Absolute and Relative Ethics and Ethical Conduct in Organizations

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Ethics concerns the principles people use to distinguish right from wrong and to determine how they should behave toward others. Two important positions in moral philosophy are commonly described as absolute ethics and relative ethics. Absolute ethics maintains that at least some moral principles are universally valid and do not become right or wrong merely because a person, organization, or culture thinks differently. Relative ethics, more accurately called moral relativism, holds that the truth or justification of moral judgments depends, at least partly, on a particular cultural, historical, social, or individual framework.

The distinction between these positions has practical importance. Organizations regularly face ethical questions involving honesty, fairness, confidentiality, harassment, discrimination, corruption, employee privacy, conflicts of interest, and the responsible use of resources. Leaders must decide whether ethical rules should remain fixed or be adapted to circumstances. They must also determine how cultural differences should be respected without allowing harmful behavior to be excused as a local custom.

A responsible approach to organizational ethics should not treat absolutism and relativism as a simple choice between rigid rules and complete moral flexibility. Organizations need dependable principles, such as respect for human dignity, honesty, fairness, and accountability. At the same time, they need careful judgment because ethical principles must be applied to complex situations involving different cultures, responsibilities, risks, and consequences. Effective ethical leadership therefore combines stable moral commitments with sensitivity to context.

What Is Absolute Ethics?

Absolute ethics is the view that certain actions are inherently right or wrong regardless of whether individuals, institutions, or societies approve of them. Under a strongly absolutist position, some moral rules should never be violated, even when breaking them might produce desirable results.

For example, an ethical absolutist may argue that torture, deliberate discrimination, the exploitation of vulnerable people, or the intentional punishment of an innocent person is always wrong. The moral status of these actions does not depend entirely on local customs, majority opinion, organizational convenience, or financial benefit.

Absolute ethics is closely associated with forms of deontological ethics, which emphasize moral duties and rules. Immanuel Kant's moral philosophy is one of the most influential examples. Kant argued that moral principles should be capable of applying universally rather than serving an individual's private interests. His categorical imperative instructs a person to "act only in accordance with that maxim" that could also be accepted as a universal law (Kant, 1785/2012, p. 34).

The principle asks individuals to consider whether the rule behind their conduct could be followed consistently by everyone. Suppose an employee considers submitting false expenses because the amount is small and the organization is profitable. The employee might formulate the rule: "A person may submit false financial information whenever dishonesty produces a personal advantage." If everyone followed that rule, financial reporting and reimbursement systems would become unreliable. The employee's conduct is therefore difficult to justify as a universal moral practice.

Kant also argued that human beings should be treated as ends in themselves rather than merely as instruments for achieving someone else's objectives. Within organizations, this principle challenges practices that treat employees solely as units of productivity. It supports fair treatment, informed consent, privacy, reasonable working conditions, and respect for individual dignity.

However, absolute ethics should not automatically be confused with thoughtless rigidity. A universal principle may still require interpretation. The principle of honesty, for example, does not necessarily require an employee to reveal confidential medical information to an unauthorized person. Moral principles can remain universal while their responsible application depends on the facts of a particular situation.

What Is Relative Ethics?

Relative ethics holds that moral judgments must be understood in relation to a particular standpoint. This standpoint might be a culture, historical period, social group, religious community, or individual perspective. According to moral relativism, a practice may be considered acceptable under one moral framework but unacceptable under another, with no completely neutral standard available to settle the disagreement (Gowans, 2021).

It is important to distinguish several forms of relativism.

Descriptive Cultural Relativism

Descriptive relativism is the observation that societies disagree about moral values and practices. Customs involving marriage, family obligations, dress, property, authority, punishment, and religious observance vary greatly across cultures.

This is primarily an empirical claim. It states that moral diversity exists, but it does not necessarily conclude that every cultural practice is morally acceptable. Recognizing that societies disagree does not prove that no society can be mistaken.

Metaethical Relativism

Metaethical relativism makes a stronger philosophical claim. It holds that moral judgments are true or justified only in relation to a particular moral framework. Under this position, the statement “this action is wrong” is incomplete unless the relevant cultural, personal, or social standard is identified.

For example, a relativist might argue that a workplace practice is wrong according to one culture’s understanding of authority but permissible according to another culture’s traditions. The judgment would not be universally true in the same way for every society.

Normative Relativism

Normative relativism is the belief that people should generally tolerate practices different from their own. It encourages humility and warns against assuming that one culture’s values are automatically superior.

