Contents: An Overview of Ethics

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Creating an Ethical Work Environment

- Good employees sometimes make bad ethical choices

- May be encouraged to do "whatever it takes" to get the job done

- Employees must have a knowledgeable and potent resource available to discuss perceived unethical practices

How Management Can Affect Employees' Ethical Behaviour

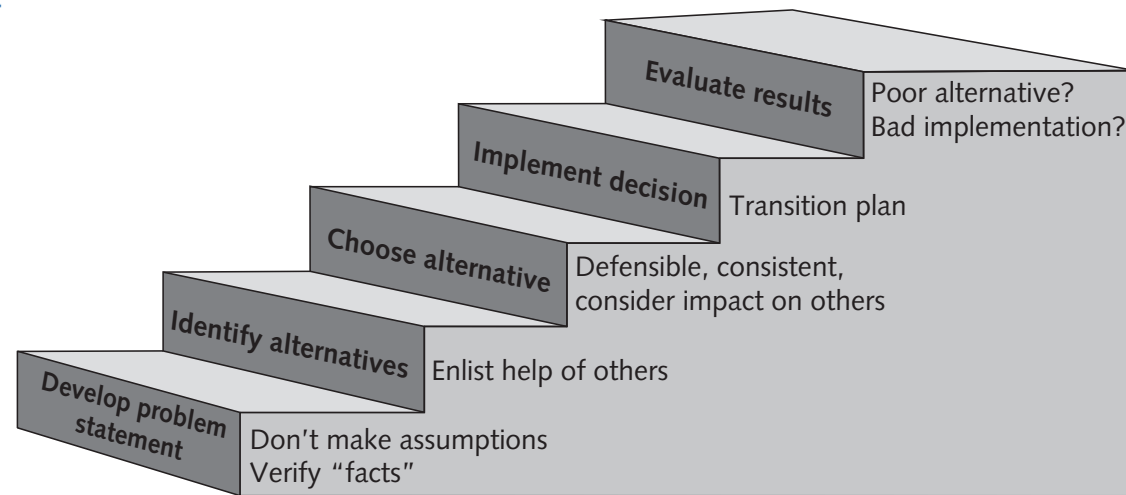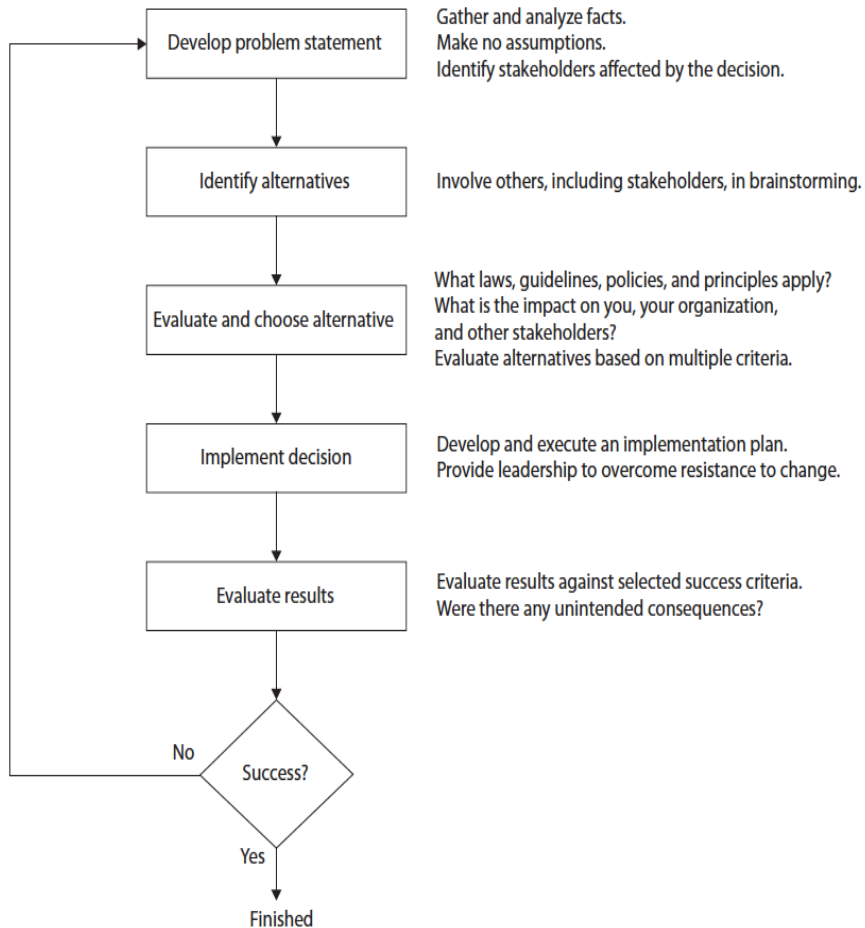| Managerial behavior that can encourage unethical behavior	Possible employee reaction
Set and hold people accountable to meet "stretch" goals, quotas, and budgets	"My boss wants results, not excuses, so I have to cut corners to meet the goals my boss has set."
Fail to provide a corporate code of ethics and operating principles to guide decisions	"Because the company has not established any guidelines, I don't think my conduct is really wrong or illegal."
Fail to act in an ethical manner and instead set a poor example for others to follow	"I have seen other successful people take unethical actions and not suffer negative repercussions."
Fail to hold people accountable for unethical actions	"No one will ever know the difference, and if they do, so what?"
When employees are hired, put a 3-inch thick binder entitled "Corporate Business Ethics, Policies, and Procedures" on their desks. Tell them to "read it when you have time and sign the attached form that says you read and understand the corporate policy."	"This is overwhelming. Can't they just give me the essentials? I can never absorb all this."

