

# Professional Ethics

## Chapter - 2

Q:-1 What do you mean by unethical behaviour? - 3 marks

OR

Explain roots of unethical behaviour. - 4 marks OR

Different kinds of unethical behaviour - 4 marks

↳ It can be defined as actions that are against social norms or acts that are considered unacceptable to the public.

↳ It is completely opposite of unethical behaviour.

↳ Unethical behaviour is an action that falls outside of what is considered morally right or proper for a person, a profession or an industry.

roots/

↳ There are certain factors that make the employees think and act in unethical ways such as

- pressure to balance work & family
- poor communications
- poor leadership
- long work hours
- heavy work load
- lack of management support
- pressure to meet sales or profit goals.
- company politics
- personal financial worries etc.
- little or no achievement etc.



\* Kinds/

\* Examples of Unethical Behaviour in the workplace :-

↳ Misusing company time :-

This is common unethical behaviour that many businesses face. Many employees misuse company time in a variety of ways such as surfing the internet during business hours, taking extended breaks etc.

↳ Lying :-

Lying to your employees or customers is the biggest way to break trust. Trust is the best source of dedication and loyalty that any business has. Once the trust is broken, it is extremely difficult to get it back. Telling obvious lies isn't just unethical - it will drive people away from your business.

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↳ Abusive Behavior :-

Too many workplaces are filled with leaders who use their position and power to mistreat others. There is often little or no legal protection against abusive behaviour in the workplace.

Abusive behaviour is unethical.



## → Employee Theft :-

Whether it's check tampering, not recordings sales in order to ~~skim~~ <sup>Scheme</sup> or manipulating expense reimbursements, employee theft is a crime and unethical.

## → Violating Company Internet Policies :-

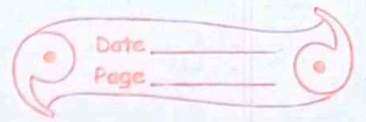
This is a huge, multi-billion dollar problem for companies. Who would have thought that checking your facebook or Twitter account is being becoming an ethical issue? It is, Violating Company internet policies is unethical such as Cyberslackers & cyberloafers.

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Q:-2

State difference / distinction between ethics and values. -4 marks

Basis for Comparison

Ethics

Values

Meaning

It refers to the guidelines for conduct, that address question about morality.

→ It refers to the principles and ideals that helps them in making judgement of what is more important.

What are they?

They are system of moral principles

→ They are stimuli for thinking.

Consistency

Uniform

→ Differs from person to person.

Tells

What is morally correct or incorrect, in the given situation

→ It tells what we want to do or achieve.

Determines

Extent of rightness or wrongness of our options.

→ Level of importance.

What it does?

Constrains

→ Motivates.

Influenced by

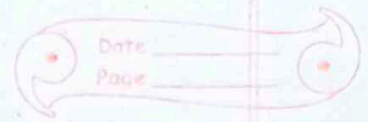
Different professions, organization etc.

→ Family background, culture, religion etc.



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Q-3. Write short note on role of honesty, integrity and transparency in business ethics. — 7 marks

OR

What are the touchstones of Business Ethics? Explain it in detail. — 3 marks.

\* Honesty :-

Honesty is the human quality of communicating and acting truthful and with fairness, as best one is able. It is related to truth as a value. It includes both honesty to others, and to oneself and about one's own motives and inner reality.

\* Integrity :-

Integrity is the unity of character based on moral values. Consistency in attitudes, emotions and conduct in relations to morally justified actions and values are also the part of integrity of individual.

\* Transparency :-

It is about information. It is about the ability of the receiver to have full access to the information he wants, not just the information the sender is willing to provide. It embodies honesty and open communication.

\* Honesty, integrity and transparency are the touchstones of business ethics according to Fernando. It is observed that the ethical corporate behaviour is nothing but a 'honesty is the best policy'.



\* The collapse of some businesses in recent times comes as a result of lack of practice of basic principles of integrity by the managers, lack of transparency etc.

\* Transparency therefore promotes accountability and provides information for citizens about what their government and its agents are doing as well as information to the company managers, customers etc.

\* There are number of reasons why businesses should act ethically :-

→ To protect its own interest

→ To protect the interest of business community  
So that public will have trust in it.

→ To keep its commitment to society to act ethically

\* Businesses can also build trust between the business and consumers. If consumers feel that a business can be trusted, they will be more likely to choose that business over its competition.

\* Therefore Honesty, Integrity and Transparency are the real Touchstones of business ethics.

Q:-4. Describe the fundamental principles relating to professional ethics. — 4 marks.

Refer :- chapter-1 Q:-4.



Q:-5. Describe framework to understand the Ethical Decision Making in business. -7 marks

- ↳ Ethical decision-making considers positive values and principles for successful business relationships beyond economics for successful business relationships and results.
- ↳ Strong ethical decision-making ability is important for every employee in every kind of business.
- ↳ Ethical Decision making means doing things the right way by paying attention to moral values like responsibility, trust, etc. to avoid business failures.
- ↳ It can help to reduce risks, minimise brand damage and create value.
- ↳ Organisations with a strong ethical standpoint are more likely to attract a new generation of ethically-minded consumers & jobseekers.
- ↳ It is a very tough prospect in this dog-eats-dog world. However in the long run, all will have to fall in and play fair.
- ↳ It is the process in which you aim to make your decisions in line with a code of ethics.
- ↳ It involves five steps to ethical decision making.



## \* Five Steps to Ethical Decision Making :-

### 1) Assessment :-

Make sure that you have all the facts about the dilemma.

### 2) Alternatives :-

In this step you have to consider all your choices.

### 3) Analysis :-

Now identify your candidate decision and test its validity.

### 4) Application :-

Apply ethical principles to your candidate decision.

### 5) Action :-

Make a decision finally.



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Q:-6 Define business ethics with the help of suitable examples. Discuss the major ethical issues that business faces today. - 7 marks

OR

Q:- What are the major ethical issues that business faces today? Discuss them with suitable examples. - 7 marks

\* Meaning of Business Ethics :-

Business ethics is when moral rules are applied by a corporation to determine how best to treat its employees, shareholders and customers.

It is the study of appropriate business policies and practices regarding corporate governance, insider trading, bribery etc.

\* Major Ethical issues that Business faces :-

↳ Unethical Accounting :-

Conducting unethical accounting practices is a serious problem, especially in publicly traded companies. It is also called 'Cooking the books'.

For example :- 2001 scandal that enveloped American energy company Enron which for years inaccurately reported its financial statements. Enron's shareholder lost Rs. 25 billion and the firm's closure resulted in 85,000 jobs lost.



### ↳ Social Media Ethics :-

The widespread nature of social media has made it a factor in employee conduct online and after hours. An employee's online activities are considered disloyal to the employer.

For example: A Yelp employee wrote an article on Medium, a popular blogging website.

### ↳ Harassment and Discrimination :-

Racial discrimination, sexual harassment, wage inequality - are all costly ethical issues that employers and employees encounter on a daily basis across the country.

For example :- According to EEOC, they secured Rs. 505 million for victims of discrimination in the private sector and government workplace in 2019.

### ↳ Health and Safety :-

Factors like job insecurity, high demands, low autonomy have been associated with health related behavioral risks including a sedentary lifecycle, heavy alcohol consumption, increased cigarette smoking and eating disorders.

For example :- ILO states that 7,397 people die everyday from occupational accidents or work-related diseases.

This results in more than 2.7 million deaths per year.

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