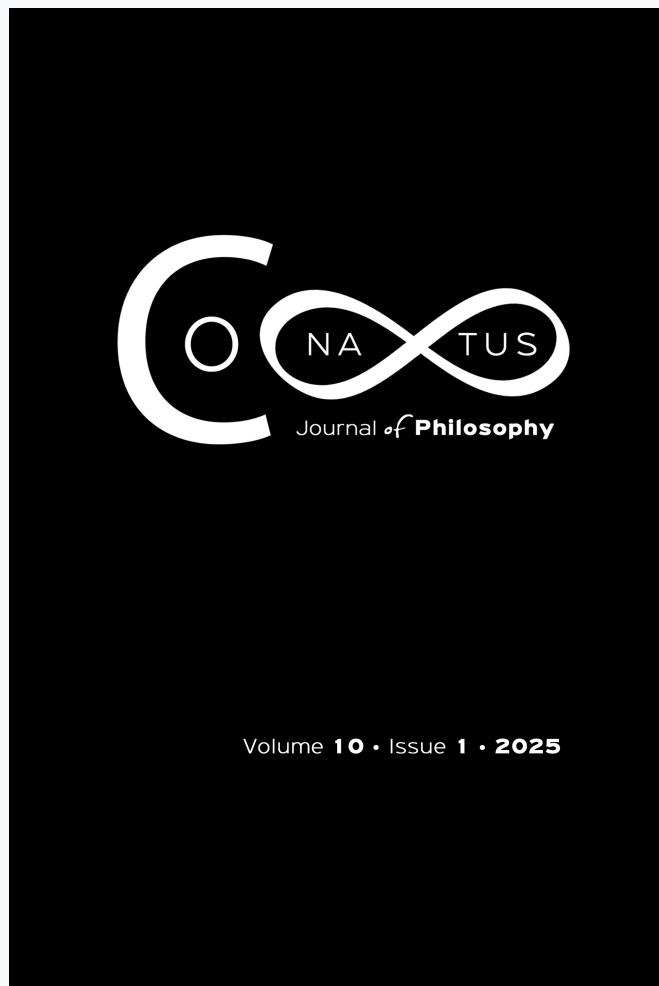


## Conatus - Journal of Philosophy

Vol 10, No 1 (2025)

Conatus - Journal of Philosophy



### The Ecosystem of Ethical Decision Making: Key Drivers for Shaping the Corporate Ethical Character

*Maria Sartzatiki, Antonia Moutzouri, Aristi Karagkouni, Dimitrios Dimitriou*

doi: [10.12681/cjp.38439](https://doi.org/10.12681/cjp.38439)

Copyright © 2025, Maria Sartzatiki, Antonia Moutzouri, Aristi Karagkouni, Dimitrios Dimitriou



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0](https://creativecommons.org/licenses/by-nc/4.0/).

### To cite this article:

Sartzatiki, M., Moutzouri, A., Karagkouni, A., & Dimitriou, D. (2025). The Ecosystem of Ethical Decision Making: Key Drivers for Shaping the Corporate Ethical Character. *Conatus - Journal of Philosophy*, 10(1), 221–238.  
<https://doi.org/10.12681/cjp.38439>

# The Ecosystem of Ethical Decision Making: Key Drivers for Shaping the Corporate Ethical Character

**Maria Sartzetaki,<sup>1</sup> Antonia Moutzouri,<sup>2</sup> Aristi Karagkouni,<sup>3</sup> and Dimitrios Dimitriou<sup>4</sup>**

<sup>1</sup>*Democritus University of Thrace, Greece*

E-mail address: msartze@econ.duth.gr

ORCID ID: <https://orcid.org/0000-0002-9564-5332>

<sup>3</sup>*Democritus University of Thrace, Greece*

E-mail address: arkaragk@econ.duth.gr

ORCID ID: <https://orcid.org/0000-0002-5744-5110>

<sup>2</sup>*National and Kapodistrian University of Athens, Greece*

E-mail address: amoutzouri@philosophy.uoa.gr

ORCID ID: <https://orcid.org/0000-0001-7078-3037>

<sup>4</sup>*Democritus University of Thrace, Greece*

E-mail address: ddimitri@econ.duth.gr

ORCID ID: <https://orcid.org/0000-0003-4596-8069>

## Abstract

*In today's global economy, large corporations possess considerable power and exert a profound impact on the societies and the environments in which they operate. The effectiveness of Corporate Social Responsibility initiatives can widely vary, depending on how well they align moral principles and social expectations, thus enhancing their impact on societal welfare and environmental sustainability. This paper examines the practical application of ethical theories in the corporate world, moving beyond normative prescriptions to what defines a corporation's ethical character. The transition to applied ethics represents a shift towards actionable guidance and contextual relevance in a way that takes into account all the involved forces and the practical implications for various stakeholders. A conceptual framework is developed to depict the relationships and decision-making influences within a socio-economic system and outline an ethical zone where care and justice ethics converge, indicating that decisions are just and do not neglect the welfare of individual stakeholders, society and the environment.*

**Key-words:** corporate social responsibility; corporate ethics; ethics of care; well-being; ethical decision-making; virtue; social welfare; justice

## I. Introduction

Within the complex structure of today's global economy, large corporations possess substantial power and exercise significant influence,<sup>1</sup> operating across a landscape where Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) initiatives are increasingly becoming indispensable. These companies are now more intertwined with the different communities and the diverse environments in which they conduct business, underscoring their growing importance in shaping a sustainable and socially responsible future.

