

# PROFESSIONAL PRACTICE, LAW AND ETHICS

## Unit – 1

### PROFESSIONAL PRACTICE AND ETHICS

#### **Ethics :**

##### **Meaning:**

Ethics, the branch of moral philosophy that explores the concept of right and wrong behaviour and principles that guide moral decision making. It's major concern include the nature of ultimate value and standards by which human actions can be judged right or wrong.

##### **Definition:**

**“ Ethics may be defined as systematic study of human actions from the point of view of the rightfulness or wrongfulness as a means for the attainment of ultimate happiness.”**

The terms right and good be explain in the following ways

- **Right :** The term right is derived from Latin word '**RECTUS**'. Which means 'straight' or 'According to Rule'.
- **Good :** the term good is connected with the German. A thing is generally said to be good when it is valuable for some end. Thus, a particular kind of medicine are set to be good for this or that complaint. Similarly when we speak of conduct as good we may mean that it is serviceable for the end we have in view.

##### **Importance of Ethics :**

The importance of ethics can be explained in three different levels.

- **Individual level ( Intrinsic value) :**  
Ethics are needed to lead a good and full filling life. Being ethical is a part of what defines us as human beings we have the capacity to make conscious choices. Every rational human being has a reason to cultivate virtues and Develop a strong moral character.
- **Instrumental value :**  
Knowledge of ethics help in resolving ethical dilemmas.  
Right VS Right dilemmas.
- **Societal level:**  
Societies and Civilization rise and fall due to ethical/unethical behaviour. Without ethics society is be reduced to the type of animal behaviour that is seen in nature.

##### **Dimensions of ethics:**

1. **Meta-ethics:** Meta-ethics is defined as a study of ethical concepts Origins and meanings. It focuses on questions of how ethical knowledge is obtained, rather than on the more applied questions. It examines such things as what moral questions mean and on what basis people can know what is true or false.
2. **Normative ethics:** It is the study of ethical acts. It is concerned with the question of what people ought to do and how people can decide what the correct moral action is.
3. **Descriptive ethics:** It describes about what moral values people actually abide by.
4. **Applied ethics:** it is about how moral outcomes can be achieve them specific situations.

## **Professional ethics:**

Professional ethics are guiding principles that are to be followed by or expected to be followed by the people in that profession.

These are to be applied by the people in a particular profession. They can be based on the duties that they have to follow, their skills and specific knowledge. They encompass rules and guidelines that cover how an individual should conduct themselves in their respective professions, often detailed in professional code of conduct.

Every profession has its way of organising and avoiding any use of unfair means. By the above explanation we can conclude that standard ethics is a need in every profession. Honesty and trustworthiness is an approved code of ethics in every profession.

Although ethics different every profession some principle ethics or universal like honesty and serving the people a long with the trustworthiness, respecting others, accountability, abiding the rules and avoiding harming anyone. Let us look into some professions and their professional ethics.

1.Media and their professional ethics: Journalist or anyone related to media is a great responsibility for transparency. No one in the media should be Biased regarding happening around the world. In short, we can say that media ethics are about "Seeking truth and reporting it."

2.Judicial and Legal professional ethics : Here, the lawyers or anyone in the legal area should balance their duty to prosecute criminals and defend the clients and to maintain the confidentiality of their clients and to avoid conflicts. The balance is the primary principle of their profession.

3.Medical professional ethics: people of medicine have to take an oath about promising and serving the people who are in pain. The Hippocratic oath is one of the prominent ethical codes which almost people know.

4.Engineer's Professional ethics : engineers also have specific typical quotes that they have to follow. National Society of professional engineers created an ethical code for engineers to make sure that engineer's know that in their profession they need to be honest and responsible. Being fair, taking care of public health and their safety should be their priority as a professional.

## **Profession :**

The term profession is defined as any occupation that requires advanced skills and knowledge, self Regulation and concerted service to the public good. It brings a high status socially and economically.

Eg : Doctors, lawyers and so on.

## **Characteristics of profession:**

- Skill and knowledge : Profession requires formal education, training, continuous educational updated are needed.
- Professional Associations : They play important role in setting standards for admission to profession, drafting codes of ethics, enforcing standards of conduct.
- Public good : The occupation must and should promote the public good. They must keep their efforts to maintain ethical standards.

