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Ethical Solutions to Ethical Problems in Knowledge Work

Minna-Maaria Hiekkataipale

How to Make It Right

Both managers and academics alike agree that organizations' sustainable and successful performance is connected to ethical behavior (O'Fallon and Butterfield 2005, 405; Crane & Matten 2007, 12, Ciulla and Forsyth 2011, 239; Huhtala et al. 2011, 265; Riivari and Lämsä 2014, 1; Thiel et al. 2012, 49). Managers and employees make choices between right and wrong on a daily basis as they try to navigate through various decision-making situations, which contain ethical elements. Moreover, nearly all organizational decisions and activity have been found to inherently have an ethical aspect or significance (Nash 1990, 26).

However, the list of recent ethical collapses in various fields of business keep on growing despite the increased awareness of companies' responsibilities for ethical conduct (Bishop 2013, 636). As a matter of fact, failing to safeguard ethical behavior may cause various and mostly negative consequences to organizations. Damaged reputation, loss of public trust or resignation of highly qualified and valuable staff members are arguably grave dangers to profitability and development of businesses, especially in knowledge organizations (Hassan, Bradley and Gary Yulk 2014, 333).

Managers have a particularly important role in setting an example of ethical behavior, as they are able to influence their followers and the ethical atmosphere of the organization (Treviño et al. 2006, 967; Huhtala et al. 2013, 263). In addition, their actions are constantly being monitored, evaluated and followed by their staff members. As pointed out by Moberg (2006, 419) employees tend to concentrate more on observing the ethicality of managers' actions

instead of their effectiveness or other organizational achievements. Managers have thus been said to create the ethical tone of organizations (Treviño, Weaver and Reynolds 2006, 967).

However, solving various ethical problems at all levels of organizations continuously challenge individuals in managerial positions (Dean, Beggs and Keane 2010, 62). For instance, solving complex and intertwined ethical problems may create ethical strain (that means stress caused by ethical problems). (Huhtala et al. 2011, 233) which in turn may eventually lead to morally disengaged reasoning and behavior (Detert, Treviño and Schweitzer 2008, 384, Martin, Kish-Gephart and Detert 2014, 308). Consequently, managerial work has been found to be complex, varying and challenging from ethical perspective (Jackall 2010, 18–43; Thiel et al. 2012, 51).

This chapter underscores the importance of ethics in creating and sustaining profitable business in knowledge-based organizations. It focuses especially on the viewpoint of managers in such organizations. First, drawing on recent research in the field, the chapter sheds light on ethical problems experienced and handled by managers in knowledge work context. Second, it makes suggestions for how to improve organizations' ethical culture in such a way that ethicality becomes central in decision-making and in organizational practices. In addition to presenting theoretical concepts and aspects, as well as prior research regarding ethical problems of organizations, this chapter introduces overview of a research results from 20 interviews to middle managers in higher education organizations in Finland (see Hiekkataipale and Lämsä, 2016, 40).

The Landscape of Ethical Issues in Organizations

Bishop (2013, 636) defines ethics as a concept comprising of complex ideas, applications, and interpretations about not only what is right and wrong, but also why things are considered as right and wrong. Nash (1990, 126) for her part, defines ethical problems as situations in which one does not know what is the right or wrong thing to do, and situations in which one knows what is the right thing to do but fails to act accordingly. Researchers of organizational ethics have noticed that ethical dilemmas are very common, recognizable and oftentimes - instead of strategic and large scale issues- more of a day to day management problems (Waters, Bird and Chant 1986, 383; Dukerich et al 2000, 36; Power and Lundsten 2000, 188; Hiekkataipale and Lämsä 2016, 41). What is typical of the problems of ethical nature is the involvement of feelings and personal aspect in the decision-making. Problems often involve also possibility for personal or organizational loss. (Dukerich et al. 2000, 34). Waters et al. (1986, 383) point out that managers consider issues in ethical terms when they feel, even remotely that certain moral standards should be applied in the situations. Moreover, they experience moral responsibility when they feel power to influence the well-being of others. However, no single code of conduct, law or policy can straightforwardly ease the pain of solving ethical problems in organizations. Problems are often complex, intertwined and may have a long history and unresolved background issues (Hiekkataipale and Lämsä 2016, 47). Let us now look closer at these situations.

