

PART FOUR

Ethics and Employees

THE PROCESS OF PRODUCING GOODS FORCES BUSINESS NOT ONLY TO ENGAGE IN EXTERNAL EXCHANGES, BUT ALSO TO COORDINATE THE ACTIVITIES OF THE VARIOUS INTERNAL CONSTITUENCIES THAT MUST BE BROUGHT TOGETHER INTO THE PROCESSES OF PRODUCTION. EMPLOYEES MUST BE HIRED AND ORGANIZED, STOCKHOLDERS AND CREDITORS MUST BE SOLICITED, AND MANAGERIAL TALENT MUST BE TAPPED. INEVITABLY, CONFLICTS ARISE WITHIN AND BETWEEN THESE INTERNAL CONSTITUENCIES AS THEY INTERACT WITH EACH OTHER AND AS THEY SEEK TO DISTRIBUTE BENEFITS AMONG THEMSELVES.

THE NEXT TWO CHAPTERS EXPLORE SOME OF THE ETHICAL ISSUES RAISED BY THESE INTERNAL CONFLICTS.

CHAPTER 7 DISCUSSES ISSUE OF JOB DISCRIMINATION.

CHAPTER 8 DISCUSSES THE ISSUE OF CONFLICT BETWEEN THE INDIVIDUAL AND THE ORGANIZATION.

Chapter Seven

The Ethics of Job Discrimination

Questions to be Answered:

- What distinctions can companies reasonably make between job applicants without engaging in discrimination?
- How **widespread** is job discrimination?
- Why it is **wrong** to discriminate?
- What is **affirmative action** and why is it so controversial?

Human Beings and Discrimination

• يَا أَيُّهَا الَّذِينَ آمَنُوا لَا يَسْخَرُ قَوْمٌ مِّن قَوْمٍ عَسَىٰ أَن يَكُونُوا خَيْرًا مِّنْهُمْ وَلَا نِسَاءٌ مِّن نِّسَاءٍ عَسَىٰ أَن يَكُنَّ خَيْرًا مِّنْهُنَّ وَلَا تَلْمِزُوا أَنفُسَكُمْ وَلَا تَنَابَزُوا بِالْأَلْقَابِ بِئْسَ الْأَسْمُ الْفُسُوقُ بَعْدَ الْإِيمَانِ وَمَن لَّمْ يَتُبْ فَأُولَٰئِكَ هُمُ الظَّالِمُونَ {49/11} يَا أَيُّهَا الَّذِينَ آمَنُوا اجْتَنِبُوا كَثِيرًا مِّنَ الظَّنِّ إِنَّ بَعْضَ الظَّنِّ إِثْمٌ وَلَا تَجَسَّسُوا وَلَا يَغْتَبَ بَعْضُكُم بَعْضًا أَيُحِبُّ أَحَدُكُمْ أَن يَأْكُلَ لَحْمَ أَخِيهِ مَيْتًا فَكَرِهْتُمُوهُ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ تَوَّابٌ رَّحِيمٌ {49/12} يَا أَيُّهَا النَّاسُ إِنَّا خَلَقْنَاكُمْ مِّن ذَكَرٍ وَأُنثَىٰ وَجَعَلْنَاكُمْ شُعُوبًا وَقَبَائِلَ لِتَعَارَفُوا إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاكُمْ إِنَّ اللَّهَ عَلِيمٌ خَبِيرٌ {49/13}

((49:11 O you who believe! Let not a folk deride a folk who may be better than they (are), or let women (deride) women who may be better than they are; **neither defame one another, nor insult one another by nicknames.** Bad is the name of lewdness after faith. And whoever turns not in repentance, such are evildoers. 49:12 O you who believe! **Shun much suspicion; for lo! Suspicion in some cases is a sin. And spy not, neither backbite one another. Would one of you love to eat the flesh of his dead brother?** You abhor that (so abhor the other)! And keep your duty (to God). Lo! God is Forgiving; Merciful. 49:13 O people! Lo! We have created you male and female, and have made you nations and tribes that you may know one another. Lo! The noblest of you, in the sight of God, is the best in conduct. Lo! God is Knower, Aware.))

Human Beings and Discrimination

يأيها الناس! ألا إن ربكم واحد وإن أباكم واحد. ألا لا فضل لعربي
على عجمي ولا لعجمي على عربي ولا لأحمر على أسود ولا لأسود
على أحمر (ولا لأبيض على أسود ولا لأسود على أبيض) إلا
بالتقوى. (ألا كلكم من آدم و آدم من تراب.) ألا قد بلغت؟ (الحديث)

((O mankind! Remember that **your Lord is one and your father is one**. Keep in the mind that **no Arab** has any superiority over **non-Arab** and **no non-Arab** has any superiority over **any Arab**; **no colored** has any superiority over **a black** and **no black** has any superiority over **colored**; (no white has any superiority over black and no black has any superiority over white) except on the basis of piety. (Remember that all of you are from Adam and Adam was made from mud.)

