

# **Dilemma to Decision**

*Global Ethical Challenges in Project and Business  
Management*

Edited by

**Valerie P. Denney, Christian Moriarty, and Jennifer  
P. Rosinski**

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Business Management

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The creation of *Dilemma to Decision: Global Ethical Challenges in Project and Business Management* has been a collaborative effort made possible by the contributions of many individuals and organizations.

This book was inspired by the goal of exploring ethical dilemmas that go beyond simple, black-and-white decisions. By presenting complex, real-world cases, we aim to challenge readers to think critically and engage with the nuanced realities of ethical decision-making in global business.

Special gratitude goes to the students of the MS in Engineering Management program at Embry-Riddle Aeronautical University, Worldwide Campus. Your case studies, developed as part of an ethics course, enriched this book with fresh and impactful insights.

We also thank our international contributors, whose global perspectives and business experiences expanded the scope of this work. Your contributions demonstrate the universal importance of ethical decision-making in today's interconnected world.

To our academic and professional colleagues, thank you for your feedback, guidance, and encouragement. Your commitment to advancing ethics in project and business management has been invaluable.

Finally, to our publisher, thank you for your belief in this project and your support in bringing it to life.

We hope this book inspires readers to uphold ethical principles and navigate the complexities of professional decision-making with courage and integrity.

— Valerie P. Denney, DBA, PMP

— Christian Moriarty, JD, MA

— Jennifer P. Rosinski, MEd

## Chapter 1

# Why This Book?

*Valerie P. Denney*

In today's fast-paced, globally interconnected world, project and business managers face challenges that extend far beyond the traditional constraints of time, budget, and scope. As projects grow more complex, so do the ethical implications that managers face. This book is designed to bridge the gap between ethical theory and practice by equipping readers with the tools and insights needed to address ethical dilemmas with confidence.

Let's begin with a definition of an ethical dilemma. It is a situation in which a person must choose between two or more conflicting values or principles, with no clear right or wrong answer. This arises when a decision involves competing values or principles. Unlike a regulation or law, which dictates a specific course of action, an ethical dilemma requires individuals to navigate ambiguous situations where the best course of action depends on balancing conflicting ethical considerations.

### **Who is the audience for this book?**

The case studies in this book are designed to serve as tools for both classroom and industry workshop environments. Instructors and facilitators can use the case studies to encourage open-ended analysis, focusing on the values that shape decision-making in complex project or business environments. The case studies can address a broad audience, their needs, and professional contexts:

- **Project Management Practitioners:** These professionals will find practical value in the case studies, which mirror real-world project challenges and offer insights into applying ethical frameworks to decision-making.

- **Business Executives and Leaders:** Executives can use the cases to explore how ethical dilemmas influence strategic decision-making and organizational culture, fostering leadership discussions and team building.
- **Academics and Researchers:** Scholars studying ethics and leadership will benefit from the cases as real-world examples that inform academic research and inspire debate on the practical application of ethical principles.
- **Project Management and Business Ethics Instructors:** Educators can adapt the flexible case studies to different learning environments, using them to foster critical thinking and discussion on ethical decision-making in projects and business contexts.
- **Students in Project Management and Business Programs:** Students will engage with the case studies to apply ethical frameworks to real-world scenarios, developing decision-making skills needed for navigating complex professional environments.

The case studies are designed to provide enough context to set the stage for meaningful discussions, while intentionally omitting certain details. This encourages critical thinking and exploration. Each case includes a synopsis, supporting information, and a discussion section that outlines key ethical values and guiding questions. The discussion sections are not meant to dictate specific actions or solutions but rather to prompt reflection on practical considerations related to the ethical dilemmas presented.

## **Why Ethics in Project and Business Management?**

Ethics is the backbone of trust in business management. Whether managing multi-million-dollar projects or leading a small business team, ethical considerations determine the quality of relationships among stakeholders. Ethical lapses can lead to irreparable harm including reputational damage, and legal penalties, not just with immediate stakeholders but also with the broader public.

Ethics encompasses more than simply following rules; it involves making the best decision when rules are unclear or insufficient. Managers often

find themselves caught between conflicting interests—such as maintaining project timelines, controlling costs, or addressing safety concerns. These challenges are compounded in a global context, where cultural differences, legal frameworks, and organizational priorities vary widely. Ethical decision-making is, therefore, a crucial competency for modern business managers who must balance the immediate pressures of their work with the long-term implications of their decisions.