The types of ethical problems are often personal, intrapersonal or relationship issues. That means, for instance, that managers face situations in which employees do not take ownership of their jobs or they show injurious (from organizations point of view) self-interest when fulfilling their duties (Power and Lundsten 2005, 192). These kind of ethical dilemmas arguably are highly

challenging in knowledge work context as experts are expected to take initiative and organise their work rather independently and with low amount of supervision (Argandoña 2003, 15, Burgess and Heap 2015, 454; Costas and Kärreman 2016, 62; Ipsen and Jensen 2012, 326).

Moreover, from managerial standpoint organizations' ethical problems are highly important to solve since they contain very basic yet vital issues of honesty, fairness, respect for others and fulfillment of promises (Nash 1990, 8). Greed, cover-ups, giving misleading information, poor quality of work, favoritism, lying, climbing the corporate ladder by stepping on others, taking credit for other's work, sacrificing the innocent, not taking responsibility for injurious practices, laying off people, personal problems with alcohol, mental illnesses etc. are just few examples of ordinary ethical challenges encountered in organizational reality (Nash 1990, 8–9; Power and Lundsten 2005, 188; Jackall 2010; Feldt et al. 2012, 140).

Managers tend to experience ethical problems especially because they try to act according to their own beliefs and perceptions of right and wrong (Feldt, Huhtala and Lämsä 2012, 153). As an example of the high complexity of ethical problems, Holden and Roberts's (2004, 285) study in private and public organizations in United Kingdom, Sweden and Netherlands show that managers experience isolation, role conflicts, role ambiguities and professional and personal ethical problems as they try to balance the needs of the upper managers, employees, peers, partners, their own health and conscience. Typically, ethical problems are perceived to emerge when managers are unaware of how to act in an ethically challenging situation. Unclear and complex situations without clear instructions or norms have been found to be major causes for stress and anxiety in managerial work. However, not all ethically challenging situations can ever be covered with rules or policies (Kaptein 2015, 15).

Interestingly, there is significant difference between executive level managers/CEO's and lower level managers regarding the nature of the ethical problems that they experience. For instance, lower level managers tend to face more "everyday" problems, which are small scale but important and often unexpected and very complex. In a study of Dean et al. (2010, 62) middle managers encountered incremental and episodic challenges consisting of situations in which they felt that they were being pressured and they suffered from bending the organizational rules for someone. Moreover, Treviño et al. (2008, 247) claim that middle managers' perceptions of the ethicality of their organization are more accurate than upper managements' perceptions since managers at the lower level have a lot of interaction with different organizational groups like subordinates and superiors. In another study, floor-level managers experienced that company executives were out of touch in ethical issues because of their other engagements or avoiding of their responsibilities (Badaracco and Webb 1999, 16). As Jackall (2010, 85) remarks, managers at the lower and upper-middle levels are often left to sort out extremely complicated issues about technology, investments and in addition their superiors' expectations and intentions regarding the matters. Their ethical awareness and decision-making capabilities are thus of crucial importance.

Ethical Problems in Knowledge Organizations

Ethical problems are evidently part of everyday managerial work. Knowledge work, may however present special characteristics to solving ethical problems since highly qualified individuals may expect high autonomy and possibilities for self-actualization, freedom of critical discourse and certain organizational elite-positions (Ipsen and Jensen 2012, 333; Costas and Kärreman 2016, 62).

In a recent research project (see also Hiekkataipale and Lämsä 2016) 20 middle managers in higher education organizations were interviewed to identify what kind of ethical problems they face and how they solve them. In this research project, the data was collected using the critical incident technique (CIT). This qualitative technique builds on the respondents' self-recollections of selected incidents (Gremler 2004, 66–67).

Individual semi-structured interviews were conducted in four higher education organizations in Finland. The purposive, discretionary sample of altogether 20 middle managers consisted of 4 men and 16 women, with ages ranging between 35 and 58 years, the average age being 50. The interview consisted of three main parts: 1) background data, 2) a description of the ethical problem(s) that interviewees had encountered, how the problem(s) evolved, what events took place, and who was involved, and 3) a description of how the problem(s) was/were handled in the organization. The aim was to collect detailed information about managers' actual experiences of events leading to ethical problems and the problem-solving method. Altogether 52 ethically critical incidents were identified in the data. The incidents varied from very rich and detailed descriptions to more general stories, and included analyses of what had happened and why the events were considered problematic from the ethical point of view.

