

Integrating Applied Ethics and Social Responsibility

I think all of us agree that the great challenge of this new century will be to build and nurture sustainable communities—social, cultural, and physical environments in which we can satisfy our needs and aspirations without diminishing the chances of future generations.

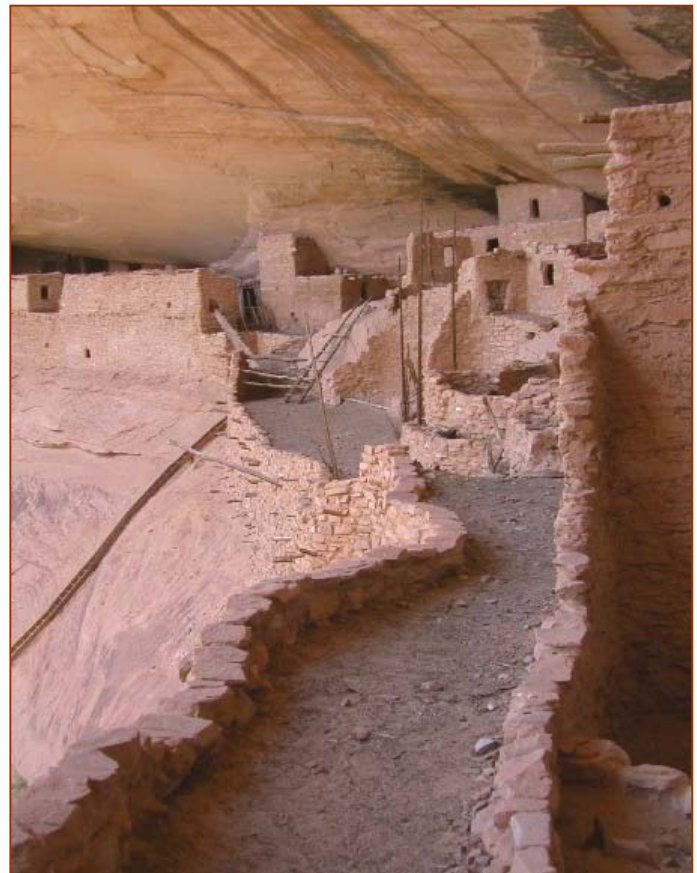
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Ethical Complexity or Ethical Chaos?

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The picture opposite, a deserted street in Keet Seel, an ancient Anasazi village in northern Arizona, serves as a lifeless, yet vivid reminder that the complexity of life demands a direct tie between ethics and policy for our communities to be sustainable and capable of further evolution. In “simpler” times, people holding shared purposes, values, and visions of a desired future populated communities like Keet Seel. The challenge in our more complex times is to integrate the various fields of applied ethics to more consciously develop these shared core beliefs.

Anasazi villages such as Keet Seel provided hope, identity, and purpose for the members of their communities. The Anasazi, a people who built and populated such villages, survived and thrived as a culture for over a millennium. They lived in a harsh, dramatically beautiful environment in what is now the Southwestern United States, only to



This article is adapted from an article that first appeared in *Ethical Management*. Photo of Keet Seel, courtesy of the author. All rights reserved.

abandon the high desert plateau they had called home within a few generations of building such villages. Leaving relatively suddenly in the thirteenth century, the Anasazi ultimately lost their separate identity as they merged with other tribes: leaving more questions than answers can be found in their ruined villages, pots, rock art, and middens.

The purpose of this article is to make the case for taking a systems approach to ethics and policy, if we are to achieve “sustainability” and avoid the fate of the Anasazi.

Applied Ethics and Social Responsibility

Effective managers know that organizational success comes from identifying required tasks, assigning tasks according to individual and group abilities, and combining their efforts to achieve shared purposes. Applied ethics and policy analysis, however, has responded to an increasingly complex world by developing sophisticated, but separate and narrow, approaches to complex issues. Examples of this “division of labor” include, but are certainly not limited to, business ethics, government ethics, biomedical ethics, codes of professional ethics, environmental ethics, and cost-benefit analysis, to name but a few.

The worst division—so serious as to constitute a schism—is between social responsibility and organizational ethics as disciplines. Here it is common in organizations to make a wholly artificial distinction between organizational ethics, or even business ethics, and social responsibility. The severe schism between ethics, especially organizational ethics, and social responsibility, especially corporate social responsibility, demonstrates that applied ethics and policy specialists may have lost sight of what ethics and politics were traditionally trying to accomplish: a good life for good people over a lifetime in society with others.

