

# 3

# Ethical Dilemmas

## Syllabus

*Ethical Dilemmas, Sources and Their resolutions: What is an Ethical Dilemma, Sources of Ethical Behaviour, Code of Personal Ethics for Employees, How to Resolve an Ethical Problem, How to Resolve Ethical Dilemmas.*

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- 3.2 Code of Personal Ethics for Employees
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### 3.1 Ethical Dilemmas

- The term 'ethics' is concerned with norms for the conduct of people as member of society. In this more specialized use of the term, ethics is referred to as 'morality'.
- Attempts have been made to find, if possible, a set of moral principles or rules that would hold good for all rational people. However a view prevails that such sets of rules can only be fairly specific to individual societies, at different periods of time. This leads to moral relativism.
- Ambiguous situations create the ethical dilemma to the manager and selection of an alternative which gives them higher return at the cost of losing integrity they don't think.
- When confronted with ethical dilemma for that "Bennett" had given some tips :
  1. Understand and define the dilemma.
  2. Collect the factual information.
  3. List out the alternatives.
  4. Check and test on your standards each alternative
  5. Make your decision
- An ethical dilemma is a moral situation in which a choice has to be made between two equally undesirable alternatives.
- An ethical dilemma is hard to identify as it is very specific in nature and many situational factors are embedded in it.
- Ethical dilemma occurs in the type of situations when one has to choose between right v/s right sorts.
- Some great men have defined ethical dilemma as :
  1. According to 'Doug Wallace'- an ethical dilemma exists when one is faced with having to make a choice among following alternatives :
    - a) Significant value conflict among differing interests
    - b) Real alternatives those are equally justifiable
    - c) Significant consequences on stakeholders in the situations.

#### 3.1.1 Salient Features of Ethical Dilemma

- An ethical dilemma is very specific in nature and having some special and salient features as follows:
  1. Outcome is uncertain
  2. Multiple choices and alternatives
  3. Mixed consequences
  4. Direct/indirect involvement

### 3.1.2 Approaches and Methods of Resolving Ethical Dilemmas

- Methods of resolving ethical dilemmas occur in organisation in different forms, framework and structure so single unique and standard method cannot be applied to resolve them.
- There are some classical approaches and traditional methods developed in resolving ethical dilemmas.
  1. Utilitarian (end-based approach)
  2. Universalism (rule based)
  3. Care-based approach

### 3.2 Code of Personal Ethics for Employees

- A professional code of ethics sets a standard for which each member of the profession can be expected to meet.
- By developing a code of ethics, an organization makes it clear that employees and members cannot claim ignorance as a defense for unethical conduct.
- Codes of ethics help employees strike a balance between the ends and the means used to obtain them.
- Most company codes list the following values being expected from their employees :
  - a) Respect confidential information to which you have access.
  - b) Maintain high standard of professional responsibility.
  - c) Avoid being placed in situations involving conflict of interest.
- Ethical codes are adopted by organizations to assist members in understanding the difference between 'right' and 'wrong' and in applying that understanding to their decisions.
- An ethical code generally implies documents at three levels : codes of business ethics, codes of conduct for employees and codes of professional practice.

#### 3.2.1 Purpose of Code of Ethics

- The purpose of the code of conduct is :
  1. To increase professional and ethical consciousness among engineers and their sense of ethical responsibility.
  2. To guide engineers in making more informed ethical choices.
  3. To help the Engineering profession itself function at the fullness of its potential.

### 3.2.2 Areas of Code of Conduct

- Most company codes list the following values being expected from their employees.
  - a) Act with integrity.
  - b) Do not be biased against anybody or anything.
  - c) Maintain professional relations based on mutual respect for individuals and organizations.
  - d) Be committed to the goals of the organization.
  - e) Do not give up your individual professional ethics.
- As professionals, engineers commit themselves to supporting and acting in accordance with ethical guidelines covering the following six main areas :
  1. Competency
  2. Integrity
  3. Public Interest
  4. Environment
  5. Dignity of the Profession
  6. Administrative

### 3.3 How to Resolve an Ethical Problem

- The issues involved in understanding ethical problems can be split into 3 categories :
  1. Factual
  2. Conceptual
  3. Moral
- Step involved in resolving ethical problems.