Tolerance can be valuable, particularly in multicultural organizations. Nevertheless, tolerance cannot reasonably mean accepting every practice without criticism. Harassment, forced labor, corruption, discrimination, and violence do not become ethically harmless simply because they are common or culturally accepted in a particular setting.

Absolute and Relative Ethics Compared

Ethical position	Main idea	Major strength	Major limitation
Absolute ethics	Some moral principles apply universally	Protects consistent standards, rights, and human dignity	Can become inflexible when context is ignored
Descriptive relativism	Cultures and groups have different moral beliefs	Encourages cultural awareness and accurate understanding	Describes disagreement but does not resolve it
Metaethical relativism	Moral truth depends on a framework or standpoint	Recognizes the influence of history and culture	Makes criticism of harmful practices more difficult

Ethical position	Main idea	Major strength	Major limitation
Normative relativism	People should tolerate different moral practices	Promotes humility and reduces cultural arrogance	Excessive tolerance may excuse exploitation or abuse
Context-sensitive objectivism	Core principles remain valid, but their application considers circumstances	Balances consistency with practical judgment	Requires careful reasoning and may not produce simple answers

The table shows that neither complete rigidity nor unlimited flexibility provides an adequate basis for organizational decision-making. A workplace requires clear principles, but ethical leadership also demands attention to context, evidence, competing duties, and the people likely to be affected.

Can Absolute and Relative Ethics Work Together?

In practice, many organizations use an approach that combines universal standards with contextual judgment. Core principles remain stable, while their application is adapted to local circumstances.

An international organization, for example, may treat bribery, fraud, discrimination, retaliation, and sexual harassment as unacceptable in every location. These are universal organizational commitments. However, the organization may adapt its communication methods, training examples, dress expectations, holiday policies, or procedures for consultation to fit local cultural conditions.

This approach respects cultural diversity without assuming that every established practice deserves moral acceptance. Culture can explain behavior, but explanation is not the same as justification.

Consider a manager who learns that employees in a regional office routinely give expensive gifts to public officials. Local staff may describe gift-giving as a sign of respect. A culturally sensitive response would examine the meaning of the custom and avoid immediate condemnation. Nevertheless, the organization must also consider whether the practice creates improper influence, violates anti-corruption laws, or damages public trust. Cultural awareness informs the decision, but it does not eliminate accountability.

The Importance of Ethics in Organizations

Organizational ethics includes the values, rules, leadership practices, incentives, and informal expectations that shape workplace behavior. It influences how employees make decisions when the correct response is unclear or when ethical conduct conflicts with personal advantage.

A written policy may forbid dishonesty, but the organization’s actual culture determines whether employees believe honesty is expected. Employees observe whether managers tell the truth, whether complaints are investigated fairly, whether high-performing workers are punished for misconduct, and whether the organization’s public commitments match its internal practices.

Research by Treviño et al. (1999) found that a values-based approach to ethics and compliance is more effective than a system based only on rules and punishment. Important features include leadership commitment, fair treatment, concern for stakeholders, rewards for ethical conduct, and consistency between policies and organizational actions.

More recent research similarly treats ethical culture as a central influence on decision-making and misconduct. Roy et al. (2024), after reviewing 89 scholarly studies, concluded that ethical culture is a multidimensional organizational condition that affects how ethical expectations are understood and followed. A code of conduct can help, but it cannot substitute for trustworthy leadership, fair procedures, open communication, and consistent accountability.

The Role of Managers and Supervisors

Managers and supervisors hold particular responsibility because they possess authority, allocate resources, evaluate employees, and influence workplace norms. Employees are more likely to take an organization’s ethical commitments seriously when leaders demonstrate them through daily conduct.

Brown et al. (2005) define ethical leadership as the demonstration of appropriate conduct through personal actions, relationships, communication, reinforcement, and decision-making. Their social-learning approach emphasizes that employees learn partly by observing leaders. What managers repeatedly reward, ignore, or punish teaches employees which values genuinely matter.

Leaders Must “Walk the Talk”

Ethical leadership begins with personal example. A manager who demands punctuality but frequently arrives late without explanation weakens the rule. A supervisor who promotes honesty but manipulates performance figures communicates that results matter more than integrity.

Walking the talk means ensuring that conduct is consistent with stated values. Leaders should acknowledge mistakes, disclose conflicts of interest, keep promises, respect confidentiality, and apply rules fairly. They should not expect employees to follow standards that senior personnel routinely ignore.

Consistency is especially important when misconduct involves a high-performing or influential employee. If successful employees receive protection while less powerful workers are disciplined, the organization creates the impression that ethics is optional for those who produce financial results.

Ethical credibility is developed through repeated behavior. A single speech about integrity cannot overcome months of favoritism, intimidation, or dishonesty.

