

What is ethics?

- Ethics is a system of moral principles. They affect how people make decisions and lead their lives.
- Ethics is concerned with what is good for individuals and society and is also described as moral philosophy.
- The term is derived from the Greek word ethos which can mean custom, habit, character or disposition.
- Ethics covers the following dilemmas:
 - How to live a good life
 - Our rights and responsibilities
 - The language of right and wrong
 - Moral decisions - what is good and bad?
- Our concepts of ethics have been derived from religions, philosophies and cultures.

Personal ethics and business ethics

- Personal ethics refers to the set of moral values that form the character and conduct of a person.
- Organization ethics, on the other hand, describe what constitutes right and wrong or good and bad, in human conduct in the context of an organization.
- It is concerned with the issue of morality that arises in any situation where employees come together for the specific purpose of producing commodities or rendering services for the purpose of making profit.
- An organization can be described as a group of people who work together with a view to achieving a common objective, which may be to offer a product or service for a profit.
- Organization ethics, therefore, deals with moral issues and dilemmas organizations face both in business and non-business settings that include academic, social and legal entities.

Morality and law

- **Morality** can be a body of standards or principles derived from a code of conduct from a particular philosophy, religion or culture, or it can derive from a standard that a person believes should be universal. E.g. never cheat other.
- **Law** is defined as the system of rules which a particular country or community recognizes as regulating the actions of its members and which it may enforce by the imposition of penalties. E.g. shooting the birds is against the law.

- Law and morality are two normative systems that control and regulate behaviors in a human community so as to allow harmonious and effective inter subjectivity between individuals who recognize one another as bearers of rights.
- Both philosophies have their common foundation in the concept of individual autonomy and equal respect for everyone.
- They have a complementary relationship.
- Law compensates for the functional weaknesses of morality and morality tempers the mechanical implementation of positive law through the philosophies of solidarity and responsibility.
- Different legal thinkers have interpreted the relationship between law and morality in different ways.
- On the one hand, there are those who argue that law and morality are independent – though not unrelated.
- For this first group, a law cannot be disregarded merely because it is morally indefensible.
- On the other hand, there are those who maintain that law and morality are interdependent.
- For this second group, any law that claims to regulate behavioral expectations must be in harmony with moral norms.
- Approached from this perspective, the law must be enacted in such a way that it secures the welfare of the individual and the good of the community.
- Thus, the aim of all laws should be both the attainment of the end of the state and the common good of the community, both immediate and ultimate.
- For Habermas, law and morality deal with the same problem: legitimately ordering interpersonal relationships through justified norms.

How are moral standards formed?

- There are some moral standards that many of us share in our conduct in society.
- These moral standards are influenced by a variety of factors such as:
 - The moral principles we accept as part of our upbringing
 - Values passed on to us through heritage and legacy
 - The religious values that we have imbibed from childhood
 - The values that were showcased during the period of our education
 - The behavior pattern of those who are around us
 - The explicit and implicit standards of our culture
 - Our life experiences and more importantly, our critical reflections on these experiences
- Moral standards concern behavior which is very closely linked to human well-being.
- These standards also take priority over non-moral standards, including one's self-interest.

- The soundness or otherwise of these, of course, depends on the adequacy of the reasons that support or justify them.

Religion and morality

- Morality and religion is the relationship between religious views and morals.
- Many religions have value frameworks regarding personal behavior meant to guide adherents in determining between right and wrong.
- These include the Triple Gems of Jainism, Islam's Sharia, Catholicism's Canon Law, Buddhism's Eightfold Path, and Zoroastrianism's "good thoughts, good words, and good deeds" concept, among others.
- These frameworks are outlined and interpreted by various sources such as holy books, oral and written traditions, and religious leaders.
- Many of these share tenets with secular value frameworks such as consequentialism, free thought, and utilitarianism.
- Religion and morality are not synonymous.
- Morality does not necessarily depend upon religion, though for some, this is "an almost automatic assumption.
- According to The Westminster Dictionary of Christian Ethics, religion and morality "are to be defined differently and have no definitional connections with each other.
- Conceptually and in principle, morality and a religious value system are two distinct kinds of value systems or action guides.
- In the views of others, the two can overlap.
- According to one definition, morality is an active process which is, "at the very least, the effort to guide one's conduct by reason, that is, doing what there are the best reasons for doing, while giving equal consideration to the interests of all those affected by what one does.
- Value judgments can vary greatly between religions, past and present.
- People in various religious traditions, such as Christianity, may derive ideas of right and wrong from the rules and laws set forth in their respective authoritative guides and by their religious leaders.
- Equating morality to adherence to authoritative commands in a holy book is the Divine Command Theory.
- Polytheistic religions such as Buddhism and Hinduism generally draw from some of the broadest canons of religious works.
- There has been interest in the relationship between religion and crime and other behavior that does not adhere to contemporary laws and social norms in various countries.