## **Why Focus on Ethical Dilemmas?**

Ethical dilemmas in project management and business are not just abstract concepts; they exist as real-world scenarios. This book provides a collection of case studies from experienced practitioners, each offering a glimpse into the ethical challenges encountered in their professional work. Each case study has been selected from professionals across diverse industries and regions, providing readers with a balanced view of how ethical challenges manifest in different cultural and professional contexts.

In addition, the book organizes case studies around six core ethical values—honesty, trust, fairness, respect, responsibility, and courage—ensuring that readers can explore a broad spectrum of ethical issues through a structured, thematic lens. By focusing on key values, the book provides a framework for understanding and analyzing ethical dilemmas, helping readers to apply these values when faced with tough decisions in their own business environment.

## **Why a Values-Based Approach?**

A values-based approach allows practitioners to apply core principles consistently, regardless of the complexities or cultural nuances. Ethical codes and values-based frameworks, such as those outlined by the Project Management Institute (PMI), and the American Society for Engineering Management (ASEM), serve as essential tools for navigating ethical dilemmas in a structured, meaningful way.

Recent research (Denney & Marion, in review)\* compares and contrasts various engineering and project management codes of conduct and directly influenced the organization of this book. The selected six values that not only appeared consistently across professional codes but also reflected the most pressing ethical challenges in project management: honesty, trust, responsibility, respect, fairness, and courage.

## **Why Is This Book Important?**

Whether someone is a seasoned project manager, a business executive, or a student entering the field, ethics plays a pivotal role in success. The decisions you make in the heat of battle will not only shape the immediate outcomes but also affect long-term relationships, organizational integrity, and individual professional reputation.

Ethical decision-making is often the difference between a project that is merely successful and one that is truly sustainable. This book provides discussion topics to navigate complex scenarios where ethical values may conflict with financial or operational pressures. By learning from the experiences of global practitioners, users will be better prepared to handle the real-world challenges that come along.

## **What is the Structure of the Book?**

The book consists of 11 chapters plus Appendices. Each is briefly described below.

*Chapter 1 – Introduction – Why This Book?* This chapter sets the stage by explaining the need for this book and provides backgrounds. It discusses the importance of ethics in project and business management and explains why ethical decision-making is crucial for long-term success.

*Chapter 2 – Ethics in Project Management: An Historical Perspective.* This chapter provides a brief overview of how ethics has evolved in project management and business, tracing its roots from early organizational practices to

its modern-day application. It highlights pivotal changes that have shaped how ethical considerations are approached today.

*Chapter 3 – What Influenced the Creation of this Book?* This chapter explains how a variety of personal and professional experiences shaped the value-driven approach to ethics, highlighting the importance of case-based learning and real-world application of decision making.

*Chapter 4 – Key Values for Ethical Conduct on Projects.* This chapter introduces the six ethical values that frame the book: honesty, trust, responsibility, respect, fairness, and courage. It also describes less frequently used values integrity, sustainability, caring, and citizenship. Each case represents either an actual or plausible situation based on the author's personal experience.

Each of the following chapters delves into the core values, using case studies to illustrate the ethical dilemmas tied to each principle.

*Chapter 5 – Honesty.* The case studies in this section explore the complexities of maintaining an unwavering truthfulness and transparency in high-stakes environments. These scenarios illustrate moments where the temptation to cut corners, omit critical information, or mislead stakeholders arises.

*Chapter 6 – Trust.* The case studies in this section examine the ethical challenges of maintaining consistency and reliability in actions and communications. In these studies, trust is tested when individuals must acknowledge mistakes transparently, avoid exaggeration, and uphold their commitments.

*Chapter 7 – Fairness.* These case studies highlight ethical challenges related to impartiality, transparency, and equity. The cases underscore the importance of making decisions free from bias, favoritism, or competing self-interests. Upholding fairness requires ongoing self-evaluation to maintain impartiality and ensure that actions reflect a balanced ethical approach.

*Chapter 8 – Respect.* This section emphasizes the critical importance of valuing the rights, dignity, and beliefs of others. The case studies explore ethical dilemmas in interpersonal interactions, teamwork, and cultural sensitivities.

*Chapter 9 – Responsibility.* These case studies highlight the critical role of accountability in decision-making. Responsibility involves actively uphold-

ing one's duty to account for personal actions, decisions, and omissions, ensuring that the impact on teams, clients, society, and the environment is thoughtfully considered.

*Chapter 10 – Courage.* In complex, high-pressure environments, managers often face situations where standing up for ethical principles involves personal risk. The cases highlight individuals who exhibit the strength to confront fear, remain steadfast in their convictions, and make difficult decisions ensuring ethical principles are upheld.