Promoting Teamwork Without Encouraging Conformity

Partnership, cooperation, and teamwork can reduce isolation and help employees understand the pressures faced by their colleagues. Ethical problems are often easier to identify when employees communicate openly rather than working in disconnected groups.

However, teamwork should not be confused with unquestioning loyalty. Strong group cohesion can become harmful when employees feel compelled to protect colleagues who engage in misconduct. The desire to be a "team player" may discourage reporting, criticism, or independent judgment.

Kelman and Hamilton (1989) examined how authority structures can weaken personal responsibility. People may participate in harmful conduct when they believe they are merely following orders or fulfilling an assigned role. Their work demonstrates why employees must remain morally accountable even when questionable instructions come from senior leaders.

Healthy teamwork therefore combines mutual support with permission to disagree. Employees should be encouraged to question decisions respectfully, request clarification, and refuse instructions that are illegal or seriously unethical.

Setting the Right Tone Through Communication

Communication is essential to ethical culture. Employees need more than general statements such as "act with integrity." They need practical guidance about conflicts of interest, gifts, confidential information, harassment, reporting obligations, personal use of organizational resources, and interactions with clients or public officials.

Managers should discuss ethical concerns during meetings, performance reviews, training sessions, and decision-making processes. Ethical communication should be regular rather than limited to annual compliance training.

Leaders should also explain the reasoning behind important rules. Employees are more likely to apply a principle responsibly when they understand the harm it is intended to prevent.

Communication must be two-way. Employees should be able to ask questions and raise concerns without being described as disloyal or difficult. The OECD (2020) emphasizes the value of an open organizational culture in which ethical dilemmas, integrity concerns, and mistakes can be discussed and leaders provide timely guidance.

Empowering Employees to Speak Up

Employees are often the first people to observe misconduct. They may notice fraudulent records, harassment, unsafe conditions, favoritism, corruption, or misuse of confidential data before senior management becomes aware of the problem.

Organizations should provide accessible reporting channels, such as a supervisor, human resources officer, ethics adviser, hotline, ombudsperson, or confidential digital system. Employees should not be forced to report through the same manager who may be involved in the misconduct.

A reporting system is ineffective unless employees trust it. They must believe that complaints will be considered seriously, confidentiality will be protected as far as possible, investigations will be impartial, and retaliation will not be tolerated.

Retaliation can include dismissal, demotion, intimidation, exclusion, unfavorable schedules, threats, or damage to professional reputation. Even subtle retaliation can silence an entire workplace. When employees see one person punished for raising a concern, others learn to remain quiet.

Developing and Reviewing a Code of Conduct

A code of conduct translates broad organizational values into practical expectations. It should explain acceptable behavior, prohibited conduct, reporting responsibilities, conflicts of interest, financial integrity, data protection, workplace relationships, and the consequences of violations.

A useful code should be:

- Written in clear and accessible language
- Relevant to the organization's actual risks
- Supported by practical examples
- Available to all employees
- Explained through regular training
- Applied consistently across positions
- Reviewed as laws, technology, and working conditions change

A code should not exist merely to protect the organization's public image. The U.S. Department of Justice's guidance on compliance programs emphasizes whether policies are genuinely integrated into operations, supported by training, monitored, tested, and improved. An organization should therefore evaluate whether employees understand the code and whether it actually helps prevent or detect misconduct.

Common Forms of Unethical Workplace Behavior

Misuse of Time and Organizational Resources

Time theft includes intentionally claiming payment for time not worked, repeatedly conducting extensive personal activities during working hours, falsifying attendance, or asking another employee to record attendance dishonestly.

Not every brief personal conversation or reasonable break is unethical. Organizations should avoid unrealistic expectations that treat employees as machines. The ethical problem arises when workers deliberately misrepresent their time or seriously neglect their responsibilities.

Misuse of resources may also involve unauthorized use of vehicles, equipment, credit cards, software, confidential databases, or organizational funds. Clear policies should distinguish reasonable incidental use from dishonest or harmful conduct.

Sexual Harassment and Workplace Bullying

Sexual harassment may include unwelcome sexual advances, pressure for sexual favors, inappropriate touching, sexual comments, repeated unwanted invitations, or the display of offensive sexual material. It can involve supervisors, colleagues, clients, contractors, or customers.

The U.S. Equal Employment Opportunity Commission defines unlawful harassment as unwelcome conduct based on a protected characteristic that becomes a condition of employment or creates an intimidating, hostile, or abusive working environment.

