

Teleological business ethics: formative, rationalist and transformative – illustrations and analogies

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Abstract

The strategic, tactical and operational levels of an organization may have different perceptions and convictions on how the organization's behaviours and practices of business ethics should be managed in the marketplace and the surrounding society. We examine organizations' behaviours and practices of business ethics in the marketplace and the surrounding society with the aid of complexity sciences. The objective is to describe organizations' behaviours and practices of business ethics using different teleological approaches.

Unethical behaviours and practices may be the outcome of conscious actions, but they may also be subconscious. We will discuss reasons for both possibilities of unethical behaviours and practices by organizations, their managers and employees. An important insight based upon the presented illustrations and analogies is that the different teleological approaches to business ethics in behaviours and practices may be consecutive and simultaneous within an organization. An essential subject for

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further research is how to deal with the durability and variability of behaviours and practices of business ethics of organizations in the marketplace and the surrounding society.

Key words: Business ethics, teleology, formative, rationalist, transformative.

JEL codes: L20, N34.

Introduction

In the last few decades there has been an increasing amount of research focusing on the business ethics of organizations (e.g. codes of ethics). Research on codes of business ethics alone has been performed in the USA (e.g. Cressey and Moore, 1983; Mathews, 1987; Weaver, Trevino and Cochran, 1999; Berenbeim, 2000; Chonko, Wotruba and Loe, 2003), in the UK (e.g. Langlois and Schlegelmilch, 1990, Le Jeune and Webley, 1998), in Ireland (O'Dwyer and Madden, 2006), in Canada (LeFebvre and Singh, 1992; Schwartz, 2002; Singh, 2006,) in Sweden (Svensson et al., 2006), in Australia (Kaye, 1992; Farrell and Cobbin, 1996; Wood, 2000; Wood and Callaghan, 2003). Research have also been conducted on organizations operating across the world (Bethoux, Didry and Mias, 2007; Carasco and Singh, 2003; Kaptein, 2004).

Business ethics, or rather organizations' directions, decisions and guidelines to support managers' and employees' behaviours and practices of business ethics, in the marketplace and the surrounding society is an ongoing timely subject of crucial importance from both managerial and scholarly perspectives. Organizations such as Enron, WorldCom, Tyco International, Arthur Andersen, Qwest, Global Crossing, Parmalat, Barings Bank, Systembolaget and Skandia (Carroll and Meeks, 1999; Davies, 2001; Flanagan, 2003; Heath and Norman, 2004; Rosthorn, 2000; Wallace, 2004) have all come to the notice of their publics for the wrong reasons. Across the world, we have seen these organizations, their advisors and even a spouse face courts and the wrath of their societies: societies which have been made worse off by their unscrupulous behaviours and practices of business ethics. These behaviours and practices shake the confidence of governments, shareholders and as a consequence we all bear the brunt of such miscreant and bullish behaviour and practices (Wood and Callaghan, 2003).

The occurrence of malpractice in organizations' behaviours and practices of business ethics are however not new (Richardson, 2001; Warren and Tweedale, 2002; Piety, 2004). Cragg (2000) has labelled the 1980s as the decade of greed in North America. Cadbury (1987) writes that organizations have to take account of their responsibilities to society and the

society has to accept its responsibilities for setting the standards against which the behaviours of organizations and the practices of business ethics are made through their directions outlined, decisions taken and guidelines provided to managers and employees.

A few questions emerge: Why do we experience ethical scandals from time to time in the marketplace and across societies? Why do we have unethical behaviours and practices by organizations? Why do we have unethical behaviours and practices among managers and employees? Is it because the organizations are unethical in their directions outlined, decisions taken and guidelines provided? Probably not, but why is it so then? Obviously, there are several reasons that may contribute and explain the occurrence of unethical behaviours and practices by organizations in the marketplace and the surrounding society. Likewise, there are several possible reasons why managers and employees transgress from time to time.

Generally speaking, unethical behaviours and practices may be the outcome of conscious actions, but they may also be subconscious. We will discuss reasons for both possibilities of unethical behaviours and practices by organizations', their managers and employees. It is derived from, limited to and based upon 'teleological approaches' as defined by Stacey, Griffin and Shaw, 2000 to describe and explain the phenomenon of human actions in organizations, which will be positioned and introduced in the context of business ethics in the next two sections.