Higher education represents an interesting example of traditional knowledge organizations, which are heavily dependent on their intangible assets, knowledge and educated, highly qualified people. However, from ethical point of view, recent and drastic financial, cultural, demographic and managerial changes in the field have introduced entirely new kinds of pressures on the leadership of these organizations. Greater demands for increased competitiveness and corporate norms and values have been placed on the shoulders of those in management positions

(Middlehurst 2010, 17; Marshall 2012, 521; Preston and Price 2012, 417; Abbasi and Zamani-Miandashti 2013, 506).

Consistently with prior research on the topic (Waters, Bird and Chant 1986; Bird and Waters 1989; Dukerich et al. 2000; Power and Lundsten 2005; Dean, Beggs and Keane 2010; Feldt, Huhtala and Lämsä 2012), in this study managers' ethical problems were found to be mostly day-to-day problems which, despite their seemingly modest effects, had in some cases serious and long-term organization-level consequences. Based on the interviews, the ethical problems experienced by the managers were categorized by content into six groups, which are presented in Table 1. Examples of typical issues in the groups are introduced to characterize briefly the content of the problem. Additionally, the number of the critical incidents is mentioned in each group.

Table 3.1 Ethical problems experienced by middle managers in higher education context (modified Hiekkataipale and Lämsä, 2015, 2016)

Problems	Examples of issues
Self-interested behavior (n=15 critical incidents)	Maximizing own benefits; bending organizational rules to self-interest; pulling strings; arbitrary and unfair behavior; manipulating other people against the organization; lying and cheating for own benefit; fawning on subordinates or upper management

Avoiding/neglecting responsibilities (n= 12 critical incidents)	Not intervening with the poor quality of employees' work; not solving conflicts at workplace; sweeping problems under the carpet; not having open and constructive discussion about ethical problems; endangering equal treatment of employees
Hidden agendas (n=10 critical incidents)	Deliberately lying to superiors; hiding information or motives from employees, "dirty deals" with top management
A gap between targets and resources (n= 7 critical incidents)	Insufficient financial resources compared to given tasks; lack of vital information from upper management
Relationship problems among employees (n=7 critical incidents)	Deliberate formation of competing "tribes" within working community; employees' backstabbing and smearing other organization members
Questionable behavior of trade union representatives (n=1 critical incidents)	Leaking confidential information during the dismissal process

First, managers in this data underscored that their most important duty should be to serve other people, specifically employees, upper management and students. Managers regarded themselves as facilitators who take care of financial matters, allocate resources and contribute to the

execution of organizations strategy. Moreover, they emphasised the achieving of organizational goals as an important and central element in their work (Hiekkataipale and Lämsä 2016, 85). These findings point to the special role of lower level managers in between of various expectations arising from internal sources of the organization (Treviño, Weaver and Brown 2008, 236). Moreover, this confirms that managers are in a crucial position in regards to molding the ethical environment at the workplace, as shown earlier. However, this data suggests that knowledge organizations' members can have contradicting perceptions concerning what kind of behaviour is (un)ethical. Moreover and surprisingly, willingness to discuss ethical issues openly at workplace appeared to be rather low among both employees and managers (see Hiekkataipale and Lämsä 2016, 92).

The most common type of problem, that is self-interested behavior, was experienced to exist among all levels of the organizations—top management, middle management as well as subordinates. This type of behavior manifested for instance in the form of pulling strings, that means that highly skilled specialists tried to influence decision-making in the organization by using their personal relationships and connections to politicians or top-level management in order to gain personal benefits. Next excerpt illustrates this dilemma: “This person took liberties, I don’t think that it was an ethical thing to do, but it seems that this kind of behavior exists here, it appears that people who have connections to certain decision-makers, and they kind of pull strings”. Interviewee No. 8. From managerial point of view, this caused frustration and experiences of helplessness. Furthermore, self-interested behavior of subordinates was experienced as a highly challenging ethical problem, which lead often to other ethical problems; this data indicates that managers find it very hard to find a balance between nourishing individual freedom and privileges and sustaining equal treatment on everyone. Lack of clear

sanctions was also evident in this type of problem context. Managers indicated that if people showed self-interested behavior, they were mostly let alone and do what they wished. However, by doing so, managers created a continuum for actions that are more self-interested and worsening ethical environment in the organization. This finding applies also to situations when the upper management showed self-interest. Lower level managers rarely had the courage to step up and question unethical behaviour.

