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## **ETHICAL DECISION-MAKING IN THE WORK OF PROJECT LEADERS – WHY ETHICS GAINS IN IMPORTANCE IN FUTURE PROJECT MANAGEMENT**

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**Abstract.** The paper is a call for project practitioners of the future to educate their ethical perception, and for organizations to provide an appropriate environment which enables formation of ethical sensitivity. This theoretical study uses as method the systematic literature review to show that digital transformation impacts the ethical decision-making of project leaders of the future in the same way it contributes to the transformation of their profiles, the methods applied in their daily performance and the manner they conduct their projects. Teaching digital ethics, building digital skills, exercising practical application of ethical decision-making should be prioritized in future project management curricula by business and educational organizations.

**Keywords:** Ethical decision-making, project management, digital transformation, digital ethics, ethical project leader.

**JEL Classification:** M140, M160.

### **Introduction**

The purpose of this theoretical study is to emphasize the significance of an ethical conduct in project management in the digital future. Based on a systematic literature review, the study analyses the impacts of digital transformation on the ethical decision-making of a project manager and reveals the changes in the profiles of project leaders of the future.

Projects and project management are meanwhile essential in professional life. In nearly all operational functions work is performed within and with help of projects. This applies as well to Information Technology (IT), to product and research development, to supply chain and production, as to general management. Projects are established now in non-profit organizations and in the public administration (Weßels et al., 2014). One cannot imagine any sector of the economy and public life without projects. The education system reaches back to a project-oriented teaching. The contest for medals and competitions in sports is defined in projects. Artists realize unique and exciting ideas through projects.

The “Deutsche Gesellschaft für Projektmanagement” German society for Project Management [GPM]

commissioned 2021 for the first time a study to systematically investigate the projectification in all areas of the German society (GPM, 2021). From the current perspective, this phenomenon can be described as the fusion between project and organizational transformation.

The study identified digitalization, growing complexity and need for innovation as key drivers for expanding of projectification (GPM, 2021). Digital transformation and organizational change are driven forward by projects, so that a boost for project management is to be expected in the next five to ten years. The increasing product and project complexity implies a growing importance of project management, as a result of the increasing volume of and added value creation through projects. Project management gets more and more multidisciplinary, spreads across several international locations and partners. For successful organizations is mastering of the project management the core competency. One of the most important answers to economic and social sustainability lies in the ability to successfully implement projects. To orchestrate the requirements of the future project management competitive project leaders are needed. Project performers of the future know their organizations, are aware of their strategic objectives and the orientation of

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the projects, and are able to perceive and deal with the fast occurring changes. Leadership qualities, solid business judgment and pragmatic handling of uncertainties complete the necessary requirements for successful project professionals of the future. The human being as an important carrier of the company's potential moves to the observation centre of a strategic and dynamic project management.

From a holistic perspective successful management of complex projects goes beyond methods, tools, and techniques. Controlling complexity in the project environment requires from project managers the ability to solve and mitigate conflicts, to motivate the team and make sure, that required resources are made available for the team members to complete their tasks, and in the same time to satisfy the stakeholders.

In this constellation ethics becomes a major requirement and in the same time an asset to successfully complete projects. The project manager, commonly still entitled as a manager, changes from managing issues to leading diverse, cross-functional and multi-cultural teams. This requires a significant portion of empathy, integrity, healthy judgment, acceptance of and respect for other mind-sets and attitudes, as long as they do not threaten or damage the project and the involved stakeholders. Projects are dynamic environments, where different groups interact with each other, may exert their influence on, or sometimes against its progress. Projects do not act alone, they are embedded in economic structures aligned to rules of work, communication and conduct. The involved groups may have different, sometimes controversial ethical and moral values. Organizations are in the midst of the digital transformation, driven also by projects, and are in the same time designers of the digitization. This position argues for acting responsibly in the interests of their customers and suppliers and consequently for the significance of dealing with ethical principles and developing codes of conduct. The responsibility to apply moral values and act according to ethical principles is transferred from the organizational level to the project and its team. Beyond the specification of objectives and scope, it is recommendable for designated project leaders to think about and reveal project values in advance and verify their compatibility with those of the company. It is part of a responsible conduct and the awareness for applying an ethical decision-making approach in practice.