Theoretical framework

Different factors influence organizations' behaviours and practices of business ethics in the marketplace and the surrounding society. Svensson and Wood (2003 and 2004) identify five factors such as time, context, gap, outcome and consequence. Organizations' behaviours and practices are dependent upon them. In the first place, organizations' behaviours and practices of business ethics may be seen as a function of time. The time parameter in the business and societal environment affects organizations in terms of what may be considered to be acceptable and unacceptable behaviours and practices of business ethics in the marketplace and the surrounding society. In literature, organizations' business ethics are often seen

as a function of time even though it is not usually spelled out explicitly (e.g. Orwig, 2002; Kilcullen and Kooistra, 1999; Feldman, 1998; Pava, 1998; Giacalone and Knouse, 1997; Yamaji, 1997; and McDonald and Zepp, 1989). In the second place, organizations' behaviours and practices of business ethics may also be seen as a function of context (e.g. culture). The current contextual situation and the contextual evolution in the business and societal environment also affect organizations in what are considered to be acceptable and unacceptable behaviours and practices of business ethics in the marketplace and the surrounding society. Subsequently, various studies across countries have been performed and have stressed the context of the situation (e.g. Jakubowski et al., 2002; Hood and Logsdon, 2002; Bucar et al., 2002; Fisher et al., 2001; Seitz, 2001; Peppas and Peppas, 2000; Singhapakdi et al., 1999; Fernandez-Fernandez, 1999; Vinten, 1998; and Sen, 1997).

Consequently, as time moves on, contexts evolve and as a consequence the organizations' behaviours and practices of business ethics change. The evaluation of an organization's behaviours and practices of business ethics may be seen as a function of gap, outcome and consequences. Svensson and Wood (2004) address these factors, where the gap underpins the outcome of business ethics that in turn leads to consequences (i.e. either positive or negative ones) for the organization in the marketplace and the surrounding society. In conjunction, these parameters create a fundament for managerial and scholarly frameworks, and also contribute to describe the dynamics of an organization's behaviours and practices of business ethics in the marketplace and the surrounding society. An organization's business ethics may be seen as a function of these factors (Svensson and Wood, 2003).

In the sixteenth century, Niccolò Machiavelli (1532) stressed that circumstances and coincidences in a setting have a crucial impact on the outcome of different situations. This may apply to an organization's behaviours and practices of business ethics in the marketplace and the surrounding society. Others have a strong belief in that careful preparations and attention to details as well as the overall picture over time and across contexts may prevent undesired or unexpected outcomes in differ-

ent situations (e.g. Sun Tzu, 500 B. C.; Miyamoto Musashi, 1645). This may also be applicable to organizations' behaviours and practices of business ethics in the marketplace and the surrounding society too. Stacey, Griffin and Shaw (2000) argue that the dominant discourse on the management of human organizations is built upon two strands of thinking, namely: 1) scientific method; and 2) systems thinking. There is a dilemma - both apply the methodology of natural science to human action, which may also affect the research findings in organizations' behaviours and practices of business ethics in the marketplace and the surrounding society.

Taylor (1911) and Fayol (1916/1948) produced seminal works in *scientific management*, but their work ignores the interaction taking place in human action. It is a point of interest in research of organizations' behaviours and practices of business ethics. For example, Taylor (1911) emphasizes the satisfactory output of physical activities needed to achieve an organization's goal(s) based upon a prescription to provide standardized descriptions of all activities. He contends that management is an objective science that is structured around laws, rules and principles. However, it is questionable whether business ethics may be seen as an objective science due to its relative nature in the marketplace and across societies. Fayol (1916/1948) divides the organization into different activities, such as accounting, commercial, management and technical areas. He sees management as an approach of forecasting, planning, organizing, coordinating and controlling based upon rules that should be followed. Others, such as Mayo (1949) and Likert (1961) commenced to address the interaction between individuals and within groups – still using the scientific approach.