Ethical corporate behavior signifies sustainable and responsible business practices that go beyond legal compliance and prioritize more than just profit-making. CSR has become a strategically important tool and an integral part of corporate operations, leading to the development of numerous models, frameworks, guidelines, and indicators.<sup>2</sup> However, it is still a concept whose meaning is highly debated, open to different interpretations, or lacking strategic alignment.<sup>3</sup>

At the heart of ethical business operations, there are two fundamental forces, namely, societal expectations and corporate imperatives. Societal expectations are embedded in the needs, beliefs, and values of local and broader communities<sup>4</sup> where companies operate in, and which call for business practices that not only carry a responsibility label but also deliver tangible and meaningful impacts. In this regard, CSR practices are not meaningful unless they resonate with the daily concerns and aspirations of the people, positively affecting their quality of life. In contrast, corporate imperatives typically focus on the strategic goals, operational needs, and ethical standards that corporations set for themselves. This dichotomy highlights a divergence between what companies claim to be ethical and what is perceived as such by various stakeholders. It is clearly demonstrated in cases where multinational

<sup>1</sup> Brian Roach, *Corporate Power in a Global Economy, An ECI Teaching Module on Social and Environmental Issues, Economics in Context Initiative* (Global Development Policy Center, Boston, University 2023), 10, <https://www.bu.edu/eci/files/2023/09/Corporate-Power-Module.pdf>.

<sup>2</sup> Dimitrios J. Dimitriou, "Corporate Ethics: Philosophical Concepts Guiding Business Practices," *Conatus – Journal of Philosophy* 7, no. 1 (2022): 36-37.

<sup>3</sup> Kasturi V. Rangan, Lisa Chase, and Sohel Karim, "The Truth About CSR," *Harvard Business Review*, February 29, 2024, <https://hbr.org/2015/01/the-truth-about-csr>; Alina Dizik, "Why Corporate Social Responsibility Can Backfire," *The University of Chicago Booth School of Business*, accessed April 5, 2024, [www.chicagobooth.edu/review/why-corporate-social-responsibility-can-backfire](http://www.chicagobooth.edu/review/why-corporate-social-responsibility-can-backfire).

<sup>4</sup> For a seminal discussion on the conception of community as established by shared values and goals among people of common social reality, see Babalola Joseph Balogun, "How not to Understand Community: A Critical Engagement with R. Bellah," *Conatus – Journal of Philosophy* 8, no. 1 (2023): 55-76.

corporations may be driven by a quest to develop a universally applicable ethical strategy grounded in global ethical norms but fail to be relevant at a local level and address local communities' culturally rich expectations.

Overall, the expectation for corporations to go beyond legal compliance and undertake a multifaceted approach to responsible behaviour entails navigating an interplay between divergent forces. The value of ethics is indisputable in strengthening the relevance and efficacy of CSR efforts and guiding organizations to make decisions that are both morally sound and socially responsible.

## II. An instrumental stakeholderism

One pragmatic approach that seeks to align the stakeholders' interests with organizational success is the concept of *instrumental stakeholderism*. Its main point is that stakeholder relationships can be a strategic tool to contribute to organizational objectives and to maximize long-term shareholder value.<sup>5</sup>

When involving managers with a broader scope of corporate objectives, there is a risk of arbitrariness, inefficiency, or even corruption. Managers face significant challenges in prioritizing stakeholders, partly due to the need to rely on subjective information about their preferences and contributions to the firm.<sup>6</sup> Since corporations are not equipped to address broad social issues, the way to lead to better overall societal outcomes is by focusing on profit maximization.<sup>7</sup>

In the same spirit, the famous "Friedman doctrine" claims that social responsibility for any business is to increase its profits; profit maximization and shareholder primacy are means to social welfare.<sup>8</sup> Similarly to Adam Smith, who is considered by many the father of modern capitalism, it is only when firms focus on their own best interests that ultimately the best interests of all stakeholders are served.<sup>9</sup> As corporations seek profit, they inadvertently create benefits for

<sup>5</sup> Lynn S. Paine, "Corporate Leaders Say They Are for Stakeholder Capitalism – But Which Version Exactly? A Critical Look at Four Varieties," *Harvard Business School Working Paper*, No. 24-008 (2023): 4. For a nuanced philosophical approach, see Olga Kourtoglou, Elias Vavouras, and Nikolaos Sariannidis, "The Stoic Paradigm of Ethics as a Philosophical Tool for Objectivizing the Concepts of Organizational Ethics, Corporate Social Responsibility, and Corporate Governance," *Conatus – Journal of Philosophy* 9, no. 2 (2024): 119-143.

<sup>6</sup> Marc Fleurbaey and Grégory Ponthière, "The Stakeholder Corporation and Social Welfare," *Journal of Political Economy* 131, no. 9 (2023): 2557.

<sup>7</sup> Thomas L. Carson, "Friedman's Theory of Corporate Social Responsibility," *Business and Professional Ethics Journal* 2, no. 1 (1993): 15.

<sup>8</sup> Eva Witesman et al., "From Profit Maximization to Social Welfare Maximization: Reclaiming the Purpose of American Business Education," *Futures* 150 (2023): 103152. Also, John R. Danley, "Polestar Refined: Business Ethics and Political Economy," *Journal of Business Ethics* 10 (1991): 916.

<sup>9</sup> Mark Buchanan, "Wealth Happens," *Harvard Business Review*, April 2002, <https://hbr.org/2002/04/wealth-happens>.

other individuals and parties, due to resources being shifted to where they are most valued, thereby economic growth benefiting society at large.

*Utilitarianism*, a moral foundation of stakeholder theory, epitomizes *consequentialism*, an ethical framework stating that the moral status of an action is determined solely by its consequences and not by the value of the act itself. The fundamental principle of *utilitarianism* – according to its ‘founding fathers,’ Jeremy Bentham and John Stuart Mill – is “the greatest amount of good for the greatest number.”<sup>10</sup> Hence, at the heart of utilitarian thought is a pragmatic evaluation system: Actions are considered moral if they result in the best possible outcomes for the largest number of people.

