

# Ethics in business

## chapter 1



Legislatures often set up whose functions include issuing detailed regulations covering certain kinds of conduct. Administrative Regulations

A group of statements, one of which (the conclusion) is called to flow from the others (the premises). Argument

Valid and Invalid

What are the two types of arguments? One whose premises do not entail its conclusion. Invalid

Argument

One whose premises logically entail its conclusion. Valid

Argument

Any organization whose objective is to provide goods or services for profit. Business

Those who participate in planning, organizing, or directing the work of business. Businesspeople

The study of what constitutes right and wrong, or good and bad, human conduct in a business context. Business Ethics

In any large group or organization, diffusion of responsibility for its actions can lead individuals to feel anonymous and not accountable for what happens. This is when we let the behavior of those around us dictate our response. "Genovese Syndrome"

Bystander Apathy

Refers to the body of judge-made law that first developed in the English-speaking world centuries ago when there were few statutes. Common Law

Refers to court rulings on the requirements of the Constitution and the constitutionality of legislation. Constitutional Law

Laws enacted by legislative bodies. Statutes

Moral philosophy, is a broad field of inquiry that addresses a fundamental query that all of us, at least from time to time, inevitably think about, namely - how should I live my life? What sort of person should I strive to be? What values are important? What standards or principles should I live by? Ethics

Concerns behavior that seriously affects human well-being. It concerns behavior that is of serious consequence to human welfare, that can profoundly injure or benefit people. Moral Standards

1. Concern the consequences of actions on others.
2. They take priority over other standards, including self-interest.
- 3.

Their soundness depends on the adequacy of the reasons that support or justify them. What are some characteristics of moral standards? Etiquette, law, and professional code of ethics. Moral Standards should not be confused with...Refers to the norms of correct conduct in polite society or, more generally, to any special code of social behavior or courtesy.

Etiquette Etiquette should not be confused with moral standards because although violating them may make you seem ill-mannered, impolite, or even uncivilized...it does not necessarily make you immoral. Why should etiquette and moral standards not be confused? We appeal to moral standards when we answer a moral question or make a moral judgment. Three characteristics of moral standards distinguish them from other kinds of standards. When do we appeal to moral standards? Ethics deals with individual character and the moral rules that govern and limit our conduct. It investigates questions of right and wrong, duty and obligation, and moral responsibility. Summary of Ethics Legality should not be confused with morality. Breaking the law isn't always or necessarily immoral, and the legality of an action doesn't guarantee its morality. What should legality and moral standards not be confused? Hiding Jews from the Nazi in Germany in 1930s. Give an example of an action that can be illegal but morally right. When you see someone in distress on the side of the road and are able to help but are not obligated by law to help. Give an example of an action that is legal but morally wrong. Rules that are supposed to govern the conduct of members in a given profession. Violation of such rules may result in the disapproval of one's professional peers and, in serious cases, loss of one's license. Professional Codes of Ethics For philosophers, the important issue is not where our moral principles came from, but whether they can be justified.

What is important to philosophers when looking at moral principles? As a professional, you must take seriously the injunctions of your profession, but you still have the responsibility to critically assess those rules for yourself.

More on the Professional Codes of Ethics<sup>1</sup>. Although a desire to avoid hell and go to heaven may prompt some of us to act morally, this is not the only reason or even the most common reason that people behave morally. Often we act morally out of habit or just because it is the kind of person we are.

Example: Atheists generally live lives as moral and upright as those of believers. 2. The moral instructions of the world's great religions are general and imprecise – they do not relieve us of the necessity of engaging in moral reasoning ourselves. Example: The bible says, “Thou shalt not kill.” Yet many Christians disagree among themselves over the morality of fighting in wars, capital punishment, self-defense, slaughtering animals, etc. 3. Although some theologians have advocated the divine command theory, that if something is wrong (like killing an innocent person for fun), the only reason it is wrong is that God commands us not to do it. Example: Take rape, theologians who believe in the divine command theory say that rape is wrong because God declares it as such, but it is not God's forbidding rape that makes it wrong. The fact that rape is wrong is independent of God's decrees. Why shouldn't morality rest on religion? There is no reason that something is right or wrong other than it is God's will. The believers of this theory reject the idea that most believers think not only that God gives us moral instructions or rules but also that God has moral reasons for giving them to us. Divine Command Theory The belief that morality does not boil down to religion, rather it is merely a function of what a particular society happens to believe. Example: Abortion is considered immoral in the Catholic

faith but is practiced as a morally neutral form of birth control in Japan.

Ethical Relativism Page 13 - He states that business has its own norms and rules that differ from those of the rest of society. According to Carr, a number of things we normally think of as wrong are really permissible in a business context. He uses the example of Poker. Carr is defending a kind of ethical relativism: Business has its own moral standards, and business actions should be evaluated only by those standards. Critics say we don't condone actions of mobsters or the Mafia and therefore we shouldn't condone negative practices by businesses. You cannot divorce morals from business. Albert Carr's famous essay: "Is Business Bluffing Ethical?" Albert Carr Conscience evolved as we internalized the moral instructions of the parents or other authority figures who raised us as children.