Three strands of *systems thinking* emerged in the mid 20th century. One is general systems theory (e.g. Boulding, 1956; von Bertalanffy, 1968), which is founded on the belief that systems have a strong tendency to move toward a kind of equilibrium to reduce and correct disorder. Another is cybernetic systems (e.g. Wiener, 1948; Ashby, 1945, 1952 and 1956; Beer, 1979 and 1981), which is based upon the belief of self-regulating and goal-directed systems adapting to the surrounding environment (e.g. Total Qual-

ity Management, TQM). The third is systems dynamics (e.g. Phillips, 1950; Goodwin, 1951; Tustin, 1953; Forrester, 1958, 1961 and 1969), which stresses economics and industrial management problems using mathematical non-linear models/equations of how systems change over time.

Stacey, Griffin and Shaw (2000) argue that both the scientific management and systems thinking approaches provide limited understanding of human action in organizations. We contend that both provide restricted insights into organizations' behaviours and practices of business ethics in the marketplace and the surrounding society. Nevertheless, scientific management has improved the understanding and practice of efficiency in management, as well as systems thinking representing a broadening of the former due to its inclusion of interaction. Subsequently, a recent strand is *complexity sciences* consisting of sub-strands, such as chaos theory, dissipative structure theory and the theory of complex adaptive systems, all of which may effect affect an organization's behaviours and practices of business ethics in the marketplace and the surrounding society differently. Chaos theory (e.g. Gleick, 1988; Stewart, 1989) contributes to understand the behavior of a system based upon deterministic non-linear equations that show how specified control parameters outside the system cause its behavior to move toward a particular state. Dissipative structure theory (e.g. Prigogine and Stengers, 1984, Nicolis and Prigogine, 1989; Prigogine, 1997) also addresses the deterministic nonlinear system and its potential for producing unpredictable behavior. It dissipates information imported from the environment to renew itself. It is an evolving interactive process that temporarily manifests stable states in the form of irregular patterns. Symmetry and uniformity of patterns are lost, but the disorder creates new structures. The theory of the complex adaptive system (e.g. Ray, 1992; Reynolds, 1987; Allen, 1998a and 1998b) stands for a large number of actors, each of which behaves according to their own principles of local interaction. No individual actor, or group of actors, determines the patterns of behavior that the system as a whole displays, or how those patterns evolve and neither does anything outside of the system. Self-organization refers to actors interacting locally according to their own principles or intentions in the absence of an overall raw-model for the system.

Consequently, the understanding of organizations' behaviours and practices of business ethics differs depending upon the approach undertaken. Using the scientific management approach one static view may appear – or it may not be static – based upon a rather narrow approach to human action in organizations. Using the different strands of systems thinking an organization's behaviours and practices of business ethics are placed in a wider and more complex context, but it may still be restricted. *Therefore, our objective is to describe the behaviours and practices of business ethics in organizations using different teleological approaches.* In other words, we intend to shed some light on organizations' behaviours and practices of business ethics in the marketplace and the surrounding society by the aid of complexity sciences. To our knowledge, business ethics have not been explored using teleological approaches. For this purpose, the discussion will be based upon the causal frameworks of teleology introduced by Stacey, Griffin and Shaw (2000). They are described in the next section. We also introduce a set of adapted models to complement their causal frameworks, which are believed collectively, to provide a seed and highlight the core essence of organizations' behaviours and practices of business ethics in the marketplace and the surrounding society from the perspective of complexity sciences and inherent teleological approaches.

