



# **Understanding Ethics**

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- **Ethics, Moral & value**
- **Ethical absolutism, relativism, subjectivism, Meta Ethics, Applied Ethics**
- **Normative Ethics( Teleological Ethics, deontological ethics & Ethics by virtue)**
- **Traditional Ethical Theories : Consequential & Non Consequential**
- **Ethics of Rights : Moral Right, Legal right, Positive Right, Negative right, Kantian Right & Categorical Imperative**
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- **Kohlberg Model**
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# ETHICAL DILEMMA

You are applying for the job of sales associate. You have just found out that you will be given a personality assessment as part of the application process. You feel that this job requires someone who is very high in extraversion, and someone who can handle stress well. You are relatively sociable and can cope with some stress but honestly you are not very high in either trait. The job pays well and it is a great stepping-stone to better jobs.

## Discussion Questions

- How are you going to respond when completing the personality questions?
- What are the advantages and disadvantages of completing the questions honestly?
- Are you going to make an effort to represent yourself as how you truly are?
- What are the advantages and disadvantages of completing the questions in a way you think the company is looking for?

# BUSINESS ETHICS



# What does an ethic mean to you?

Some years ago, one sociologist asked business people, "What does an ethic mean to you?" Among their replies were the following:

- "Ethics has to do with what my feelings tell me is right or wrong."
- "Ethics has to do with my religious beliefs."
- "Being ethical is doing what the law requires."
- "Ethics consists of the standards of behavior our society accepts."
- "I don't know what the word means."

# Business ethics

Business ethics refers to contemporary organizational standards, principles, sets of values and norms that govern the actions and behavior of an individual in the business organization.

*"Managing ethical behavior is one of the most pervasive and complex problems facing business organizations today"*



**Researchers at the Institute of Leadership and Management in the UK asked 1600 managers what they think is unethical behavior in a workplace.**

Here's the complete list:

- |   |     |
|---|-----|
| ● Taking shortcuts / shoddy work:           | 72% |
| ● Lying to hide mistakes:                   | 72% |
| ● Badmouthing colleagues:                   | 68% |
| ● Passing the buck                          | 67% |
| ● Slacking off when no one is watching:     | 64% |
| ● Lying to hide your colleagues' mistakes:  | 63% |
| ● Taking credit for other colleagues' work: | 57% |
| ● Lying about skills and experience:        | 54% |
| ● Taking low value items:                   | 52% |



# Kinds of Unethical Behavior in Business

Theft

Lying to employees

Violating company internet policies

Vendor Relationships

Bending the Rules

Environmental damage

Wages and Working Conditions

Misusing company time

Mistreating Employees

Misrepresentation

Financial Misconduct

Abusive behavior

# Importance of Ethics

**Stop Business  
Malpractices**

**Improve  
Customers'  
Confidence**

**Survival of  
Business**

**Safeguarding  
Consumers' Rights**

**Protecting  
Employees and  
Shareholders**

**Develops Good  
Relations**

**Creates Good  
Image**

**Smooth  
Functioning**

**Consumer  
Movement**

**Consumer  
Satisfaction**

**Importance of  
Labour/ employees**

**Healthy  
Competition**

# Ethics vs. Morals

<b>Origin</b>	Greek word "ethos" meaning "character"	Latin word "mos" meaning "custom"
<b>What are they?</b>	The rules of conduct recognized in respect to a particular class of human actions or a particular group or culture.	Principles or habits with respect to right or wrong conduct. While morals also prescribe dos and don'ts, morality is ultimately a personal compass of right and wrong.
<b>Where do they come from?</b>	Social system - External	Individual - Internal
<b>Why we do it?</b>	Because society says it is the right thing to do.	Because we believe in something being right or wrong.
<b>Flexibility</b>	Ethics are dependent on others for definition. They tend to be consistent within a certain context, but can vary between contexts.	Usually consistent, although can change if an individual's beliefs change.
<b>Acceptability</b>	Ethics are governed by professional and legal guidelines within a particular time and place	Morality transcends cultural norms

# Morals

Morals are the social, cultural and religious beliefs or values of an individual or group which tells us what is right or wrong. They are the rules and standards made by the society or culture which is to be followed by us while deciding what is right. Some moral principles are:

- Do not cheat
- Be loyal
- Be patient
- Always tell the truth
- Be generous

Morals refer to the beliefs what is not objectively right, but what is considered right for any situation, so it can be said that what is morally correct may not be objectively correct.