Definition of Discrimination

- The root meaning of the term “***discriminate***” is “to distinguish one object from another,” a **morally neutral and not necessarily wrongful activity**. However, in modern usage, the term is not morally neutral. It is defined as:
 - **“The wrongful act of distinguishing illicitly among people NOT on the basis of individual merit, but on the basis of prejudice or some other invidious or morally reprehensible attitude.”**
- Discrimination can be based on an **overt and conscious bias** against anyone belonging to a **racial** (e.g. Blacks, Asians and Hispanics), **ethnic** (e.g. Italians, Poles, and Irish), **religious** (e.g. Jews, Catholics and Muslims) or **sexual** (e.g. Women or She-Males) group or it can arise from **unconscious stereotypes** about such groups (e.g. **all Muslims are terrorists**, all Mexicans are lazy and **all Blacks are work-shirkers**).

Forms of Discrimination

- **Intentional discrimination:** **conscious and deliberate discrimination.**
- **Unintentional discrimination:** discrimination that is not consciously or deliberately sought, but is brought about by **stereotypes** or as an **unintended outcome.**
- **Individual discrimination:** discrimination of one or a few individuals acting on their own.
- **Institutional discrimination:** discrimination that is the result of the actions of all or many of the people in an institution and **outcome of their routine processes and policies.**
- **“Reverse discrimination”:** discrimination that is the result of **“preferential treatment”** to achieve **“diversity”** through **“Affirmative Action Program”**, against members of majority group such as males and whites, (e.g. Barbara **Grutter vs. Bollinger** case against the University of **Michigan Law School.**)

What is Affirmative Action?

(Quota System in Pakistan)

- Any program designed to ensure that **minorities**, **women**, or **members of some other group**, are **adequately represented within an organization** and at its various levels by taking positive steps to increase their number when underrepresented.
- What counts as “**adequate representation**” depends on the objectives of the program: **some aim** at having the same proportion of women or minorities as **exists in the pool** from which new members are drawn, **others aim** at achieving the diversity needed **to meet organizational objectives**

Prima Facie Indicators of Discrimination

- A prima facie indication of discrimination exists **when a disproportionate number of the members of a certain group hold the less desirable position** within the institution despite their preferences and abilities. Looking at **three kinds of comparison** can show whether such disproportionate distribution affects minorities and women today:
 - **Average benefits minorities and women receive compared to others show a considerable gap.**
 - **High proportions of minorities and women at lowest economic levels.**
 - **Low proportions of minorities and women at highest economic levels.**

Increasing Problems for Women and Minorities

- Women and minorities make up most new workers, but face significant disadvantages.
 - Women are steered into **low-paying jobs** and face a “**glass ceiling**” for high-ranking jobs, and are **victims of verbal or physical forms of sexual harassment**.
 - Minorities need skills and education but lack them.

Arguments Against Discrimination

- Women and minorities have long been treated as inferiors and were deprived of even basic human rights. Minorities were considered as chattel and were treated worse than animals. In US males and Whites remained dominant through much of the nineteenth century.
- Why are these forms of inequalities wrong? Why it is wrong to discriminate? The arguments mustered against discrimination generally fall into **three groups**:
 - **Utilitarian argument:** Discrimination leads to inefficient use of human resources.
 - **Rights-based argument:** Discrimination violates basic human rights by holding minorities and women as “inferior”, assigning them lower social and economic positions; discrimination cannot be universalized.
 - **Justice-based argument:** Discrimination results in unjust distributions of benefits and burdens, according to John Rawls. Discrimination violates the formal **principle of equality** by differentiating between people on the basis of characteristics that are not relevant to job performance, while the **principle of equality** requires that individuals who are equal in all respects relevant to the kind of treatment in question should be treated equally even if they are dissimilar in other, non-relevant respects.

Legal Status of Affirmative Action

- Affirmative action program is legal when used to correct a racial or sexual imbalance that is the result of previous discrimination.
- It is also legal when used to correct an “**egregious**”, “**persistent**”, and “**manifest racial imbalance**” not caused by previous discrimination.
- **It can be used in hiring but not in layoffs**
- Cannot use “**inflexible**” quotas
- Must be “**narrowly tailored**” to achieve their objectives
- Can be used to achieve “**diversity**” in educational institutions and the distribution of broadcast licenses by the government.
- Cannot overrule seniority; Cannot be used in government set-aside programs except as a “**last resort**” in an “**extreme case**” involving previous racial bias by the government

Objections to Affirmative Action Programs

- Affirmative action programs have been attacked mainly on the ground that, **in attempting to correct the effects of past discrimination**, these programs have become racially and sexually discriminatory.
- By showing preference to minorities and women **the programs institute a form of “reverse discrimination”** against males and majority.
- These programs **violate justice by violating the principles of equality and equal opportunity.**

Response to the Objections Against Affirmative Action

- The arguments used to justify affirmative action programs in the face of above objections tend to fall into two main groups:
 - One group of the arguments interprets the preferential treatment accorded to women and minorities as a form of **compensation** for past injuries they have suffered. These are backward looking arguments.
 - A second set of arguments interprets preferential treatment as an instrument for **achieving certain social goals**. These are forward looking arguments.