**Professional** : A person who is paid for getting involved in a particular profession in order to earn a living as well as to satisfy the laws of that profession can be understood as a professional.

Engineers are professionals when they attain standards of achievement in education, Job performance or creativity in engineering and accept the most basic moral responsibility to the public as well as employers, clients, colleagues and subordinates.

### **Professional responsibility**

The key aspects of professional responsibility include :

- Integrity : Acting with honesty, truthfulness, and strong moral principles.
- Confidentiality : Not to disclose the sensitive information shared by clients or colleagues.
- Objectivity : Making decisions and judgements by keeping in view the standards ethics of the profession.
- Accountability : Being responsible and taking responsibility of the actions and decisions.
- Competence : Having the required skills and knowledge to perform the their professional duties.
- Respect : Respecting every individual and treating them with courtesy.
- Professionalism: Maintaining appropriate conduct, communication and appearance in a professional setting.

**Professionalism** : it covers all areas of practice of a particular profession. It requires skills and Responsibilities involved in a profession. professionalism implies a certain set of attitudes. It is a trait of professionals.

Criteria :

1. Professional training
2. Being an intellectual
3. Autonomy in function
4. Professional judgement
5. Mindset for service
6. Commitment
7. Pride in the profession

### **PERSONAL ETHICS:**

It refers to the moral principles that guide an individual's behaviour and decision – making in their personal life. It's a set of deeply held values interacts with other and shaping their character and conduct.

#### **Personal ethics in the workplace :**

It refers to a person's beliefs about what's right and wrong and guides individuals in the decisions they make both in and out of the workplace. Your unique ethics will determine how you handle certain situations at work as well as how you grow and develop within your career.

#### **Principles of Personal ethics :**

The below mentioned are the some commonly shared personal Ethics by many professionals :

1. Honesty: Many people view honesty as an important ethic. This ethic transfers from an individual's personal life into their professional life and ensures they are truthful in all scenarios.
2. Loyalty : loyalty demonstrate trustworthiness and Faithful in all the dealing and can be trusted by others to maintain their loyal behaviour no matter this situation. This loyalty act in best interest of organisation.
3. Integrity : Integrity refers to a person's commitment::: to upholding their moral principles in any situation.
4. Respect : People with sound personal ethics demonstrate respect for those around them both at work and in their personal lives.
5. Selfless: People who are selfless put others first and do not act in selfish or self-serving ways. In the way an individual with selfless nature keeps organization best interest as key goal.
6. Responsibility : Someone with a strong moral code is willing to take responsibility for their actions and make changes or amends when necessary.

## Engineering ethics:

**Engineering Ethics** refers to the field of applied ethics that examines and sets the obligations and moral responsibilities of engineers in their professional practice. It helps ensure that engineers act in ways that benefit society, safeguard public safety, and uphold the integrity of the profession. It is the study of moral decisions that must be made by engineer in the course of Engineering practice.

There are two different senses of Engineering ethics namely the normative and descriptive.

1. Normative sense:
  - It says that engineering ethics is knowing moral values finding accurate solutions to the moral problems and justifying moral judgements in engineering practices, study of decision policies and values that are morally desirable in engineering practice and research.
  - Using codes of ethics and standards and applying them in their transactions by engineers.
2. Descriptive sense : it refers to what specific individual or group of Engineers believe and that, without justify their belief or actions.

### Purpose /scope :

The scope of Engineering Ethics of two fold :

- Ethics of the workplace which involves the co-workers and employees in an organisation.
- Ethics relating to the product or work which involves the transportation, warehousing and use besides the safety of the end the product and the environment outside the factory.
- Understanding the moral values that ought to guide engineering professional practice resolving moral issues in engineering, and justifying the model judgements in engineering.
- It deals with the set of moral problems and issues connected with engineering.

### Objectives:

Engineering ethics develop a set of belief, attitude and habits that engineers should display in concerning morality. The primary objective is to increase once ability to deal effectively with the problems and decision making in the engineering.