#### Step : 1 Gather the relevant facts and identify the problems

- Is there a conflict of values, or rights, or professional responsibilities ? (For example, there may be an issue of self-determination of an adolescent versus the well-being of the family.)

#### Step : 2 Consider the ethical issues involved

- What meanings and limitations are typically attached to these competing values? (For example, rarely is confidential information held in absolute secrecy; however, typically decisions about access by third parties to sensitive content should be contracted with clients.)

**Step : 3 Identify which fundamental principles are affected**

What are the threats to compliance with the fundamental principles of :

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

Have you considered the following threats?

- Self interest

- Self-review

- Advocacy

- Familiarity

- Intimidation

If so, are the treats to compliance with the fundamental principles clearly insignificant ?

Are there safeguards which can eliminate or reduce the threats to an acceptable level ?

- Profession, legislation and regulation

- Work environment

- Individual

**Step : 4 Refer to the organisation's internal procedures**

Does your organisation's policies and procedure provide guidance on the situation ?

How can you escalate concerns within the organisation? Who should be involved, in what role and at what stage ?

**Step : 5 Consider and evaluate alternative courses of action**

- Organisation's policies, procedures and guidelines

- Applicable laws and regulation

- Universal values and principles generally accepted by society

- Consequences

**Step : 6 Implement the course of action and monitor its progress**

When faced with an ethical issue, it may be in your best interests to document your thought processes, discussions and the decisions taken.

- Written records will be useful if you need to justify your course of action.

### 3.4 How to Resolve Ethical Dilemmas

- Two basic approaches are possible in resolving ethical dilemmas: deontological and teleological
- 1. Deontological (action-oriented) approach :** An ethical standard consistent with the fact that it is performed by a rational and free person.
  - These are inalienable rights of human beings and reflect the "characteristic and defining features of our nature".
  - These fundamental moral rights are inherent in our nature and are universally recognized.
  - 2. Teleological (results-oriented) ethics :** The moral character of actions depends on the simple, practical matter of the extent to which actions actually help or hurt people.
  - Actions that produce more benefits than harms are "right"; those that don't are "wrong".
  - Center for ethics and business offers "a brief, three-step strategy" in which both the deontological and teleological approaches converge

**Step 1 :** Analyse the consequences

**Step 2 :** Analyse the actions

**Step 3 :** Make a decision

#### 3.4.1 Steps in Resolving Ethical Dilemmas

- Steps involved in resolving ethical dilemmas -

**Step 1 :** Determine whether there is an ethical issue or/and dilemma. Is there a conflict of values, or rights, or professional responsibilities ?

**Step 2 :** Identify the key values and principles involved. What meanings and limitations are typically attached to these competing values ?

**Step 3 :** Rank the values or ethical principles which - in your professional judgement - are most relevant to the issue or dilemma. What reasons can you provide for prioritizing one competing value/principle over another ?

**Step 4 :** Develop an action plan that is consistent with the ethical priorities that have been determined as central to the dilemma.

**Step 5 :** Implement the plan, utilizing the most appropriate practice skills and competencies.

**Step 6 :** Reflect on the outcome of this ethical decision-making process.

**Review Questions**

1. How to resolve ethical problems ?
2. How to resolve ethical dilemmas ?
3. Explain steps in resolving ethical dilemmas ?



# 4

# Ethical Decision Making in Business

## Syllabus

*Ethical Decision – making in Business: Ethical Models that Guide Decision making, Which Approach to use, Ethical Decision Making with Cross – holder conflicts and competition, Applying Moral Philosophy to Ethical Decision Making, Kohlberg's Model of Cognitive Moral Development, Influences on Ethical Decision Making, Personal values and Ethical Decision Making*

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- 4.1 Ethical Theories
- 4.2 Ethical Models that Guide Decision Making
- 4.3 Ethical Decision Making with Cross-holder Conflicts and Competition
- 4.4 Applying Moral Philosophy to Ethical Decision Making
- 4.5 Influences on Ethical Decision Making

## 4.1 Ethical Theories

- Ethical theories have following three important uses -
  1. In understanding moral dilemmas.
  2. In justifying professional obligations and ideals.
  3. In relating ordinary and professional morality.

