

## **THE ROLE OF A FOUNDATIONALIST APPROACH TO MORAL KNOWLEDGE IN ETHICS MANAGEMENT OF ECONOMIC ORGANIZATIONS**

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**ABSTRACT** *The aim of this paper is to investigate the pragmatic function that a foundationalist architecture of moral knowledge may have in managing ethics in an economic context. The role of studying values using a foundational structure is to make the values that are basic for some members to become derivative for the rest of the members or at least to be constantly considered as relevant criteria in decision-making processes. The Ethical Delphi is proposed as an efficient tool for homogenizing values that cannot otherwise be asserted. Hence, those values could not be formalized in standard tools for managing ethics.*

**KEY WORDS:** *Business Ethics, Foundationalism, Organizational Studies, Applied Ethics, Ethical Delphi*

### **1. INTRODUCTION**

In order to get a glimpse of the theoretical epistemological problems concerning moral knowledge we must correctly expose the foundationalist architecture of knowledge in the realm of moral enquiry.

Men generally adhere to a large, but finite, set of beliefs labelled together as knowledge. The sentence, in the logical sense, is the constitutive element of knowledge, and that is because the sentence is the simplest element of a discursive practice that might have the attribute of truth-value.

The classical/modern theory of knowledge has imposed three criteria for an assertion in order to be regarded as knowledge:

- To be true;
- To be believed by the subject;

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- The subject is justified in believing it.

These criteria are usually expressed in equating knowledge with justified true belief (JTB). In Edmund L. Gettier's seminal paper *Is Justified True Belief Knowledge?* published in 1963 [7], the author considers that this (JTB) is not a sufficient condition for knowledge since a subject could have a false justification for holding a statement, but nonetheless the assertion could be true according to the *correspondence truth theory*- the question of course would be- is this knowledge? There are different answers to this question [2], [9] and we would consider justification necessary for knowledge since no better definition of knowledge appears in the market of ideas.

Keeping in mind the scope and length of this paper we will focus only upon aspects related to the justifiability of beliefs, in as much as the managerial pursuits have to be neutral concerning the capacity for truth-aptness of moral beliefs and the status of moral statements as being worth believing (whatever this might mean). The latter considerations are related more to the ontological status of moral assertions than to their epistemological rank. So, who requests and what is requested for statements to have a rational justification/ a foundation? Why couldn't someone hold a set of beliefs without having to be held responsible for its justification?

Is not just because of some philosophical matters that the beliefs which someone might hold should be somehow justifiable and at least this is requested at the academic level for the sake of *intellectual honesty*. Nowadays researchers (such as R. Audi [1] and A. Plantinga [11]) have investigated the historical nature of the different types of intellectual obligation to give an account for the holding of beliefs. The term *justification* has a normative ring to it, and it ends up in the responsibility of the individuals concerning the control capacity upon the manners in which beliefs are formed and upon their state of mind in the processes of beliefs formation.

The rationality of a belief is thus deontological related to the concept of evidence (i.e. proof). We can speak of strong propositional evidence that offers certitude to the assertion to be justified or of weak inductive evidence that confers some degrees of probability to the belief thus justified.

The whole problem of justification could be stated as follows: does any belief deontological request a propositional support other than its own postulation? Or can this support be requested/offered no matter what contents of the belief in case are? Well, if the answer is yes, do we not end up in infinite regress? Is there any possibility that in an attempt as such we shall support the  $n+1$  belief with the very belief we were trying to justify in the first place? Are there any beliefs that might not request any other support than their own assertion? In answering such questions the following three options/alternatives (known as Agrippa's trilemma) exist for the regress problem of justification:

- Some beliefs are unsupported
- Beliefs can be supported by an infinite chain of justification
- Beliefs can be supported by a circular chain of justification.

The second solution is the most counterintuitive, it is really hard to show how an infinite chain of justification can justify anything whatsoever. The other two answers are the most common in the theory of the architecture of knowledge (we would rather use the term architecture, as Audi often does, instead of structure –which

is loaded with numerous connotations from getsaltism/structuralism/theory of systems), that is - foundationalism and coherentism.

*Foundationalism* holds that some beliefs can be justified without being supported by any further beliefs (this sort of beliefs are usually named *basic* beliefs). The major problems for foundationalism are how many basic beliefs do we need and what type of beliefs can be placed as basic in the chain of justification. We notice that the number of assertions is a problem also in the scientific axiomatization theory [6].