*Chapter 11 – Conclusions and the Future of Ethics in Project Management.* This chapter provides some considerations about the future of ethical challenges in project and business management. It reflects some emerging trends, such as artificial intelligence and automation, and provides recommendations on staying ahead of these challenges.

*Appendices.* The appendices offer teaching and reference support for selecting specific types of cases or focus areas. A comprehensive index ensures that readers can easily locate cases.

## **What do the Case Studies Cover?**

This book provides practical insights and case-based learning for professionals at every career stage with a focus on real-world application. It serves as an essential tool for those striving to lead projects with integrity and navigate complex ethical decisions with confidence, preparing the users to thoughtfully approach dilemmas with a strong ethical compass.

There are a total of 31 case studies distributed among the values previously described:

- **Honesty:** 6 case studies explore the significance of truthfulness and transparency in business interactions.
- **Trust:** 5 case studies assess the consistency and reliability required in professional relationships and data management.
- **Fairness:** 5 case studies investigate scenarios requiring impartiality and objectivity in decision-making.

- Respect: 5 case studies examine the acknowledgment of rights and dignity across diverse settings.
- Responsibility: 5 case studies consider the obligation to make decisions mindful of the well-being of people and the environment.
- Courage: 5 case studies discuss the necessity for moral bravery when facing ethical challenges.

The contributors, hailing from diverse geographic and professional backgrounds, enrich the case studies with a blend of real-world experiences. Authors from institutions in the United States, Mexico, and Spain include professionals from sectors such as aerospace, telecommunications, higher education, and engineering.

Notably, Embry-Riddle Aeronautical University has a strong representation with six faculty members contributing to 14 case studies, demonstrating their expertise in integrating ethical considerations into project and business management education. Additionally, three recent alumni and eight graduate students have contributed, underscoring a robust emphasis on ethical training within their business school curriculum.

Beyond individual ethical values, the book explores a variety of themes that demonstrate the interplay of ethics within business contexts, focusing on underlying dilemmas and the stakeholders affected:

- Professional Integrity vs. Organizational Culture: This theme explores the tension between personal ethics and the prevailing corporate culture, highlighting the compromises that might be encouraged for perceived corporate gains.
- Immediate Results vs. Ethical Practices: This examines the conflict between achieving quick results and adhering to long-term ethical practices.
- Global Standards vs. Local Practices: Addresses the challenges of applying universal ethical standards in varied cultural and regulatory environments.

- **Leadership, Transparency, and Accountability:** Focuses on the role of leadership in maintaining ethical standards and influencing organizational culture.
- **Complex Decision-Making Under Pressure:** Looks at how professionals navigate ethical decision-making under significant pressure.
- **Stakeholder Impact and Engagement:** Discusses the broader impact of decisions on stakeholders and the importance of their engagement for ethical outcomes.
- **Ethics in Innovation and Technology:** Considers the ethical implications of technological advancements and the responsibilities of creators.
- **Ethical Relativism and Universalism:** Reflects on the balance between respecting cultural diversity and maintaining universal ethical standards.
- **The Role of Courage in Ethical Decision-Making:** Examines the importance of courage in confronting and navigating large-scale ethical dilemmas.

These themes offer a comprehensive view of the ethical challenges in modern business management, highlighting common dilemmas faced by professionals across diverse contexts. The book's structured approach not only challenges readers to think critically about ethical decision-making but also serves as a valuable resource for individuals at various professional stages, encouraging them to navigate ethical challenges with a principled approach.

\*Denney, V. P. & Marion, J. (manuscript in review) Comparative Analysis of Codes of Ethical Conduct and Professionalism in Engineering and Project Management Associations

## Chapter 2

# Ethics in Project and Business Management: An Historical Perspective

*By Christian Moriarty*

### Introduction

Ethics should be a cornerstone of decision-making, shaping societies, economies, and interpersonal relationships (Leiter & Sevel, n.d.). Across cultures and traditions, ethical conduct has taken diverse forms—rooted in religious principles, philosophical thought, or communal practices—yet consistently aimed at fostering fairness, accountability, and trust. Historically, ethical standards were often formulated within the frameworks of governments and individual morality, emphasizing the virtues of leaders and citizens (Leiter & Sevel, n.d.). However, as societies evolved, so did the need for structured ethical practices, particularly in business and project management.

The complexities of the modern world, rife with challenges such as regulatory compliance, cross-cultural expectations, and opportunities for corruption, have necessitated a shift toward more formalized ethical structures (USDOJ, n.d.). This transformation reflects a growing recognition that individual morality, while important, is just the beginning of addressing systemic issues in large organizations and global markets. Institutions and industries have responded by codifying ethical principles to ensure accountability, reduce misconduct, and promote consistency in decision-making (PMI, 2024).