Following are some of the objectives of professional ethics of Engineers

- The engineering ethics helps and individual to develop cognitive skills
  - Moral awareness : It is all about increasing the proficiency in recognizing the moral problems in engineering.
  - Cogent model reasoning : It helps in finding the different of views of a particular problem existing in the organisation I.e., comprehending, assessing different views.
  - Moral coherence : it focuses on insurance work in producing technical drawings a line with their professional, moral and legal responsibilities.
  - Moral imagination : it helps in developing the alternative responses to issues and being receptive to Creative Solutions.
  - Moral communication : it helps in developing the moral communication to express and support one's views to others.
- Apart from the above mentioned cognitive skills the objective of engineering ethics helps in in acting morally desirable way towards moral commitment and responsible conduct.
  - Moral reasonable Ness
  - Respect for persons
  - Tolerance of diversity
  - Moral Hope
  - Integrity

### Issues in engineering ethics :

Ethical issues in engineering are often complex and require balancing competing interests, such as cost, efficiency, safety, and fairness. Engineers must stay vigilant, continue their education, and adhere to ethical codes of conduct to ensure their work aligns with the well-being of society and the environment. Addressing these challenges requires a strong ethical foundation, openness to discussing dilemmas, and a commitment to acting in the public's best interest.

### Code of ethics

A **Code of Ethics** in professional ethics refers to a formal document that outlines the ethical standards and expectations of conduct for individuals working within a particular profession. It serves as a guideline for the professionals to navigate their responsibilities to their clients, colleagues, and society at large, promoting trust, integrity, and accountability. The code is designed to ensure that professionals uphold the values and standards of their field, making decisions that are fair, responsible, and in alignment with ethical principles.

While the specifics of a code of ethics can vary between professions (such as law, medicine, business, or engineering), they typically include several key principles:

#### 1. Integrity and Honesty

- Professionals are expected to act with honesty and integrity, maintaining transparency in all actions.
- They should avoid deceit, misrepresentation, and conflicts of interest.

## 2. Confidentiality

- Professionals must respect the confidentiality of their clients or stakeholders, ensuring that sensitive information is not disclosed without proper authorization.
- This is especially critical in fields like healthcare, law, and finance.

## 3. Competence

- Professionals should maintain and improve their skills and knowledge to ensure they can perform their duties effectively.
- They should only undertake tasks they are qualified to perform and seek assistance when necessary.

## 4. Accountability

- Professionals are expected to be accountable for their actions and decisions, especially when they impact clients or the public.
- They should take responsibility for mistakes and rectify them where possible.

## 5. Respect for Others

- Professionals should treat all individuals with respect, dignity, and fairness.
- They must not engage in discrimination, harassment, or any behavior that could undermine professional relationships.

## 6. Objectivity and Fairness

- Professional decisions and judgments should be based on factual information and should be free from bias or external influences.
- They should seek to provide equitable treatment to all clients and colleagues.

## 7. Compliance with Laws and Regulations

- Professionals must adhere to the legal standards, regulations, and codes of practice established by governing bodies or relevant authorities in their field.

## 8. Social Responsibility

- Professionals should consider the impact of their work on society, the environment, and future generations.
- They should engage in practices that contribute to the well-being of the community and avoid harm to the public.

## 9. Ethical Decision-Making

- When faced with ethical dilemmas, professionals are expected to engage in thoughtful decision-making processes, considering the long-term consequences and the moral implications of their actions.

## 10. Conflicts of Interest

- Professionals should avoid situations where personal interests conflict with their professional duties.

- When conflicts arise, they must disclose them and, if necessary, recuse themselves from decision-making.

### *Examples of Specific Codes of Ethics in Professions:*

1. **Medical Profession (Hippocratic Oath):**
  - The Hippocratic Oath serves as a classic example of a professional code of ethics, focusing on patient welfare, confidentiality, and non-maleficence.
2. **Legal Profession:**
  - Legal codes of ethics emphasize the duty of lawyers to maintain client confidentiality, act with honesty, and uphold the rule of law.
3. **Business/Corporate:**
  - In business, ethics often include principles such as fairness in competition, transparency in financial reporting, and corporate social responsibility.
4. **Engineering:**
  - Engineering codes focus on the safety, health, and well-being of the public, ensuring that designs and solutions adhere to ethical and safety standards.

### **Conflict of interest**

Meaning :

A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal interest and professional duties or responsibilities. It may causes bias in the decision making and affect the performance. The party with the conflict of interest is usually asked to remove themselves are can be legal required to rescue themselves when such a situation arises.