Compensation Argument for Affirmative Action

- Based on compensatory justice they claim that affirmative action compensates groups for past discrimination.
 - It is criticized as unfair, because those who benefit were not harmed and those who pay did not injure, and this is violation of the basic requirements of compensatory justice.
- Some argue in response to this criticism that discrimination has harmed all minorities and women by keeping them backward and deprived, and all whites and males have benefited from it in the form of advantages they have.

Utilitarian Argument for Affirmative Action

- Claims affirmative action reduces need by benefiting minorities and women in need, and so increases utility. Need, off course, is a just criterion for distribution.
 - Criticized on grounds that its psychologically damaging costs to male and majority outweigh its benefits for women and minorities, and that other ways of reducing need will produce greater utility.

Equal Justice Argument for Affirmative Action

- Affirmative action will secure equal opportunity by a fairer distribution of jobs, by neutralizing the effects of unconscious bias that affects judgments about minorities and women, and by placing women and minorities in less disadvantaged and more competitive positions in competitions with males and whites.
- Affirmative action is a morally legitimate means for securing equal opportunity, since it is not a form of “reverse discrimination” because it is not based on invidious (envious) judgments of male inferiority nor aims at destroying equal opportunity.
- It does not use a non-relevant characteristic since race and sex are relevant in this limited context.
- It does not harm minorities and women psychologically and any psychological harm would be less than the harms inflicted by current unconscious stereotype discrimination.

Chapter Eight

Ethics and the Employee

Questions to be Answered:

- How does the **rational model** define a business organization?
- What is the **conflict of interest** and how can it be avoided?
- What **factors** should be considered when **determining a “fair wage”**?
- How does the **political model** of the organization differ from the rational model?
- In what ways is a **modern corporation** like a government?
- What kind of **political tactics** are most often encountered in business organizations?
- What are the **key ethical issues** from the perspective of the **caring organization**?

Every morning millions of workers hurry off to work. Psychologists tell us we define ourselves by the work we do, and our health, both physical and emotional, depends on whether our work is fulfilling or a source of meaningless stress.

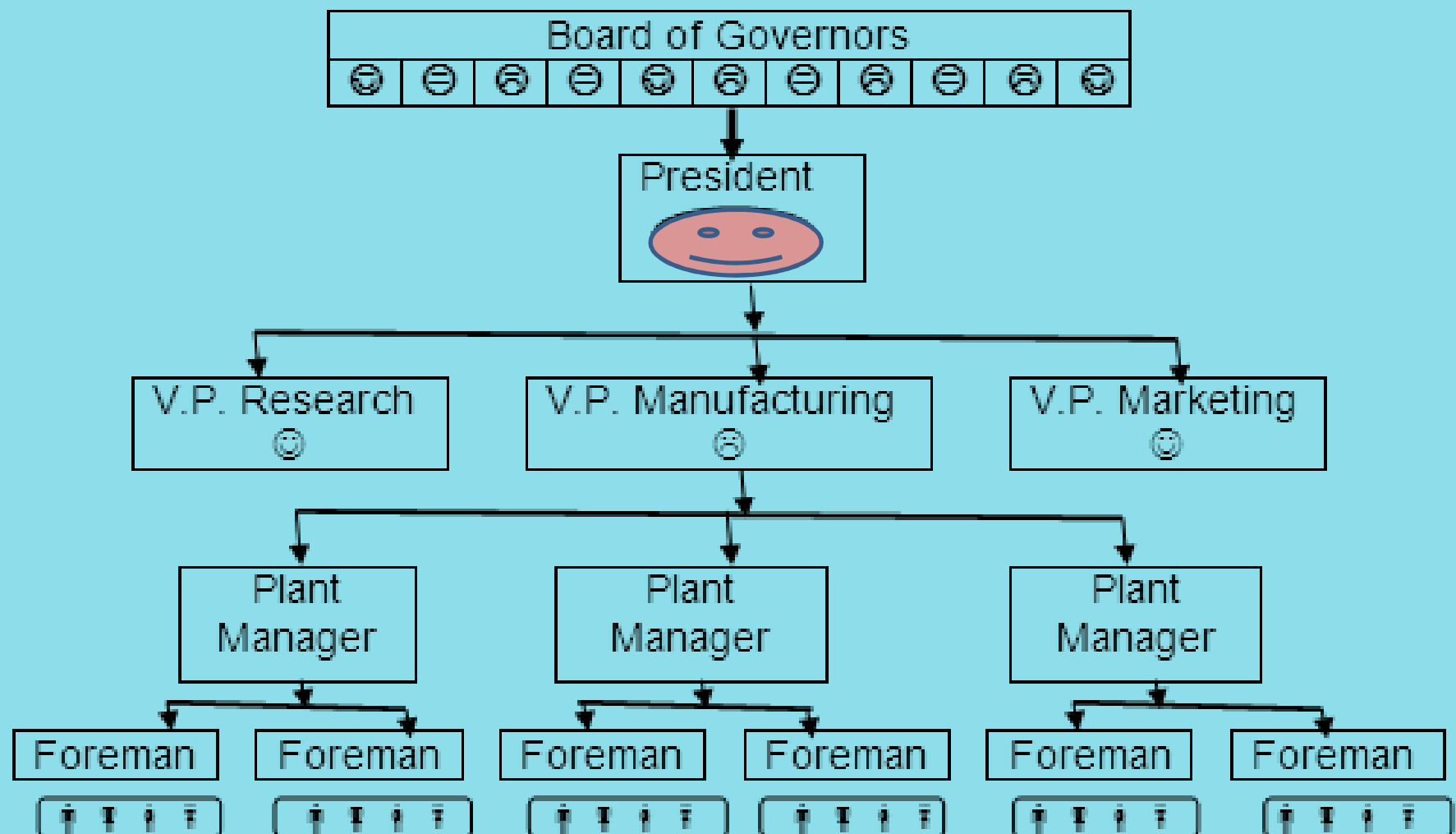
✿ أعطوا الأجير أجره قبل أن يجف عرقه (الحديث)
((Pay the employee his/her wages before
drying up of his/her sweat.))