When closely analyzing *utilitarianism*’s relationship with CSR, one finds that it is not without issues, even though utilitarianism is innately linked to the highest social welfare. Socially responsible actions are pursued with the anticipation of contributing to the company’s economic prosperity. From this point of view, CSR programs can be seen as tactical instruments to eventually increase shareholder value. Both *utilitarian ethics* and instrumental CSR prioritize the outcomes and benefits of actions, evaluating the ethicality of decisions based on their contribution to the welfare of stakeholders and society at large rather than the inherent moral quality of the actions themselves.<sup>11</sup>

### III. Classical stakeholderism

Next to consequentialism, *deontology* is another ethical tradition that focuses on *duty*. The most prominent figure in deontological ethics is Immanuel Kant, who argued in favor of a central, absolute, and unconditional principle of morality – what he calls a *categorical imperative*. The categorical imperative applies to all rational agents independently of the circumstances in which they act. Three main formulas of the imperative are universalizability, humanity as an end in itself, and kingdom of ends, all three of which have implications in the field of *business ethics*.<sup>12</sup> According to the first, one should only act according to principles that could be universally applied to everyone in similar circumstances without leading to logical inconsistencies or undesirable outcomes. The second formula emphasizes the intrinsic value of all human beings, stating that individuals should never be used solely as a

<sup>10</sup> Julia Driver, “The History of Utilitarianism,” *The Stanford Encyclopedia of Philosophy* (Winter 2022 Edition), eds. Edward N. Zalta and Uri Nodelman, <https://plato.stanford.edu/archives/win2022/entries/utilitarianism-history/>.

<sup>11</sup> Dimitrios J. Dimitriou, Maria F. Sartzetaki, and Aristi G. Karagkouni, *Managing Airport Corporate Performance: Leveraging Business Intelligence and Sustainable Transition* (Elsevier, 2024), 127-151.

<sup>12</sup> Norman E. Bowie, “A Kantian Approach to Business Ethics,” in *A Companion to Business Ethics*, ed. Robert E. Frederick (Wiley-Blackwell, 1999), 4.

means towards an end but should be valued and respected for their own sake. Finally, according to the third formula, rational moral agents form communities whose members develop moral relationships with each other as self-legislative members of a merely possible kingdom of ends. When it comes to business ethics, such an approach requires formulating guiding principles, respecting employee autonomy and dignity, cultivating a culture of growth, and giving room for humanitarian needs.<sup>13</sup>

At its core, Kantian ethics prioritizes ethical obligations over utilitarian calculations. In this respect, it can be related to *classic stakeholderism*. Classic stakeholderism values the well-being of stakeholders inherently, not just when it coincides with shareholder value.<sup>14</sup> In fact, this type of stakeholderism could be termed categorical stakeholderism, evoking the notion of a categorical imperative as put forth by Kant.<sup>15</sup> Just as Kant argued that moral actions are the ones that can be universalized as a law for everyone to follow, *classic stakeholderism* advocates that businesses should act in ways that respect the inherent rights of stakeholders. This means making decisions that are ethically defensible on their own merits, not just when they align with financial objectives. Respect for autonomy and dignity is central to both Kantian ethics and the classic stakeholder approach, demanding actions that protect the moral rights and inherent value of all affected parties.<sup>16</sup>

#### IV. Shaping corporate ethical character: The role of virtue ethics

The environment in which ethical decisions are made in business is dynamic, involving continuous interaction among various stakeholders, each with different levels of interest and influence. Large corporations, especially the ones operating across multiple geographies, tend to align their practices at a global level to maintain a consistent corporate identity while also adhering to international standards. In this respect, corporate governance follows a top-down approach to decision-making, with policies related to CSR and sustainability being developed at the top levels of the hierarchy and then disseminated throughout the organization.

However, an expanding body of research argues for the necessity to embrace a more comprehensive viewpoint, considering a broader framework and

<sup>13</sup> Jacque L'Etang, "A Kantian Approach to Codes of Ethics," *Journal of Business Ethics* 11 (1992): 739-740.

<sup>14</sup> Paine, 15.

<sup>15</sup> Ibid.

<sup>16</sup> For a discussion on ethically unjustifiable practices such as exploitations, see Fausto Corvino, "Sweatshops, Harm and Exploitation: A Proposal to Operationalise the Model of Structural Injustice," *Conatus – Journal of Philosophy* 5, no. 2 (2020): 9-23.

striving for socially relevant outcomes.<sup>17</sup> Such an approach would typically follow a bottom-up approach whereby needs and priorities are determined locally, at the point where business activities take place. This approach genuinely values the insights of individuals and groups who are directly involved or affected by business operations. Examples of such an approach include the participation of employees in the decision-making processes and the inclusion of their perspectives in the shaping of company policies and practices. Furthermore, the role of the local community is strengthened by actions such as the support of community development projects, social initiatives, or engagement in partnerships that address local issues.

It can be argued that this approach emphasizes the cultivation of virtues such as honesty, fairness, and responsibility as ends in themselves. In this respect, virtues are not subordinate to consequences (as in *utilitarianism*) or duties (as in *deontology*) but are core elements of moral evaluation and decision-making. Complementary to *utilitarianism* and *deontology*, virtue ethics represents the third major approach in *normative ethical theory*.<sup>18</sup> While *consequentialists* view virtues as traits leading to positive outcomes and *deontologists* as qualities of duty-fulfilling individuals, *virtue ethicists* consider virtues and vices as central to the ethical framework.<sup>19</sup> Virtue ethics has a long history, dating back to Aristotle, who first formalized it as a theory.<sup>20</sup> According to virtue ethics, the right action is what a virtuous person would do in a given situation. One can achieve virtue by using reason to identify and implement a “golden mean,” which is the desirable balance between two extremes, i.e., excess and deficiency. Aristotle also argues that virtues are character traits that lead to happiness, or *eudemonia*.<sup>21</sup> The philosophical insights of Aristotle regarding happiness, virtue, and the soul, can be applied to the corporate context by advocating for virtues such as honesty, fairness, and integrity in business practices. The soul, according to Aristotle, is the driving force behind life activities and the preservation of a living body.<sup>22</sup> What motivates

<sup>17</sup> Mihaela Constantinescu and Muel Kaptein, “Virtue and Virtuousness in Organizations: Guidelines for Ascribing Individual and Organizational Moral Responsibility,” *Business Ethics, the Environment & Responsibility* 30, no. 4 (2021): 801–817.

<sup>18</sup> Rosalind Hursthouse and Glen Pettigrove, “Virtue Ethics,” *The Stanford Encyclopedia of Philosophy* (Fall 2023 Edition), eds. Edward N. Zalta and Uri Nodelman, <https://plato.stanford.edu/archives/fall2023/entries/ethics-virtue/>.