This chapter examines the historical evolution of ethics in project and business management, tracing the progression from informal, individual-centric approaches to institutionalized Codes of Ethics and Conduct. From the philosophical roots of virtue ethics to the establishment of industry-specific standards, this evolution demonstrates how ethical frameworks have

adapted to meet the demands of increasingly complex and interconnected systems. Today, these frameworks are indispensable tools for addressing the ethical dilemmas of our time.

## Foundational Ethical Perspectives

The roots of ethical thought run deep, spanning ancient and classical civilizations where foundational ideas were developed that continue to influence modern ethical frameworks. Across cultures, early philosophers grappled with questions of right and wrong, justice and fairness, and the responsibilities of individuals within their communities (Leiter & Sevel, n.d.). These philosophical traditions not only shaped personal conduct, but also laid the groundwork for governance and commerce, providing the intellectual foundation for structured ethical standards.

## Ancient and Classical Roots

From the Greek *polis* to Confucian ideals in China, early societies emphasized the importance of virtue as the cornerstone of ethical behavior. Greek philosophers such as Aristotle championed the concept of *eudaimonia*—a flourishing life achieved through the cultivation of virtue and moral character (Leiter & Sevel, n.d.). Similarly, Confucian ethics in ancient China emphasized *ren* (humaneness) and *li* (propriety and good manners) as guiding principles for harmonious societal interactions (Wahing, 2021). Roman legal traditions (most famously through Cicero) further developed the idea of *natural law*, promoting universal standards derived from reason (Leiter & Sevel, n.d.).

While these traditions often emphasized individual virtue, formal codes of ethical conduct were not unknown. The Hippocratic Oath, dating back to ancient Greece, exemplified one of the earliest attempts to formalize professional ethics (Leiter & Sevel, n.d.). This oath established clear guidelines for physicians, emphasizing principles such as non-maleficence, confidentiality, and the prioritization of patient welfare. Its longevity and influence highlight the enduring relevance of early ethical codifications in shaping professional practice.

While these traditions differed in form and emphasis, they shared a common goal: fostering ethical conduct to promote individual and communal well-being. These early ideas often centered on individual virtue, expecting leaders and merchants alike to embody moral excellence as a safeguard against corruption and injustice.

## **Relevance to Early Commerce and Governance**

The principles of ancient ethical thought were not confined to philosophy or personal virtue—they also influenced early commerce and governance. In ancient Mesopotamia, the Code of Hammurabi sought to ensure fairness in trade and contracts (Johns, 2008), while in Greece and Rome, laws and civic structures emerged to enforce trust and accountability in transactions (Nicholas & Metzger, 1975). Similarly, Confucian ethics shaped governance in China, encouraging rulers to act with integrity for the benefit of their people (Wahing, 2021).

These early frameworks revealed the limitations of relying solely on individual virtue to maintain ethical practices. As societies grew more complex, the need for collective, structured approaches to ethics became increasingly evident, particularly in trade and governance where competing interests often collided (Renard, 2000).

## **The Transition from Individual to Collective Ethics**

The gradual shift from individual-focused virtue ethics to the establishment of collective ethical standards reflects the evolution of societal needs. While early systems relied on the moral character of individuals, the demands of commerce, governance, and infrastructure called for broader, more systematic approaches. Informal norms and personal integrity were no longer sufficient to regulate expanding trade networks, complex projects, and diverse populations (Johns, 2008; Leiter & Sevel, n.d.).

The presence of early ethical codes like the Hippocratic Oath and the Code of Hammurabi illustrates that even in antiquity, some recognition existed of the need for codified standards (Johns, 2008). However, it would

take centuries for these ideas to expand beyond specific professions or regions into the broader frameworks that underpin modern project and business management.

## **Early Business and Project Management Practices and the Need for Ethical Standards**

As societies evolved beyond localized communities, the scale and complexity of commerce and construction demanded greater levels of coordination and trust. Early forms of business and project management emerged, driven by the need to ensure reliability in trade, quality in craftsmanship, and fairness in dealings (Renard, 2000). These practices laid the groundwork for ethical standards that extended beyond individual integrity to collective, organized frameworks.