Now that we have a better understanding of our connectedness with an evolving world and our being as evolving members of such a world, a

Four Tasks of Organization

- **Acquire resources from the environment**
- **Coordinate its activities with other groups in pursuit of its goals**
- **Divide resources and tasks among members while maintaining harmony and coordination**
- **Develop and maintain beliefs and values that give the group hope, identity, and purpose**

Mihaly Csikszentmihalyi,
The Evolving Self

sense of *systemic responsibility* must be seen to be an integral part of effective ethics and policy. To learn to think and dialogue systemically, leaders, managers, academics, and opinion molders need a framework for inquiry, thinking, dialogue, and cooperative action that harmonizes these diverse approaches: a tool to raise and treat the ethics and policy issues they face daily.

An effective applied ethics and policy integration model would bring together what ethicists and practitioners have learned through study, reason, and experience into an integrated framework to stimulate inquiry, thinking, dialogue, and communities of ethical inquiry and practice. With the integration of ethics and policy approaches, we may approach *ethical complexity* equipped to achieve shared purposes. Without integration, a toolbox of such narrow approaches results only in bounded ethical framing and ineffective ethical inquiry, thinking, communication, learning, leadership, action, and being: in sum, *ethical chaos*.



Integrating Applied Ethics

The Applied Ethics & Policy Integration Model, opposite, depicts the integration of applied ethics and policy. It portrays a *comprehensive* applied ethics and policy framework for systems thinking and dialogue. This framework is composed of four overlapping, specialized circles of ethical framing, thinking, communicating, acting, learning, and being all brought together by ethical leadership where they overlap at the sigma point (“ Σ ”).

Each circle represents an independent approach to applied ethics and policy: *Good governance*, *Social Purpose*, *Organizational Life*, and the *Social Responsibility*. Within each circle are applied ethics and policy approaches raising and treating issues distinct to its own arena.

However, a contribution from each circle is a necessary, though not sufficient, condition for an effective ethics system. *Ethical Leadership*, at all levels, identifies those approaches that are *appropriate* to the context and culture of a particular organization or community and integrates them.

Good Governance

As a discipline, *Good governance* comprises a body of theory and technique that addresses establishing the purpose of the organization, the specific ends it intends to achieve, and the means it will employ to achieve them. In general, it includes the governing authority setting policies for enterprise risk management and internal control systems.

Corporate governance refers to the system that a legal entity, the corporation, establishes to structure relations among managers, directors, and shareholders and between the enterprise and civil society. Such governance measures are necessary when government charters grant *limited liability* to shareholders, which separates ownership of the enterprise from responsibility for day-to-day operations. At their best, corporate governance practices are built on the ethical premise that the leaders of an enterprise have an obligation to be fair, transparent, accountable, and responsible in their conduct toward shareholders and civil society.

Ethics of Social Purpose

As a discipline, the *Ethics of Social Purpose* includes the bodies of theory and technique that include what is essentially good for any particular body or group of professionals. Examples, include, but are not limited to, business ethics, biomedical ethics, nursing ethics, banking ethics, legal ethics, accounting ethics, engineering ethics, marketing ethics, and or military ethics, to name but a few. Which bodies of ethics apply to a particular organization depends upon its purpose and vision—and the tasks required to achieve it.

Under some circumstances, such as a hospital in a combat zone, many of these ethics approaches would apply and need to be integrated. For example, military doctors would look to their ethics; and nurses, their ethics; judge advocates would apply the law of armed conflict and their legal ethics.

Ethics of Organizational Life

As a discipline, the *Ethics of Organizational Life*, or *Organizational Ethics* comprises a body of theory and technique that is the domain of the ethics and compliance structures, systems, practices, procedures, and protocols necessary for a group of people to achieve shared purposes. Here, a body of people having shared core beliefs employs organizational design and development to address the stakeholder pressures its employees and agents face in order to achieve their desired future.

Organizational ethics applies to all organizational life, regardless of specific social purpose. The thrust of organizational ethics is to generate human authority, energy, knowledge, and trust—and to drive out fear. It shapes the *conditions* of organizational life, the *content* of inquiry, dialogue or conflict resolution, and the *context* for the ethical framing, thinking, communicating, acting, learning, and being of the other circles. It is where ethical leadership, again at all levels, may perhaps best be exercised.

Ethics of Social Responsibility

As a discipline, the *Ethics of Social Responsibility* includes the bodies of theory and technique that address the responsibilities of an organization to its stakeholders, including the environment.