## 1. Theoretical study on the ethical project leader

### 1.1. Research questions and methodology

Derived from factors like the increasing projectification of society, the impact of digitalization on working methods and roles involved in projects, and the significance of ethical values in managing projects in a complex, global and mostly virtual world these research questions (RQ) emerge:

RQ1: Is ethical decision-making instrumental in leading of projects?

RQ2: Does digital transformation impact the ethical decision-making of a project manager?

The methodology of the systematic literature review has been selected because it provides a process for identifying and critically appraising relevant research data for this study. It has been performed according to a process consisting of four sequential phases: data collection, data selection, data evaluation and data interpretation (synthesis, integration in the own research). The process has been completed iteratively.

The review of the scientific literature focussed on the concepts of project management and manager in the digital transformation in combination with ethics and ethical decision-making in projects, outlined insights on the current state of the art, indicated trends of further research and guided to interpretations of the research questions.

The search has been focussed on publications between 2017 and 2022. Only peer-reviewed scientific publications have been taken in consideration. Their type has been limited to articles, books, book chapters, standards, conference papers and studies, in English and German.

In the scientific source selection Google Scholar has been set as the starting point for the research. In addition, the databases selected by the online library of the Comenius University and mostly used for management studies have been taken in consideration as further sources for gathering scientific research data. The repositories for scientific articles, studies and research results of the Project Management Institute [PMI], the International Project Management Association [IPMA] and the Association for Project Management [APM] have been studied and identified as valuable data sources. Websites of groups and organizations which cover topics of digital ethics and skills, websites of journals and blogs dedicated to ethical issues in project management have been revised. In conclusion the scientific data bases which demonstrated to be comprehensive in terms of publications have been selected: ScienceDirect, JSTOR, SpringerLink and Google Scholar.

### 1.2. Literature review results

Jónasson and Ingason (2013) define project ethics as “the moral deliberation and the self-actualisation processes that project management should require”. They consider that project ethics is not only a discipline project managers have to apply on top by managing their projects by strict success criteria, or a behavioural competence of project managers enabling them to recognize when their professional identity may be compromised, but rather the nucleus of the profession as such and of what defines a project leader as a professional. Ethics provides project leaders with the most important decision-making tool they can pose. All projects face ethical issues, which can relate to self-actualisation of the project leaders, to the project team, to the organization, or can raise concern

from the perspective of the society. Ethical issues can specifically arise in the context of the applied management methods, in stakeholder management, dealing with risks, in sponsorship, in dealing with customers and suppliers, in every phase and during the entire project life cycle. Jónasson and Ingason (2013) argue that people should be able to justify their actions with reasons, and, furthermore, unethical decision-making in project management could damage the project success.

International Project Management Associations elaborated codes of conduct and/or ethics to bring forward the professionalization of the project manager occupation and support project leaders to deal with ethical issues in practice. Project leaders are in a field of tension dominated by different interests of and between several stakeholders, sponsors, customers, suppliers, or project team. The IPMA Codes of Ethics comprises not only commitments of project managers to stakeholders, project owners, team members and further employees, but emphasizes their responsibility towards the wider society, sustainability and natural environment underlining the educational mission of project managers (IPMA, 2015).

The Project Management Institute PMI Code of Ethics and Professional Conduct Professional Conduct aims to inspire confidence in the profession, to establish a wide understanding of correct behaviour, and ultimately to be used as a catalyst for the further development of the profession (PMI, 2022).

The Association of Project Management provides project practitioners in its Code of Professional Conduct recommendations (APM, 2022) how to act ethically and exert their personal responsibilities beyond of those directly involved with their customers and suppliers.

Being an examination subject at all certification levels of the project management institutions, ethics turns into a core competency of the discipline.

Helgadóttir (2008) considers that ethics offers valuable practical methods for project managers, even if it is highly philosophical and complex. The findings of his study encouraged the hypothesis that teaching project managers in a succinct manner to think and debate ethically will positively impact their view on project selection, stakeholders, objectives, risks and results. He recommends project owners to hire project managers who, beyond mastering of methods, are able to explain their ethical standpoint and to handle situational ethics. His “hands-on” conceptual framework for students to analyse their work from an ethical perspective is based on four ethic theories, virtue ethics, utilitarianism, deontology, natural rights, theory/social contract, each simply explained with direct reference to practical project work. He advocates the development of educational opportunities by project management associations to enable their members to understand and follow their ethical codes, the integration of ethical training in academic programs and of ethical competence in the toolbox of project managers. Public and private organizations should perceive

their social responsibilities in conducting their projects and selection of who run them.