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Manager's Checklist for Establishing an Ethical Work Environment

Question	Yes	No
Does your organization have a code of ethics?		
Do employees know how and to whom to report any infractions of the code of ethics?		
Do employees feel that they can report violations of the code of ethics safely and without fear of retaliation?		
Do employees feel that action will be taken against those who violate the code of ethics?		
Do senior managers set an example by communicating the code of ethics and using it in their own decision making?		
Do managers evaluate and provide feedback to employees on how they operate with respect to the values and principles in the code of ethics?		
Are employees aware of sanctions for breaching the code of ethics?		
Do employees use the code of ethics in their decision making?		

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Decision-Making Process

| Develop problem statement | Gather and analyze facts.
Make no assumptions.
Identify stakeholders affected by the decision. |

| Identify alternatives | Involve others, including stakeholders, in brainstorming. |

| Evaluate and choose alternative | What laws, guidelines, policies, and principles apply?
What is the impact on you, your organization,
and other stakeholders?
Evaluate alternatives based on multiple criteria. |

| Implement decision | Develop and execute an implementation plan.
Provide leadership to overcome resistance to change. |

| Evaluate results | Evaluate results against selected success criteria.
Were there any unintended consequences? |

No ← Success? → Yes → Finished

Evaluate results — Poor alternative? Bad implementation?

Implement decision — Transition plan

Choose alternative — Defensible, consistent, consider impact on others

Identify alternatives — Enlist help of others

Develop problem statement — Don't make assumptions / Verify "facts"

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1. Develop a Problem Statement

- What do people observe that causes them to think there is a problem?
- Who is directly affected by the problem?
- Is there anyone else affected?
- How often does it occur?
- What is the impact of the problem?
- How serious is the problem?

Examples of Problem Statements

1. Good problem statement: Our product supply organization is continually running out of stock of finished products, creating an out-of-stock situation on over 15 percent of our customer orders, resulting in over $300,000 in lost sales per month.
2. Poor problem statement: We need to implement a new inventory control system. (This is a possible solution, not a problem statement.)
3. Poor problem statement: We have a problem with finished product inventory (This is not specific enough.)

2. Identify Alternatives

- Enlist the help of others, including stakeholders, to identify several alternative solutions to the problem
- **Brainstorming process:** Not to be critical of ideas (Simply write down the ideas as they are suggested)

3. Evaluate and Choose an Alternative

- **Evaluate** based on numerous criteria:
  - Effectiveness at addressing the issue
  - The extent of risk associated with each alternative
  - Cost, and time to implement

Philosophical Theories for Ethical Decision Making

Approach to dealing with moral issues	Principle
Virtue ethics approach	The ethical choice best reflects moral virtues in yourself and your community.
Utilitarian approach	The ethical choice produces the greatest excess of benefits over harm.
Fairness approach	The ethical choice treats everyone the same and shows no favoritism or discrimination.
Common good approach	The ethical choice advances the common good.

4. Implement Decision and Evaluate the Results

- Why are we doing this?
- What is wrong with the current way we do things?
- What are the benefits of the new way for you?

- Were the success criteria fully met?
- Were there any unintended consequences?

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Ethics in Information Technology

- Public concern about the ethical use of information technology includes:
  - E-mail and Internet access monitoring
  - Peer-to-peer networks violation of copyright (music, movies, …)
  - Unsolicited e-mail
  - Hackers and identify theft
  - Plagiarism
  - Cookies and spyware

Ethics in Information Technology (continued)

- The general public has not realized the critical importance of ethics as applied to IT

- Important technical decisions are often left to technical experts

- General business managers must assume greater responsibility for these decisions

- They must be able to make broad-minded, objective, ethical decisions based on technical savvy, business know-how, and a sense of ethics

- They must also try to create a working environment in which ethical dilemmas can be discussed openly, objectively, and constructively

Summary

- Ethics is a set of beliefs about right and wrong behavior

- Ethics in business is becoming more important because the risks associated with inappropriate behavior have grown

- Corporations want to protect themselves and their employees from legal action

Summary (continued)

- 7-step approach to ethical decision making
- Trends contributing to the risk of using information technology unethically include:
  - Growth of the Internet
  - Ability to capture and store vast amounts of personal data online
  - Greater reliance on information systems