Classical foundationalism accepts as basic only tautologies (self-justifying logical or mathematical assertions) and sentences describing direct empirical observations. Thomas Reid was almost alone in his proposal to give credit to the natural intuition concerning general assertions that can be regarded as basic although they lack the status required by classical foundationalism (examples of properly basic beliefs that cannot match the classical standards include: the existence of the past and the existence of other minds). Following Reid, Plantinga thinks that a belief is *properly basic* if the person holding it is in some significant way warranted in doing so. As Boa and Bowman observe [3] several important implications of Plantinga's notion of basicity need to be understood:

1. A belief may be basic for a person at one time but not at another.
2. A belief may be properly basic for one person but not for another.
3. The fact that a belief is basic for someone does not mean it is *groundless*.
4. Plantinga's claim that some beliefs can be properly basic does not imply that just any belief can be basic.
5. The idea that a belief is properly basic is to be distinguished from two other concepts. To say that a belief is basic is not a statement about the degree of confidence or certainty with which it is held. The firmness with which a person holds a certain belief is not directly related to whether that belief is basic for him.
6. It is possible to abandon beliefs that one held as basic beliefs, even as properly basic. Any argument or information that removes the ground for acceptance of a belief is called a *defeater*.

*Coherentism* entails that all beliefs are inferentially justified, the image of a web of beliefs that support one another via a system of mutual relations can be easy to reduce to mere logical consistency. In order to avoid strict circularity we must have a large sphere of beliefs and to add other requirements to the system of beliefs such as – predictive power and explanatory capacity.

A combination of the two architectures might lead to something called *Foundherentism*. Keith DeRose [5] is an advocate of this option taking into account *the problem of the amount of non-transferred warrant* that a belief might need in order to be considered properly basic, he gives a virtual example of two beliefs that are not basic (they lack the sufficient amount of non-transferred warrant) but they can transfer some warrant to each other in order that both of them would be at the same level of justification.

## 2. THE ARCHITECTURE OF MORAL KNOWLEDGE - MORAL FOUNDATIONALISM

We should notice so far that the problem of the structure of knowledge is not a descriptive matter but a normative one, it points to ways that would give our beliefs a consistent manner in which they could be justified.

The problem of the architecture of moral knowledge starts from the debate concerning the cognitive status of moral claims. And this is of course a problem of metaethics rather than one of substantive ethics (a term that W. Sinnott-Armstrong uses instead of the common normative ethics). Peter Tramel [12] classifies theories of moral epistemology as shown in table 1.

**Table 1. Approaches to Moral Knowledge**

<b>Traditional Approaches</b>	<b>Non-Traditional Approaches</b>
Foundationalism	Reliabilist Theories
Coherentism	Non-cognitivist Theories
Contextualist Theories	Ideal Decision theories
Traditional Skepticism	Politicized Theories

Tramel shows some traits of the traditional approaches, they are committed to five assumptions (2 moral and 3 epistemic):

- [Moral] Cognitivism
- [Moral] Realism
- [Epistemic] The Necessity of JTB
- [Epistemic] Internalism – the proper function of cognitive faculties
- [Epistemic] The Priority of Epistemic Structure

From these traits can be inferred some ontological aspects entailed by moral foundationalism:

1. Moral claims relate to moral facts that can be morally assessed with qualifiers such as *good or bad*
2. Moral beliefs presuppose the possibility of knowledge of moral facts in the first place.

There are two classical moral foundationalism theories in the terms of Tramel:

- *Moral Sense Theories*- “that asserts the existence of a uniquely moral sense by which we perceive rightness or wrongness”;
- *Moral Epistemic Intuitionist Theories* “imply that we can non-perceptually recognize some moral truths in a way that can non-inferentially justify us in believing them.”

## 3. THE MANAGERIAL RELEVANCE OF THE ARCHITECTURE OF MORAL KNOWLEDGE

What is the managerial relevance of this entire theoretical framework? First of all -managing values in economic organizations has a primary duty to search what kind

of values it shall deal with. And afterwards - to notice whether these values are part of beliefs that might function as basic in the foundational moral structure of the members that the organization places in different internal social networks. Obviously, individuals cannot that easily figure out their basic values, even if they might have the feeling that some are core and others are peripheral or transitive values. However, the ongoing search for values is the most important managerial task in building up the tools incorporated in a coherent *Plan for Managing Ethics*. Values commonly held by different types of stakeholders will end up being named, listed, emphasized in all the tools – the credo, the code of ethics, the code of conduct, etc.