1-The Rational Model of a Business Organization

- A “rational model” of business organization is defined as:
 - “An organization in the rational coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through a division of labor and function and through a hierarchy of authority and responsibility.”
- **Formal hierarchies of authority:** The positions and relationships identified in **the organizational chart** that represent the various official positions and lines of authority in the organization.
- Organizations seek to **coordinate the activities of members** so as to **achieve their goals with maximum efficiency**.
- **Information rises from the bottom of the organization to the top.**
- **Contracts obligate the employee to loyally pursue the organization’s goals** and the employer to provide a just wage and just working conditions.

Formal Hierarchy of Authority

Formal Hierarchy of Authority



Dr. Baluch

Formal Hierarchy of Authority

Three tiers of Management

- **Operating Layer:** Those employees and their immediate supervisors who directly produce the goods and services that constitute the essential outputs of the organization.
- **Middle Managers:** Managers who direct the units below them and are in turn directed by those above them in ascending formal lines of authority.
- **Top Management:** The board of directors, the chief executive officer and the CEO's staff.

1-The Employees Obligations to the Employer

- In the **rational view** of the firm, the employee's main ethical duty is to work toward the goals of the firm and avoid any activities that might harm those goals. To be unethical, basically, is to deviate from these goals **to serve one's own interests** in ways that, if illegal, can be a form of **"white-collar crime."**
- The **law of agency** requires that **"an agent (employee) is subject to a duty to his principal (employer) to act solely for the benefit of the principal in all matters connected with his agency."** An agent is prohibited by law from acting "for persons whose interests conflict with those of the principal in matters in which the agent is employed."

Conflict of Interest

Conflict of interest occurs when employee has an interest that provides an incentive to do his or her job in a way that serves that interest and not necessarily the interests of the employer he or she is obligated to serve.

Necessary Conditions for a Conflict of Interest to Arise:

1. Employee or officer is engaged in carrying out a certain task for his or her employer.
2. Employee has an interest that provides him or her with an incentive or motive to do the task in a way that serves that interest.
3. The employee has an obligation to do the task in a way that serves the interests of his or her employer, free of any incentive to serve another interest.

Types of the Conflict of Interest

1. **Objective Conflict of Interest:** Conflicts of interest that are based on financial relationship.
2. **Subjective Conflicts of Interest:** Conflicts of interest that are based on emotional ties or on relationship.
3. **Potential Conflict of Interest:** It occurs when an employee has an interest that could influence what the employee does for the employer if the employee were to perform a certain task for the employer, *but he or she has not yet been given that task to perform.*
4. **Actual Conflict of Interest:** It occurs when an employee has an interest that could influence the judgments the employee makes for the employer if the employee were to perform a certain task for the employer and *he or she has actually been given that task to perform.*
5. **Apparent Conflict of Interest:** A situation in which an employee has no actual conflict of interest, but in which other people looking at the situation may come to believe (wrongly though) that there is an actual conflict of interest.

• إتقوا مواضع التهمة (الحديث)

((Avoid involvement in situations of false accusation or where there is mere suspicion of any accusation or blame.))

- Example of Imam Bukhari and the case of 1000 Dinars; and the case of horse cheater.