Luca Casali and Perano (2021) synthesised the huge volume of research material of the last forty years regarding the concept of ethical decision-making and the influencing factors. They argue that this concept goes back to the article of Baumhart (1969), about the importance of studying and teaching business ethics, and to Bohr and Kaplan (1971), who investigated the causes of protest of health care workers and concluded that “as with any social movement, organized protest entails complex ethical decision-making”. Luca Casali and Perano (2021) identified forty-two potentially influencing factors on ethical decision-making in the literature, which have been researched with a varied range of frequency. The findings support (project) managers to better understand the different types of influential factors on and, therefore use them to improve their capabilities of ethical decision-making. The researchers emphasize the importance for managers to be aware of the large number of influential factors on their ethical decision-making (for example, gender, age, education, personality), but to know that business factors such as top management influence, organizational commitment, role of conflict or authority are on a lower influential level as assumed.

Shouche (2008) observed dilemma situations in practice that experienced certified project managers who usually are “on the correct side” of the ethical guidelines are sometimes acting in a way which is not necessarily for the best of their projects. They leave the responsibility to project sponsors or senior management, not really drive their projects and exercise their role as coordinators, can be easily influenced by most vocal stakeholder and get involved in their impulses, or do not report the real status of the project. Shouche (2008) provides a guidance for creation of project reports and describes the responsibilities of project managers advising how to handle with dilemmas in their practice. Diplomacy is required from project managers to succeed treating all stakeholder equally. They have to stay objective, to win sponsors and senior managers to act in favour of their projects. To be able to do so and take full responsibility, they should be empowered with the required level of authority and should request for. Project managers should accept responsibility for success or failure of projects, search for the root cause, adapt a solution-oriented mindset and approach, and if necessary, assign responsibility. They should drive the change, if required, to the benefit of their projects, adapt the right processes, and act as coaches or mentors for colleagues project practitioners.

Beyond their complexity, the significant characteristics of projects are their increasing globality and digitality. Culture makes a difference in the way project managers perceive and act in situations which involve ethical sensitivity. The study of Richter and Murariu (2018) found out that ethics seems to have a high level of universality and, in the same time, ethical decision-making appears to be influenced by culture. The most widespread difference



was revealed by culture followed by age, whereas industry and gender appeared in the middle of the rating, completed by education with the lowest level.

Baskaran et al. (2019) consider cultural traits as a moderator in understanding the relationship between strategic decision-making attributes and ethical behaviour. Based on an extensive literature analysis about ethical behaviours underpinned by the Deontology Theory, they propose a conceptual framework connecting strategic decision-making attributes and unethical behaviour, considering the ongoing discussions regarding driving factors for unethical behaviour in the organizations. Strategic decision-making and cultural traits have been identified as major factors of understanding the phenomenon of documented, traced to several decades, ethical scandals within organizations displaying unethical behaviours in the strategic decision-making. Their model shows a significant relationship between strategic decision-making, on the one hand, and its influencing factors like individual attributes, social and work environment, on the other hand, and ethical orientation. Organizational cultural traits like adaptability, involvement, consistency and mission have a mediating effect on this relationship. An applicable mechanism and cultural traits can stimulate the strategic decision making in the organization and support to choose the adequate way in a particular circumstance.

Lašáková and Remišová (2015) define unethical leadership “as a process of intentional or unintentional, passive or active, and recurrent influencing that harms others, being it individuals, organization and/or society as a whole”. Their study aims a new conceptualization of unethical leadership in order to bring transparency in the current scientific debate on terms and concepts around and focus on this topic, which harm organizations and their employees, discussing indicators and characteristics of it.

The environment of unethical leadership tolerates and even supports behaviours that violate ethical principles, puts personal profit above everything else, does not practice consciously ethics management, ignores rules and processes of the organization. The unethical leader detriments people and organizational goals, due to lack of professional skills, acts badly, lacking ethical principles and engaging in unethical acts, and allows bad acts to happen, is absent, ignorant of rules, self-centred, -protective, and -serving. Lašáková and Remišová (2015) provide with the description of unethical leadership a valuable contribution to a successful project management, indispensable for organizations to create benefit for themselves and their customers. When project leaders are aware of the meaning, symptoms, and causes, as well as effects of unethical leadership, they are sensitized to reflect about their own behaviours and their project environment, to recognize similar situations, enabling them to prevent, intervene, and terminate damaging circumstances of their projects and organizations.