### **Guilds and Early Trade Organizations (Middle Ages)**

The medieval period witnessed the rise of trade guilds and professional associations, which became central to regulating commerce and craftsmanship. Guilds, composed of artisans and merchants, established formal codes and charters to govern the quality of goods, ensure fair pricing, and maintain trust among consumers and competitors alike (Renard, 2000). These documents explicitly outlined the rules and responsibilities of members, including standards for training apprentices, delivering high-quality work, and addressing disputes.

Guild codes were highly effective within their context, largely because they operated in small, interconnected communities where personal reputation and mutual dependence played a significant role. Violating these written standards risked not only expulsion from the guild but also the loss of one's livelihood, as reputation and community relationships were critical to sustained success (Renard, 2000).

## **The Rise of Trust and Formalized Ethical Conduct**

As trade expanded across regions, the effectiveness of guild codes and local agreements began to meet their limits. Systems of trust that relied on personal relationships and community oversight struggled to scale alongside growing economic networks. This prompted the gradual formalization of ethical standards, particularly in industries where trust was paramount, such as banking, shipping, and construction (Ogilvie, 2004).

The increasing use of contracts and legal agreements during this period further institutionalized ethical behavior in business dealings. These agreements served not only as legal instruments but also as moral commitments, reinforcing the importance of transparency, accountability, and fairness in commercial and project management practices (Wren, 2000).

## **The Industrial Revolution: Catalyzing Formal Ethical Standards**

The Industrial Revolution marked a turning point in the evolution of ethics within business and project management. Rapid industrialization, technological advancements, and the growth of large-scale enterprises transformed the economic landscape, introducing new complexities and ethical challenges. These developments underscored the limitations of informal and localized ethical practices, catalyzing the formalization of ethical standards to address widespread issues.

### **Rapid Industrialization and Ethical Crises**

The advent of large factories, urbanization, and mass production created unprecedented opportunities for economic growth but also exposed significant ethical vulnerabilities. Exploitative labor practices, unsafe working conditions, and environmental degradation became widespread, drawing public scrutiny and fueling demand for ethical accountability in business operations (Broughton, 2005).

Child labor, grueling working hours, and inadequate safety measures led to numerous industrial accidents and health crises, highlighting the moral

failings of unregulated business practices (Broughton, 2005). Public outrage over these conditions was instrumental in driving legislative reforms and the creation of internal corporate standards aimed at protecting workers and communities.

The discontent among workers also led to organized labor movements and widespread strikes, as employees united to demand better wages, safer conditions, and humane treatment. Strikes such as the 1886 Haymarket affair and the 1894 Pullman Strike (Broughton, 2005) underscored the urgency of addressing ethical and systemic failings in industrial management. These actions were pivotal in pressuring employers and governments to adopt more formal ethical frameworks to prevent further unrest and ensure social stability.

### ***The Birth of Scientific Management and Ethical Implications***

The rise of scientific management in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries further reshaped the ethical landscape. Pioneered by Frederick Winslow Taylor, scientific management sought to optimize productivity through systematic study and standardization of work processes (Sniderman, 2012; Terrell, 2024). While this approach revolutionized project management and efficiency, it also sparked significant ethical concerns.

Taylor's emphasis on efficiency often came at the expense of worker welfare, reducing laborers to mere components of a mechanized system. The dehumanization of workers and the prioritization of profits over well-being led to widespread criticism (Terrell, 2024), exacerbating tensions between management and labor. These tensions frequently manifested in additional strikes and labor disputes, highlighting the ethical challenges inherent in balancing productivity with human dignity (Mirsafian, 2023).

### **The Transition Toward Formal Ethical Standards**

The Industrial Revolution revealed the inadequacy of relying solely on informal or localized ethical frameworks in an era of rapid economic and technological change. Public outcry over unethical practices, combined with growing labor unrest and the increasing complexity of projects and organizations, necessitated a shift toward formalized ethical standards.

This period saw the emergence of early professional associations and industry groups dedicated to defining and enforcing ethical norms. For example, engineers and architects began establishing guidelines to ensure the safety and integrity of public works, while business associations advocated for fair trade practices to protect consumers and workers alike.

The Industrial Revolution was a catalyst for the institutionalization of ethics in business and project management, laying the foundation for the professional codes and regulatory frameworks that would emerge in the 20<sup>th</sup> century.

## **Post-Industrial Era: The Rise of Professional Organizations and Codes of Conduct**

The post-industrial era brought profound changes to business and project management, as industries matured and expanded into increasingly complex and interconnected systems. With these developments came a growing recognition of the need for professional standards to guide ethical behavior and ensure public trust. Professional organizations emerged as key drivers of this transformation, formalizing ethical practices through industry-specific codes of conduct. However, this shift was not immediate, and even influential organizations like the American Society of Civil Engineers (ASCE) initially resisted formalizing ethical standards (Hoke, 2007).