Bullying is related but not always legally identical to harassment. Bullying may include humiliation, threats, deliberate exclusion, verbal abuse, sabotage, or repeated intimidation. Some bullying may be unethical without meeting the legal definition of discrimination or harassment. Responsible organizations should address harmful conduct even when it has not yet reached the threshold for legal liability.

Corruption, Bribery, and Embezzlement

Corruption involves the misuse of entrusted authority for private benefit. It may include bribery, kickbacks, favoritism, bid manipulation, procurement fraud, or the exchange of organizational decisions for gifts or payments.

Embezzlement occurs when a person dishonestly takes money or property that was entrusted to them. Common examples include diverting payments, creating false suppliers, manipulating payroll records, or using organizational accounts for personal expenses.

These actions violate honesty, fairness, and fiduciary responsibility. They can also damage employees, investors, customers, public institutions, and communities.

Conflicts of Interest

A conflict of interest arises when an employee’s personal relationships or financial interests may interfere with professional judgment. Examples include hiring a relative without disclosure, selecting a supplier in which the manager has a financial interest, or accepting valuable gifts from a company seeking a contract.

A conflict is not always proof of corruption. However, undisclosed conflicts undermine trust and can influence decisions. Employees should disclose potential conflicts so that the organization can determine whether recusal, independent review, or another safeguard is necessary.

Identity Theft and Misuse of Confidential Information

Employees may have access to personal, financial, medical, commercial, or strategic information. Using this information for personal advantage, sharing it without authorization, or failing to protect it can cause serious harm.

Identity theft may involve stealing personal data to open accounts, access financial resources, or impersonate another person. Other unethical information practices include selling customer data, viewing confidential records without a work-related reason, or disclosing an employee’s private information.

Organizations should limit access according to job responsibilities, monitor sensitive systems, provide cybersecurity training, and investigate unauthorized access promptly.

How Supervisors Should Respond to Misconduct

Supervisors should not ignore misconduct, conduct a careless investigation, or assume guilt before reviewing the evidence. A fair response normally includes:

1. Protecting people from immediate harm
2. Recording the concern accurately
3. Referring the matter to the appropriate investigator
4. Preserving relevant documents and electronic evidence

5. Protecting confidentiality as far as reasonably possible
6. Giving all parties an opportunity to provide information
7. Preventing retaliation
8. Applying proportionate and consistent consequences
9. Correcting policies, systems, or incentives that contributed to the problem

Discipline alone may not resolve an ethical failure. If unrealistic sales targets encouraged dishonesty, punishing one employee while preserving the same incentive system leaves the underlying risk unchanged. Organizations should examine both individual responsibility and the conditions that made misconduct easier or more likely.

A Practical Framework for Ethical Decision-Making

When facing a difficult decision, managers and employees can ask the following questions:

What Are the Relevant Facts?

Ethical judgment should begin with accurate information rather than assumptions, rumors, or personal reactions.

Who May Be Harmed or Benefited?

The decision-maker should consider employees, customers, shareholders, communities, suppliers, and other affected groups.

Does the Action Violate a Core Principle?

The action should be tested against honesty, dignity, fairness, confidentiality, non-discrimination, and professional responsibility.

Could the Rule Behind the Action Be Applied Universally?

This question reflects Kant's approach. A person should ask what would happen if everyone in a similar position followed the same rule.

How Does Context Affect the Decision?

Cultural customs, emergencies, professional responsibilities, power differences, and legal requirements may affect how a principle should be applied.

Could the Decision Be Defended Publicly?

A useful test is whether the decision-maker could explain the action honestly to employees, customers, regulators, or the wider public.

Is Independent Advice Needed?

Complex cases may require consultation with an ethics officer, legal adviser, human resources professional, professional body, or independent expert.

Conclusion

Absolute and relative ethics offer different explanations of moral judgment. Absolute ethics emphasizes that some principles remain valid regardless of personal preference or cultural approval. Relative ethics highlights the influence of culture, history, social expectations, and individual standpoints on moral beliefs.

Organizations need insights from both approaches. Universal commitments are necessary to protect human dignity, prevent corruption, promote fairness, and establish reliable expectations. Contextual understanding is also necessary because ethical decisions are rarely made in identical circumstances.

Effective ethical management cannot depend on a code of conduct alone. It requires leaders who model appropriate behavior, employees who can raise concerns safely, open communication, fair investigations, consistent consequences, regular training, and systems that do not reward misconduct.

The central challenge is to remain sensitive to cultural and situational differences without allowing convenience, authority, or custom to excuse serious harm. Ethical organizations achieve this balance by maintaining clear principles while applying them through careful reasoning, evidence, compassion, and accountability.

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