Whereas globality and complexity increased continuously in projects since begin of the century, the pandemic situation gave the dimension of digitization a higher priority than previously assumed, and in the same time accelerated it. The economy witnessed a virtual managing of projects with remote teams. The digital transformation is completely changing the working world, regarding the way of working together, skills needed on the part of employees, and ultimately management styles.

Project managers become virtual leaders of teams situated in different locations of the world.

The study “Future Skills” of the German “Stifterverband” identified digital key competences as a relevant required category in the future. They comprise skills which enable people to handle and actively participate in a digitalised environment, including agile working, digital literacy, learning and collaboration and ultimately digital ethics (Stifterverband, 2021). This competence is associated with a critical questioning of digital information, the impacts of own digital acting and an appropriate decision-making.

In this context, project managers become more and more digital leaders, a transformation which was accelerated in the pandemic. Mülder (2021, p. 63) describes digital leadership as “the leadership of teams that are spatially distributed or even internationally dispersed”. This new dimension of leadership assumes mostly a communication through virtual channels like e-mails, chats and video conferences. Individuals working in such constellation and wanting to act successfully need a high degree of openness, a social attitude to build trust and proximity to other team members in addition to the required professional competencies. Creusen et al. (2017) claim that digitalization intensified the significance and necessity of trust. Collaboration in networks implies and requires the ability to rely on network partners to achieve efficiency. The grade of confidence is increasing with the grow of complexity, internationality, diversity and velocity of processes in the organization and in projects. The new aspect is, that trust emerge from the background of a digital interaction instead of personal closeness. For these reasons digital project leaders and teams should have the mindset and ability to build trust and relationships to others.

Since project management becomes highly digital, it implies an increased awareness of compliance with ethical rules in the daily project work. This requires from project leaders a high degree of ethical sensitivity and acting, the ability to frequently apply the ethical decision-making model as a valuable support in the daily project business. In this context, digital ethics becomes a discipline future project leaders have to deal with progressively.

The German Institute for Digital Ethics defines this discipline as a “thematic extension of ethics that deals with the challenges of digital living environments. The goal of digital ethics is to promote people’s ability to reflect so that they can develop justifiable attitudes and

norms” (Stuttgart Media University, 2022). For project leaders, digital ethics may be a support to recognize problems in digitalised work environments, develop solutions and courses of actions. This can relate to handling with confidential business and personal data, the use and application of specific software and digital technologies, the networking and communication with stakeholders, team members, customers and suppliers by the use of a variety of devices all the time. These new working and collaboration conditions require the adaptation of norms and rules of conduct, the awareness of responsibility to maintain respect and fairness in the digital project world. Digital ethics can provide project leaders and their teams orientation and values to be able to act responsibly in the online business world.

The understanding of a project manager’s main responsibilities undergoes in the time of the fourth industrial revolution a paradigm shift. The role is moving from the strong process-based to a holistic principle-based approach. In a project environment there is not always a clear demarcation between the “traditional”, “waterfall” and the agile method.

The Project Management Institute has continuously observed the evolvement of the project management landscape in the last decade, the transformation of organizational models which generated new project work and team structures, the need for a broad range of approaches to project and product delivery, and a stronger focus on outcomes rather than deliverables (PMI, 2021). This resulted in the seventh edition of the Project Management Body of Knowledge, published in July 2021, transferring from a process- to a principle-oriented approach, one could even say outcome-oriented, supporting any type of delivery. Besides project management approaches, the focus is expanded by including project outcomes. The fundamental aspects influencing changes are the value delivery system and project delivery principles, moving from five process groups (initiating, planning, executing, monitoring and control, closing) to twelve delivery principles, from ten knowledge areas to eight performance domains. Consequently, the role of project managers is influenced by the transformation of the mindset, challenging them to deal with more ethical issues towards their stakeholders, teams and senior management. Successful project management means not only delivering in time and on budget, aiming exclusively to create profit, but producing long-term values and sustainability for the business and the society at whole.

