

CSE332 INDUSTRY ETHICS AND LEGAL ISSUES

Lecture 2

Integrity

the quality of being honest and having strong moral principles

- ❖ Lose your wealth and you have lost nothing.
- ❖ Lose your health and you have lost something.
- ❖ Lose your integrity and you have lost everything.

Integrity

Is the inner voice that warns us

.....Somebody is Looking

Integrity

Rather fail with honour than succeed by fraud.....

Integrity

what you are is important than what you say.....

where the greatest good to the greatest people is called

individualism view
utilitarian view
moral-rights view
none of these

Integrity

It is better...

To deserve Honour And not have them Than to have them And Not
deserve them.....

Integrity

Stand up for what is right
Even if you are standing alone.....

Integrity

Peter Drucker

“Management is doing things right; leadership is doing the right things.”

Integrity

Boeing Co. Slogan

“Between right and wrong is a troublesome gray area”

Integrity

“Integrity is taking only ONE cookie when no one would know if you took TWO”

Dennis the Menace

Integrity

“In public, as in private life, I am persuaded that HONESTY will forever be found to be the best policy”

George Washington

Integrity

People will forget what you said,
People will forget what you did,
But people will never forget
How you made them feel.

Maya Angelou

Integrity

the quality of being honest and having strong moral principles in all circumstances...

Learning Objectives

After reading this chapter , you will be able to :

1. Identify reasons Why the study of ethics is important.
2. Explain the nature and the meaning of business ethics.
3. Explain the difference between ethics and the law.

Ethics and Business

Why Study Business Ethics

- It must be remembered that the School of Business' task is to prepare students for the business world. If ethics do not matter, then time spent teaching ethics is better spent elsewhere.
- Business Ethics class is not aim simply to help you to learn about ethics, but aim to help you do ethics. That is, **The goal of Business ethics is to help each of us become more ethical and help us all to create and promote ethical institutions.**

Why Study Business Ethics

Everyone agrees that business managers must understand finance and marketing. **But is it necessary for them to study ethics?**

Managers who answer in the negative generally base their thinking on one of **three justifications**.

1. They may simply say that they have no reason to be ethical. They see why they should **make a profit**, but why should they be worried about ethics, as long as they are making money and **staying out of jail?**

Why Study Business Ethics

2. Other managers recognize that they should be ethical but *identify their ethical duty with making a legal profit for the firm*. They see no need to be ethical in any further sense.
3. A third group of managers grant that ethical duty goes further than what is required by law. But they still insist that there is no point in studying ethics.

Why Study Business Ethics

- Perhaps when business people ask why they should be ethical, they have a different question in mind: **what is the *motivation for being good?***
Is there something in it for them?
- There is no denying that one can often **do well by doing good.**
- An ethical company is more likely to build a good reputation, which is more likely to bring financial rewards over the long term.

Ethics and Business

What is Ethics?

- **Ethics:** defined as the set of moral principles that distinguish what is right from what is wrong.
- **Moral Standards** : rules about the kinds of actions that are morally right or wrong, as well as the values placed on what is morally good or bad.
- **Non-Moral Standards:** manage individual life, aspirations and desires and may decide a person's place in his group. Some non-moral standards of any society could be the table manners, general etiquette, clothing etc.

How Can We Distinguish Between Moral and Non-moral Standards?

Generally, you can say a standard is moral if:

- 1) It deals with things that can seriously harm or greatly benefit others.
- 2) It is not changed or modified by state or social authorities.
- 3) It leads to internal notions of guilt, shame, good and evil, right and wrong.