An approach that consistently focuses on values as decisional criteria will lead to regard values as a restriction upon the area of given managerial option - in a given economic decision making process. This idea can be illustrated in figure 1.

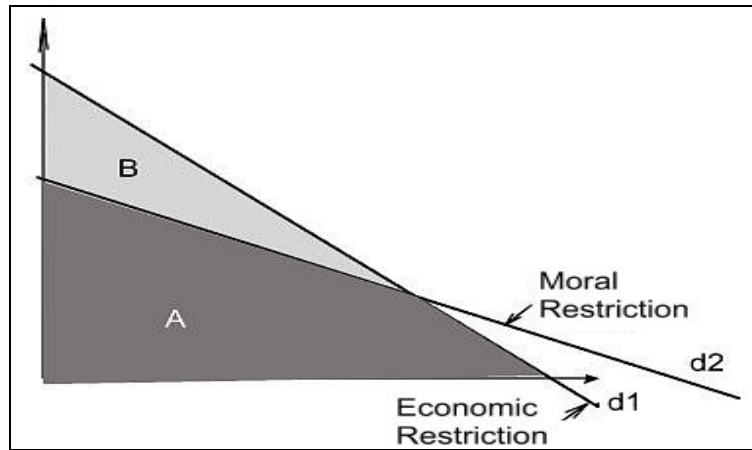


Figure 1. Economic and moral Restrictions upon the decisional area

Initially the surface determined by the economic restriction (imposed upon the quadrant by curve  $d_1$ ) was given by the points of the A+B surface representing the decisions with economical feasible outcomes. After considering the moral restriction as decision criteria (represented by  $d_2$  curve) the area is diminished by surface B, there are of course decisions that might be moral, but inefficient-below  $d_2$ , but at the right of  $d_1$ .

In establishing the set of values to be managed in an economic context, managers got to have in mind a clear vision of the whole range of values that are expressed somehow by the stakeholders who will be affected by the future decision to be made. Let's suppose - as an ideal situation - that all the stakeholders ( $S_i$ ) can identify their values (the elements of  $VS_i$ ) and afterwards split them into basic and inferred values.

$$VS_i = \{V_{i1}, V_{i2}, \dots, V_{in}\} \tag{1}$$

And after a process of selection for each of  $V_{ij}$  elements the stakeholder should decide whether:

$$V_{ij} \in B_i \text{ or } V_{ij} \notin B_i \quad (2)$$

After all the  $B_i$  has been collected by the management - the intersection of those elements should give us the basic common values multitude  $B_0$ :

$$B_0 = \{B_1 \cap B_2 \cap B_3 \cap \dots \cap B_{an}\} \quad (3)$$

Even in this ideal situation - where values can be identified and sorted as basic and non-basic we can obtain a situation where the members of the organization (considering for a while that they are the only stakeholders) might not find a single value that enjoys the basic status for all of them, this should mean:

$$B_0 = \{\emptyset\} \quad (4)$$

Well, this does not at all mean that they do not share any moral values (this can hardly be possible) and this can be expressed as follows:

$$\{VS_1 \cap VS_2 \cap VS_3 \cap \dots \cap VS_n\} \neq \{\emptyset\} \quad (5)$$

The fact that the members might not share values as basic means that, perhaps in their foundational structures the values that are spread as basic for some are just derivative for other and the other way around.

In the realm of the planning function of management one of the key issues is the unpredictability of individual behaviour. Generally values regulate behaviour in a more compelling way than managerial policies can that is why the study of values that already exist in the background of each member's structure of moral knowledge should lead to a more predictable future, if the values found are homogenized.

Hence, *the role of studying values using a foundational structure is to make the values that are basic for some members to become derivative for the rest of the members or at least to be constantly considered as relevant criteria in decision-making processes.*

How can this be done? In the ideal example that we have given you just transpose in a systematic manner all the values expressed as basic in the formal tools of ethics management and these end up being regarded as the core values of the organization. This situation can be illustrated in figure 2.