### **Formation of Industry-Specific Codes**

As industries became more specialized, professional organizations began to establish ethical guidelines tailored to the challenges of their respective fields. These organizations not only sought to protect the integrity of their professions but also aimed to provide practitioners with clear frameworks for navigating ethical dilemmas. However, this process of formalization often faced resistance, as illustrated by the history of the ASCE (Hoke, 2007).

In 1877, an effort to create a Code of Ethics was presented to the ASCE Board of Directors. The proposal aimed to provide engineers with formal instructions on their ethical duties in professional practice. However, the

board rejected this resolution, stating that it was “inexpedient for this Society to instruct its members as to their duties in private professional matters” (Hoke, 2007). At the time, ethics in engineering was seen as a matter of personal honor rather than a subject for collective regulation.

This perspective persisted for decades, with ASCE members relying on unwritten expectations of individual integrity to guide their conduct. It wasn’t until 1914 – 37 years later – that the ASCE enacted its first Code of Ethics (Hoke, 2007). Even then, the focus remained on personal honor, with the welfare of the public viewed as a responsibility inherent to the character of individual engineers, rather than a formally articulated obligation.

The perception of ethics as primarily a personal duty began to shift only in the latter half of the 20<sup>th</sup> century. In 1976, the ASCE Board of Direction adopted a groundbreaking statement explicitly recognizing an engineer’s fundamental ethical duty to “hold paramount the safety, health, and welfare of the public” (Hoke, 2007). This marked a significant evolution in the profession’s approach to ethics, formalizing a collective commitment to public welfare as a cornerstone of engineering practice.

## **Ethical Standards in Global Corporations**

The rise of multinational corporations during the 20<sup>th</sup> century added another layer of complexity to ethical considerations. Managing projects across borders exposed organizations to diverse cultural, legal, and social norms, making the establishment of universal ethical standards increasingly important (United Nations Global Compact, 2000).

Corporate Codes of Conduct emerged as tools for addressing these challenges, providing organizations with frameworks to ensure consistency and compliance across their global operations. In response to anti-trust legislation of the 1950s, companies created detailed ethical guidelines that addressed issues such as bribery and labor exploitation (McDonald, 2009).

The consequences of failing to adhere to ethical standards became starkly evident through high-profile scandals and incidents. Unethical practices such as corruption, unsafe working conditions, and environmental damage not only led to legal penalties but also caused severe reputational harm.

These failures served as catalysts for the institutionalization of corporate ethics programs, emphasizing transparency, accountability, and the protection of stakeholder interests (Braswell, et al., 2009).

## **Reputational Damage in the Mid-20th Century**

### **Union Carbide and Bhopal (Precursor Events in the 1950s-60s)**

Before the catastrophic Bhopal disaster in 1984, Union Carbide faced criticism in earlier decades for inadequate safety standards in its facilities, including incidents of chemical leaks and worker illnesses in the 1950s and 1960s (Broughton, 2005). These early warnings highlighted systemic negligence but were largely ignored, damaging the company's reputation among labor advocates and communities. Although the major disaster occurred later, these mid-century events underscored the need for stronger ethical oversight to prevent similar failures.

### **Ford and Unsafe Automobiles**

In the mid-20<sup>th</sup> century, Ford Motor Company faced criticism for prioritizing cost savings over safety in its vehicle designs, such as the dangerous placement of gas tanks in certain models. This era set the stage for the infamous Ford Pinto case in the 1970s. The lack of industry-wide ethical standards for balancing innovation with public welfare became a key concern.

### **Nestlé's Baby Formula Scandal (1970s Rooted in 1950s Marketing Practices)**

Nestlé began aggressive global marketing of infant formula in the 1950s and 1960s, particularly in developing nations. By the 1970s, these practices had drawn significant criticism for contributing to infant malnutrition and mortality when formula was improperly used due to a lack of clean water or financial resources. Nestlé's behavior during this time was seen as exploitative, tarnishing its brand. The backlash prompted the development of the International Code of Marketing of Breast-milk Substitutes by the

World Health Organization (WHO) in 1981, a critical milestone in corporate ethics (WHO, 1981).

## **Chemical Industry Pollution**

In the 1940s–1960s, chemical manufacturers frequently discharged harmful pollutants into waterways, contributing to environmental disasters like the contamination of the Cuyahoga River, which famously caught fire multiple times (the most well-known being in 1969). Although the Cuyahoga fire marked a turning point in public awareness, earlier incidents in the mid-20<sup>th</sup> century reflected the industry’s failure to adopt ethical standards for environmental stewardship (Boissoneault, 2019). These events eroded public trust and laid the groundwork for stricter environmental regulations and corporate codes.