Moral Responsibility

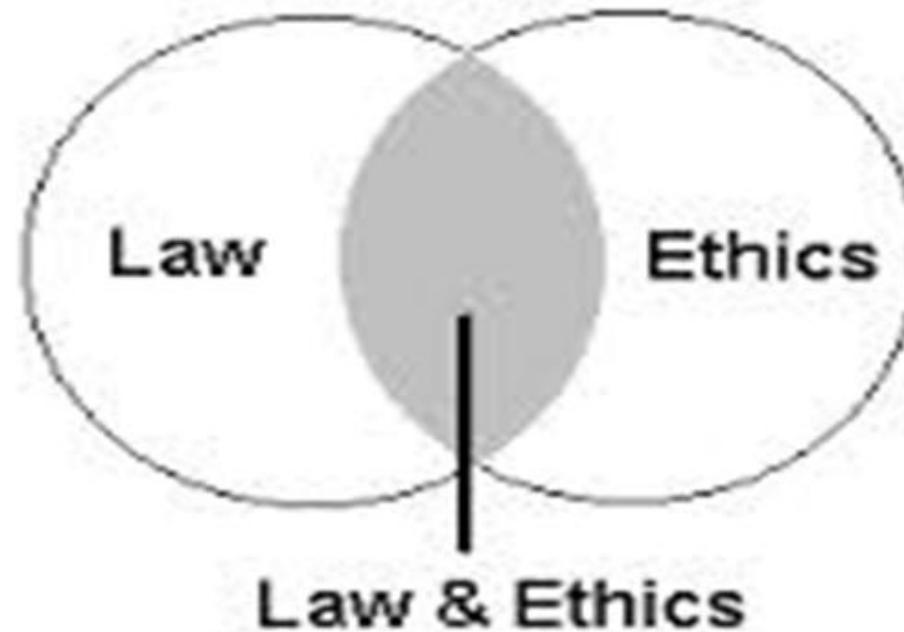
- Three Components of Moral Responsibility:
 1. Person caused or helped cause the injury, or failed to prevent it when he or she could and should have (causality).
 2. Person did so knowing what he or she was doing (knowledge).
 3. Person did so of his or her own free desire (freedom).

The Relationship Between Ethics and Law

- **Law** is the system of rules of conduct established by the government of a society to maintain stability and justice.
- Law defines the legal rights and duties of the people and provides the means of enforcing these rights and duties.

The Relationship Between Ethics and Law

Relationship Between
Law and Ethics



The Relationship Between Ethics and Law

- A relationship exists between law and ethics. In some instances, law and ethics overlap (related) and what is supposed as unethical is also illegal.
- In other situations, they do not overlap. In some cases, what is supposed as unethical is still legal, and in others, what is illegal is perceived as ethical.

Ethics and Legal Conflicts

- Because law is made by people, it is imperfect.
- Legislators and judges bring their own personal opinions on ethics to the lawmaking process.
- As a result, ethics and law will sometimes conflict.
- **As a result,** Legal behavior is not necessarily ethical behavior.

Moral Behavior

- There are four components of moral behavior.
 1. The first of these is **moral sensitivity**: which is "the **ability to see an ethical dilemma**, including how our actions will affect others."
 2. The second is **moral judgment**: which is "the **ability to reason correctly** about what 'ought' (have to) to be done in a specific situation."

Moral Behavior

3. The third is **moral motivation**: which is "a **personal commitment to moral action**, accepting responsibility for the outcome."
4. The fourth and final component of moral behavior is **moral character**: which is a "courageous persistence in spite of fatigue or temptations to take the easy way out."

Four Views of Ethical Behavior

1. Utilitarian View

Where moral behavior is that which delivers the greatest good to the greatest number of people.

2. Individualism View

Where moral behavior is that which is best for long-term self-interest.

3. Moral-Rights View

Where moral behavior is that which respects fundamental rights shared by all human beings.

4. Justice View

Where moral behavior is that which is impartial, fair, and equitable in treating people. (Procedural and Distributive Justice)

Moral Reasoning

- The reasoning process by which human behaviors, or institutions are judged to be in accordance with or in violation of moral standards.
- Moral reasoning involves:
 - The moral standards by which we evaluate things
 - Information about what is being evaluated
 - A moral judgment about what is being evaluated.

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