

Moral Considerations and Layoffs Dilemma: Analysis of Empathetic Ability in Decision-making

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Abstract. Empathy, the perceptive grasp and comprehension of someone else's emotional state, holds immense significance in social interactions. Its manifestation, nonetheless, undergoes fluctuations across diverse scenarios, making it a fascinating and complex aspect of human behaviour. To delve into this captivating phenomenon, this dissertation explores the ethical quandary faced by company managers when deciding whether to lay off employees during financial crises. In this scenario, empathy's role becomes even more critical. Employing the sensitive topic of employee layoffs as a prime example, the study unravels the intricacies of empathy disparity among individuals, delving into the psychological, cultural, and personal factors contributing to varying levels of empathetic responses. While universally recognised as essential, this meticulous analysis highlights how empathy can sometimes be elusive or inconsistent. Furthermore, the research sheds light on the cascading impact of leadership empathy on employee empathy and the subsequent influence of individual employee empathy on group empathy. Understanding the interconnected nature of empathy within an organizational context becomes pivotal for nurturing a compassionate and supportive work environment. Moreover, this study delves into the far-reaching implications of empathy within organizations. The intricate interplay between empathy, decision-making, conflict resolution, and team dynamics is examined. The research identifies specific boundary conditions that may affect the effectiveness of empathy, shedding light on when empathy might be less impactful and when it can genuinely foster positive outcomes.

Keywords: Empathy, Moral dilemma, Self-determination, Organization management, Moral variation.

1. Introduction

Throughout creature evolution, organisms continuously make the best survival decisions using adaptive goal-seeking systems. However, their status as social animals sets humans apart from other creatures, which introduces a unique pursuit in the realm of social interactions – morality. Moral principles serve as the bedrock for maintaining cooperation among individuals. When faced with moral dilemmas, people are confronted with the question of determining the "best choice" amid conflicting moral principles, values, or obligations. These situations can emerge due to various factors and circumstances. Consider, for example, a scenario where individuals must grapple with the decision to prioritize their financial gain during a severe economic downturn or extend a helping hand to others in need.

Drawing inspiration from the 2008 Financial Crisis, when numerous companies resorted to layoffs in a desperate attempt to survive, decision-makers were caught in a conflict of obligations. This paper delves into an ethical dilemma that company managers encountered when contemplating the termination of recently hired employees during financial difficulties. The study thoroughly examines the competing interests of safeguarding the overall welfare of the company and treating employees fairly.

By conducting a comprehensive literature review on causal analysis, respondent profiles, empathy, and decision-making, this paper aims to shed light on the ethical considerations entwined within such complex scenarios. The ensuing discussion and implications section presents a wide array of perspectives and proposes potential solutions to mitigate the impact of these moral dilemmas. As social beings, humans navigate a unique moral landscape that shapes their decisions, especially in challenging situations. Exploring ethical dilemmas companies face during crises provides valuable

insights into the delicate balance between organizational survival and upholding moral principles, contributing to a deeper understanding of human behavior and decision-making processes.

2. Lecture Review

2.1. Empathy

2.1.1 Definition of Empathy

After thousands of years of vicissitudes, the intricate relationships between animals and humans have evolved into a sophisticated civilization where coexistence is paramount. This accumulated wisdom has resulted in a profound respect for one another's boundaries and a set of behavioral norms that safeguard mutual interests. Within this dynamic social structure, the concept of empathy has emerged as a crucial component of human interaction, as highlighted by Davis, who classifies empathy into four distinct categories: (1) Perspective Taking, the ability to genuinely understand and align with another person's perspective, becomes a foundation for harmonious communication; (2) Empathetic Concern, which involves the capacity to comprehend and resonate with the emotions of others, fosters deep connections among individuals; (3) Personal Distress, reflecting the level of anxiety felt when witnessing another person's negative experiences, serves as a driving force for collective empathy; (4) Fantasy, a unique facet of empathy, enables individuals to immerse themselves in the world of fictional characters, forging a bridge of understanding beyond the confines of reality [1]. Empathy is a powerful emotional reflection within an individual, widely acknowledged as a fundamental aspect of human response by scholars. Through empathy, the observer experiences an emotional state akin to or congruent with the feelings of others, and the strength of this perception correlates with one's empathetic abilities [2]. This intrinsic ability to empathize strengthens social bonds and cultivates a compassionate and cohesive society.

2.1.2 Biological Aspects of Empathy Formation and Factors Influencing Empathetic Ability

In social interactions, due to the magical power of empathy, individuals can perceive and predict the emotions and behaviors of others, forming a profound connection that enriches their understanding of the human experience. The formation of empathy is a fascinating interplay between the human brain's intricate neurobiological basis and our innate emotional intelligence, where affective empathy and cognitive empathy operate as two distinct yet interconnected units, each contributing uniquely to our empathetic abilities [3].