## **Tobacco Industry Deception**

During the mid-20<sup>th</sup> century, tobacco companies actively suppressed scientific research linking smoking to cancer while marketing cigarettes as glamorous and even healthful. Their tactics, including misleading advertising and aggressive lobbying, began drawing public criticism by the 1950s and 1960s, damaging their reputation. This ongoing erosion of trust culminated in the landmark Surgeon General’s report in 1964, which forever changed the perception of the tobacco industry and emphasized the need for ethical advertising and public accountability (Marshall, 2015; McMillen, et al., 2000).

These scandals underscored the inadequacy of relying on informal norms or individual integrity in complex, large-scale industries. They also revealed the reputational risks and large lawsuits companies faced when ethical considerations were neglected, driving the adoption of formal codes and legal regulation to prevent future crises.

The early adoption of professional and corporate ethical codes set a benchmark for other industries to follow. Organizations like the Project Management Institute (PMI) incorporated ethical principles into their training and certification programs, equipping project managers to address dilemmas in increasingly global and interconnected environments (PMI, 2024).

## **Late 20th Century: Globalization, Technology, and the Rise of Corporate Social Responsibility (CSR)**

The late 20<sup>th</sup> century ushered in an era of unprecedented globalization and technological innovation. As businesses expanded across borders and industries embraced new digital tools, ethical challenges grew in scope and complexity. At the same time, public awareness of corporate practices increased, driven by a series of high-profile scandals and environmental disasters. These developments spurred the rise of Corporate Social Responsibility (CSR) as a framework for addressing ethical issues in business and project management, emphasizing accountability to stakeholders beyond shareholders alone (Rowe, 2005).

### **Global Expansion and Cross-Cultural Ethical Challenges**

The globalization of business operations created new opportunities but also posed significant ethical dilemmas. Multinational corporations faced the challenge of navigating diverse cultural, legal, and social norms while maintaining consistent ethical standards. Practices considered acceptable in one region could provoke outrage in another, underscoring the need for standardized yet adaptable codes of conduct (USDOJ, n.d.).

Global supply chain management raised ethical concerns about labor conditions, including child labor and worker exploitation in developing countries. High-profile cases, such as the exposure of sweatshops in the apparel industry, damaged the reputations of companies like Nike in the 1990s (Zadek, 2004). These incidents highlighted the need for comprehensive CSR strategies and ethical oversight across global operations.

Moreover, cross-border bribery and corruption scandals, such as those revealed in the Lockheed bribery case of the 1970s, underscored the importance of international anti-corruption frameworks. The U.S. Foreign Corrupt Practices Act (FCPA) of 1977 marked a significant milestone in formalizing global ethical standards by prohibiting bribery of foreign officials (USDOJ, n.d.).

## The Development of CSR Frameworks

The rise of CSR reflected a growing recognition that businesses have ethical responsibilities extending beyond profit generation. CSR frameworks emerged in response to scandals and disasters that demonstrated the devastating consequences of neglecting stakeholder interests:

- **Bhopal Disaster (1984):** The catastrophic gas leak at Union Carbide's plant in India resulted in thousands of deaths and long-term health and environmental consequences. This tragedy exposed the ethical failings of inadequate safety measures and crisis response planning in multinational operations, galvanizing the push for stronger corporate accountability (Broughton, 2005).
- **Exxon Valdez Oil Spill (1989):** One of the worst environmental disasters of its time, the Exxon Valdez spill highlighted the environmental risks associated with large-scale industrial operations. The public backlash against Exxon's perceived lack of accountability spurred greater emphasis on environmental sustainability within CSR initiatives (Glaze, 1999).

CSR frameworks encouraged companies to address these types of risks proactively by incorporating ethical considerations into decision-making processes. Initiatives such as the United Nations Global Compact (2000) set principles for human rights, labor standards, environmental protection, and anti-corruption practices, providing a foundation for global corporate ethics.

## The Influence of Technology and Data

The rapid advancement of technology in the late 20<sup>th</sup> century introduced new ethical challenges in project and business management. Digital projects, from software development to large-scale data systems, raised questions about privacy, fairness, and accountability.

- **Data Privacy:** The collection and use of personal data became a focal point for ethical scrutiny as companies began leveraging digital technologies for competitive advantage. Concerns about data breaches, surveillance, and misuse of consumer information

highlighted the need for robust ethical guidelines in managing technology projects (Culnan & Williams, 2009).