# Value

**Organisations often have a set of values or principles which reflect the way they do business or to which they aspire to observe in carrying out their business. As well as business values such as innovation, customer service and reliability, they will usually include ethical values which guide the way business is done - what is acceptable, desirable and responsible behaviour, above and beyond compliance with laws and regulations.**

**The most common ethical values found in corporate literature include: integrity, fairness, honesty, trustworthiness, respect, openness. They are commonly expressed through an ethics policy and a code of ethics.**

<b>BASIS FOR COMPARISON</b>	<b>ETHICS</b>	<b>VALUES</b>
Meaning	Ethics refers to the guidelines for conduct, that address question about morality.	Value is defined as the principles and ideals, that helps them in making judgement of what is more important.
What are they?	System of moral principles.	Stimuli for thinking.
Consistency	Uniform	Differs from person to person
Tells	What is morally correct or incorrect, in the given situation.	What we want to do or achieve.
Determines	Extent of rightness or wrongness of our options.	Level of importance.
What it does?	Constrains	Motivates

	<b>Ethics</b>	<b>Morals</b>
What is it?	The rules of conduct recognized in respect to a particular class of human actions or a particular group, culture, etc. it defines how things are according to the rules.	Principles or habits with respect to right or wrong conduct. It defines how things should work according to an individual's ideas and principles.
Source	Social system/ external	Individual / internal
Why we do it?	Because society says it is the right thing to do.	Because we believe in something being right or wrong.
What if we don't do it?	We will face peer/ societal disapproval, or even be fired from our job.	Doing something against one's morals and principles can have different effects on different people, they may feel uncomfortable, remorse, depressed etc.

# Ethical Performance

- ◎ Ethical business performance means adhering to society's basic rules that define right and wrong behavior
- ◎ Major Social challenges faced by business is to balance ethics and economics.
- ◎ Society wants business to be ethical and economically profitable at the same time

**Whereas**

**Ethics conflicts with profits**



# Sources of Ethics



General  
Inheritance

Religion

Philosophical  
Systems

Legal System

Codes of Conduct

# Ethical theories

- Meta-ethics
- Normative ethics
  - Teleological ethical theory
  - Deontological ethical theory
  - Virtue ethics
- Applied ethics

# Ethical Theories

Meta-ethics

Normative ethics

Applied ethics

Teleological /  
Consequential theory

Right / Wrong  
Depends on the outcome of decisions

Deontological / Non-  
Consequential theory

Right / Wrong  
Based on the action Itself

Virtue ethics

## Deontology

Deontology is an approach to ethics which adheres to the [theory](#) that an end does not justify the means

Deontology is also known as duty-based ethics

Deontology adheres to the golden rule which is to do unto others what you want them to do unto you

Deontology teaches to be fair and not to use others for selfish reasons

Deontology follows what is morally right based on the [values](#) that are instilled in each person.

## Teleology

Teleology is an approach to ethics that adheres to the theory that the end always justifies the means.

Teleology is also known as results-oriented ethics.

It is also referred to as the greatest happiness principle because it justifies an action if it produces the greatest happiness and least amount of pain.

Teleology teaches about doing whatever actions produce a result that is agreeable to a person.

Teleology examines past experiences in order to predict the results of a present action

# Deontological Ethics

- The term deontological comes from greek word “deon” meaning “duty”
- This approach is duty based, action based approach, also called humanitarian approach.  
for example, the harming of some individuals in order to help others. To the deontologist, each person must be treated with the same level of respect and no one should be treated as a means to an end.