Affective empathy, like an emotional compass, grants individuals the remarkable capacity to recognize and assess the mood states of others. It serves as a window into another person's emotions, allowing us to resonate with their feelings and share their joys and sorrows. For instance, when a close friend shares their triumphs, we feel their elation, and when they face hardships, we empathize with their pain and offer our support.

On the other hand, cognitive empathy, akin to a skilled detective, empowers individuals to delve deeper into the complex web of emotions by understanding the sources and causes of another individual's feelings. It equips us with the capability to decipher the underlying reasons behind someone's emotional state, providing valuable insights into their perspectives and inner worlds. For example, when a family member is going through a difficult time, we recognize their emotions and try to comprehend the various factors contributing to their distress, enabling us to be more compassionate and supportive.

Remarkably, specific brain regions orchestrate these empathetic processes, revealing the marvels of neural activity behind our ability to relate to others. In emotional empathy, key brain regions such as the anterior insula, anterior cingulate gyrus, and particularly the dominant right side of the inferior frontal gyrus come to the forefront [4]. The inferior frontal gyrus plays a pivotal role in recognizing and imitating others' facial expressions, fostering emotional contagion and facilitating our empathetic connection with those around us.

As awe-inspiring as the neurological foundations of empathy are, its dynamics are further shaped by various external factors influencing how we respond empathetically to different individuals [5].

Factors such as the person's importance in our lives, our familiarity with them, previous experiences, and even gender contribute to how we modulate our empathic responses. For instance, we may offer more profound empathy to a close friend going through a challenging time compared to someone we have just met.

Shifting our focus to cognitive empathy, this process calls upon specific brain regions associated with the theory of mind and emotion processing to unravel the intricacies of someone else's emotional landscape [6]. The ventral medial prefrontal lobe and the orbitofrontal cortex emerge as the masterminds behind this empathetic exploration. The orbitofrontal cortex is an emotional gatekeeper, processing affective information and influencing our social behavior in response to the emotions we perceive in others.

The significance of the orbitofrontal cortex becomes even more apparent when we consider the consequences of damage to this region. Individuals who experience such impairment may exhibit challenges in understanding the perspectives of others, resulting in lower scores on the cognitive empathy dimension of the empathy scale [7]. Moreover, they might display tendencies towards heightened aggression, indifference to others' feelings, and unconventional behavior, underscoring this brain region's vital role in shaping our empathetic interactions with the world.

In summary, the enchanting interplay between affective and cognitive empathy, guided by specific brain regions, allows us to form deep connections with others, enriching our social interactions and making us more compassionate and understanding individuals. This magical force of empathy enhances our emotional intelligence and fosters a more harmonious and empathetic society.

2.2. Reasons For The Individual Disparity of Empathetic Ability

2.2.1 Physical Disparity

Despite pathologic factors, many factors, such as social environment, national culture, and personal experiences, can affect an individual's ability to empathize. Physiological differences such as age and gender also have an impact on empathy. The results of self-assessment questionnaires conducted in Australia, the United States, and the Chinese region have confirmed that cognitive empathy declines in older adults [8-10], where the effect of gender differences was insignificant. In emotion empathy, compared with the youth population, the older population showed a separation of positive and negative emotion empathy, i.e., an increase in empathic bias toward positive emotions and a decrease in bias toward negative emotions. And there is a gender difference in emotional empathy. The phenomenon is that women's emotional empathy scores are significantly higher than men's. This phenomenon may also signal cognitive decline in older adults [11]. Studies in children have shown that cognitive empathy is higher than emotional empathy in children aged 3 to 5 years. Still, this phenomenon is no longer significant after 5 years of age, and there is a gender difference in empathy from 6 to 12 years. The difference increases from 7 to 18 years old, with females being more cognitively empathic [12].

2.2.2 Other Factors

In addition to physiological factors. Differences in an individual's level of education, ethnicity, race, personal experience, social relationships and status can also lead to significant differences in group empathy. The multiplicity and number of people with whom an individual interacts in social interactions and the dominant ideology and social environment of different countries can also be considered potential factors. Personal experiences and social relationships, as in the case of bullying among adolescents and children, affect not only the victims of bullying. Bullies can inhibit the growth of cognitive empathy during bullying. At the same time, poor interpersonal relationships can lead to a lack of social cognitive skills, decreasing individual empathy [13].

Furthermore, the results of a 2017 survey on group empathy in different populations showed [14]. Different races have different levels of empathy for their racial groups due to the different conditions of unequal treatment they have experienced. Related to the previous points, empathy is primarily based on personal experiences and social interactions. However, national differences, such as cultural

differences between the West and the East, prevailing ideas such as collectivism versus individualism, and governing philosophies such as communism versus capitalism, can also affect an individual's empathy. These factors can also affect an individual's level of empathy towards others.

