Fairyland Coast Council’s Code of Conduct, personal activities and relationships are deemed fine unless it is to interfere as a conflict of interest and the employee is not acting in the best interest of the company. Although this dilemma may of seemed harmless in the beginning, this is now creating a conflict of interest for the General Manager as his personal relationship with the Administration Officer is

interfering with his ability to make the best decision for the company.

Chosen Normative Theory

The theory most relevant to the above-mentioned ethical dilemma within Fairyland Coast Council is that if Absolutism Relativism. The Ethical Absolutism Theory is the preferred theory applicable to this problem as there are are eternal, universally applicable moral principles. Ethical Absolutism is the theory explaining that there is right and wrong and they are objective qualities that can be rationally determined (Crane & Madden, 2016).

The Ethical Relativism Theory is not the relevant in this situation as it states that morality is context-dependent and subjective (Crane & Madden, 2016). Crane and Madden explained Relativism as a theory where no right and wrongs can be realistically determined individually. In Western Societies, the ethical theories that are most relevant to business situations are based on philosophical thinking and majority are based on absolutist. These theories begin with an assumption making them normative, however, they can be adapted to most business ethics breaches as they provide an unequivocal solution. The Western Modernist can be split into two groups, non-consequentialist theories and consequentialist theories. The Western Modernist Theory that is applicable to the Council dilemma is that of the consequentialist theory. These are theories that are based purely the outcomes of a certain action whether that be desirable or undesirable. If desirable, the action is question is morally right, if undesirable, the action in question is morally wrong. Further into the consequentialist theory is that of egoism and utilitarianism. Utilitarianism is where the outcome of a situation is decided by focusing on the 'wider social outcomes within a community' (Crane & Madden, 2016). The Utilitarianism Theory states that an action is morally right if it results in the greatest amount of good, for the greatest amount of people affected. Therefore, if the ethical dilemma were to cease, all parties would not be discomforted by any further promotions that were given due to intermittent relationships. Unlike ego-ism, utilitarianism does not suggest that one should be selfish when pursuing one's own desires or interests, which in this situation, both parties are acting for self-interest without further consideration. As described by Crane and Madden, the utilitarian analysis consists of two elements; pleasure and pain, which are added up to decide which action has the most pleasure for all parties involved. The utilitarian analysis demonstrates some complication including; subjectivity, problems of quantification and distribution of utility. Although some hurdles with this theory, the utilitarian's researched further into this theory and developed two differentiations being; 'act utilitarianism' and 'rule utilitarianism'. The rule utilitarianism not only relieves the fact of determining right from wrong in a specific situation, but also establishes principles that can be determined and apply to all similar situations. After further analysis as to which theories are relevant to Council's ethical dilemma, it is evident that further discussion around the application of these theories is required.

Application of Theory

When applying the Absolutism Theory to Council's Ethical Dilemma, it proved that this action can be deemed right or and can be rationally determined. Although intermit relationships are not condemned in the workplace, it is not ethical for the General Manager to promote the Administration Officer due to a close personal relationship. After completing a Utilitarian Analysis (Appendix 1), the favorable action is to Action 1; Reporting the Conflict of Interest, as it consists of the most positive outcomes for the parties involved. In Action 2; Not Reporting the

Conflict of Interest, this seems to consist of the most ‘pain’ for all parties involved with little to no pleasure for either person/s. Therefore, it is preferred that the situation is reported and rectified by the Human Resources Team. This certain ethical dilemma specifically relates to ‘Act Utilitarianism’ as we are analysing the single actions and basing the moral judgement on the amount of pleasure and pain this single action causes to those involved. After the application of these theories, it has become evident that abusing an intermit relationship in the workplace can be deemed a conflict of interest and therefore is considered to be an ethical dilemma.

Recommendations

Based on the findings in this report, it is in the best interest of the organisation to hold a meeting with the involved parties and identify the conflict of interest openly explaining that the stated act is not allowed within your organisation, giving them the opportunity to cease the breach or to resign from their employment. It is also recommended that the Human Resources Team ensures that Council’s Code of Conduct states that employment-related decisions should be based purely on qualification, performance and skills to avoid this situation occurring again in the future. It is also recommended that you train your staff to be aware of the ramifications that are involved with such ethical issues.