# Teleological ethics

- The word teleology comes from Greek 'telos' which means end or purpose.
- Teleological theories of ethics focus on the consequences caused by an action and are often referred to as "consequentialist" theories
- This is an ethics approach where actions are judged morally based upon their consequences.
- One example of teleological ethics is 'utilitarianism'. It states those actions right that produces the greatest number of happiness to the greatest number of people.
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# Situational ethics

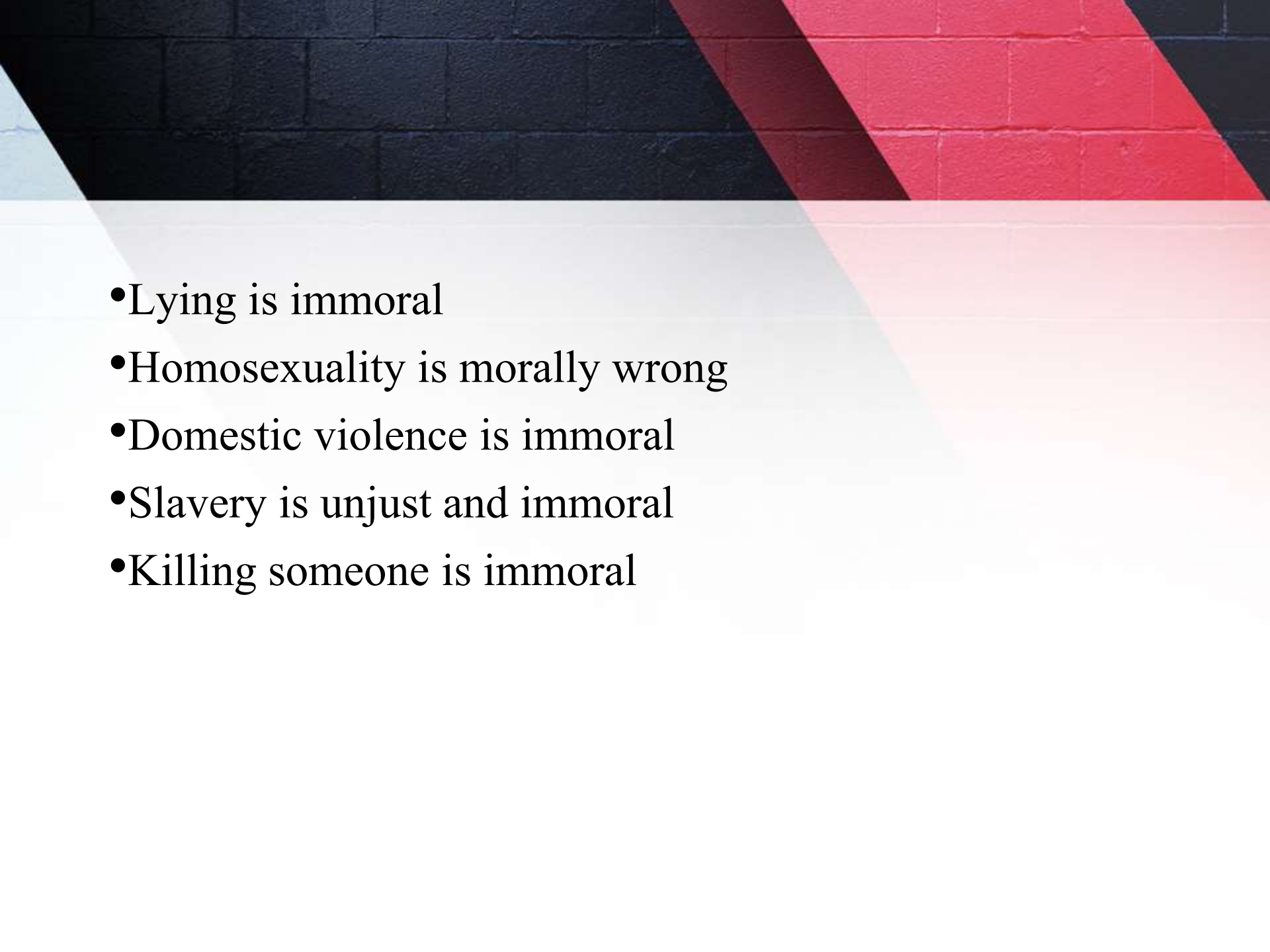
- In situational ethics right and wrong depend upon the situation.
- There are no universal, moral rules or rights. Each case is unique and deserves a unique solution.
- It teaches that ethical decisions should follow flexible guidelines rather than absolute rules.
- Since circumstances alter cases situations holds that in practice what is sometimes and places call right in other times and places it can be wrong.
- This approach says that actions aren't considered bad and harmful until and unless it is performed with a wrong intention.
- This ethics says end can justify means.