Conscience Telling someone to "follow your conscience" is not very helpful and sometimes it can be bad advice. First, you may be genuinely perplexed about what to do and when the conscience provides no answer the advice clearly holds no weight. Second, it is not always good to follow your conscience; it depends on what your conscience says. You may feel guilty about something that is perfectly alright and vice versa. Limits of

Conscience Accepting a moral principle involves a motivation to conform one's conduct to that principle. Violating the principle will bother one's conscience, but conscience is not a perfectly reliable guide to right and wrong. Moral Principle When a person accepts a moral principle, when that principle is part of his or her personal moral code, then naturally the person believes the principle is important and well justified. Richard Brandt says that there is more moral to moral principles than that. When a principle is part of a person's moral code, that person is strongly motivated to act as the principle

requires and to avoid acting in ways that conflict with the principle. Likewise, the person will tend to hold in esteem those whose conduct shows an abundance of the motivation required by the principle. Richard Brandt

Morality restrains our self-interested desires. A society's moral standards allow conflicts to be resolved by an appeal to shared principles of justification. The moral standards of a society provide the basic guidelines for cooperative social existence and allow conflicts to be resolved by an appeal to shared principles of justification. Note that if you do the right thing only because you think you will profit from it, you are not really motivated by moral concerns. When morality and self-interest conflict, what you choose to do will depend on the kind of person you are. Morality & Self-interest

Also known as the "paradox of selfishness" states that individuals who only care about their own happiness will generally be less happy than those who care about others. Moreover, it is important to note that people often find greater satisfaction in a life lived according to moral principle and in being the kind of person that entails, than a life devoted solely to self-gratification. Paradox of Hedonism

Concerns the principles that do or should regulate people's conduct and relations with others. In a narrow sense, morality is the moral code of an individual or a society. Although the principles that constitute our code may not be explicitly formulated, as laws are, they do guide us in our conduct. Morality in the narrow sense

Society ought not to interfere with people's liberty when their actions only affect themselves. John Stewart Mill

Does not just include the principles of conduct that we embrace but also the values, ideals, and aspirations that shape our lives. Many different ways of living our lives would meet our basic moral obligations. The type of life each of us seeks to live reflects our individual values. The life that each of us

forges and the way we understand that life are part of our morality in the broad sense of the word. Morality in the Broad Sense Aristotle thought that just as there is an idea of excellence for any particular craft or occupation, there must be an excellence that we can achieve simply as human beings. Says we should follow those who are virtuous and try to act as they act. Aristotle & Morality is a trait or settled disposition (courage, generous, kind). Virtue Acceptance can take different forms; it can be conscious or unconscious, overt or implicit, but it is almost always present, because an organization can survive only if it holds its members. Group cohesiveness requires that individual members "commit" themselves, that is relinquish some of their personal freedom in order to further organizational goals. Note that there's nothing in norms or goals that encourages moral behavior, indeed they may discourage it. Organizational Norm Harvard MBA graduates who found that young managers frequently received explicit instruction or felt strong organizational pressure to do things that believed to be sleazy, unethical, or even illegal. Joseph L. Badaracco & Allen P. Webb Line experiment - on their own the naive subject judged the length of the line correctly but when put into a group with "stooges" they felt pressure to conform and often did. Conformity and Solomon Asch Almost all groups require some conformity from their group members, but in extreme cases the demand for conformity can lead to what social psychologists call "groupthink." Groupthink happens when pressure for unanimity within a highly cohesive group overwhelms its members' desire or ability to appraise the situation realistically and consider alternative courses of action. The desire for the comfort and confidence that comes from mutual agreement and approval leads members of the group to close their eyes to negative

information, to ignore warnings that the group may be mistaken, and to discount outside ideas that may contradict the thinking or the decisions of the group. Pressure to conform ultimately leads to a diffusion of responsibility.

**Groupthink** An example that is consistent with the premises but is inconsistent with the conclusion.

**Counterexample** Statements/reasoning Premises Follows from the premises Conclusion Have true premises and valid reasoning Sound

Arguments Have at least one false premise or invalid reasoning Unsound

arguments Moral judgments should be supported by moral standards and

relevant facts. Moral Judgments 1. Logical - moral judgments should flow

logically from their premises & our moral judgments should be logically

compatible with our other beliefs (we can't make exceptions for ourselves or

hold ourselves and loved ones to different standards) 2. Based on the facts -

adequate moral judgments cannot be made in a vacuum, we must gather as

much relevant information as possible before making them. 3. Based on

sound or defensible moral principles - principles that are unambiguous and

can withstand close scrutiny and criticism Requirements for Moral

Judgments Look into this - page 28 Considered Moral Beliefs Arguments whose

conclusions are moral judgments. Moral Arguments