Ferrell et al. (2022) summarized the current knowledge of ethical decision-making in business and created a generalization about typical behaviour patterns in organization. Based on the assertion that is impossible to describe exactly how individuals or teams might make ethical decisions, they provide a model to visualize the ethical decision-making process for understanding how it works in the organizational context, established on several studies and at least six ethical decision-making models accepted by scholars and practitioners. The

ethical decision-making process in business comprises ethical intensity, individual, and organizational factors, such as corporate culture, and opportunity. These factors correlate to each other influencing evaluations and intentions of decisions that generate un- or ethical behaviours. The condition sine qua non to apply the model is ethical awareness, which they describe as “the ability to perceive whether a situation or decision has an ethical dimension”.

If employees overlook or simply are not able to recognize the ethical dimension of a situation, additional costs in projects can occur, or even their progress may be jeopardized. To develop ethical awareness of employees special trainings to recognize these situations and familiarizing with the organizational ethical values may help.

Ethical intensity is dependent on the perception of the decision maker. Project leaders per se are exposed often in their daily work to precarious situations where they have to decide quickly. Following a rational, step-by-step process may support and train their decision-making ability.

Lašáková and Remišová (2017) pointed out in their study as most influential organizational factors that stimulate unethical decision-making “profit-only” mindset of company owners, unfair human resource management policies encouraged in the workplace and unethical behaviours of superiors. An environment affected by such factors hinders the development of an ethical awareness and slows down the emergence of ethical intensity. The consciousness of existing factors that damage ethical decision-making may be helpful for project practitioners insofar they are vigilant and recognize their impact to avoid them.

Project management is a discipline based on rationality and interaction of diverse processes, requires fast decisions and consequently appropriate action. Project managers are permanently in a tension field of stakeholders interests, project goals achievement, taking care of the wellbeing of their team members and facilitating customers satisfaction. For this reason, they are frequently confronted with dilemmas being challenged to provide satisfactory solutions on various levels. The Project Management Institute developed the Ethical Decision-Making Framework (EDMF) as a supplement of the Code of Ethics and Professional Conduct to effectively support project practitioners with a rational model to solve ethical dilemmas. A dilemma is described as “a situation which has two or more conflicting values, none or which overrides the other. As such, these situations are beyond what is defined by law” (PMI, 2022). It is a pragmatic guideline of sequential questions and sub questions, aiming to stimulate the critical thinking of the users by answering them, helping to identify and assess issues leading to a decision and action, circling back and forth several times, if necessary, until the decision can be made.

Analog to the concept of Ferrell et al. (2022) this model assumes the existence of ethical awareness, developing the users capability of decision-making. In the first

step, facts are gathered and assessed applying criteria, for example, from legal and ethical perspective, in order to identify the possible alternatives. Their analysis results in the identification and validation of the preferred decision, followed by the application of ethical principles to the decision. If it is consistent with the ethical values of responsibility, fairness, honesty, or respect from the project and organization perspective, the decision is set and action is taken. Otherwise, the process should be repeated until a judgement is born which is consistent to the ethical principles. Project managers should not act alone while implementing this process. Depending on the range of the issue, the identification and implication of stakeholders who could have directly an interest in the decision could be helpful. Project professionals benefit from the model in practice by using it like a tool or technique, following a specific sequence of steps beginning with an issue toward an action. Emotionally, they receive orientation and assistance during the process being stimulated to reflect about available choices, influential factors, their attitudes toward certain situations, or their early experiences which could affect their decisions and finally the outcome.

Generally, the application of ethical decision-making models requires ethical awareness. Project practitioners who fulfil different roles in a project are called to educate their ethical perception. Organizations are called to provide an appropriate environment which enables and promotes the formation of ethical sensitivity. This can be achieved by creating an open culture, clearly communicating and living ethical principles, accepting errors and failures.

Clarke et al. (2018) found out in their research regarding practical implications of ethical decision-making models that in organizational settings value conflicts are seen through the lens of the culture and business priorities, so that ethical issues are not identified as such. Issue construction is influenced by individual and social factors, organizational norms, and behaviour expectations. Project practitioners changed their view on and interpretation of moral dilemma in time, and as different events occurred in the course of the project (Clarke et al., 2018), their perception of complex issues and sense became sharper. The moral intensity of an issue has varied over time as project performers interacted with others and faced different situations, leading to re-interpretation of moral dilemmas. These cognitions indicate that the process of ethical decision-making cannot escape the organizational dynamic and gets a sensemaking dimension, besides its sequential, rational aspect.