Avoiding or Eliminating a Conflict of Interest

- “Recusing” (removing) oneself from the task in which the conflict of interest arises.
- Eliminating the interest that creates the conflict of interest.
- Eliminating or changing the obligation of serving the employer’s interests and remaining free of any incentive to serve another interest while serving the employer.

Commercial Bribes and Commercial Extortions

- **Commercial Bribe:** A consideration given or offered to an employee by a person outside the firm with the understanding that, when the employee transacts business for the firm, the employee will deal favorably with that person or that person's firm.
- **Commercial Extortion:** occurs when an employee demands a consideration from persons outside the firm as a condition for dealing favorably with those persons when the employee transacts business for the firm.

Ethics of Accepting Gifts

كانت الهدية هدية فقد صارت اليوم رشوة (عمر بن عبدالعزيز)

- The ethics of accepting gifts depends on:
 - **The value of the gift:** Is it substantial enough that it could influence one's decision?
 - **The purpose of the gift:** Is the gift intended or accepted as a bribe?
 - **The circumstances of the gift:** Was the gift given openly? Was it given to a friend on the occasion of celebrating an event, e.g. opening a store?
 - **The position of the recipient:** Is the recipient in a position to influence his own firm's dealings with the giver of the gift, and is the giver in a position to benefit from the actions of the recipient?
 - **Accepted and public local practices:** Is the gift part of an open and well known industry practice?
 - **Company policies on gifts:** Does the company forbid acceptance of such gifts?
 - **Legal prohibitions on gifts:** Is the gift forbidden by law, such as a law prohibiting gifts in sports recruiting?

Theft of Information

- Includes the theft of digitized programs, **music**, **movies**, **e-books**, etc., as well as trade secrets, **company plans**, and **proprietary formulas** or other data.
- Is theft **even if the original is not taken nor changed** but only copied, **examined**, or used **without the consent of the owner**
- **Violates the owner's right** to have his or her property used as he or she chooses, **even if the theft does not injure the owner**
 - The **skills one acquires** from a company are not information and so it is not theft to take them when leaving the company, **although skills are often hard to distinguish from information.**

The Ethics of Insider Trading

- **Insider trading:** The act of buying and selling a company's stock on the basis of "inside" information about the company
- Insider trading is said to be unethical because it is theft of information that gives the insider an unfair advantage.
- It has been defended because:
 - (a) It ensures stock prices reflect the true value of the stock
 - (b) It harms no one
 - (c) Having an advantage over others in the stock market is not wrong in itself, and is a common practice among experts of the stock exchanges.
- These defenses have been criticized because:
 - (a) The information the insider uses is not his or hers and so is stolen
 - (b) Trading on inside information has harmful effects on the stock market and increases the costs of buying and selling stocks
 - (c) The advantage of the inside trader is not like the advantage of an expert, because it is based on theft.

2-The Employer's Obligations to the Employee

- The basic moral obligation that the employer has toward employees, according to the rational view of the firm, is to provide them with the compensation they have freely and knowingly agreed to receive in exchange for their services. There are two main ethical issues related to this obligation:
 - The fairness of the wages, a special problem in developing countries, and
 - The fairness of employees working conditions, a major problem both in developed and developing nations.
- Both wages and working conditions are the two aspects of compensation employees receive for their services.

1-Fairness of the Wages

- From worker's point of view, wages are the principal (perhaps the only) means for **satisfying the basic economic needs** of the worker and worker's family.
- From employer's point of view, **wages are a cost of production** that **must be kept low lest** the product be priced out of the market.
- There are a number of **factors** that determine the wages for the workers:
 1. Wages in the **industry and local area**, if the labor markets there are competitive.
 2. The **firm's ability to pay**. The higher the firm's profits the more it can and should pay its workers
 3. The **job's nature** including its risks, skill requirements, and demands.
 4. Minimum **wage laws**. Wages that fall beneath this floor are unfair.
 5. Fairness in **comparison to other salaries** in the firm. Workers who do roughly similar work should receive roughly similar salaries.
 6. Fairness of **wage negotiations**. Salaries and wages that result from "un-free" negotiations in which one side uses fraud, power, deceit and the other side uses union "**blackmails**" and threats of **strikes**, have little likelihood of being fair.
 7. Local **living costs** (e.g. of a family of four). The goods and services that a family needs to meet their basic needs (food, housing, transportation, child care, medical care and education) may differ from one geographical region to another.

Argument that Wages in Developing Nations are too Low

- Relative to wages of workers in developed nations, even taking productivity differences into account.
- Relative to what companies in developed nations can afford given their overall profits, or relative to the profits they make from products assembled in developing nations.
- Relative to what workers in developing nations need to live on.

Argument that Wages in Developing Nations are Adequate

- Wages should be set by markets, not by comparisons to other countries.
- Local factors are more important when setting wages, than a company's profits.
- Costs of living are important, but wages should also consider the local average number of workers per household, where more than one person share the family expenses by working.