The second largest group of ethical problems contained avoiding or neglecting one's responsibilities. This problem type was also commonly experienced to exist at all levels of organization, from the employee level to the top management. Here again, managers reported that their possibilities to grasp the problems were limited due to the complexity of the problems, as well as the conflicting viewpoints between highly qualified employees and managers. Moreover, in this category lack of support from upper management was encountered and even suppression of discussion regarding the topic. Due to unjust, unsupportive and unfair treatment in difficult situations as well as general distrust, and lack of communication managers had for their part deliberately neglected their own duties. A vicious circle of ethical problems thus emerged.

Third category "hidden agendas" consisted of problems in which the actual purpose of action was hidden from superiors or employees. The interviewed managers reported that they sometimes aimed to manipulate other organization members, lied and covered up details or relevant facts in order to have some hidden influence over subordinates or superiors. Managers did acknowledge that the type of behavior is questionable from ethical point of view and they felt ethical strain due to it. Nonetheless, justification for such behavior varied from the lack of an open, supportive and constructive atmosphere in the chain of management to difficulty to

communicate with subordinates. In addition, a common understanding of how to tackle problems, clear procedures and organizational instructions on how to intervene when people do poor work were largely experienced as missing.

In the fourth category, a gap between targets and resources, managers defined incidents where financial resources were experienced as deficient compared to given tasks, or essential information for carrying out duties was lacking. Interviewee described ethical viewpoints in this context as follows: “This is a very common problem at the moment, due to the financial circumstances we need to think constantly how we can do more with less, how we can cut resources and what I think quite a lot is how we could do this fairly so that it doesn’t reduce motivation, because anyway we need to hold on to the people we’ve got, and we want to hold on to them.” It seems that managers combat a lot with financial shortage and seek for ethical solutions in difficult circumstances. Managers also carry considerable burden regarding the responsibility for the health and well-being of their most important assets that is their highly qualified staff (Hiekkataipale and Lämsä 2015). However, an important finding concerning experienced lack of resources was that despite the experienced ethical strain, managers were able to develop more cost-efficient and better solutions for teaching and research, which in turn contributed to organizational innovativeness (Hiekkataipale and Lämsä 2016, 89).

In the fifth category of problems, respondents described relationship conflicts, which usually involved two different parties, long-lasting disagreement and deeply rooted and mutual distrust. For example, backstabbing of each other and forming of competing “tribes” were encountered. Unfortunately, managers felt rather cynical about solving these conflicts, and usually preferred turning a blind eye on them. From knowledge work point of view, it is highly problematic, if skilled employees are unable to work in teams due to simmering conflicts (Ipsen

and Jensen 2012, 326). Moreover, the data showed that relationship conflicts compromised organizations' objectives, increased general dissatisfaction and lowered people's motivation to work (Hiekkataipale and Lämsä 2016, 89).

The last type of problem, called here the questionable behaviour of a trade union representative, consisted of an incident in which someone from the labor union was leaking confidential information during a dismissal process. Upper management was described to sacrifice a lower level manager in the situation and the actual traitor was rescued to sustain harmony with labor union. This case possibly illustrates the strong role of labor organizations in the field of higher education in Finland, but also shows that highly educated professionals have strong negotiation power and role in the respective organizational environment.

Finally, it appears that adequate attention has not been paid to knowledge organizations in which highly skilled employees have gained considerable power to shape the ethical tone of their organizations. So far empirical research in the topic has concentrated on the eminent role of the managers and supervisors regarding the ethical culture of organizations (Huhtala et al. 2013), while neglecting the employees as highly qualified professionals who can behave as determined, effective and active moral agents (Moberg 2006, 423). Furthermore, as pointed out by Weaver (2006, 361), less salient institutional impacts may also have influence on ethicality of managers. There is evidence that industry networks (teachers' union in this study) may reinforce particular beliefs concerning what the practices are accepted in the field. This may lead to reification of those beliefs, and managers in the field experience them as given. Therefore, more open discussion and sharing of ethical issues is evidently needed between different groups in knowledge organizations.

How to Find Solutions

Prior data shows that managers are prepared, with varying degrees, to face ethical problems in the course of their working life. However, in the beginning of managerial career, there is evident lack of situational prototypes which might help in categorizing the events and deciding the course of actions (Badaracco and Webb 1995, 9; Dean, Beggs and Keane 2010, 66; Thiel et al. 2012, 50). Consequently, as suggested by for example Thiel and others (2012, 60) and Dane and Sonenshein (2015, 87), managers should be encouraged to reflect the past work situations in order to be able to handle the upcoming ethical problems better. Next, I shall briefly discuss how ethical problems have been handled and solved in knowledge organizations.