There is a lack of studies and research findings regarding frequency, efficiency and benefits of applying ethical decision-making models in projects. Furthermore, research regarding the strengths and weaknesses of the existing models and their practical implementation in project environments should be driven. Since ethical awareness of individuals seems to be the primary premise to recognize ethical issues, further research around

this topic would help practitioners and organizations to find appropriate ways to cultivate this capability. In this context, a more intensive collaboration between academia and business organizations would provide a fertile soil to promote research and the practical application of the results in project management.

## 2. Discussion: towards an ethical digital project leader

The increasing projectification of the society and the transformation process of project management implies an analysis of the required competencies for project practitioners in the future. The digital transformation is essentially emerging through a succession of technological innovations, which are becoming gradually more established in organizations and society. Then again, digital transformation is accomplished through projects, further indication for the growing volume of projects in the future and consequently for an increasing demand on project management professionals. Hereby play project managers and their teams a meaningful role in handling the challenges of the digital transformation in the sense of meeting project goals. Project management is developing from a rational, strictly process-oriented, focussed on delivering in time and budget to a principle-oriented approach focussed on providing values for the society at whole. Project goals are not only reduced to profit realization, which remains one major purpose to ensure long-term survival of organizations, they concentrate on sustainability and responsibility for the impact of their projects on the society.

In their empirical study, Magano et al. (2021) underlined the role of projects to develop sustainability of organizations and society, delivering perceptions how the concept of sustainability is integrated in project management. The research is based on the acknowledgment that “projects are instrumental to the sustainable development of organisations and society” and “integration of sustainability concepts into project management is recognized as an important global project management trend”. Findings of the study revealed that project management contributes to a more sustainable society through sustainability of and by the project, of the organization, and project managers ethics and behaviour towards sustainability, considered as a personal trait of a project practitioner.

Insofar ethical principles and how they are lived in the project practice become instrumental to a successful project management.

Based on the findings of the literature review, the answer to the first research question is affirmative and is underlined by arguments as the increasing need on project practitioners and transformation of the project management.

An expanding volume of projects in the future is expected due to the increasing grade of projectification of the society and the driving of the digital transformation through projects.

This will lead to an increasing demand on qualified professionals to manage the projects.

Project management is developing from a process- to a principle-oriented discipline, aiming to create values for organizations and society at whole. It becomes an instrument to contribute to a more sustainable society. Consequently, to meet the requirements of a value-oriented project management, following and exemplifying ethical principles in projects proves to be a major requirement for their leaders and teams.

A rising grade of society projectification enhances significance and effects of projects on the society, number of project professionals and consequences of their behaviour on the organizations and thus on the society. These arguments accentuate that an ethical decision-making approach is instrumental in projects and the motivation for project leaders to apply it in conducting their projects.

The global project management institutions emphasize the importance of ethical behaviour and support project practitioners through elaboration of codes of conduct and practical guidelines. The APM Competence Framework specifies ethics, compliance and professionalism among twenty-nine competencies as needed for project professionals to achieve to work “consistently in a moral, legal and socially responsible manner” (APM, 2022).

The Project Management Institute introduced 2015 the Talent Triangle® (PMI, 2017, p. 52) recognizing that technical skills are not sufficient on their own and must be balanced with leadership, strategic and business management to support longer-term company objectives. The research conducted among each over five hundred human resource and project management professionals identified soft skills as the most commonly named new skills for organizations with forty five percent, followed closely by computer/web/information technology and management/project management, both at thirty nine percent. The top digital-age skills identified for project delivery were: data science skills, innovative mindset, security and privacy knowledge, legal and regulatory compliance knowledge, ability to make data-drive decisions, collaborative leadership skills (PMI, 2018, pp. 2, 5, 13).

Future teams will be composed of new talents and cross-functional, may utilize robotics and computing systems. Project manager have to deal with resource diversity and create balanced teams integrating native and new knowledge. Emphasis will be on open mindsets and cognitive capacities. As artificial intelligence and robotics conquer more and more organizations, leadership becomes more a collaborative process. In this new dynamic leadership and project management overlap, relationship, and emotional intelligence become essential for project leaders since they facilitate motivation, engagement, and passion for the project within the organization (Bolick, 2019). The project manager becomes a leader with attributes and capabilities which imply through their nature ethical values and automatically encourage ethical decision-making in their handlings.