### 4.1.1 Understanding Moral Dilemmas

- Ethical theories provide information for solving moral dilemmas. All the theories agree about the potential harm to the public are directly and urgently relevant.
- The ethical theories rank the relevant moral considerations as per the importance.
- The priorities are ranked as -
  1. The special importance of rights to life and to informed consent concerning risks to one's life.
  2. The importance of duties to protect the vulnerable public.
  3. The degree of immorality involved in death and risk of death compared to economic benefit of corporations.
- The theories also help in identify the alternative courses of action, also provides the framework for moral reasoning.
- The theories strengthen the ability to reach balanced and insightful judgements

### 4.1.2 Justifying Professional Obligation

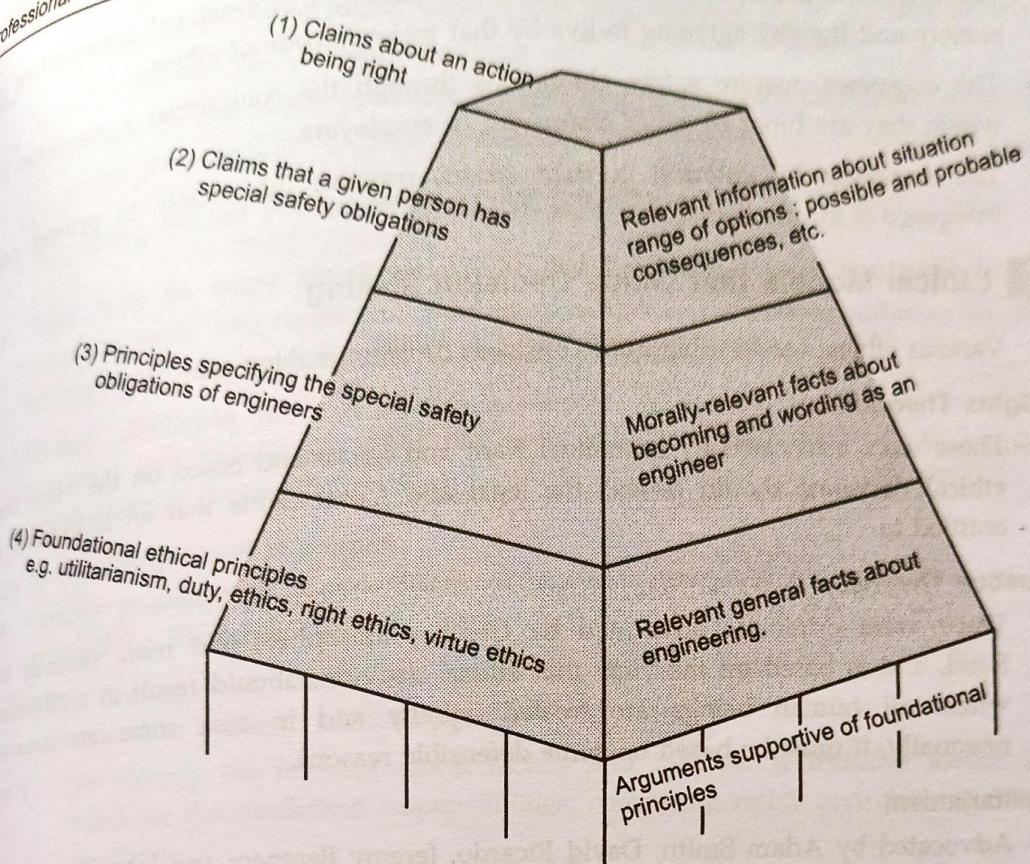
- Ethical theories also used in justifying general obligation to engineers and all those involved in technological development safety is involved in most of the issues in engineering ethics.
- An architectural metaphor shows how the safety obligation of engineers are justified by appealing to ethical theories.
- Fig. 4.1.1 shows four levels of moral claim about safety in engineering.

