

Introduction to Business Ethics

Session 7

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TOPICS TO BE COVERED

- Identify ethical behavior and myths of ethics
- Define ethical dilemma
- Familiar with resolving dilemma
- Identify process of Ethical decision making

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Ethical Behavior

- Ethical behavior goes beyond the legal requirements placed on a business, as it concerns discretionary decisions and behavior; in other words, what a business chooses to do, rather than what is forced to do.
- Business ethics are relevant both to the conduct of an individual within an organization and to the conduct of the organization as a whole.

Myths of Business Ethics

- It is a more religion than management
- Our employees are ethical so no need BE
- It is a discipline best led by philosophers
- It is a matter of good person preaching to bad persons
- It is a new police-person in organization
- Ethics can't be managed
- Business ethics & CSR are same thing
- We obey to law so no need about ethics.

Ethical Dilemma

Ethical Dilemma

- There are situation when there is not simple choice between write or wrong
- Ethical dilemma is complex judgments on the balance between the economic performance and the social performance of an organization.
 - Have two interests - cannot pursue one without having negative impact on other
 - Private Interest Conflicts with Corporate
 - Business Interest Conflicts with Public.

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Ethical Dilemma

- E.g.
 - New house purchase by employee to reach office fast meanwhile he is considered to retrench.
 - When the both products are same quality to justify your high price touch drawback of competitor

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Cont...

Cont...

- An ethical dilemma exists when one is faced with having to make a choice among following alternatives:
 - Significant value conflicts among differing interests,
 - Real alternatives that are equally justifiable, and
 - Significant consequences on "stakeholders" in the situation.

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Characteristics of Dilemma

- It have extended consequences
- It has multiple alternatives
- It have mixed outcomes
- It have uncertain consequences
- It have personal implications
- It is easy to make when a person is not directly involved
- Hence EDM are not simple choice between right and wrong.

Paradigms of Dilemma

- Four such dilemmas are so common to our experience that they stand as models, patterns, or paradigms. They are:
 - Truth versus loyalty.
 - Individual versus community.
 - Short-term versus long-term.
 - Justice versus mercy.

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*Ethics and Sri
Lanka*

Classical Approach Resolving

Dilemma

- Three approaches are facilitated
 - End-based thinking (utilitarianism)
 - Rule based thinking
 - Care-based thinking (value to you or close relationships)
- And Virtue ethics - instead upon execute as an alternative way
- Here action is considered morally right if in carrying out the action.

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Nine ways to Resolving Dilemma

- Rushworth Kidder
 1. Recognize as moral issue and define the problem accurately
 2. Identify the affected by decision
 3. Gather the facts how events happened
 4. Test for right vs. Wrong issues

Nine ways to Resolving Dilemma

5. Test for right vs. right paradigm (true vs...
6. Apply for the resolution principle (end, rule, care)
7. Investigate if is any third way out of the situation

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