The projectification of organizations and businesses places project managers in a principal role. To handle it, especially for managers with a technical background, Ballesteros-Sánchez et al. (2019) emphasize the development of personal competencies, identifying communication and team management as main areas of improvement. The study is limited on Spanish project manager and team members, but it comprises a wide range of industries from engineering and energy, transportation above defence and construction to fashion, education and agribusiness, international companies from small to large sized. In their transition from a functional to a project character as a result of projectification increase, organizations need to rely on the leadership of their project managers and give them authority to discharge their assigned role. Project managers showed concerns about their disconnection from work and facing stressful situations. Commitment, responsibility and capacity of work were emphasized as the main strengths of project managers proving professionalism.

Speed is a characteristic of the Industry 4.0, therefore to manage unforeseen events, mostly in a short time span, will require from project managers a high problem-solving and quick decision-making capacity.

Sustainability and ethics refers to the way project manager act, decide and behave, understanding stakeholder values and the extent of their decisions, considering the experience of the past, the present and anticipating the future (Dumitraşcu-Băldău & Dumitraşcu, 2017, p. 63).

Dumitraşcu-Băldău and Dumitraşcu (2017) consider that research on skills and competencies of the manager of the future will lead to an awareness of the differences between the traditional, face to face, and the virtual way of work. The subject is more relevant than ever since the pandemic forced people to work remote and consequently in a virtual environment. The study was conducted in 2017 and drafted a profile of the future project manager leading a virtual project. The results are quite transferable to future working conditions characterized by a high grade of virtuality.

The future project environment is increasingly complex, global and virtual, in which ethics acquires a new dimension, namely: digital ethics. Handling with digital project (confidential) data in their daily work, communicating with team members and stakeholders with different cultural backgrounds in a virtual way requires from project leaders to sharpen their ethical awareness. The grade of confidence is increasing with the grow of complexity, internationality, diversity and velocity of processes in the organization and in projects. The new aspect is, that trust emerge from the background of a digital interaction instead of personal closeness. For these reasons, digital project leaders and teams should have the mindset and ability to build trust and relationships to others (Creusen et al., 2017). Since project management becomes highly digital, it implies an increased awareness of compliance with ethical rules in daily project work.



This requires from project leaders a high degree of ethical sensitivity and acting, the ability to frequently apply the ethical decision-making model as a valuable support in the daily project business. In this context, digital ethics becomes a discipline future project leaders have to deal with progressively.

Digital transformation impacts the ethical decision-making of project leaders of the future in the same way it contributes to the transformation of their profiles, the methods applied in their daily performance and the manner they lead their projects.

Cicmil and Gaggiotti (2018, pp. 210–212) suggest that ethical management practices and the ethics of management education itself need to be addressed collectively within academic and project practitioners communities and reflected in the practice of responsibly educating the discipline. They revived the concept of Responsible Project Management Education [RPME] in the contemporary context related to discussions about integration of ethics, reflexivity and sustainability in the syllabi of business schools, by offering an interpretation of what RPME means in the university education regarding the design and pedagogy of project management courses. The concept of RPME broadens the view on teaching project management, for the reason that is focussing not only on skills, knowledge and competencies building, but also on a diverse, political and ambiguous context on contemporary projects and projectification of the society. This trend is essential in RPME, along with the reflection on complexity and the development of the ability to exercise practical wisdom, placed on the same level of importance with teaching project management methods, techniques and tools. The call for further research of academic education on project management reveals a certain degree of effort invested to further spread project management to prepare future practitioners to handle with the increasing projectification of the society. Digital transformation triggers projectification of society and vice versa. Further effects of these interrelated phenomena are the increasing demand of qualified project professionals and the transformation of their competences required to meet objectives of projects. Research indicates in the profile of project leaders 4.0 a shift in focus to behavioural and social, with emphasis on communication skills from the methodical and technological. Leading projects to success across different cultures means facing ethical dilemmas, which cannot always clearly be answered, where the ethical decision-making model helps to solve issues and avoid incidents.

Ethical project leaders take responsibility for their decisions, know and meet legal requirements, fulfil commitments, protect confidential data, are transparent in their decisions and reveal conflicts of interests to appropriate stakeholders. Acting in this way makes them trustworthy, and building trust across different cultures, team members with different values and behaviors will facilitate unity and performance in favour of project success. Ethical decision-making is indorsed to become a useful

common tool in daily project practice in creation of values for and contribution to sustainability in the society.