**Level 1 :** Claims about an action being right.

**Level 2 :** Claims that a person has special safety obligations.

**Level 3 :** Principles specifying the special safety obligations of engineers.

**Level 4 :** Ethical theories - e.g. utilitarianism, duty ethics, right ethics, virtue ethics.



**Fig. 4.1.1 Justifying moral claims about safety in engineering**

- Level - 1, at the top represents claims about particular actions being right or obligatory.
- Level - 2, represents claims that specific engineers have special moral obligations concerning safety.
- Level - 3, represents the special safety principles.
- Level - 4, is concerned with the most general and basic foundational or philosophical principles.
- Vertical connecting columns represents the morally relevant information needed to move from one type of normative claim to another.

#### 4.1.3 Relating Ordinary and Professional Morality

- The ethical theories are also useful in justifying the obligations of professionals.
- Engineers acquire moral obligation in regarding safety by being subject to laws or enforced codes. This constitutes legalistic approach to morality.

- The engineers acquire special obligations by joining a professional organization or society and thereby agreeing to live by that society's code of ethics.
- The engineers acquire safety obligations through the contractual agreements by which they are hired by other companies or employers.
- The engineers by entering in their career, promise the society to protect and safeguard it in due course.

## 4.2 Ethical Models that Guide Decision Making

- Various ethical models that guide business decision making are-

### 1. Rights Theories :

- These were advocated by Immanuel Kant and Locke and based on the view that ethical decisions should protect the legal and moral rights that an individual is entitled to.

### 2. Justice Theories :

- These were originally advocated by Greek philosophers and more recently by Rawl, and is based on the view that ethical decisions should result in a situation where all human beings are treated equally and in case some are treated unequally, it must be based on some defensible reasons.

### 3. Utilitarianism :

- Advocated by Adam Smith, David Ricardo, Jeremy Bentham and John Stuart Mill, this theory employs a teleological approach to ethics and asserts that behaviour or actions should be evaluated in terms of their consequences.

### 4. The Virtue Approach :

- It advocates that ethical actions should be consistent with certain morally acceptable virtues that would pave the way for full development of humanity.

### 5. The Common Good Approach :

- It underlines the societal view that life in a community is good in itself and that it is every person's moral responsibility not only to contribute, but also to enrich it.

## 4.3 Ethical Decision Making with Cross-holder Conflicts and Competition

- Barry proposed the following decision-making rules regarding cases of conflicts and mixed effects:
  - Choose the more important obligation between two or more conflicting obligations.

2. Choose an action of higher ideal when two or more ideals conflict or when ideals conflict with obligations.
3. Choose the action that produces the greater good, or the lesser harm, when the effects are mixed.

## 4.4 Applying Moral Philosophy to Ethical Decision Making

- There may be some situations where two or more clearly applicable moral principles come into conflict or a principle seems to indicate simultaneously two different outcomes, such a problem is called as moral dilemma.
- Though dilemmas are not always so easily addressed. Sometimes resolving dilemmas may require searching and may cause pain also. Most engineers face moral dilemma during their careers.

### Steps in Resolving Moral Dilemmas

- Various problems of moral dilemmas suggest the need for several steps in approaching dilemmas.
- While dealing with moral dilemma. Various steps are involved which are inter-related or it can be taken as jointly.

**Step 1 :** To identify the relevant moral factors and reasons. It includes identifying what are the conflicting responsibilities, competing rights and clashing ideals involved.

**Step 2 :** Collect all available facts that are related to the moral factor.

**Step 3 :** Arrange all the moral considerations in order as per the importance for that situations.

**Step 4 :** Find alternative courses of action for resolving dilemma. It usually involves factual inquiry.

**Step 5 :** Speak with all the concerned people, consider their suggestions and alternative perspectives on the dilemma.

**Step 6 :** Considering all the relevant moral factors and arrive at a reasonable alternative.

- Engineering ethics helps to develop the skills required for all above steps. These skills can be enhanced by reading case studies, discussions and practice.

### 4.4.1 Moral Autonomy

- The meaning of autonomy is 'independent' or 'self-determining'. And moral autonomy is defined as - "the skills and habits of thinking rationally about ethical issues based upon moral concern".