2.3. The Effect of Empathy On The Organization

2.3.1 The Effect of A Leader's Empathetic Ability On Employees And Organization

In a community, a leader's support and understanding of an employee's situation causes the employee to empathize with the leader and be willing to show empathy. The spillover effect is that when employees perceive empathy from their leaders, they further empathize with others, such as colleagues in the company or customers. Employees empathize with each other through emotional contagion, which manifests as group empathy at the team or organizational level. According to social exchange theory, leaders' empathic attention and perspective selection can stimulate employee reciprocity, and employees' empathy for each other can also stimulate reciprocity for individuals within the group, which emerges in group-level empathy. Leaders' empathy for their employees also affects employee productivity, and research in 2010 showed that [15] leadership empathy affects employee well-being, which in turn affects productivity. This study found that employees' negative emotions are affected by the level of leadership empathy: employees with more negative emotions, such as concerns about their physical health and a sense of uncertainty about their goals, make less progress in achieving their work goals. In other words, as a result of empathy, employees under leaders with high levels of empathy have fewer negative emotions and a greater sense of well-being and, as a result, are more productive. Empathic competence also has a different impact on the leader's implementation of business decisions in the collective, such as the 2014 ethics-based study [16], which found that leaders with a relatively high level of empathic competence do not interpret reducing employee salaries as a business decision (reducing employee salaries to survive the crisis in times of economic hardship), but rather take into account the well-being of their employees, from which it can be inferred that the higher the empathic competence, the less likely the leader is to violate the well-being of their employees. Empathic attention influences individual equity decisions.

3. Discussion and Implications

Empathy, an indispensable trait in human social interactions, has garnered significant attention in recent research. The present paper underscores the importance of delving deeper into empathy's vital role in moral decision-making and its application when confronted with moral dilemmas. However, several unexplored aspects in this domain merit further investigation. One notable avenue for future research is to consider how morality itself might influence empathy. It remains to be examined whether individuals with higher moral standards exhibit varying cognitive or affective empathy abilities.

Moreover, the impact of moral frameworks, such as utilitarianism and deontology, on the expression and experience of empathy warrants exploration. Cultural differences, too, may play a vital role in shaping moralities and, in turn, influencing empathy levels across different societies. Understanding the development of moral values is critical, as they take root early in life. Thus, it is suggested that forthcoming studies employ questionnaires to measure empathy levels in diverse populations. This would facilitate the analysis of the factors contributing to differing levels of empathy within various cultural and social contexts.

Moreover, acknowledging and integrating empathetic considerations can pose challenges for decision-makers in decision-making. Striking a balance between organizational needs and ethical concerns requires navigating intricate trade-offs. This underscores the significance of empathy in comprehending the human impact of decisions, especially in emotionally charged situations like layoffs. Addressing the challenges decision-makers face in prioritizing empathy, the paper proposes strategies to enhance empathetic decision-making. Creating a supportive organizational culture that values empathy and economic viability is vital. This approach fosters an environment where empathy

is not just a buzzword but a guiding principle in shaping policies and practices. Furthermore, recognizing that empathetic ability can be influenced by various factors, it is essential to explore these elements within different organizational contexts. This exploration can shed light on the dynamics that hinder or bolster empathy-driven decision-making. To promote empathetic decision-making, organizations should prioritize the development of training programs and policies. These initiatives will enhance empathetic abilities among employees and leaders, fostering a culture that values fairness and employee well-being.

In conclusion, empathy is pivotal in human interactions and moral decision-making. Nevertheless, several dimensions of this intricate relationship require extensive investigation. Future research can offer valuable insights into empathy's multifaceted role by delving into the impact of morality, cultural variations, and organizational contexts. Organizations can create a more compassionate and understanding environment for their workforce with a concerted effort to prioritise empathy in decision-making processes.

4. Conclusion

This thesis focuses on describing two distinct empathic abilities: cognitive empathy and emotional empathy, alongside exploring the physiological factors contributing to their development. The thesis further elucidates the variation in empathy levels among different populations under various circumstances, attributing these differences to physiological causes, such as brain structure abnormalities, age, and gender disparities.

Our research reveals that higher age groups exhibit heightened responsiveness to positive emotions compared to younger age groups. Moreover, by age 18, individuals of various age and gender stages may already demonstrate biased cognitive empathy and emotional empathy abilities. Beyond the physiological factors, other concealed influences, including race, national disparities, personal experiences, and acquired knowledge, significantly shape empathic abilities.

Empathy holds excellent significance in collective management, particularly in making crucial decisions. Therefore, the authors emphasize the importance of recognizing the multifaceted nature of ethical decision-making for managers. A balanced approach is advocated, considering the organization's immediate needs and employees' well-being. Integrating empathy into decision-making can foster fairness, transparency, and accountability within organizations. This, in turn, cultivates an ethical climate and fosters a culture of empathy and mutual understanding.

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