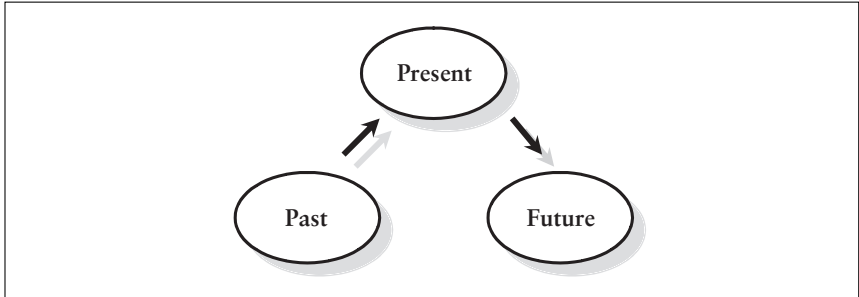
Teleological approaches

Organizations' behaviours and practices of business ethics across contexts and over time may be determined by what Prigogine (1997) writes, namely: is the future given or is it under perpetual construction? In other words, is there a known and predictable future regarding organizations' present behaviours and practices of business ethics on forthcoming business ethics in the marketplace and the surrounding society, or is there not? We believe that it depends upon the approach used. For example, if the approach is based upon the assumption of a known and predictable future, then the answer may be positive, but if the future is assumed to be unknown and unpredictable, then it is most likely doubtful. At least it is more complex and troublesome to prove.

We will use the causal frameworks of teleological approaches by Stacey, Griffin and Shaw (2000) as a basis in our discussion of organizations' behaviours and practices of business ethics across contexts and over time. They are based upon the teleological cause, where teleology means (ibid., p 14): 1) the kind of movement into the future that is assumed to be either toward a known or an unknown state or condition (i.e. predictable or unpredictable); and 2) the sake and reason for the movement of a phenomenon into the future in order to achieve: some optimal arrangement, a chosen goal, a mature form of itself, continuity and transformation of its identity. They identify five approaches of teleology (i.e. natural law, adaptationist, rationalist, formative and transformative), all of which are rooted in seminal works such as: Darwin (1859 and 1971), Hegel (1807 and 1830) and Kant (1790/1987). However, we have excluded natural law- and adaptationist-teleological approaches (ibid., pp. 14-49), because their applications become more relevant in the Natural Sciences and as a consequence less useful in Social Sciences such as an organization's behaviours and practices of business ethics. For example, the approach of *natural law* means that the phenomenon in focus moves in a stable manner over time and change is a predetermined and entirely predictable movement (i.e. toward a known future). Time is irrelevant and interaction between parts plays no essential role in what happens. Therefore, it is excluded. The *adaptationist* approach implies a chance-based competitive search for optimality with a weak form of self-organization confined to the selection process. Change is movement to a stable state or condition of adaptation to the environment. It is primarily applicable in the animal and vegetable kingdoms, therefore, it is also excluded.

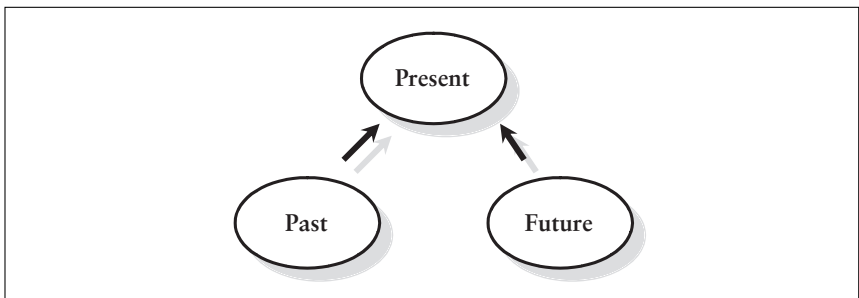
Consequently, our focus is on the three remaining teleological approaches in the context of organizations' behaviours and practices of business ethics in the marketplace and the surrounding society (see Figures 1-3):

Figure 1. A formative approach



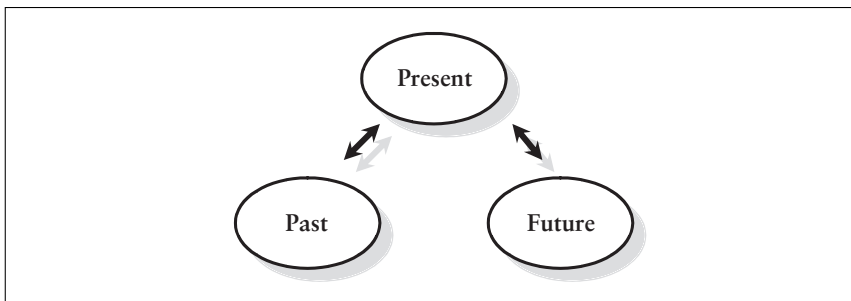
The *formative* approach (see Figure 1) refers to the contention that the stable movement is produced by the self-organizing interaction of parts where the final state or condition is pre-determined (i.e. a known and predictable future) and the system moves toward it. The movement of time and the meaning are from a given past to the present. The future is recognizable in the past and it will be a repetition of the past. In other words, in the formative approach one has a notion of the future in the present, but the assumptions are based upon the past. In this approach, organizations' behaviours and practices of business ethics in the marketplace and surrounding society become pre-determined and directed toward a known and predictable future state or condition.