<sup>19</sup> Ibid.

<sup>20</sup> Peter Simpson, “Contemporary Virtue Ethics and Aristotle,” *The Review of Metaphysics* 45, no. 3 (1992): 503–524.

<sup>21</sup> Evangelos D. Protopapadakis, *Creating Unique Copies: Human Reproductive Cloning, Uniqueness, and Dignity* (Logos Verlag, 2023).

<sup>22</sup> See Pia Valenzuela, “Fredrickson on Flourishing through Positive Emotions and Aristotle’s *Eudaimonia*,” *Conatus – Journal of Philosophy* 7, no. 2 (2022): 37–61.

the actions and choices of an organization in a business context is what is commonly known as the company culture.<sup>23</sup> Like Aristotle's soul, an ethically grounded corporate culture directs the organization toward pursuits that are not only profitable but also beneficial to society.

Both beneficial and structural stakeholderism share similarities with virtue ethics. Beneficial stakeholderism explicitly aims to advance stakeholders' welfare,<sup>24</sup> suggesting an ethical commitment that aligns with virtue ethics' emphasis on intrinsic motivations. Structural Stakeholderism involves giving stakeholders more power in governance, integrating their perspectives and values into the corporate decision-making process,<sup>25</sup> a process which ensures that companies are motivated to act in inherently virtuous ways. This effectively shapes the company's character, in alignment with virtue ethics.

In summary, stakeholder-centered approaches enhance the application of ethics in the business environment as they move beyond the traditional shareholder-centric model and promote a holistic view of value creation that includes the well-being of all stakeholders.

## V. Ethics of care: Emphasizing well-being through relationships

However, without systematically and thoroughly addressing the fundamental imbalances that exist between organizations and employees, programs under the umbrella of CSR only achieve to treat surface-level symptoms and, at times, even prioritize the corporate brand image over employee well-being. The *ethics of care* presents a compelling perspective, beyond *utilitarianism*, Kantian and Aristotelian *virtue ethics*. It integrates traditional moral concepts like justice and utility with a focus on care, adapting these ideas to emphasize mutual growth and relationships.<sup>26</sup> Elements that are occasionally overlooked in other frameworks, especially when it comes to promoting well-being through relational dynamics, are highly valued in this approach. This ethical theory has been applied across organizational studies with a focus on the importance of relationships for human development and ethical business practices.<sup>27</sup> A relational belief system highlights that true growth

<sup>23</sup> Purissima Emelda Egbekpalu, "Aristotelian Concept of Happiness (Eudaimonia) and Its Co-normative Role in Human Existence: A Critical Evaluation," *Conatus – Journal of Philosophy* 6, no. 2 (2021): 79.

<sup>24</sup> Paine, 27-28.

<sup>25</sup> Ibid., 40.

<sup>26</sup> Jing Xu and Hedley Smyth, "The Ethics of Care and Wellbeing in Project Business: From Instrumentality to Relationality," *International Journal of Project Management* 41, no. 1 (2023) 102431: 2.

<sup>27</sup> Jessica Nicholson and Elizabeth C. Kurucz, "Relational Leadership for Sustainability: Building an Ethical Framework From the Moral Theory of 'Ethics of Care,'" *Journal of Business Ethics*

and effective business outcomes are best achieved through connectedness, with moral actions being understood in the context of the human capital network and interpersonal bonds. From evaluating the consequences of actions, to the motivations behind them, to the character of the actor, and finally, to the web of relationships each individual is part of, there is evident the need for embracing a more systemic approach, acknowledging that ethical issues are embedded in broader social, technological, economic and environmental contexts.<sup>28</sup>

Modern organizational structures need increased flexibility to adapt to market changes and to efficiently bring forward innovations, thereby arranging human resources around particular projects or development plans. The need for stakeholder interaction and connections is being recognized more and more in project-based organizations.<sup>29</sup> Transportation, energy, tourism, telecommunications, and construction firms, as well as the supply chain in general, are examples of contexts where relationality and interdependence between suppliers and contractors is fundamental in the success of the undertaking projects. Moreover, empathy, mutual respect and nurturing of long-term relationships are crucial, fostering a holistic view of management that integrates concern for the well-being of all stakeholders.

## VI. The Industry 5.0 era

The need for project-based structures to adopt more agile and adaptive methodologies becomes even more prominent in the *Industry 5.0 era*. The landscape of Industry 5.0 is being shaped by innovations in technology that seek to balance efficiency with environmental sustainability and a human-centric design. Technologies like Cognitive Cyber-Physical Systems and Cognitive Artificial Intelligence redefine the limits of machine autonomy and intelligence. With immersive and natural experiences, Human Interaction and Recognition Technologies and Extended Reality are enhancing the integration of human skills with computer systems. Industrial Smart Wearables and Intelligent Robots are pushing the boundaries of human augmentation and collaborative robotics.<sup>30</sup> Unlike its predecessors, *Indus-*

---

156, no. 1 (2017): 25-43.

<sup>28</sup> For an illuminating discussion on the extent to which ethical concerns are intertwined with contemporary market practices – particularly in relation to vulnerable target groups such as children – see Andrie G. Panayiotou and Evangelos D. Protopapadakis, “Ethical Issues Concerning the Use of Commercially Available Wearables in Children: Informed Consent, Living in the Spotlight, and the Right to an Open Future,” *Jahr – European Journal of Bioethics* 13, no. 1 (2022): 9-22.

<sup>29</sup> Xu and Smyth, 1-2.

<sup>30</sup> Morteza Ghobakhloo et al., “Behind the Definition of Industry 5.0: A Systematic Review of Technologies, Principles, Components, and Values,” *Journal of Industrial and Production*

try 5.0 acknowledges environmental, social, and fundamental rights as crucial determinants for the future industry.<sup>31</sup> Its holistic perspective requires a systemic approach of ethics in business, where the interdependence of economic, social, and environmental factors is recognized and addressed in decision-making processes.