Three common types of conflict of interest are

- **Nepotism** : It refers to the practice of favouring relatives or close friends, especially in professional settings, when making decisions or offering opportunities. This favouritism can lead to situations where less qualified individuals are chosen over more deserving candidates, simply because of their familial or personal connections.
- **Self dealing** : It arises when a fiduciary( like director, trustee) prioritizes their own interest over the interest of the entity or individuals they represent.
- **Business Relationship** : This occurs when an individual or entity has multiple interests, potentially leading to a situation where their professional judgment or actions regarding profession may affect.

### **Gift VS Bribery**

A gift is given freely, with no expectation of return. They are intended to express appreciation or strengthen the relation. A bribe is given with an expectation of a specific action or favour in return. Bribes are intended to influence behaviour or gain an unfair advantage.

They can be differ by intent, timing, context and legality.

	Gift	Bribe
Intent	Gifts are given out of goodwill, gratitude or generosity.	Bribe is given to influence someone's decision or behaviour
Time	Gifts are often given after an event or act.	Bribe is given before or during a decision making process.



Expectation	There will be no obligation expected in return.	There will be an expectation of a specific favour or outcome.
Legality	Gifts are legal.	Bribe is an illegal.

Gifts over a certain amount are disallowed and all federal state and local officials, both elected and appointed are governed by rules restricting gifts.

The rules may vary from locality to locality, indicating disparities in each legislatures understanding of when a gift becomes a bribe. Bribes are one if the reason for creating the moral dilemma for how to return the favour and makes them corrupt once they receive.

### **Norms to be implemented**

- Reporting to department about any gifts that is received from whom, value and date details. This parts already applicable
- Any gifts above certain values should be avoided.
- NO gifts with brand should be put on desk.
- Provision of filing gifts tax by receiver.
- Regular scrutiny of gifts received by officials.

### **Environmental breaches**

The activities of the business world affect the social, economic and political environment in many ways. Therefore, there is the need for the establishment of a code of conduct for businesses to minimize their negative effects on the environment.

Businesses should take care of the environment where they are located in a dignified way to ensure they promote natural resources. In this case, a company or a business should dispose of its waste responsibly to avoid polluting the environment.

Environmental breaches in professional ethics encompass actions by individuals or organizations that violate ethical principles related to environmental protection and sustainability. These breaches often involve prioritizing profit or short-term gains over environmental well-being, leading to pollution, resource depletion, or ecosystem damage.

Things like water and air pollution, the depletion of natural resources, loss of biodiversity, destruction of ecosystems, and global climate change are all part of the environmental breaches.

Failure to comply with environmental standards:

- Fines: Up to ₹1 lakh.
- Imprisonment: Up to 5 years.
- If the violation continues, imprisonment may extend to 7 years.

### **Negligence**

In the general sense, the term negligence means the act of being careless and in the legal sense,

It signifies the failure to exercise a standard of care . It is defined as carelessness or not paying attention, causing someone or something to be at risk being harmed.



There are 3 forms

- Nonfeasance: it is the act of omission to do something which a person should have done.
- Misfeasance : it is the act of not doing an action properly.
- Malfeasance :It is the act of doing something which should not have been done.

## **Deficiencies in the state of the art**

### **Vigil Mechanism**

A vigil mechanism is a system established within organizations to allow employees and stakeholders to report unethical behaviour, misconduct, or violations of company policies while ensuring protection against retaliation.

#### **Purpose of Vigil Mechanism:**

The primary purpose of a vigil mechanism is to promote transparency and accountability within an organization. It provides a safe channel for employees to report concerns regarding unethical practices, fraud, or violations of laws and regulations without fear of victimization. This mechanism is crucial for maintaining the integrity of the organization and fostering a culture of ethical behavior.

#### **Key features :**

- Whistleblower protection.
- Direct access to audit Committee.
- Reporting procedure.
- Investigation and resolution.

All the listed companies in India are required to establish the Vigil Mechanism. The mechanism should also be communicated to employees to ensure awareness and understanding of the reporting process. This mechanism protects the organisation and empowers employees to take an active part in promoting ethical conduct within their workplace.