As has been clearly stated this is an ideal example, it is an instructive, tough oversimplified way of looking at the issue of moral values all across the organization and over its social boundaries. Here are a few points to ponder upon:

- ✓ The foundationalist scheme is a normative path, hence - somewhat "fictitious". Members of the organization might not be familiar with the idea that some of their beliefs are basic, but all the while they think that some values are more important than others;
- ✓ The point is not to build up a strategy for striving to get the members to expose their values within a foundationalist framework. Keep in mind that asking for an iteration of values might be a factor of dissension (the brilliant French economist G. Abraham-Frois once pointed out that clearly exposing some planning matters might be an action that prevents some

actors from acting the way which was envisioned for them, just because they will know their future context for action.)

- ✓ As we showed elsewhere [8] this is a static vision upon the systems of values, a postmodern view would require a blueprint that would continuously emphasize the idea that values are in an ongoing process of change in the flow of human experience since they cannot be called ultimate or absolutes as far as they are regarded as elements of transitive metanarratives.

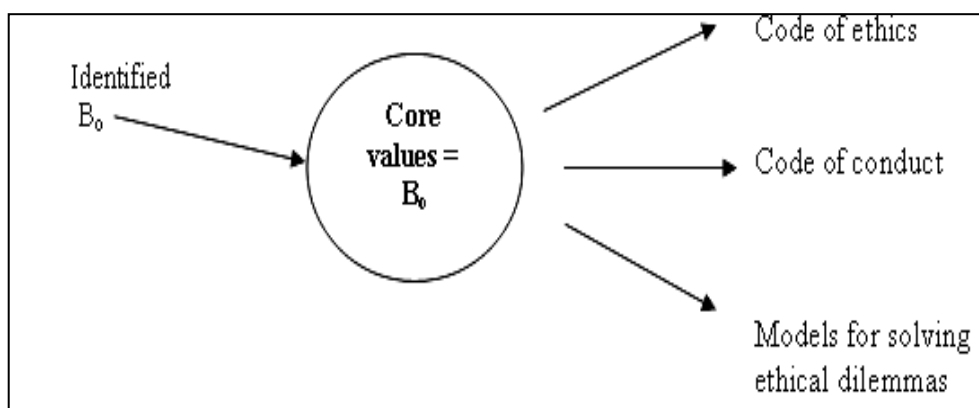


Figure 2. Transposing the basic values into the tools of managing ethics

#### 4. THE ETHICAL DELPHI - A TOOL FOR INVOLVING TACIT BASIC VALUES

Millar and Tomkins [10] elaborated a handbook for decision-making processes which involve contexts that require moral reasoning or an appeal to moral assessment of the results of the decision to be pursued and the means of obtaining them in the area of bioethics.

The authors mentioned above maintain the classic idea of the Delphi method as an iteration of questionnaires given to anonym experts that are members of a panel. They define Ethical Delphi (ED) as follows:

*"An ethical Delphi is an iterative participatory process between experts for exchanging views and arguments on ethical issues. The method is structured around the notion of a virtual committee where the exchange of ideas is conducted remotely through a series of opinion exchanges (in the form of 'Rounds'). Anonymity of the participants is central to the process. This feature aims to eliminate external power relations and personal influences that may interfere in the discussion of ethical dimensions within a committee environment."*

ED is generally regarded as a means for collecting and homogenizing opinions in a system of ethics, which is widely recognized as coherentist, i.e. the ethics of principles. The ethics of principles tries to focus on certain moral principles as a basis for reflection concerning the rules, values, and value judgments which can be inferred

from the principles in situations that require specific moral norms. There is an ongoing process of balancing principles with rules because the principles are not regarded as basic (in the sense that we ascribed to *basic*), they have to cohere with the rest of the elements of the ethical sphere.

Making ED work is altogether a managerial issue concisely represented by the following succession of steps from figure 3.