Figure 2. A rationalist approach



The *rationalist* approach (see Figure 2) refers to that the notions of self-organization are absent and both stability and change are human choices toward autonomously chosen goals. What happens is that an action is chosen to fulfill some selected goal for the future (i.e. a known and predictable future). Action is about filling the gap between what is desired for the future and what exists in the present. The movement of time is from the future to the present. The meaning is located in the future, in the gesture made in the present as it points to the future. In other words, in the rationalist approach the future is determined and outlined in the present. Organizations' behaviours and practices of business ethics in the marketplace and surrounding society become a goal-directed process toward a known and predictable future state or condition.

Figure 3. A transformative approach



The *transformative* approach (see Figure 3) refers to that there is self-organization and a transformative causation of micro interaction in which each moment is influenced by previous moments. Each moment is a repetition of the past, but with the potential for future transformation and continuity at the same time (i.e. an unknown and unpredictable future). In other words, in the transformative approach human action is taking place in co-creative interactions. An organization's behaviours and practices of business ethics in the marketplace and surrounding society become variable and continuous toward an unknown and unpredictable future state or condition, but there are notions of how the future

state or condition might be that is derived from the continuous interaction in human action.

Consequently, in both formative and rationalist teleology the meaning of human action arises in the present, but in the formative form meaning arises as a movement from the past (Figure 1) and in the rationalist form meaning arises as a movement toward the future (Figure 2). In transformative teleology the future movement of meaning arises in the present. In other words, in the latter, the meaning of the future arises as continuous transformations in the present (Figure 3).

We believe that it may be more appropriate (and potentially crucial) to talk about *formative, rationalist and transformative approaches* in organizations' behaviours and practices of business ethics in the marketplace and surrounding society (i.e. adapted from Stacey, Griffin and Shaw, 2000). Therefore, we will use the presented teleological approaches as a theoretical framework to shed light upon business ethics in the marketplace and the surrounding society. We provide illustrations and analogies to describe these approaches in organizations' behaviours and practices of business ethics in the marketplace and surrounding society.

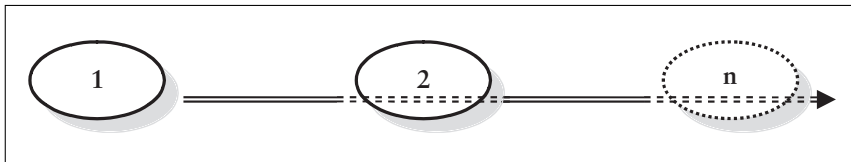
Teleological illustrations

In this section, we provide three condensed teleological illustrations in the context of an organization's behaviours and practices of business ethics in the marketplace and the surrounding society at strategic, tactical and operational levels. The numbering (i.e. 1, 2 and *n*) used in the illustrations of Figures 4-6 refers to 'occasions of reconnection to reality' in the marketplace and the surrounding society, which could be interpreted as flexible time periods (i.e. either weekly, monthly, quarterly or yearly) in order to give the illustrations generic and universal flavour and application. Furthermore, a set of teleological analogies are also presented in the next section to complement the significance of the teleological approaches in the behaviours and practices of an organization's business ethics in the marketplace and the surrounding society.