### **Whistle blowing**

Whistle blowing refers to the phenomena when someone comes out with the information and that something has happened or is happening. It involves individuals, often employees or former employees, who come forward to report these activities to the relevant authorities, the media, or the public. It is a framework of rules and regulations for all the stakeholders of a company to report any illegal or unethical activities being carried out by anyone within the organization intentionally or unintentionally. A whistleblower is an individual who exposes or reveals information about wrongdoing, misconduct, illegal activities, or unethical behaviour within an organization or government entity.

#### **Types of whistle-blowing:**

**Internal whistleblowing:** Internal whistle-blower is a person who reports suspected misconduct, fraud, and misbehaviour up the chain of command at the person's workplace. This can involve reporting to an audit-committee. This individual is using the Vigil mechanism. This kind of whistleblowing is done by a director or an employee.

**External whistleblowing:** External whistle-blower is a person who observes any misconduct, fraud, suspected fraud, and misbehaviour who can be an employer, customer, supplier, or competitor and then reports to an outsider, a private attorney. It is the act of informing a third party, such as the police, a law office, or the media, about wrongdoing or corruption in a company is known as external whistleblowing. Whistleblowers can use a public hotline set up for exposing fraud or abuse by private enterprises or they can report directly to a government agency or prosecution.

### **Protected disclosures**

A protected disclosure, often referred to as whistleblowing, is a report or disclosure of information made by a worker (which can include a wide range of individuals like employees, contractors, volunteers, etc.) about suspected wrongdoing or misconduct within their workplace or organization. It essentially serves as a mechanism to protect individuals who speak up against illegal, unsafe, or unethical practices.

- Purpose of Protected Disclosure Laws: To encourage reporting of wrongdoing and protect those who do so from retaliation.
- Protection against Penalization: Workers are safeguarded against negative consequences like dismissal, demotion, or harassment for making a protected disclosure.
- Confidentiality: The identity of the discloser is generally protected, though there may be exceptions.

### **Introduction to GST**

GST is a single domestic indirect tax law for the entire country. GST is known as the Goods and Services Tax. It is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, services tax, etc. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1st July 2017. It is a comprehensive, multistage, destination based tax, levied on every value addition

Under the GST regime, the tax is levied at every point of sale. In the case of intra-state sales, Central GST and State GST are charged. All the inter-state sales are chargeable to the Integrated GST.

### **Purpose Of GST**

- To achieve the ideology of 'One Nation, One Tax
- To subsume a majority of the indirect taxes in India
- To eliminate the cascading effect of taxes
- To curb tax evasion
- To increase the taxpayer base
- Online procedures for ease of doing business
- An improved logistics and distribution system
- To promote competitive pricing and increase consumption

### **Components of GST**

There are three taxes applicable under this system:

- **CGST:** It is the tax collected by the Central Government on an intra-state sale. (within same state)
- **SGST/UTGST:** It is the tax collected by the state government/Union Territories on an intra-state sale
- **IGST:** It is a tax collected by the Central Government for an inter-state sale ( between 2 different states)

### Various roles of various stakeholders.

A stakeholder is an individual or a group of individuals with an interest, often financial, in the success of some venture. A stakeholder has a vested interest in a company and can affect or be affected by its operations and performance.

### Types of Stakeholders and Their Roles:

#### Internal Stakeholders:

These are individuals or groups within the organization, such as employees, managers, and owners.

#### External Stakeholders:

These are individuals or groups outside the organization who have an interest in its activities. Such as Customers, Suppliers, Investors, Creditors, Government Agencies, Communities, Trade Unions, Media.

Various roles of stakeholders :

- **Decision-Makers:** Stakeholders participate in making key decisions related to strategy, resource allocation, and project direction.
- **Advisors/Consultants:** Providing expertise and guidance on specific issues, such as compliance or market entry.
- **Catalysts of Growth:** Stakeholders can drive growth and innovation through investments and support.
- **Corporate Conscience:** Some stakeholders ensure ethical conduct, social responsibility, and compliance with laws and regulations.
- **Influencers:** Stakeholders can influence business decisions through their feedback, investments, or public statements.
- **Project Contributors:** Stakeholders provide resources, materials, and expertise to support project success.
- **Monitoring and Oversight:** Stakeholders can monitor business activities and ensure alignment with goals and ethical standards.