- Studies conducted in recent years have explored these relationships, but the results have been mixed and sometimes contradictory.
- The ability of religious faiths to provide value frameworks that are seen as useful is a debated matter.
- Religious commentators have asserted that a moral life cannot be led without an absolute lawgiver as a guide.
- Other observers assert that moral behavior does not rely on religious tenets, and secular commentators point to ethical challenges within various religions that conflict with contemporary social norms.

Morality, etiquette and professional codes

- It is also necessary to understand the differences between morality and etiquette, and morality and law.
- While morality is the moral code of an individual or of a society, etiquette is a set of rules for well-mannered behavior.
- Etiquette is an unwritten code or rules of social or professional behavior such as medical etiquette.
- Morality can be also differentiated from law which consists of statutes, regulations, common law and constitutional law.
- Morality is different from professional codes of ethics which are special rules governing the members of a profession, say of doctors, lawyers and so on.
- Morality is not necessarily based on religion as many people think.
- Although we draw our moral beliefs from many sources, for ethicists the issue is whether these beliefs can be justified.
- When people work in organizations, several aspects of corporate structures and functions tend to undermine a person's moral responsibility.
- Organizational norms, group commitment to certain goals, pressure to conform and the diffusion of responsibility can all make the exercise of personal integrity in the context of an organization difficult.
- Moral principles provide confirmatory standard for moral judgments.
- This process, however, is not mechanical.
- Principles provide a conceptual framework that guides people in making moral decisions.
- Careful thoughts and reflection with an open mind are very necessary to work from one's moral principle to make a moral judgment.

- A person can hold a moral or ethical belief only after going through a process of a conscientious effort to be conceptually clear, to acquire all relevant information, and to think rationally, impartially and dispassionately about the belief and its implications.

Indian ethical traditions

- India has rich ethical traditions which envisioned in the scriptures of the land like the Gita, the Upanishads, etc.
- Hindu scriptures speak of the performance of right duty, at the right time in the right manner.
- The rich Indian tradition has always emphasized the dignity of human life and right to live in a respectful manner.
- The rich values that once prevailed in India are now disappearing from the mainstream.
- Indian traditions are copied and followed by Western countries in their social welfare and organizational conduct.
- Another idea of trusteeship was propounded by Tolstoy, Ruskin and Mahatma Gandhi.
- According to this principle, the managers of business are only the trustees of their property and it is their moral duty to use and manage all of their property for the welfare of the society.
- No individual has any right to hold any property for personal gain only and to use it against the interests of society.
- All resources must be fully utilized for production of goods and services. Keeping in view the needs of the society.
- As far back as in 1927, a top industrialist had remarked, “We consider ourselves to be the trustees of our wealth, which is to be managed only for the benefits of workers and consumers”

Principles of personal ethics

- As with beliefs and values, personal ethics can differ widely from person to person.
- As mentioned already, beliefs and values often motivate a person by defining what they see as being important.
- In turn, they influence a person's attitudes, and how they behave.
- Ethical expectations often take the form of principles such as:
 - concern for the well-being of others
 - respect for others
 - trustworthiness and honesty
 - compliance with the law
 - preventing harm to others.

Professional ethics

- In life our behavior is governed by different norm systems.
- The word NORM comes from Latin “NORMA”= yardstick. Norms dictate what we “ought” or “ought not” to do.
- The norm systems governing the behavior of a professional are:
 1. Individual morality
 - Refers to individual values of a specific person and what they believe to be right.
 - Individual morality is influenced by how a person was raised.
 - It is their personal value system.
 - The sanction for disobeying one's individual morality is a guilty conscience.
 2. Positive morality
 - This set of norms represents what is considered “right” in society at a particular time.
 - The sanction for failure to obey positive morality is social sanction.
 3. Law (Legal Norms)
 - Laws protect society and prevent anarchy by regulating behavior.
 - **Public Law** – also referred to as criminal law: between the state and individual.
 - **Private Law** – also referred to as contractual law and focuses on the relationship between persons.
 - **Formal Law and Common Law** find expression in the reported judgments of courts.
 4. Professional Ethics
 - Professionals are a group of people who earn a living by undertaking a common activity and who regulate most of this themselves.

- Firstly they must form a constitution, e.g. SAIMechE, and secondly they must publish a professional code of rules or an ethical code of conduct.
- This code must be in line with the law and is often more restrictive than the law.