Formative business ethics

Using the formative approach, organizations' behaviours and practices of business ethics in the marketplace and the surrounding society determined in the 'occasion of reconnection to reality' 1 is the basis for the forthcoming occasions in 2 and n, all of which will be derived from and based upon these initial expectations and perceptions (Figure 4). The dilemma is that strategic directions outlined and decisions taken regarding business ethics that are based upon the past in order to provide guidance for the future of an organization's behaviours and practices are risky and doubtful. Though the change from reactive to proactive approaches of business ethics may be appealing to an organization, the dilemma continues due to that it is based upon previous experiences of the organization in the marketplace and the surrounding society. There may be insufficient insights considered from tactical and operational levels in the organization. This may lead to unexpected consequences at the tactical level of the organization described under the rationalist approach (see below).

Figure 4. Formative business ethics



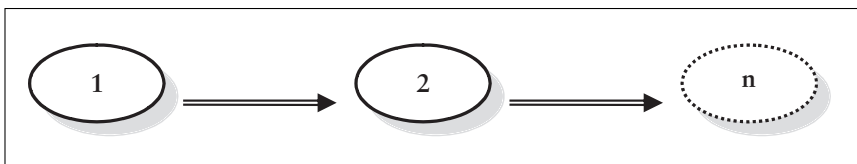
The strategic directions outlined and decisions taken in the effort to guide the organization, its managers and employees, may apply a formative approach without being aware of the fact that it does not permit tactical and operational flexibility of the organization's behaviours and practices of business ethics in the marketplace and the surrounding society. It means that the strategic directions outlined and decisions taken at the 'occasion of reconnection to reality' 1 in Figure 4 may lead to the creation of non-feasible expectations, pre-determined behaviours and practices of business ethics troublesome to perform effectively on other 'occasions of

the reconnection to reality' (i.e. 2 and n in Figure 4). Designing or making a blueprint or template of a future state or condition might leave a problem in dealing with the present.

The dilemma is that the consequences of a formative approach in strategic directions outlined, decisions taken and guidelines provided in the organization does not become apparent until tactical and operational behaviours and practices of business ethics confront the other 'occasions of reconnection to reality' in Figure 4. Therefore, strategic directions outlined, decisions taken and guidelines provided of business ethics should be aware of their potential downsides, no matter the good intentions. Here we can recognize a pattern that everyone can relate to, namely when a group of managers or employees are 'alienated from reality' and create strategies or make plans for a future state or condition of the organization's business ethics – everything seems achievable – but when implementing these initiatives into the daily behaviours and practices of business ethics the outcome might not be as predicted, which means that reality might seem to be problematic to manage in the strategic directions outlined, decisions taken and guidelines provided.

Rationalist business ethics

Figure 5. Rationalist business ethics



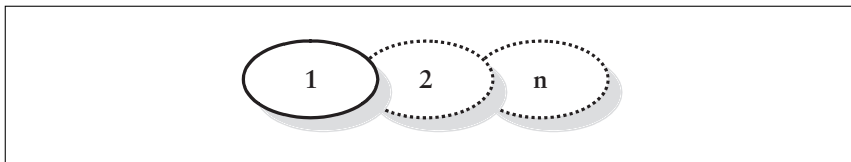
Using the rationalist approach, there has been a shift in the content of the 'occasions of reconnection to reality'. The organization's tactical criteria to be used in the 'occasions of reconnection to reality' are more about measuring progress and performance toward the chosen strategic goals (i.e. directions outlined, decisions taken and guidelines provided at the strate-

gic level). It should be noted that there is no change regarding the understanding of the future state or condition of the organization's behaviours and practices of business ethics in the marketplace and the surrounding society.

How should the tactical and operational levels of an organization support their managers' and employees' behaviour and practices of business ethics in the marketplace and the surrounding society? It may be specified in a number of ways. For example, it may be what they should say and do in different situations (i.e. 1 in Figure 5). On other 'occasions of reconnection to reality' (i.e. 2 and *n*), these issues may be addressed and training organized. The outcome may be evaluated against these pre-determined standards and strategic goals. However, the outcome may not be favourable, because the marketplace and/or the surrounding society change continuously. This may lead to unexpected consequences at the operational level of the organization, its managers and employees. It is described under the transformative approach below.