- **Algorithmic Bias:** The emergence of automated systems and algorithms revealed ethical issues related to bias, transparency, and accountability. Early cases of discriminatory decision-making by automated systems prompted calls for greater oversight and ethical standards in technology development (Adams-Prassl, et al., 2022).

The need for formalized ethical guidelines in technology-driven industries paralleled the broader adoption of CSR, as both frameworks sought to address emerging risks and foster public trust.

## Contemporary Ethical Frameworks in Project and Business Management

The ethical frameworks developed during the 20<sup>th</sup> century laid the foundation for the robust, institutionalized codes of conduct that guide modern project and business management. In today's complex, interconnected world, these frameworks address challenges ranging from environmental sustainability to data privacy and diversity. They empower professionals to navigate ethical dilemmas in increasingly globalized and technologically advanced industries, while also setting expectations for accountability and transparency (Erwin, 2011).

Professional organizations now offer detailed Codes of Ethics tailored to the demands of specific industries. These codes provide guiding principles for ethical behavior, equipping project managers and business leaders to address complex challenges effectively. For example:

- **Project Management Institute (PMI):** PMI's Code of Ethics and Professional Conduct emphasizes values such as responsibility, respect, fairness, and honesty. These principles help project managers maintain trust and accountability in diverse, high-stakes environments (PMI, 2024).

- **Association for Project Management (APM) and International Project Management Association (IPMA):** These organizations provide global frameworks for ethical project management, emphasizing integrity and the need to balance stakeholder interests (IPMA, 2015).
- **Engineering Codes (e.g., ASCE, IEEE):** The ethical standards of engineering organizations have evolved to prioritize public safety, environmental stewardship, and sustainability, reflecting the growing complexity of infrastructure and technology projects (Hoke, 2007).

These modern codes are not merely aspirational; they are enforceable through professional certification requirements and disciplinary processes. By formalizing ethical expectations, they foster a culture of accountability and set clear benchmarks for acceptable behavior (Benson, 1991).

## Case Studies of Ethical Success and Failure

Real-world examples demonstrate the importance of adhering to established ethical standards and the consequences of failing to do so:

- **Success: Patagonia's Environmental Stewardship** Patagonia has earned widespread praise for integrating environmental sustainability into its business practices. By adhering to principles of transparency and sustainability, the company has demonstrated that ethical decision-making can drive both profitability and positive social impact (Patagonia, 2024).
- **Failure: Boeing 737 MAX Crisis** The 2018 and 2019 crashes involving Boeing's 737 MAX aircraft highlighted the devastating consequences of prioritizing profitability over safety. The resulting reputational and financial damage underscored the critical importance of ethical frameworks in guiding corporate decision-making.

## Evolving Ethical Challenges

Modern ethical frameworks also address contemporary issues such as environmental sustainability, diversity, and data privacy:

- **Environmental Sustainability:** With climate change at the forefront of global concerns, businesses and project managers are increasingly held accountable for their environmental impact. Ethical codes now emphasize sustainable practices, including resource conservation, emissions reduction, and eco-friendly design (Michelfelder, & Jones, 2013)
- **Diversity and Inclusion:** Promoting equity and inclusion has become a key ethical priority in business and project management. Frameworks encourage leaders to foster diverse teams, create equitable opportunities, and address systemic biases (McCandless, & Ronquillo, 2020).
- **Data Privacy and AI Ethics:** The rise of data-driven technologies and artificial intelligence has introduced new ethical dilemmas, such as algorithmic bias, data misuse, and the implications of autonomous decision-making. Modern ethical codes emphasize the need for transparency, accountability, and fairness in technology-driven projects (Chatila, et al., 2017).

## Conclusion: The Continuing Evolution of Ethical Standards

The history of ethics in project and business management reflects an ongoing journey—one shaped by societal needs, technological advancements, and the lessons learned from ethical failures. From the ancient philosophies that emphasized individual virtue to the highly formalized codes of conduct guiding today's global industries, the evolution of ethical standards underscores their vital role in fostering accountability, trust, and fairness.

The transition from personal honor to collective frameworks was not linear but reactive, responding to moments of crisis and public demand for change. Ethical lapses in industrial practices, environmental stewardship, and corporate governance have repeatedly demonstrated the consequences of inadequate oversight, driving organizations to adopt increasingly robust ethical structures. Professional associations, corporate codes of conduct, and global frameworks like the UN Global Compact have institutionalized principles such as sustainability, diversity, and transparency, ensuring that