Digital transformation calls for a high degree of ethical awareness and triggers project leaders to pay more attention to and develop their ethical competence. It extends the range of their knowledge and skills by digital ethics. Project management curricula in business and educational organizations should give teaching of digital ethics, building of digital skills and exercising a practical application of ethical decision-making a higher priority in the future.

Further research is required regarding frequency and impacts of practical implementation of ethical decision-making models in daily project work within different industries, as well as measurements of achieved real benefits.

## Conclusions

The paper is a call for project practitioners to educate their ethical perception, and for organizations to provide an appropriate environment which enables formation of ethical sensitivity.

The entire society experiences a continuously increasing grade of projectification, mainly driven by digitalization, growing complexity, and the need for innovation. In the same time digital transformation and organizational change are driven forward by projects, so that a boost for project management is expected in the next five to ten years. One of the most important answers to economic and social sustainability lies in the ability to successfully implement projects.

Organizations are objects of the digital transformation, expedited by projects, and in the same time designers of digitization. This position advocates more responsible acting in the interests of their customers and suppliers and consequently the significance of dealing with ethical principles and developing codes of conduct.

Scholars in their research work emphasized the significance of project ethics, defining it as the nucleus of the profession and what defines a project leader as a professional (Jónasson & Ingason, 2013), besides being simply a discipline to be applied by managing projects or a behavioural competence triggering them to recognize when their professional identity is threatened. Ethics provides project leaders with the most important decision-making tool they can poses.

A growing grade of projectification boosts effects of projects on the society, number of project professionals and impacts of their behaviour on organizations and consequently on the society. These advocate the instrumentality of an ethical decision-making approach in projects and the motivation for project leaders to apply it in conducting their projects. Ethical issues arise in dealing with stakeholders, customers and suppliers, with risks, in sponsorship, during the entire project life cycle. Unethical decision-making in project management could damage the project success.

Codes of conduct and ethics have been published by the International Project Management Associations to bring forward the professionalization of the project manager occupation and support project leaders to deal with ethical issues in practice.

In a tension field of stakeholders interests, project goals achievement, concern for the wellbeing of the team members, and facilitating customer satisfaction, project leaders are frequently confronted with dilemmas that challenge their decision-making capability.

The ethical decision-making process in business involves ethical intensity, individual and organizational factors, such as corporate culture and opportunity. They correlate to each other influencing evaluations and intentions of decisions that generate un- or ethical behaviours. The condition sine qua non to apply the model is ethical awareness.

Overlooking or simply not being able to recognize the ethical dimension of a situation by project professionals, may occur disregard for trust in team, additional costs in projects, or even jeopardize their progress.

The Ethical Decision-Making Framework (EDMF) developed by the Project Management Institute effectively supports project practitioners by solving ethical dilemmas being a pragmatic guideline of sequential questions that stimulate users critical thinking by answering them, helping to identify and assess issues, and piloting to decision and action.

Generally, the application of ethical decision-making models requires ethical awareness. Project practitioners are called to educate their ethical perception, organizations are called to provide an appropriate environment, which enables and promotes formation of ethical sensitivity. Facilitating an open culture, clearly communicating and living ethical principles, accepting errors and failures, for example, contribute to create it.

Research indicates in the profile of project leaders 4.0 a shift in focus to behavioural and social with emphasis on communication skills from the methodical and technological.

Digital transformation impacts the ethical decision-making of project leaders of the future in the same way it contributes to the transformation of their profiles, the methods applied in their daily performance and the manner they conduct their projects. Digital ethics becomes a discipline future project leaders have to deal with progressively.

Ethical decision-making is indorsed to become a beneficial tool in daily project practice by creation of values for and contribution to sustainability in the society.

Digital transformation triggers project leaders to develop their ethical competence, extends the range of their knowledge and skills by digital ethics.

Teaching digital ethics, building digital skills, exercising practical application of ethical decision-making should be prioritized in future project management curricula by business and educational organizations.

The study is limited due to its theoretical approach. Further research is required regarding frequency, efficiency and benefits of applying ethical decision-making models in project work in different industries. Qualitative and quantitative analysis on strengths and weaknesses of the existing models and the benefits of their practical implementation in different project environments are recommended.

Research around ethical awareness of individuals would help practitioners and organizations to find appropriate ways to cultivate this capability. Intensifying collaboration between academia and business organization would foster research and practical application of the results in project management.

### Disclosure statement

The author declares that there are no competing financial, professional, or personal interests of other parties.

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