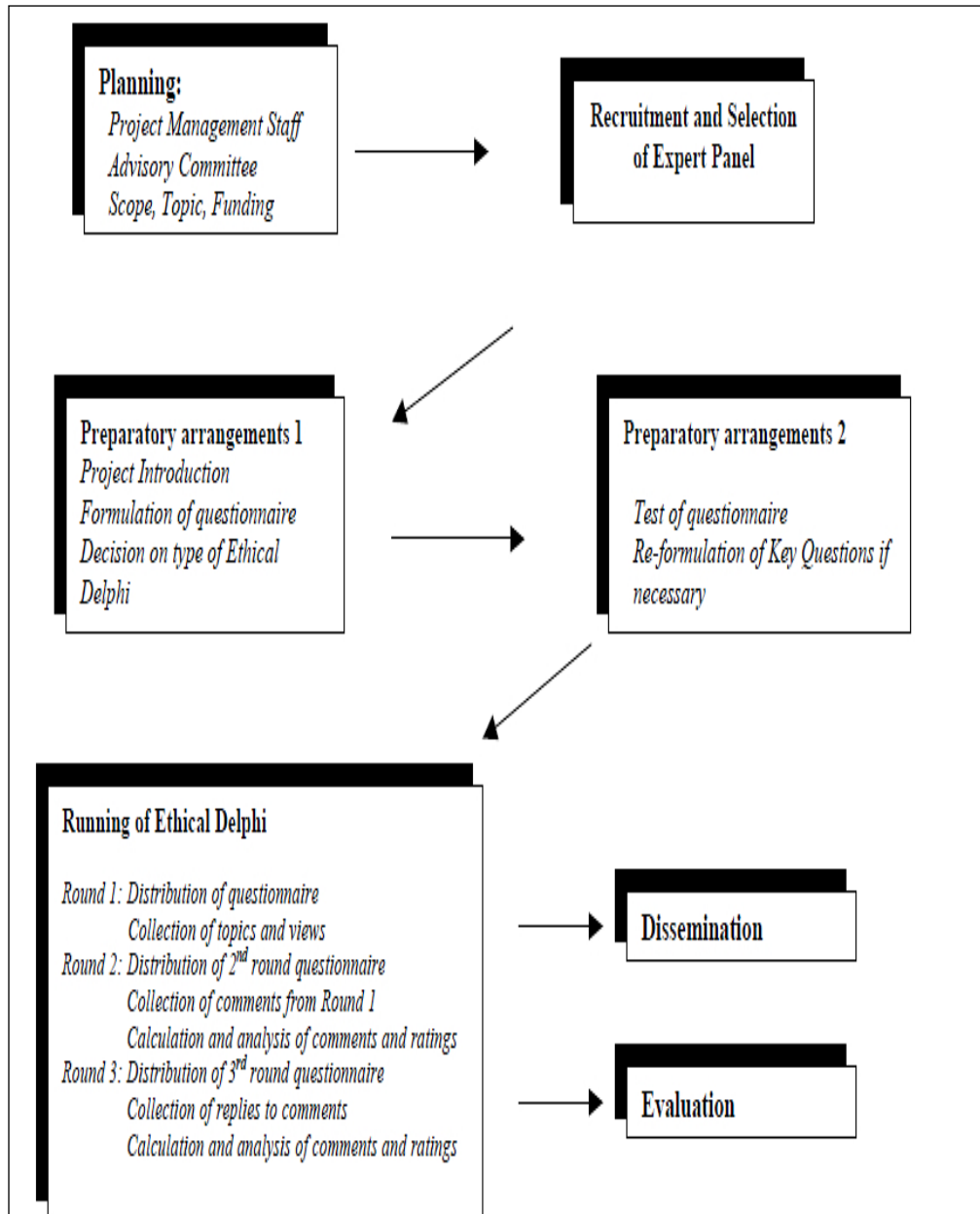


Figure 3. The Steps of ED



There are two reasons motivating us to think that the ED might serve as a tool for tacitly involving basic values without even mentioning them in any of the iterations. We will mention them in the following conclusions.

## 5. CONCLUSIONS

The conclusive question would be: why pick ED and not some other instrument for homogenizing the foundationalist structure of values in the organization?

1. Because ED tacitly reveals basic values, almost any other quest for an iteration of basic values fails to reveal them. Men cannot always express their fundamental convictions and beliefs; thus, the process of belief formation is hard to describe. Another issue would be exhaustively relating the beliefs held to one another.

At any given time most of our beliefs are non-occurrent. We might say that they are stored in memory and await retrieval upon reflection. In contrast to occurrent beliefs, these are dispositional beliefs [1].

2. Because ED is a constructive way to homogenize values on the path leading to organizational consensus. Numerous tools in applied ethics cannot be separated from their *ethics of principles* framework.

These tools start from principles that have already been affirmed, whereas in ED, all the comments made in the iterations of answers encompass values which might not be found in the elements of the *Plan for Managing Ethics*, no matter how wide the *Plan's* approach might be.

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