Transformative business ethics

Figure 6. Transformative business ethics



Using the transformative approach, managers and employees at the operational level of the organization may realize that the strategic and tactical directions outlined, decisions taken and guidelines provided may not work in the marketplace and/or the surrounding society (i.e. 1 in Figure 6). The reactive-proactive move may cause many problems on a daily basis. Therefore, operational managers and employees may have to adopt a much more flexible approach to these situations (i.e. 2 and *n*) in order to manage the requirements of the marketplace and the surround-

ing society in the effort to accomplish the requirements of the future state or condition of organization's behaviours and practices of business ethics. They may have to apply a transformative approach of business ethics to manage the situation, that is, continuous 'occasions of recon-nections to reality' in the marketplace and the surrounding society.

Teleological analogies

The differences between formative, rationalist and transformative approaches in organizations' behaviours and practices of business ethics in the marketplace and the surrounding society may also be described through teleological analogies as follows (see also Figures 1-3):

Circumstances and Explanations

Place yourself in the 'situation' of being confronted with a dangerous 'minefield' ahead of you. Your 'challenge' is to 'cross the field' without causing any 'mines' to explode hurting or killing you - in other words, 'navigating' between them to reach the 'other side' safely. There is 'no way around' the minefield – the only way is to navigate through it! You have three teleological approaches available.

'You' represents your organization. The 'minefield' represents the marketplace and the surrounding society of your organization. The 'challenge' represents your organization's behaviours and practices of business ethics. The 'mines' represent different ethical dilemmas (i.e. unethical behaviours and practices caused by your organization). The 'no way around' represent your organization's context of business ethics. The 'navigating' is your organization's faith – i.e. appealing or problematic.

Finally, the 'situation' represents the past, the 'cross the field' represents the present, and the 'other side' represents the future.

Formative Analogy of Business Ethics

If you apply the formative approach for the mentioned circumstances there is a map available to cross the minefield. It has been

provided to you before you reach the minefield. The danger with this approach to cross the field is that it is based upon the assumption that the map is correct. It also assumes that the mines in the field are and will be unchanged according to your pre-determined understanding of the situation gained by the map. So, it may lead to a situation where a mine will explode and you get hurt or killed, because the map was incorrect or that the mines have been moved to another location. Because of your formative approach you refuse or fail to acknowledge that the map may not navigate you safely through the minefield. Consequently, there is a possibility that you may not make it across the minefield – if so, your situation is troublesome and the destiny problematic!

Rationalist Analogy of Business Ethics

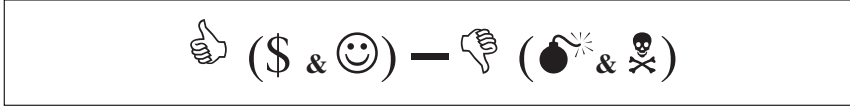
If you apply the rationalist approach for the mentioned circumstances there is no map pronounced or outlined beforehand to cross the minefield. It is provided when you reach and stop for a moment by the field to analyse and evaluate the situation. The danger with this approach in your effort to cross the minefield safely is that it is based upon the assumption that you can figure out the most appropriate and secure way to navigate between the mines before entering the field. So, what could go wrong? Well, the map provided may be incorrect. Your determination of how to cross the field may be erroneous. Furthermore, the location of mines in the field may have been changed. So, it may lead to a situation where you may get hurt or killed, because the conditions in the minefield appear to be different than expected from the side. Your rationalist approach refuses or fails to acknowledge that the map may not navigate you safely through the minefield, so you continue as initially planned and determined. Consequently, there is a possibility that you may not make it across the minefield – if so, your situation is again troublesome and the destiny once again problematic!

Transformative Analogy of Business Ethics

If you apply the transformative approach for the mentioned circumstances there is no map available to cross the minefield. In fact, there has never been a map and there may not even be mines in the field! So, the whole situation is non-determined when you reach and stop at the field. You start to analyse and evaluate the situation. In your effort to cross the field, this approach is not based upon any assumptions that can assist you figuring out the most appropriate and safe way to navigate between the potential mines before entering the field. On the contrary, it is based upon the fact that you analyse and evaluate the situation after each move in the field – step by step. So what can happen? Well, the map cannot be incorrect as it has never existed. The location of mines in the field may still have an unexpected location, so you are prepared and cautious. So, it may lead to a situation where you will have to re-analyse and re-evaluate the situation in the field to avoid getting hurt or killed, because the conditions appear as you move step by step. Because of your transformative approach you realize or acknowledge that any map may not work, and therefore you choose to navigate carefully. You may even move backwards to find another way though the field and you may not get hurt or killed. Consequently, you may make it safely through the field – if so, your situation is comfortable and the destiny appealing!