There are three broad types of organizations: *government*, *for-profit*, and *not-for-profit*. Each has broadly different responsibilities within society, which responsibilities are *of the essence* of its nature. Each has different stakeholders: key participants. Each has different constraints on action.

Government. The essence of government is the appropriate application of its monopoly on the exercise of coercion and violence: the police, the military, and the courts. Its unique stakeholders participants are governors, the governed, and taxpayers. Bureaucracy and stability characterizes its institutions.

For-profits. The essence of for-profits is meeting the most urgent needs of owners and consumers of goods and services through free exchange: business and the professions. Its unique stakeholders are owners and consumers. Profits and adapting to changing customer needs characterize its institutions.

Not-for-profits. The essence of not-for-profits is meeting the needs and values of a community without coercion or exchange: charity or philanthropy. Its unique stakeholders are charitable organizations or associations (the independent sector or non-governmental organizations, NGOs), beneficiaries, and donors. Recognizing the needs of the defined community and soliciting community support characterize its institutions.

It is helpful to think of social responsibility for business as occupying at least three distinct levels, set forth in the box opposite: essential social responsibility, good citizen social responsibility, and ultra social responsibility. The three levels of business social responsibility reflect the essential characteristic of business as meeting the most urgent needs of consumers and the common characteristics of members of society, as described in earlier writings.

There is one further stakeholder for all three broad types of organizations: our *Ecological Relationships* or the *Environment*. Environmental ethics is the body of theory, art, and practice that addresses the domain of relationships between our species and the evolving world of which we are an integral part. It is the most fundamental of all approaches to applied ethics. It addresses who we are and our relationship to the world as a whole.

In its most fundamental and comprehensive form, the ethics of social responsibility as a whole contains each individual's worldview. Following the distinction between *worldview* and *ideology* made by the great Austrian Economist, Ludwig von Mises, the other three circles represent

Levels of Social Responsibility

- **Essential:** Meeting the most urgent needs of consumers in the most effective and efficient manner with due regard to the impact of operations on the environment.
- **Good Citizen:** Meeting the most urgent needs of consumers without harming their longer-term interests or those otherwise affected, or doing so unethically, which precludes using economic power to gain competitive advantage solely through political means.
- **Ultra:** Going beyond the requirements of the lower levels, that is, taking actions that are good for the community if taken, but otherwise responsible, if not taken.

ideologies, ways thought to be good or best to deal with the world as a whole. But this circle of social responsibility represents approaches to determining what is the best way to be an evolving member of an evolving world. The other circles may be thought to have largely instrumental value. One's relationship in the world is, by this definition, an intrinsic value.

Ethics and Policy Training, Education and Development

At the Σ point, the point where all four circles overlap, lie the skills, knowledge, understanding and attitudes ("SKUA") necessary for shared purposes to be achieved, informed choices to be made, authority to be exercised, and learning and growth to occur. Together, the SKUA are essential for the necessary systemic thinking and dialogue to occur. The role of ethical leadership, then, is to bring together the required capacities and competencies through training, education, and development.

It is helpful to organize the Σ point SKUA into eight elements of ethics and policy integration:

- Caring: consciousness, awareness, commitment, and/or compassion
- Comprehensive thinking: critical, creative, and systemic thinking; choosing, judgment
- Communicating: dialogue involving feelings and ideas
- Cooperating: inquiry and action
- Authority: leadership, followership, participation
- Knowledge: surfacing, capturing, sharing knowledge, including that which is tacit; knowing what you know, and what you don't know
- Pride: self-esteem; stakeholder satisfaction and loyalty; and community sense of being
- Time: time preference, time frame, time available

Visualizing such a matrix, there is for each of the eight elements a package of training, education, and development to build and shape the SKUA required to be competent. Moreover, for ethics and policy to be integrated toward systemic inquiry, thinking, dialogue, cooperative inquiry, action, and learning, these SKUA need to be developed at all levels of society: individual, family, organizational, community, nation, and global.

Conclusion

Hopes for building sustainable communities—economically, socially, culturally, and physically—must be founded on learning to inquire, think and dialogue systemically. The Applied Ethics & Policy Integration Model provides a framework bringing together the remarkable work that has been done in ethics and policy toward that end. It informs the applications of ethical framing, thinking, communicating, learning, leadership, action, and being.

With this model in mind, leaders, managers, academics, and opinion molders will always inquire, think, communicate, and act with full appreciation of all the applicable disciplines. Moreover, they and their followers and other stakeholders will have the necessary skills, knowledge, understanding, and attitudes to work well cooperatively in a world of ethical complexity.