# Moral absolutism

Moral absolutism is an ethical view that particular actions are intrinsically right or wrong. Stealing, for instance, might be considered to be always immoral, even if done for the well-being of others (e.g., stealing food to feed a starving family), and even if it does in the end promote such a good.

*So as Nietzsche says “there are no moral phenomena, only moral interpretations of phenomena.”*



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- Lying is immoral
  - Homosexuality is morally wrong
  - Domestic violence is immoral
  - Slavery is unjust and immoral
  - Killing someone is immoral

# Ethical relativism

Ethical relativism is the theory that holds that morality is relative to the norms of one's culture. That is, whether an action is right or wrong depends on the moral norms of the society in which it is practiced. The same action may be morally right in one society but be morally wrong in another. For the ethical relativist, there are no universal moral standards .... standards that can be universally applied to all peoples at all times. The only moral standards against which a society's practices can be judged are its own. If ethical relativism is correct, there can be no common framework for resolving moral disputes or for reaching agreement on ethical matters among members of different societies.

- What's right for you may not be what's right for me.
- What's right for my culture won't necessarily be what's right for your culture.
- No moral principles are true for all people at all times and in all places.

- Ethical subjectivism – the morally correct decision often depends on the circumstances of a person making it. It holds that moral statements are made true or false by the attitudes and/or conventions of people, either those of each society, those of each individual, or those of some particular individual
- Ethics of virtue – it emphasizes the role of individual traits. Virtue Ethics (or Virtue Theory) is an approach to [Ethics](#) that emphasizes an individual's character as the key element of ethical thinking, rather than rules about the acts themselves ([Deontology](#)) or their consequences ([Consequentialism](#)).

# Meta-ethics

- It deals with the range of ethical issues
- It is defined as the study of the origin and meaning of ethical concepts.
- It questions whether the moral values exist independently of humans or they are simply human conventions!!!
- Meta-ethics is the branch of ethics that seeks to understand the nature of ethical properties, statements, attitudes, and judgments.


# Ethics of Rights

**Legal rights** are rights that people have under some legal system, granted by a duly authorized legal authority or government. For example, where I live, kids have a legal right to an education (Kindergarten up to Grade 12). And consumers have a legal right to know the basic ingredients and nutritional profile of packaged foods.

**Moral rights** are rights accorded under some system of ethics. These might be grounded in mere humanity — they might be rights that all people deserve just because they are humans, or because they are rational beings, or whatever. Examples might be the right to be treated fairly, or the right to privacy. If I have a right to privacy, then you (and others) are obligated not to invade my privacy.

**Kantian Right-** Kant's theory is an example of a deontological moral theory—according to these theories, the rightness or wrongness of actions does not depend on their consequences but on whether they fulfill our duty. Kant believed that there was a supreme principle of morality, and he referred to it as The Categorical Imperative. Categorical imperative where the actions that a person does will be the maxim for universal law.