A crucial insight provided in the presented teleological analogies is that organizations' behaviours and practices of business ethics may be based upon or derived from (pre)determined perceptions and assumptions rather than organizations' (and its managers and employees) ongoing receptiveness. The past, the present and the future should be seen as one – the present comes from the 'past present' and makes the 'present' that will be the 'future present' of business ethics in the marketplace and the surrounding society. In sum, there are some evident pros and cons involved in the formative, rationalist and transformative teleological approaches of business ethics (Figure 7), worthwhile to consider in organizations' behaviours and practices.

Figure 7. Pros and cons of teleological approaches in organizations' behaviours and practices



Important benefits are related to financial and social well-being in an organization, while the downsides are related to backlashes and survival of the same organization in the marketplace and the surrounding society. We contend that the formative and rationalist approaches are more exposed to backlashes when applied in organizations' behaviours and practices of business ethics. The transformative approach is more cautious and attentive to revealing ethical dilemmas.

Concluding thoughts

An important conclusion based upon the previous illustrations and analogies is that the different teleological approaches of business ethics in behaviours and practices may be consecutive and simultaneous within an organization. The strategic, tactical and operational levels of an organization may have different perceptions and convictions on how the organization's behaviours and practices of business ethics should be managed in the marketplace and the surrounding society. As in the provided illustrations, it may be a formative approach of business ethics at the strategic level that turns into a rationalist one for the tactical level. It may be transformative at the operational level, due to the inherent flaws and failures that occurred along the way in directions outlined, decisions taken and guidelines provided. In short, there may be a mismatch in directions, decisions and guidelines that fail in a reconnection to reality between the strategic level on the one hand and the tactical and operational levels on the other hand.

Expectations that are based upon past experiences and that are used to serve the purpose of coping with the future bring behaviours and practices of business ethics that one finds difficult relating to the present tactical and

operational levels. This means that we only can understand what is already known to us. The experience or interpretation of the present is a process of relating, or in other words – we cannot recognize or relate to what is not known to us. This is also a process of making sense of the experiences in the present, which might be a challenge when things happen that were not predicted at the strategic level.

Interestingly, one may argue that an organisation's behaviours and practices of business ethics in the marketplace and the surrounding society are dependent upon processes of co-creation patterns, which are non-controllable. They are processes of continuous interactions, where organizations, managers and employees influence others and at the same time they are influenced by others. These are not processes of 'top-down' or 'bottom-up' approaches to directions, decisions and guidelines, but processes of gesture and response where meaning or sense-making emerge in co-creation between the organization, its managers and employees with the marketplace and the surrounding society. Therefore, meaning and sense-making are neither the possession of the organization, its managers nor employees. From this perspective one can not claim that organizations' behaviours and practices depend upon the managers, employees or vice versa, but it is rather a question of whether the organization is able to perform better than the managers and employees are capable to do in the marketplace and the surrounding society.

An essential subject for further research is how to deal with the durability and variability of organizations' behaviours and practices of business ethics in the marketplace and the surrounding society. Are they formative, rationalist and/or transformative? The key may be an enhanced emphasis in research on longitudinal aspects of business ethics that may explore them over time and as contexts evolve. Organizations' behaviours and practices of business ethics should be re-connected to reality in the marketplace and the surrounding society over time and across contexts in one way or another. They have a past, a current status (or condition) and a future.

The only way that we can 'objectively' evaluate past organizational behaviours and practices of business ethics in the marketplace and the surrounding society is through the use of ethical values and principles at the time

and in respect to the context at hand. Research tends to fail considering the longitudinal and evolutionary dimensions in the exploration of organizations' behaviours and practices of business ethics. There is an emphasis on 'not reconnecting to reality' in the past to current research efforts.

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