2-Working Conditions: Health and safety

- Workplace hazards include not only the more obvious categories of **mechanical injuries**, electrocution and **burns** but also **extreme heat and cold**, **noisy machinery**, rock dust, **textile fiber dust**, chemical fumes, **heavy metals**, **poisons** and radiations. Risk is, of course, an unavoidable part of many occupations, but **job risks are not justified**:
 - **When labor markets are uncompetitive and risks are unknown and uncompensated.**
 - **When companies fail to collect information on risks and fail to inform workers of risk.**
 - **When less-risky jobs are unavailable, or when workers lack information about less-risky alternatives.**

Establishing Fair Working Conditions

- It is clear that “*sweetshop*” conditions, (*sweetshop*: a workplace that has numerous health and safety hazards and poor working conditions, as well as low wages), are unethical and elimination of risk is imperative.
- Eliminating risks when cost is reasonable, studying potential risks of a job, informing workers of known risks, compensating workers for injuries.
- Providing compensation for job risks similar to risk premiums paid in other jobs.
- Providing adequate medical and disability benefits.
- Working with other firms to collect information about job risks.

Moral Responsibility for Working Conditions

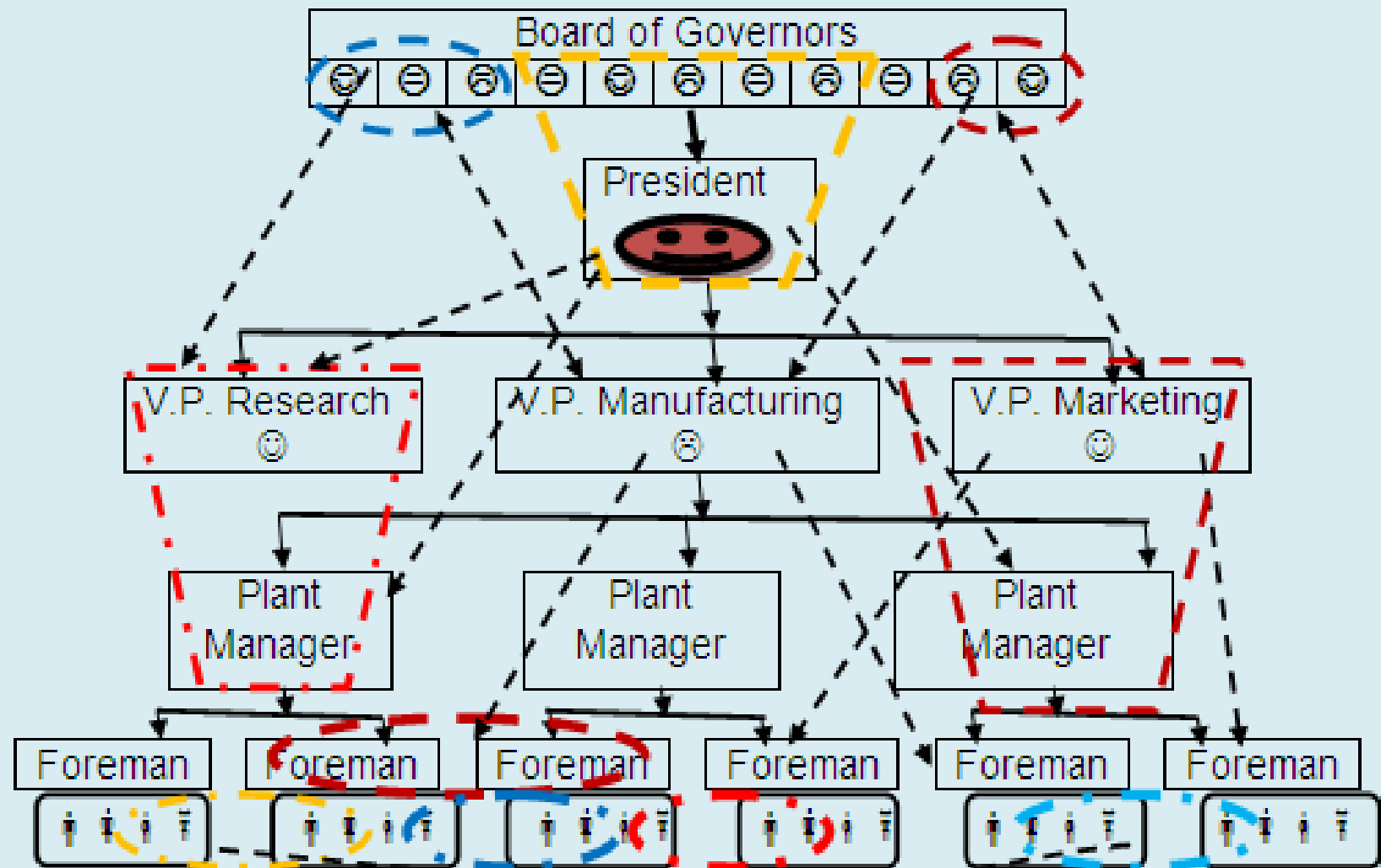
- Employer is morally responsible for bad working conditions if the employer:
 - Can and should improve conditions
 - Knows about the hazardous conditions
 - Is not prevented from changing conditions