As we have seen, managers experience different types of ethical problems in their work, but also they handle and solve the problems differently. Based on data of 52 experienced ethical problems and their handling process, Hiekkataipale and Lämsä (2015) constructed five different strategies which managers in knowledge organization context use when handling ethical problems. These strategies were the 1) Mediating strategy, 2) Principled strategy, 3) Isolation strategy, 4) Teaching strategy and 5) Bystanding strategy.

The mediating strategy, which can be characterised as seeking consensus and balance between different viewpoints but often lacking the courage and determination to actually solve the problems, appeared to be the most common strategy for handling ethical problems among the managers in Hiekkataipale and Lämsä (2015) data. A lack of clear rules and of support from upper management or other members of the organization were also typical features of the situations in which the mediating strategy was adopted (Hiekkataipale and Lämsä 2015). In the principled strategy in turn, managers highlighted the importance of their personal ethical norms. When faced with ethical problems, managers assessed the situation based on what they believed

was the “right” thing to do in the light of their own values, and sometimes even took actions against their superiors’ orders. Those managers who applied principled strategy seemed to regard ethical problems as unpleasant and complex but also as ordinary situations in organizational life which often required attention and active intervention. In addition, managers applying the principled strategy wanted to follow the formal organizational rules and procedures closely in order to safeguard fair, transparent and equal treatment for everyone.

In contrast, managers applying the isolation strategy seemed to regard ethical problems as unnecessary and unwelcomed disturbance in the course of their working life. Moreover, those applying the isolation strategy described having strikingly little trust in the fair handling of the ethical problems in the working community. They felt that they were responsible for dealing with difficult issues alone and they had particularly little faith in their superiors’ capability or willingness to help them in a fair manner. In addition, managers who applied the isolation strategy appeared to value solitude and autonomy and consequently kept their distance to both employees as well as to their superiors when solving ethical problems. However, they highlighted the importance of taking care of one’s duties properly and showing loyalty to the organization.

The teaching strategy for its part contained an approach in which managers tried to show persistently example of the “right” behavior in their own actions towards their subordinates. Moreover, these managers communicated various ethical viewpoints to their staff, colleagues and superiors, tried to question unethical behavior of superiors in an utmost constructive manner and sought for improvement cautiously gradually. However, it appeared that it was rather difficult for them to openly confront superiors in the conflicting situations. These managers suffered from lack of courage and they were afraid of what might be the outcome of their

involvement in the problems both from the personal as well as from their constituents' point of view. In addition, it appeared that informal organizational rules such as superiors' disregarding attitude towards open discussion about ethical matters prohibited or prevented more outspoken or courageous actions. Finally, Hiekkataipale and Lämsä (2015) identified the bystanding strategy in which certain managers did not see themselves as responsible for intervening or solving ethical problems. Rather they were keen to concentrate on other issues such as external relations outside the immediate working community.

Furthermore, Hiekkataipale and Lämsä (2015) found that the implementation of the strategies seemed to have various outcomes, both negative and positive, in the organizations and thus appeared to influence the ethical atmosphere of the organizations differently. It was felt that both the isolation strategy and the bystanding strategy led to the continuation and accumulation of problems and a deterioration in the sense of collegiality and work well-being. In addition, the mediating strategy seemed to contribute to prolonging the problems and lowering commitment to organizational objectives. The principled strategy, in contrast, was experienced as having more positive outcomes from the organization's point of view; active involvement in solving ethical problems and open communication were experienced as improving the overall atmosphere of the work community as well as increasing trust among staff members. However, the principled strategy was found to cause stress and tension, especially when managers' personal values conflicted with the organization's tacit rules. Finally, the teaching strategy was perceived to result in efforts towards solving the problems and increasing discussion among staff members about ethical matters. However, it appeared that this strategy did not lead to the adequate handling of acute ethical problems and therefore did not make much difference to the organization's overall ethicality in these situations (Hiekkataipale and Lämsä, 2015).