*Industry 5.0* emphasizes the importance of human well-being and ethical considerations in the use of technology. It “provides a vision of industry that aims beyond efficiency and productivity as the sole goals and reinforces the role and the contribution of industry to society.”<sup>32</sup> A systemic ethical perspective helps consider the long-term impact of business operations and enhances quality of life and work, promoting sustainable practices that go beyond immediate financial gains. *Industry 5.0* encourages collaboration between humans and machines, as well as between different stakeholders, to innovate and create value.<sup>33</sup> As businesses incorporate advanced technologies like AI, big data, and robotics, ethical considerations become paramount to prevent misuse. A systemic approach guides the responsible development and application of technology while ensuring that the broader interests of society are served. Finally, such an ethical framework helps businesses navigate ethical dilemmas and make decisions that are robust and flexible in the face of uncertainty and change, making them more adaptable and resilient.

In agreement with these perspectives, researchers and business practitioners have been working towards structured frameworks that encourage an organization to holistically examine its ethical considerations. One such approach is illustrated in the Business Ethics Canvas, adapted from Alex Osterwalder’s Business Model Canvas.<sup>34</sup> Firstly, the canvas requires businesses to identify and consider the interests and impacts of a wide range of stakeholders. It also encourages businesses to consider all aspects of their operations and how these interact with their ethical commitments. Unlike approaches that treat ethics as a separate or ancillary concern, the Business Ethics Canvas embeds ethical considerations directly into the strategic planning process.

---

Engineering 40, no. 6 (2023): 432-447.

<sup>31</sup> Ganesh Narkhede, Satish Chinchanikar, Rupesh Narkhede, and Tansen Chaudhari, “Role of Industry 5.0 for Driving Sustainability in the Manufacturing Sector: An Emerging Research Agenda,” *Journal of Strategy and Management*, ahead-of-print (2024). Also, “Industry 5.0: Towards More Sustainable, Resilient and Human-Centric Industry,” *European Commission*, Research and Innovation, January 7, 2021, accessed April 14, 2024, [https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/industry-5-0-towards-more-sustainable-resilient-and-human-centric-industry-2021-01-07\\_en](https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/industry-5-0-towards-more-sustainable-resilient-and-human-centric-industry-2021-01-07_en).

<sup>32</sup> “Industry 5.0 – A Transformative Vision for Europe,” *Interreg Europe*, accessed April 14, 2024, <https://www.interregeurope.eu/policy-learning-platform/news/industry-5-0-a-transformative-vision-for-europe>.

<sup>33</sup> Ibid.

<sup>34</sup> “The Ethics Canvas,” accessed April 15, 2024, <https://www.ethicscanvas.org/>.

Business Ethics Canvas has also been used in conjunction with Business Analytics Methodology to promote the inseparability of value and ethics in everyday practices. The canvas has been suggested to be designed around Markkula Center's five ethical principles: utility, rights, justice, common good, and virtue, with an added focus on stakeholder consideration.<sup>35</sup> Business Analytics can facilitate ethical decision-making in many ways. First, analytics can reveal hidden patterns, thus allowing decisions based on transparent and objective data. It can also assist in a more comprehensive stakeholder analysis whereby businesses can better understand and prioritize stakeholder needs. Furthermore, incorporating ethical considerations into analytics models, like strategic planning and management system frameworks which employ financial, customer or internal process metrics, can better measure and evaluate performance against ethical objectives and not just financial outcomes. Finally, analytics can also identify and quantify ethical risks, allowing corporations to devise strategies that minimize potential harm or legal implications.

## VII. Ethics as a systemic imperative in business

Building on the foregoing discussion, ethics is an essential, integral part of the entire system rather than a peripheral or standalone consideration. This action framework for CSR aligns with an Aristotelian approach. Aristotle's philosophy, particularly his notion of "phronesis" or practical wisdom, emphasizes the importance of finding a balance or the "golden mean" between extremes,<sup>36</sup> aiming for virtuous conduct that benefits the individual and the community.<sup>37</sup> When combined with business ethics, particularly ethics of care, the analysis becomes oriented toward achieving the best outcomes for all stakeholders, reflecting the Aristotelian aim of promoting the common good. In practice, this integrated approach would mean that companies use intelligence tools to gather and analyze data on their operations, market conditions, and social and environmental impacts, while the ethical framework guides the interpretation and application of these data to make decisions.

<sup>35</sup> Richard Vidgen, Giles Hindle, and Ian Randolph, "Exploring the Ethical Implications of Business Analytics With a Business Ethics Canvas," *European Journal of Operational Research* 281, no. 3 (2020): 491-501.

<sup>36</sup> Richard Kraut, "Aristotle's Ethics," *The Stanford Encyclopedia of Philosophy* (Fall 2022 Edition), eds. Edward N. Zalta and Uri Nodelman, <https://plato.stanford.edu/archives/fall2022/entries/aristotle-ethics>.

<sup>37</sup> In this regard, the notions of effective altruism and affirmative action are often invoked. For a seminal discussion on effective altruism, see Iraklis Ioannidis, "Shackling the Poor, or Effective Altruism: A Critique of the Philosophical Foundation of Effective Altruism," *Conatus – Journal of Philosophy* 5, no. 2 (2020): 25-46, and Sooraj Kumar Maurya, "A Reply to Louis P. Pojman's Article 'The Case Against Affirmative Action,'" *Conatus – Journal of Philosophy* 5, no. 2 (2020): 87-113, respectively.

This Aristotelian systemic approach, rooted in practical wisdom, would encourage businesses to act in ways that are just and caring, taking into account the well-being of all stakeholders and leading to sustainable and ethical business practices. Thus, the analytical capabilities of business intelligence tools, combined with the guidance of business ethics, can indeed be seen as a modern application of the Aristotelian systemic approach to achieving virtuous and effective CSR practices. Business intelligence and business ethics can serve as a robust framework for CSR design and implementation. Business Intelligence, with its emphasis on utilizing data and analytics to make strategic choices, can help organizations identify and prioritize CSR projects that are closely connected with their strategic goals and stakeholder interests.<sup>38</sup> Business ethics introduces a moral dimension to this procedure, guaranteeing that the choices taken are not only financially advantageous but also just and fair in a wider societal framework.