2-The Political Organization

- Unlike the rational model of organization, in political model of organization, organizational behavior is neither goal-oriented nor efficient, and not even rational.
- **Political model of organization:** A view of the organization as a system of competing power coalition and formal and informal lines of influence and communication that radiate from these coalitions; main ethical issues are related to the moral constraints on the use of power in the organization.

Political Model of Organization

Criss-crossing communication channels in the political model of organization



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Employees Rights: The Similarity Argument

- The power of modern corporate management is similar to that of a government.
- Similarities between the power of management and government imply that employees should have rights similar to citizens' rights.
- A company's management is a **centralized decision-making body** that exercises power, like that of a government.
- Managements wield power and authority over employees, like governments wield over citizens.
- Management has the power to distribute income, status, and freedom among the corporation's constituencies, like government does with respect to citizens.
- Management has similar monopoly on power that political government possesses.
- Since management's power over employees is so similar to government's power over citizens, employees should have rights that protect them from managers' power, just as citizens' rights protect them from government power.

Replies and Counter-Replies to Similarity Argument

- Power of government is based on consent of the governed, unlike the power of managers which is based on ownership of the company.
 - The supporters of similarity argument respond that today power of managers does not come from owners.
- Unlike government, the power of management is limited by unions,
 - The supporters of similarity argument respond that most workers today are not unionized.
- While it is hard for citizens to escape the power of a government, it is easy for employees to escape the power of managers by changing jobs.
 - The supporters of similarity argument respond that changing jobs is not always so easy.

Employee's Right to Privacy

- Privacy is threatened by today's technologies. **Advanced technologies**, especially computer technologies have enabled **monitoring telephone talks** and different ways of computer communications. Polygraphs, **lie detectors**, **psychological tests**, honesty test and **medical and genetic tests** have exposed **inner self** of employees, enabling managers to uncover personal characteristics and **tendencies** that most persons would rather want to keep private.
- Privacy is truly justified because of the interest we have in the protective and enabling functions of privacy. Privacy protects us from embarrassment and it enables us to develop personal relations with our doctors, lawyers and psychiatrists etc.

Conditions for Violating the Privacy

In the cases and situations where it becomes necessary to violate the right to privacy and collect information about employees, managers are required to consider:

- **Relevance:** The employer must limit the enquiry into the employee's affairs to those areas that are directly relevant to the issue in hand.
- **Consent:** Employees must be given the opportunity to give or withhold their consent before the private aspects of their lives are investigated.
- **Methods:** The employer must distinguish between **ordinary methods**, like supervisory activities to oversee employees work and **extraordinary methods**, like hidden microphones, secret cameras, wiretaps etc. Use of the extraordinary methods could only be justified in extraordinary circumstances with extraordinary care.

The right to Freedom of Conscience

- Employees sometimes discover that the corporation they work for is doing something that the employee believes is seriously and morally wrong. **Responsible employees will normally feel they have a moral obligation to get the company to stop its harmful activities and consequently, will bring the matter to the attention of their superiors.**
- If the management pays no attention, **the employee has few other legal options.** He could take the matter to a government agency, or, worse, to disclose the company's activities to the public through media, **but the company has the legal right to punish the employee by firing.**
- Disclosure of morally wrong activities of a company to the government or public is called ***whistleblowing*.**

Freedom of Conscience and Whistleblowing

- Whistleblowing is an attempt by a member or former member of an organization to disclose wrongdoing in or by the organization including violation of the law, fraud, health or safety violations, bribery, or a potential or actual injury to the public.
Whistleblowing is often a brave act of conscience that can carry heavy personal costs. (Types: Internal, External, Open & Anonymous)
- Whistleblowing is justified by the interest we have in remaining true to our religious and moral convictions.
- Must be balanced against the legitimate rights of the firm, its stockholders, and fellow employees.

Necessary Conditions for Whistleblowing

- Whistleblowing to prevent a wrong that violates our moral convictions is *morally justified* when:
 - (a) The wrong is clear
 - (b) Other methods to prevent have failed
 - (c) It will definitely prevent the wrong
 - (d) The wrong is serious enough to justify the personal and other costs of Whistleblowing
- Whistleblowing is a *moral obligation* for a person when (a)–(d) hold, and, in addition:
 - The person has a special duty to prevent the wrong or is the only person who will or can prevent the wrong
 - The wrong involves an extremely serious harm to society's welfare, or extremely serious injustice, or extremely serious violation of rights.