How to Solve Problems by Creating a More Ethical Organization Culture

Ethical problems do not evolve in a vacuum. That means that problems and the ways managers handle them are subject to organizations' formal and informal guidelines, practices, values and beliefs (Feldt, Huhtala and Lämsä 2012, 145). Organizations are social entities, made up of people, organised groups with shared experiences and established practices. They also have their own specific values, which in turn have an effect on the values of the individuals working for them (Solomon 2004, 1028). Due to socialization process, organizational context—organizational culture specifically—influences managers' (as well other organization members') ethical orientation also in knowledge work. Rich body of research show that organizational culture is linked to ethical behavior (Treviño 1986, 612; Forte 2004, 171; Dean, Beggs and Keane 2010, 65; Hassan et al. 2014, 341; Thiel et al. 2012, 50). One definition of organizational culture developed by Edgar Schein (2010, 14–16) states that organizational culture consists of artefacts like structures and processes, shared beliefs and values and basic underlying assumptions, which are unconscious. Ethical culture of the organization, in contrast, can be defined as slice of the overall organizational culture consisting of formal and informal systems of behavioral control, which either promote or hinder ethical behaviour (Treviño et al. 1998, 451).

Drawing on a corporate ethical virtues model (later CEV) by Muel Kaptein (1998, 2008), this section shows how organizational culture could be developed in such a way that it promotes ethical conduct especially in knowledge work. The CEV model is based on Aristotelian virtue ethics-theory which has gained increasing popularity in business ethics during the past years (Ferrero and Sison 2014, 375). The foundations of Aristotelian approach to business ethics lie on the idea that both individuals and organizations should possess virtues (Solomon 2004, 1040;

Kaptein 2008, 924–927). More specifically, virtuousness of business means nourishing mutual trust, respect, caring and compassion within the organization (Solomon 2004, 1025). In addition, virtuousness of the organization is dependent on how organizational culture either stimulates ethical actions or hinders them (Kaptein 2008, 924). Thus, corporate virtues are organizational conditions for ethical behavior.

Kaptein (1998, 70) constructed the eight dimensional corporate ethical virtues model by conducting an extensive number of qualitative interviews and observing companies. The model was later tested and validated in several quantitative studies (Kaptein 2008, 2009, 2010, 2011; Huhtala et al. 2011). CEV model comprises of eight normative virtues that can promote ethical behavior in an organization (Kaptein 2008, 924).

The first corporate ethical virtue is clarity, which implies that organizations' members need clear, comprehensive, and understandable guidelines for ethical conduct (Pihlajasaari et al. 2013, 77). Clarity comprises of e.g. values, norms and regulations. Expectations regarding responsible choices in ethical problems should be clarified to both managers and employees, so that they know what kind of behaviour or decisions are expected from them. As shown earlier (Hiekkataipale and Lämsä 2016, 91), in knowledge work context there may exist some ambiguity regarding clarity. Therefore, organizations should pay attention to developing and communicating clear and understandable practices and rules which employees and managers are able to follow and commit to.

The second and third virtues in the CEV model refer to congruency of managers, which means that all managerial levels should set consistent and unambiguous example of ethical behaviour in organizations. The virtue of congruency is divided in two parts: congruency of supervisors and congruency of upper management (Huhtala et al. 2013, 266). Congruency is an

important organizational virtue since employees pay attention to those authority figures in organizations who have power to reward or punish (un)ethical behaviour. Secondly, ethically behaving leaders care for their employees and this in turn reinforces employees' ethical behavior based on the idea of reciprocity (Treviño, Weaver and Reynolds 2006, 967). In knowledge work context, congruency of top management has been found to be highly important. For example, Riivari and Lämsä (2014, 15) found that congruency is the single dimensions in the CEV model with highest effect on organizational innovativeness. If top managers act as role models for ethical behaviour, highly skilled employees respect them and identify better with the organization. In addition, managements' ethical behaviour indicates that organization can maintain good reputation and it is a trustworthy place to work. This in turn contributes to feelings of purposefulness, motivation and inspiration, which are essential for creativity and innovativeness (Costas and Kärreman 2016, 62).

The fourth organizational virtue is feasibility, which refers to organizations' capability to enable ethical behavior and complying of normative ethical standards by offering adequate time or financial resources, skills, training, facilities, information, technology etc. (Kaptein 2008, 925). Formulating achievable objectives has been found to promote ethically sound choices (Kaptein 1999, 630). From knowledge work perspective, there is research evidence that low organizational feasibility is connected to staff's burnout and exhaustion (Huhtala et al. 2011, 243). On the other hand, scarce resources may contribute to finding better solutions to knowledge organization' challenges, as pointed out by Hiekkataipale and Lämsä (2016, 89) and Kaptein (2015, 19–21).