### VIII. Integrating justice and care in business ethics

Ethical considerations in business can be viewed as residing on a spectrum; on the one end justice-oriented practices focus on the adherence to regulatory standards and aim to ensure fairness while on the other end, care-oriented practices emphasize the importance of social values, nurturing relationships and fostering a positive organizational culture. This framework provides a comprehensive understanding of how businesses can approach ethical decision-making and responsibility in various dimensions of their operations.

Effective justice-oriented ethics emphasize compliance with environmental and health and safety regulations. Companies are increasingly held accountable for their environmental footprint and are required to comply with stringent regulations aimed at decreasing pollution, managing waste, or even ensuring sustainable resource utilization.<sup>39</sup> Strict compliance with environmental standards not only mitigates potential legal risks but may also encourage the adoption of sustainable practices. Beyond the environment, health and safety standards are essential for preventing occupational hazards while ensuring a safe working environment. Such measures also create conditions for products and services that are safe for public use. Companies that give priority to such regulations demonstrate a commitment to ethical responsibility and effective risk management.

At the other end of the spectrum, there is care-oriented ethics, in which a more comprehensive view encompasses a wide range of activities essential for

<sup>38</sup> Dimitriou, Sartzetaki, and Karagkouni, 127-151.

<sup>39</sup> Aristi Karagkouni and Dimitrios Dimitriou, "Sustainability Performance Appraisal for Airports Serving Tourist Islands," *Sustainability* 14, no. 20 (2022): 13363.

sustaining and promoting well-being.<sup>40</sup> This end aligns with Peter Singer's perspective on the responsibility of not only individuals but also organizations to contribute to the broader societal well-being.<sup>41</sup> In the context of integrating long-term social values into business practices, just as individuals are urged to make choices that benefit society, businesses can also incorporate enduring social principles into their operations. The concept of care aligns with CSR frameworks and practices. The value of care, viewed as part of the organization's identity and culture, points towards morally appropriate relationships based on trust and interdependence.<sup>42</sup> Companies at this end of the spectrum increasingly recognize the personal and professional development needs of employees while also acknowledging the need to foster well-being and prioritize the holistic development of individuals.

There can be an ideal zone in the spectrum of ethical decision-making where formal aspects of ethics and social values converge. In this zone, organizations conform with regulations and at the same time embrace a deep consideration for social values such as community engagement and employee well-being. The optimum ethical zone encompasses a harmonious equilibrium between justice and care principles. By integrating both ends of the ethical spectrum, corporations can establish a comprehensive ethical framework that supports sustainable success. Organizational justice can serve as a critical basis, sustaining the organization's credibility and standards while also reinforcing ethical practices and supporting CSR initiatives.

## IX. The ecosystem of ethical decision-making

Justice principles are often prioritized by stakeholders like governmental organizations, associations, and NGOs. These entities typically focus on broader societal impacts, urging for fairness, rights, and equality across communities and often at a policy level. They typically focus on establishing and enforcing guidelines that maintain the standards of justice for the broader society.

Values of care are primarily associated with stakeholders in fields that directly engage with individuals, such as healthcare providers or social services. In these domains, the focus is on empathy, compassion, and the well-being of specific individuals or groups. However, it's also relevant in Occupational Health and Safety (OHS) contexts, where the primary concern is ensuring the physical and psychological safety of workers, emphasizing values within the actual workplace.

<sup>40</sup> Berenice Fisher and Joan Tronto, "Toward a Feminist Theory of Caring," in *Circles of Care*, eds. Emily K. Abel and Margaret K. Nelson (SUNY Press, 1990), 40.

<sup>41</sup> Peter Singer, *The Life You Can Save: Acting Now to End World Poverty* (Random House, 2009).

<sup>42</sup> Denis G. Arnold and Roxanne L. Ross, "Care in Management: A Review and Justification of an Organizational Value," *Business Ethics Quarterly* 33, no. 4 (2023): 622, 628.

Within this care-justice spectrum, ethical considerations are not separate from but intrinsic to the main function of business, economic, and social entities. Considerations are balanced with primary objectives, such as financial or operational performance. A conceptual framework depicting the relationships and decision-making effects within a socio-economic system appears in Figure 1. In the top section of the diagram, including entities like Equity Funds, Retail Banks, Regional government, and multinational or smaller enterprises, decisions are primarily driven by economic criteria and financial metrics. A focus on fair and equitable market practices, promoting transparency and accountability, resonates with the perspective of justice. In the bottom section of the diagram, R&D Institutions, Industry Associations, and Development Authorities prioritize the social impact and the immediate needs of individuals and communities, aligning with a care ethics approach. The “Ethical Zone” in the center of the framework represents the area of convergence between care and justice ethics, highlighting a balanced approach between humane and formal aspects. Ethical business practices ensure that care-based decisions do not compromise economic stability and that just-based decisions do not neglect the welfare of individual stakeholders and the broader society. Governments, Social Institutions, NGOs and Financial Associations cross both domains, having a more dominant role in fostering an environment which is both just and caring.

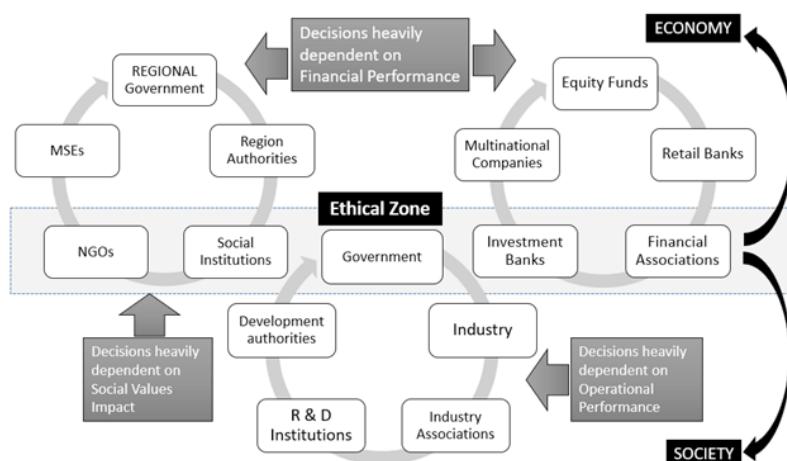


Figure 1. Conceptual Framework illustrating how different sectors balance ethical considerations with their primary objectives

Ethical business practices would ideally ensure that care-based decisions do not undermine financial sustainability and that justice-based decisions do not

neglect the welfare of employees, customers, and the broader society. The “Ethical Zone” represents the practical application of ethical principles to the decision-making processes of organizations across economic and social sectors. It is, thus, crucial that theoretical ethics meet the ground reality of business, government, and society influence. The ultimate goal is for ethics to be actively interwoven into the operational core of an organization and to manifest in both decisions and actions.