The Golden rule just is treat others as you would want them to treat you. The difference is that Categorical Imperative implies everyone or being universal and not just person to person



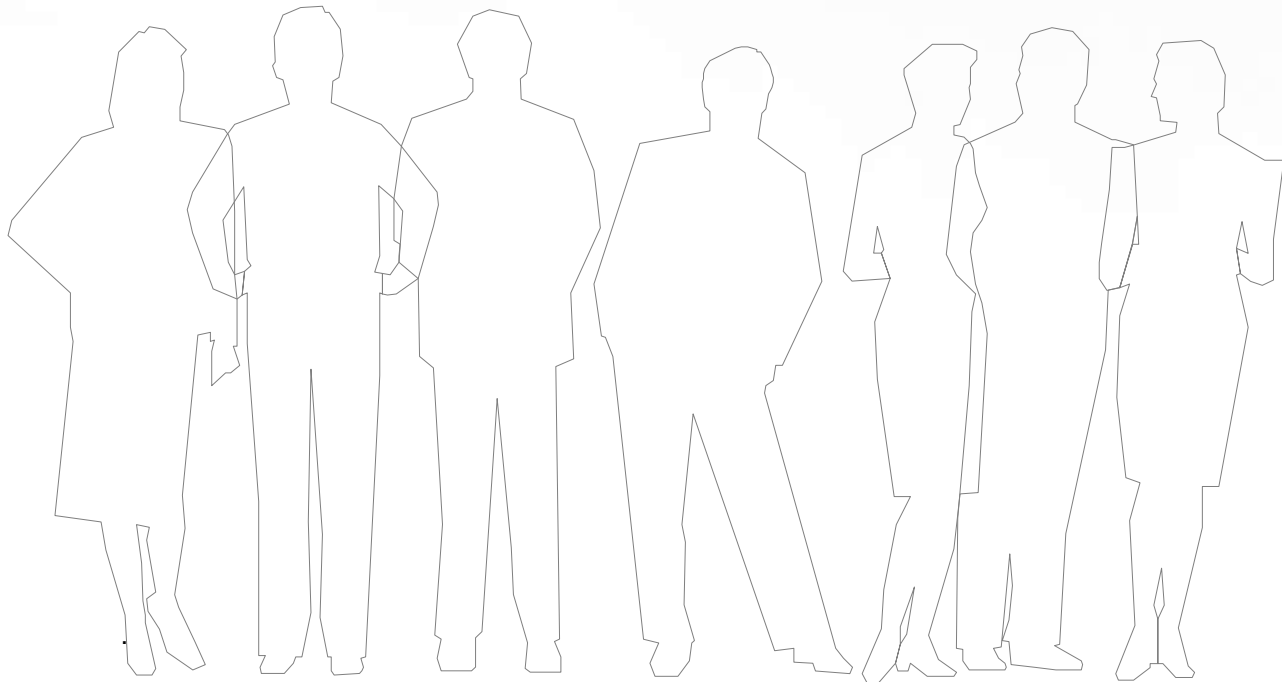
**Positive rights** require others to provide you with either a good or service  
A negative right, on the other hand, only requires others to abstain from interfering with your actions.

Positive rights are the rights to something from someone. Somebody gives you something, you have the right (obligation) to return it.

**Negative rights** do not require you to act upon to receive the right (like the bill of rights, right to not be killed etc).

# Justice and fairness

Managers who are fair in their dealings are generally more successful in motivating their subordinates than those who are not. A reputation for being unfair or biased is surely going to be a liability for managerial success.





# Ethics of justice

Ethics of justice, also known as morality of justice, is the term used by [Carol Gilligan](#) in [In a Different Voice](#)\* to describe the ethics and moral reasoning common to men and preferred by [Kohlberg's stages of moral development](#). The ethics of justice deals with moral choices through a measure of rights of the people involved and chooses the solution that seems to damage the least number of people

[\*\\*In a Different Voice: Psychological Theory and Women's Development\*](#) is a book on gender studies by American professor Carol Gilligan, published in 1982, which Harvard University Press calls "the little book that started a revolution".