The fifth virtue comprises of organizational supportability. According to Kaptein (2008, 925): "Supportability refers to the extent to which the organization stimulates identification with

the ethics of the organization among employees”. Ethical organizations should provide support to its members in order to comply with the normative expectations regarding ethical conduct at work (Riivari and Lämsä 2014, 3). In this context, support means that employees are committed to organizations’ values and feel that fulfilling ethical objectives is important, appreciated and required (Kaptein 1999, 628). Open, supportive and healthy organization motivates staff to comply with normative ethical guidelines (Kaptein 2008, 926). In knowledge work, supportability can be understood as affective commitment to working ethically and together for organizations’ objectives. In this respect, high autonomy and possible self-interest of skilled individuals with varying ideas about the right and wrong may pose some challenges (Hiekkataipale and Lämsä 2016, 86).

Kaptein (2008, 926) defines the sixth organizational virtue of transparency as the degree to which employee conduct and its consequences are perceptible to those who can act upon it, that is colleagues, supervisor, subordinates and the employees concerned. In transparent organizations employees, peers, colleagues, superiors are able to recognize and observe the consequences of unethical or ethical behavior. This requires openness for instance in giving feedback. Discussions, information and transparent processes are important in this respect.

The seventh virtue is organizational discussability. This virtue refers to how extensively employees are able to discuss about ethical issues and unethical behaviour with the management and superiors. Open and discussive environment strengthens ethical conduct and increases the significance of ethical questions in general. Opposite culture diminishes and silences ethical talks and increases possibilities to unethical conduct (Feldt, Huhtala and Lämsä 2012, 147). In knowledge work context, this may manifest in each person choosing an individual strategy to manage the problems (Ipsen and Jensen 2012, 331). However, based on interviews of 60

managers, Bird and Waters (1989, 78) remark that managers do not often share their experiences of ethical problems with their peers. Managers routinely encounter diverse ethical challenges and ethicality is a live topic in managerial work but experiences are mostly held personal and hidden. Managers deliberately avoid talking about ethics since they feel that talk will threaten organizational harmony, efficiency and their own reputation. Open discussion about ethical issues in managerial level may not be expected or even accepted (Hiekkataipale and Lämsä 2016, 92). However, silencing the discussion about ethical issues may have severe consequences to both individuals and organizations, such as weakening work well-being or lowered commitment to organizational objectives (Bird and Waters 1989; Ipsen and Jensen 2012, 332).

Finally, the last organizational virtue in Kaptein's CEV model is the virtue of sanctionability (Kaptein 2008, 927). Kaptein (2008, 927) claims: "sanctions are an important behavioral stimulus and a relevant source of normativity". On the other hand, by rewarding managers' or employees' ethical decisions and actions, reinforcement of ethical behavior takes place (Kaptein 2011). Selart and Johansen (2012, 139) discuss the role of rewards and feedback regarding ethical behavior of managers. They argue that organization's feedback and adequate information are essential to managers' ethical decision making. If a person feels left alone and powerless in a stressful situation, he/she is more prone to ignore ethical views. In addition ethical strain may increase in such circumstances (Selart and Johansen 2012, 139). Hiekkataipale and Lämsä's (2015) study suggests that in higher education environment organizational culture nourishes academic freedom, individuality and a lot of independence but it also often fails to give clear support and guidelines, or transparent rewards and sanctions for (un)ethical behaviour.

To sum up, by creating clear and understandable guidelines for ethical behaviour, working for more transparent practices, discussing openly and constructively about ethical problems,

sanctioning unethical behaviour and by rewarding managers' and employees' ethical decisions and actions, ethical behaviour can be encouraged and reinforced in knowledge work contexts. Moreover, virtuous organizational culture can be supported in knowledge organizations by employing virtuous employees with high talent and firm ethical standpoint. Therefore, from the point of view of recruitment and talent management, knowledge organizations should try to gather information about the moral character and behaviour of job applicants, instead of focusing purely on performance or competence evaluations (Moberg 2006, 423). It is evident that all people can shape and improve the nature of their social systems, such as ethical organization culture (Bandura 2001, 10). Especially in knowledge work with autonomous and self-directed employees, commitment and motivation to ethics should be required from every person. Ethical organizational culture in turn builds good reputation and contributes to innovativeness in knowledge organizations.

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