Such an all-encompassing approach fundamentally revolves around the concept of well-being, either individual, community, or of the environment. Key aspects include practices that address the physical and mental health of employees as well as their continuous development while extending to sustainable efforts and the ethical use of natural resources. Complex interdependencies increasingly emerge as businesses strive to address the ethical dimensions of pressing issues with solutions that are both caring and just and both equitable and sustainable.

Focusing on well-being in such a comprehensive manner, from the level of the individual to larger societal and environmental systems, brings forward the role of bioethics and shifts the discussion from a purely instrumental and normative approach to one that is more empowering, culturally integrated, and caring. Indeed, the normative approach is ineffective in generating a sense of caring in the implementation of well-being practices and programmes.<sup>43</sup> Employees may even perceive the promotion of healthy behavior in the workplace by managers as an overreach of authority, which can be demoralizing and – against expectations – counterproductive.<sup>44</sup> To put it another way, it might be the case that organizations manage to fulfill the instrumental compliance goals of legislation and industry norms but not fundamentally cultivate well-being.

## X. Concluding remarks

Corporations need to make ethics foundational and pervasive across the spectrum of their operations, effectively addressing the complexity and interconnectedness of the various stakeholders and business ecosystem components. Corporate ethical character encapsulates the essence of the organization’s moral and ethical identity. Essentially, what it stands for and how it behaves both internally and towards the external world.

Imagining ethical practices on a continuum, one end could represent care, focusing on compassion, individual well-being, and relational ethics, while the other end could represent justice, which emphasizes fairness, rights and systemic equality. This spectrum is an all-encompassing concept of Corporate

<sup>43</sup> Xu and Smyth, 1.

<sup>44</sup> Torkild Thanem, “More Passion Than the Job Requires? Monstrously Transgressive Leadership in the Promotion of Health at Work,” *Leadership* 9, no. 3 (2013): 404-408.

social Responsibility. The cultivation of direct relationships and the concern for the requirements of stakeholders, including employees, customers, and related communities, are essential. Every company's approach will likely draw from both ends of this spectrum to different degrees, depending on corporate values, goals, and the expectations of their stakeholders. What is important is to avoid a type of uncritical promotion of practices just magnifying leaders' moral views and facilitating managerial aims.

Overall, the current era urges for progression from theoretical foundations through practical applications and emphasizes the integration of diverse ethical theories and stakeholder considerations into corporate decision-making.

### **Author contribution statement**

All authors have contributed equally to the conception and design of the work, the drafting and revising of the manuscript, and the final approval of the version to be published.

### **References**

Arnold, Denis G., and Roxanne L. Ross. "Care in Management: A Review and Justification of an Organizational Value." *Business Ethics Quarterly* 33, no. 4 (2023): 617-54.

Balogun, Babalola Joseph. "How not to Understand Community: A Critical Engagement with R. Bellah." *Conatus – Journal of Philosophy* 8, no. 1(2023): 55-76.

Bowie, Norman E. "A Kantian Approach to Business Ethics." In *A Companion to Business Ethics*, edited by Robert E. Frederick (Wiley-Blackwell, 1999), 3-17.

Buchanan, Mark. "Wealth Happens." *Harvard Business Review*, April 2002, <https://hbr.org/2002/04/wealth-happens>.

Carson, Thomas L. "Friedman's Theory of Corporate Social Responsibility." *Business and Professional Ethics Journal* 12, no. 1 (1993): 3-32.

Constantinescu, Mihaela, and Muel Kaptein. "Virtue and Virtuousness in Organizations: Guidelines for Ascribing Individual and Organizational Moral Responsibility." *Business Ethics, the Environment & Responsibility* 30, no. 4 (2021): 801-17.

Corvino, Fausto. "Sweatshops, Harm and Exploitation: A Proposal to Operationalise the Model of Structural Injustice." *Conatus – Journal of Philosophy* 5, no. 2 (2020): 9-23.

Danley, John. R. "Polestar Refined: Business Ethics and Political Economy." *Journal of Business Ethics* 10, no. 12 (1991): 915-933.

Dimitriou, Dimitrios J. "Corporate Ethics: Philosophical Concepts Guiding Business Practices." *Conatus – Journal of Philosophy* 7, no. 1 (2022): 33-60.

Dimitriou, Dimitrios, Maria Sartzetaki, and Aristi G. Karagkouni. *Managing Airport Corporate Performance: Leveraging Business Intelligence and Sustainable Transition*. Elsevier, 2024.

Dizik, Alina. "Why Corporate Social Responsibility Can Backfire." *The University of Chicago Booth School of Business*. Accessed April 5, 2024. [www.chicagobooth.edu/review/why-corporate-social-responsibility-can-backfire](http://chicagobooth.edu/review/why-corporate-social-responsibility-can-backfire).

Driver, Julia. "The History of Utilitarianism." *The Stanford Encyclopedia of Philosophy* (Winter 2022 Edition), edited by Edward N. Zalta and Uri Nodelman. <https://plato.stanford.edu/archives/win2022/entries/utilitarianism-history/>.

Egbekpalu, Purissima Emelda. "Aristotelian Concept of Happiness (Eudaimonia) and Its Conative Role in Human Existence: A Critical Evaluation." *Conatus – Journal of Philosophy* 6, no. 2 (2021): 75-86.