Employment at Will vs. Right to Due Process

- **Employment at Will:** The doctrine that, unless the employees are protected by an explicit contract (such as union employees), employers “may dismiss their employees at will...for good causes, for no causes, or even for causes morally wrong, without being thereby guilty of legal wrong.” This doctrine of “*employment at will*” has **been defended** on several grounds:
 - The employer owns the company and ownership gives him or her, the right to decide whether and how long an employee will work in his or her company.
 - Everyone has the right to do what they choose (provided they do not violate the rights of others) and so has the right to make whatever agreements they choose, including the agreement with employees to hire and fire them at will.
 - Businesses will operate most efficiently if employers have the freedom to hire or fire employees as they see fit.

The Right to Due Process

- **Right to Due Process:** The right to a fair decision-making process when decision makers impose sanctions on employees. For many people, the right to due process is the most critical right employees have. The right to due process:
 - Is justified because without it other employee rights are at risk.
 - Requires that individuals be notified of the rules they must follow; that they be given a fair and impartial hearing when accused of violating the rule; that rules be applied consistently; that processes through which sanctions are decided be designed to determine the truth objectively and that people not be held responsible for what they could not avoid.
 - Is institutionalized through fair grievances procedures.

The Right to Work

- The right to earn one's living by work as **work is the basic economic contribution that each person makes to his or her society.** Without work persons feel ashamed, become depressed, they consider themselves “worthless” and “useless.”
- It is justified to be declared as a right because of the interest we have in the instrumental and intrinsic values of work.
- **Work has a critical instrumental value because it is a means to our survival.**
- **Work has an intrinsic value because:**
 - it is our basic economic contribution to society and helps us feel worthwhile and useful
 - it lets us develop our potential and identity as a particular human being
 - it lets us develop our character and virtues
 - it is a source of self-esteem and self-respect.

Threats to the Right to Work

- The right to work is **threatened by unemployment** which in the United States has many causes including:
 - **Recessions (decreased purchasing power)**
 - **use of new technologies, (need fewer workers)**
 - **outsourcing of jobs to low-wage countries**
 - **free trade agreements (WTO)**
 - **our shift from a manufacturing (of goods) to a service economy**
- Company **layoffs also threaten** the right to work and have many causes including:
 - **decline in demand (saturation of supplies)**
 - **changes in consumer demand (Small cars due to Fuel prices)**
 - **product obsolescence (like Kerosene lamps)**
 - **relocation of factories in the pursuit of cheaper workers**
 - **the need to consolidate operations (merger of small firms)**

Protecting the Rights to Work

- The United States and other countries protect the right to work with “**palliative**” policies that help workers find new jobs; other countries in addition use “**preventative**” policies that try to ensure workers do not lose their job to begin with.
- **Companies that have to lay off workers can respect their employees’ right to work by providing:**
 - Advance Notices (12 to 18 months advance notices)
 - **Severance Pay** (extra pay given to employees who are dismissed through no fault of their own, usually based on length of time employed)
 - **Health benefits** (at least for an additional period of one year from the date of dismissal)
 - **Early retirement with full pension**
 - **Job transfers to other factories**
 - **Job retraining** (for those who cannot be adjusted in same skills)
 - **The possibility of employee purchase**
 - **Phasing out of local taxes, avoiding a sudden reduction of their local tax contributions.**

Approaches to the Ethics of Political Tactics

- Organizational politics in which individual or groups within an organization use informally sanctioned powers tactics to advance their own aims, raise many ethical questions. These questions are based on **four principles**:
 1. **The utilitarian question: Are the tactics used, intended to advance socially beneficial or harmful goals?**
 2. **The rights question: Do the tactics employed treat others in a way that is consistent with their moral rights?**
 3. **The justice question: Will the tactics lead to an equitable distribution of benefits and burdens?**
 4. **The caring question: What impact will the tactics have on the relationships within the organization?**

Characteristics of the Caring Model of Organization

- This is the **third model of organization** after the **rational model** and **political models** of organization. In caring model:
 - Caring is focused entirely on persons, not on “quality” or “profits”
 - Caring is undertaken as an end in itself, and not as a means to productivity.
 - Caring is essentially personal, in that it ultimately involves particular individuals caring for other particular individuals
 - Caring is growth-enhancing for the cared-for so as to move them toward using their full capacities according to their needs and aspirations.

Problems for the Caring Organization

- There are certain moral problems with both “caring too much” and “caring not enough” situations:
 - Caring too much for others which can lead to “burnout” when the needs of others are given too much weight compared to the needs of the self.
 - Not caring enough for others because fatigue, self-interest, or disinterest leads us to ignore their needs; or the organization systematically drives out caring with layoffs, bureaucracy; managerial style that see employees as disposable; or rewards that encourage competitiveness and discourage caring.

The price of greatness is “ETHICAL” responsibility.

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