# Types of justice

**COMPENSATORY JUSTICE:** refers to the extent to which people are fairly compensated for their injuries by those who have injured them; just compensation is proportional to the loss inflicted on a person

**DISTRIBUTIVE JUSTICE :** is concerned with the fair allocation of resources among diverse members of a community.

**RETRIBUTIVE JUSTICE:** is a theory of **justice** that holds that the best response to a crime is a punishment proportional to the offense, inflicted because the offender deserves the punishment..

# Ethics of justice

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# Lawrence Kohlberg's stages of moral development

- Six stages of moral development are grouped into three levels of morality: pre-conventional, conventional, and post-conventional morality.

LEVEL	STAGE	DEFINITION
1. Pre-conventional	1. Obedience and punishment	Based on avoiding punishment, a focus on the consequences of actions, rather than intentions; intrinsic deference to authority
	2. Individualism and exchange	The "right" behaviors are those that are in best interest of oneself; tit for tat mentality
2. Conventional	3. Interpersonal relationships	"Good boy / Good girl" attitude, sees individuals as filling social roles
	4. Authority and social order	Law and order as highest ideals, social obedience is a must to maintaining a functional society
3. Post-conventional	5. Social contract	Begin to learn other's have different values; realization that law is contingent on culture
	6. Universal Principles	Develop internal moral principles; individual begins to obey these above the law

The levels and stages of Kohlberg's theory can understand better with the use of Heinz Dilemma:

In Europe, a woman was near death from a special kind of cancer. There was one drug that the doctors thought might save her. It was a form of radium that a druggist in the same town had recently discovered. The drug was expensive to make, but the druggist was charging ten times what the drug cost him to make. He paid \$200 for the radium and charged \$2,000 for a small dose of the drug.

The sick woman's husband, Heinz, went to everyone he knew to borrow the money, but he could only get together about \$ 1,000 which is half of what it cost. He told the druggist that his wife was dying and asked him to sell it cheaper or let him pay later. But the druggist said: "No, I discovered the drug and I'm going to make money from it." So Heinz got desperate and broke into the man's store to steal the drug-for his wife.

Should the husband have done that?

STAGE 1 (obedience): Heinz should not steal the medicine because he will be put in jail.

STAGE 2 (self-interest): Heinz should steal the medicine because he will be much happier if he saves his wife, even if he will have to serve a prison sentence.

STAGE 3 (conformity): Heinz should steal the medicine because his wife expects it.

STAGE 4 (law and order): Heinz should not steal the medicine because the law prohibits stealing.

STAGE 5 (human rights): Heinz should steal the medicine because everyone has a right to live, regardless of the law.

STAGE 6 (universal human ethics): Heinz should steal the medicine, because saving a human life is a more fundamental value than the prop. rights of another person

# Ethics of care

- The ethics of care is a normative ethical theory that holds that moral action centers on interpersonal relationships and care or kindness as a virtue.

## Gilligan's Theory

Carol Gilligan opines that Kohlberg's theories are biased upon the male thinking process. According to Gilligan, Kohlberg seemed to have studied only privileged men and boys. She believed that women face a lot of psychological challenges and they are not moral widgets. The women's point of view on moral development involves caring which shows its effect on human relationships.

# Ethics of care

The moral development in Gilligan's theory are based on pro-social behaviors such as Altruism, caring and helping and the traits such as honesty, fairness and respect.

- Pre-conventional Level

A person in this stage cares for oneself to ensure survival.

Though the person's attitude is selfish, this is the transition phase, where the person finds the connection between oneself and others.

- Conventional Level

In this stage, the person feels responsible and shows care towards other people.

Carol Gilligan believes that this moral thinking can be identified in the role of a mother and a wife. This sometimes leads to the ignorance of the self.

- Post-conventional Level

This is the stage, where the principle of care for self as well as others, is accepted.

However, a section of people may never reach this level.