Fisher, Berenice, and Joan Tronto. "Toward a Feminist Theory of Caring." In *Circles of Care*, edited by Emily K. Abel and Margaret K. Nelson, 35-62. SUNY Press, 1990.

Fleurbaey, Marc, and Grégory Ponthière. "The Stakeholder Corporation and Social Welfare." *Journal of Political Economy* 131, no. 9 (2023): 2556-2594.

Ghobakhloo, Morteza, Mohammad Iranmanesh, Ming-Lang Tseng, Andrius Grybauskas, Alessandro Stefanini, and Azlan Amran. "Behind the Definition of Industry 5.0: A Systematic Review of Technologies, Principles, Components, and Values." *Journal of Industrial and Production Engineering* 40, no. 6 (2023): 432-47.

Hursthouse, Rosalind, and Glen Pettigrove. "Virtue Ethics." *The Stanford Encyclopedia of Philosophy* (Fall 2023 Edition), edited by Edward N. Zalta and Uri Nodelman, <https://plato.stanford.edu/archives/fall2023/entries/ethics-virtue/>.

Interreg Europe. "Industry 5.0 – A Transformative Vision for Europe." Accessed April 14, 2024. <https://www.interregeurope.eu/policy-learning-platform/news/industry-50-a-transformative-vision-for-europe>.

Ioannidis, Iraklis. "Shackling the Poor, or Effective Altruism: A Critique of the Philosophical Foundation of Effective Altruism." *Conatus – Journal of Philosophy* 5, no. 2 (2020): 25-46.

Karagkouni, Aristi, and Dimitrios Dimitriou. "Sustainability Performance Appraisal for Airports Serving Tourist Islands." *Sustainability* 14, no. 20 (2022): 13363.

Kourtoglou, Olga, Elias Vavouras, and Nikolaos Sariannidis. "The Stoic Paradigm of Ethics as a Philosophical Tool for Objectifying the Concepts of Organizational Ethics, Corporate Social Responsibility, and Corporate Governance." *Conatus – Journal of Philosophy* 9, no. 2 (2024): 119-143.

Kraut, Richard. "Aristotle's Ethics." *The Stanford Encyclopedia of Philosophy* (Fall 2022 Edition), edited by Edward N. Zalta and Uri Nodelman, <https://plato.stanford.edu/archives/fall2022/entries/aristotle-ethics/>.

L'Etang, Jacquie. "A Kantian Approach to Codes of Ethics." *Journal of Business Ethics* 11 (1992): 737-744.

Maurya, Sooraj Kumar. "A Reply to Louis P. Pojman's Article 'The Case Against Affirmative Action.'" *Conatus – Journal of Philosophy* 5, no. 2 (2020): 87-113.

Narkhede, Ganesh, Satish Chinchanikar, Rupesh Narkhede, and Tansen Chaudhari. "Role of Industry 5.0 for Driving Sustainability in the Manufacturing Sector: An Emerging Research Agenda." *Journal of Strategy and Management*, ahead-of-print.

Nicholson, Jessica, and Elizabeth C. Kurucz. "Relational Leadership for Sustainability: Building an Ethical Framework from the Moral Theory of 'Ethics of Care.'" *Journal of Business Ethics* 156, no. 1 (2017): 25-43.

Paine, Lynn S. "Corporate Leaders Say They Are for Stakeholder Capitalism – But Which Version Exactly? A Critical Look at Four Varieties." *Harvard Business School Working Paper*, No. 24-008 (2023): 1-60.

Panayiotou, Andrie G., and Evangelos D. Protopapadakis. "Ethical Issues Concerning the Use of Commercially Available Wearables in Children: Informed Consent, Living in the Spotlight, and the Right to an Open Future." *Jahr – European Journal of Bioethics* 13, no. 1 (2022): 9-22.

Protopapadakis, Evangelos D. *Creating Unique Copies: Human Reproductive Cloning, Uniqueness, and Dignity*. Logos Verlag, 2023.

Rangan, V. Kasturi, Lisa Chase, and Sohel Karim. "The Truth About CSR." *Harvard Business Review*, February 29, 2024. doi: <https://hbr.org/2015/01/the-truth-about-csr>.

Research and Innovation. "Industry 5.0: Towards More Sustainable, Resilient and Human-Centric Industry." January 7, 2021. [https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/industry-50-towards-more-sustainable-resilient-and-human-centric-industry-2021-01-07\\_en](https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/industry-50-towards-more-sustainable-resilient-and-human-centric-industry-2021-01-07_en).

Roach, Brian. *Corporate Power in a Global Economy. An ECI Teaching Module on Social and Environmental Issues, Economics in Context Initiative*. Global Development Policy Center, Boston University, 2023. <https://www.bu.edu/eci/files/2023/09/Corporate-Power-Module.pdf>.

Simpson, Peter. "Contemporary Virtue Ethics and Aristotle." *The Review of Metaphysics* 45, no. 3 (1992): 503-524.

Singer, Peter. *The Life You Can Save: Acting Now to End World Poverty*. New York: Random House, 2009.

Thanem, Torkild. "More Passion than the Job Requires? Monstrously Transgressive Leadership in the Promotion of Health at Work." *Leadership* 9, no. 3 (2013): 404-408.

Valenzuela, Pia. "Fredrickson on Flourishing through Positive Emotions and Aristotle's Eudaimonia." *Conatus – Journal of Philosophy* 7, no. 2 (2022): 37-61.

Vidgen, Richard, Giles Hindle, and Ian Randolph. "Exploring the Ethical Implications of Business Analytics with a Business Ethics Canvas." *European Journal of Operational Research* 281, no. 3 (2020): 491-501.

Witesman, Eva, Bradley Agle, Justin Ames, Steven Christensen, Max Moore, and Rachel Pankey. "From Profit Maximization to Social Welfare Maximization: Reclaiming the Purpose of American Business Education." *Futures* 150 (2023): 103152.

Xu, Jing, and Hedley Smyth. "The Ethics of Care and Wellbeing in Project Business: From Instrumentality to Relationality." *International Journal of Project Management* 41, no. 1 (2023) 102431: 1-6.