- The moral concern is different for different professionals. Various practical skills are to improve for an effective thought about moral issue. As related to engineering ethics these skills include the following -
  - a) Expertise in recognizing moral problems and issues in engineering. It involves distinguishing of various moral problems and interrelation between them.
  - b) Skill in understanding, clarifying and assessing arguments on opposing sides of moral issues.
  - c) Ability to conclude from relevant facts.
  - d) Prediction about the alternative responses.
  - e) Creative solutions for practical difficulties.
  - f) Sensitivity to genuine difficulties.
  - g) Positive approach.
  - h) Understanding importance of integrating one's professional life and personal feelings.
- Moral autonomy is a refined form of a mature moral outlook i.e. one which is more than passively adopted. Moral autonomy is an integral part of being a responsible person.

#### 4.4.2 Kohlberg's Model of Cognitive Moral Development

- Lawrence Kohlberg suggested psychological theory of moral development. Kohlberg suggested three main levels of moral development. These levels are based on knowledge of moral development which an individual adopts in response to moral questions. These three important levels are -
  - a) Preconventional level.
  - b) Conventional level.
  - c) Post conventional level.

##### a) Preconventional level :

- The most basic and original is preconventional level in which right conduct is considered as the direct benefits that an individual gets. The individuals are motivated primarily by the desire to avoid punishment, without considering the power or by desire to meet their own needs. This preconventional level is the level of development of all young children. Where the person is pre-occupied with self-centered reasoning. Right conduct is viewed in a selfish manner as only what is good for one self.

**b) Conventional level :**

- In conventional level of moral development the norm's of one's family, group or society are accepted as the final standard of morality. These norms represent authority hence adopted uncritically. The individuals are motivated by desire to please others and to meet the expectations of the society regardless of the self interest. Kohlberg's theory state that most adults never mature much beyond this stage.

**c) Post conventional level :**

- This post conventional level is said to be attained when an individual considers the standard of right or wrong. These individuals are called autonomous since they think for themselves and do not assume that customs are always right. Their motivation is to do what is morally reasonable for its own together with a desire to maintain moral integrity and self respect.

**4.4.3 Kolberg's Six Stage Model of Cognitive Development**

- Kolberg's six stage model of cognitive development explains why people make different decisions in similar ethical situations.

  1. The stage of punishment and obedience
  2. The stage of individual instrumental purpose and exchange
  3. The stage of mutual interpersonal expectations, relationships and conformity
  4. The stage of social system and conscience maintenance
  5. The stage of prior rights, social contract or utility
  6. The stage of universal ethical principles

**4.4.4 Gilligan's Theory**

- Carol Gilligan in her book 'In a Different Voice' presented new approach to moral development. She charges Kohlberg's approach is male biased. The Kohlberg study was with typically male preoccupation with general rules.
- Gilligan suggests that the men tendency is trying to solve moral problems by applying abstract moral principles. Male tend to resolve moral dilemmas by determining the moral rule, which over rides other moral rules relevant to the dilemma. While female try harder to preserve personal relationships with the people involved in the situation.
- They concentrate more on the details of the context in which dilemma arise rather than applying general rules. Female emphasize on maintaining personal relationships called ethics of care while male's style is called ethics of rules and regulation.

- Gilligan's approach of ethics of care for moral development is expressed in three levels similar to Kohlberg's stages of growth. These are -

**a) Preconventional level :**

- The preconventional level is similar to Kohlberg's first level. In this level the person is preoccupied with self centered reasoning. Right conduct is viewed in a selfish manner as only what is good for oneself.

**b) Conventional level :**

- In this level individual's intention is not to hurt others and there is willingness to sacrifice self interest.

**c) Post conventional level :**

- At this level the individual is able to maintained a balance between caring about other people and pursuing one's own self interest while exercising one's rights, while maintaining relationships based on mutual caring. This can be achieved through context oriented reasoning compared to applying abstract rules of ethics.

## 4.5 Influences on Ethical Decision Making

- There are three major influences that have an impact on an employee's decision making in business-his personal moral standards, his workplace ethics and culture, and the nature of the issue concerned.

### 4.5.1 Personal Values and Ethical Decision Making

- For an individual to be considered as an ethical decision maker, he needs to build and develop certain values.
- The Josephson Institute of Ethics proposed the following six pillars of character :
  1. Trustworthiness
  2. Respect
  3. Responsibility
  4. Fairness
  5. Caring and
  6. Citizenship

#### Review Questions

1. What are influences on decision making ?
2. State characters proposed for required by an ethical decision makers.