Principles of professional ethics

- Most of profession have common fundamental principles which boil down to four universal fundamental principles:
 1. Respect for People's Dignity and Rights
 - Respect the client's personal integrity (privacy, confidentiality)
 - Be non-judgmental of the intrinsic value of the client irrespective of age, behavior, culture, gender, race or religion
 - If you are not competent to undertake a project/task refer to another professionals
 - Respect the knowledge skills and experience of your colleagues and other professionals
 2. Responsible Practice
 - The critical focus of this principle is to limit your practice to your field of expertise and competence
 - You must have the appropriate knowledge and skill before undertaking an activity
 - Undergo relevant training and adhere to best practice
 - Keep abreast of new developments in your field
 - Use a new technique under supervision of a competent and experienced professionals
 3. Integrity in Relationships
 - The power relationship is unbalanced between the client and the professionals as most power rests with the professionals (having the knowledge and skill) which leaves the client vulnerable
 - Professional codes expect professionals to act with integrity
 - For professionals to be accepted in society and successful in their profession they need to be trusted. There is a fiduciary relationship whereby one person (the client), in a position of vulnerability, justifiably reposes confidence, good faith, reliance and trust in another (the professionals) whose aid, advice or protection is sought in some matter. In such a relationship good conscience requires one to act at all times for the sole benefit and interests of another, with loyalty to those interests
 4. Responsibility
 - Clients are clearly the professionals first responsibility but professionals also have a responsibility to society
 - Examples of responsible social actions are to:
 - ✓ disperse information that can advance the profession

- ✓ protect the public trust in the profession by “blowing the whistle” on non-professional conduct
- ✓ assisting in some instances where worthy causes cannot afford professional services
- ✓ protect society from dangerous practices

Evolution of ethics over the years

- The notion of ethics in business can be traced back to the earliest forms of bartering, based on the principle of equal exchange.
- Countless philosophers and economists have examined the topic, from Aristotle and his concept of justice to Karl Marx's attack on capitalism.
- But the modern concept of business ethics dates back to the rise of anti-big business protest groups in the United States in the 1970s.
- The subject gradually became an academic field in its own right, with both philosophical and empirical branches.
- Then, thanks to government legislation, ethics have been incorporated into businesses, reflected today in corporate social responsibility strategies and codes of conduct.
- Business ethics is now not only a firmly established academic field, it is something companies realize they need to manage and internalize.
- The history of “business ethics” depends on how one defines it.
- Although the term is used in several senses and varies somewhat for different countries, its current use originated in the United States and became widespread in the 1970s.
- The history of business ethics in the United States can be viewed as the intersection of three intertwined strands.
- Each of these in turn can be divided into at least two related branches.
- The first strand, which I shall call the ethics-in-business strand, is the long tradition of applying ethical norms to business, just as it has been applied to other areas of social and personal life.
- This strand can be divided further into the secular and the religious branches.
- The second strand is the development of an academic field, which has been called business ethics.
- It also has two main branches, one being the philosophical business-ethics branch, which is normative and critical, and the other the social-scientific branch, which is primarily descriptive and empirical.
- The third strand is the adoption of ethics or at least the trappings of ethics in businesses.
- This again subdivides into the integration of ethics into business and business practices on the one hand and the commitment to corporate social responsibility on the other.

- Business ethics was introduced into Europe and Japan in the 1980s although the term did not translate easily, and the development in each country varied from that in the United States because of socio-political-economic differences.
- It then spread in a variety of ways to other parts of the world, each time with a different local emphasis and history.
- On the world-wide level it became associated with the UN Global Compact, initiated by the then UN Secretary-General Kofi Annan in an address to The World Economic Forum on January 31, 1999, and officially launched in July, 2000.

Honesty, integrity and transparency are the touchstones of business ethics

- Ethical corporate behavior is nothing but a reiteration of the ancient wisdom that ‘honesty is the best policy’.
- The dramatic collapse of some of the Fortune 500 companies such as Enron and WorldCom or the well-known auditing firm Andersen showed that even successful companies could ultimately come to grief, if their managers did not practice the basic principles of integrity.
- For every profession ‘we would think of a code of conduct or a set of values, which has a moral content and that would be the essence of ethics for that profession’.
- There should be transparency in operations leading to accountability, which should ensure safety and protect the interest of all stakeholders.

Distinction between values and ethics

- Ethics and Values together lay the foundation for sustainability.
- While they are sometimes used synonymously, they are different, wherein **ethics** are the set of rules that govern the behavior of a person, established by a group or culture.
- **Values** refer to the beliefs for which a person has an enduring preference.
- Ethics and values are important in every aspect of life, when we have to make a choice between two things, wherein ethics determine what is right, values determine what is important.
- In the world of intense competition, every business entity work on certain principles and beliefs which are nothing but the values.
- Likewise, ethics is implemented in the organization to ensure the protection of the interest of stakeholders like customers, suppliers, employees, society and government.

BASIS FOR COMPARISON	ETHICS	VALUES
Meaning	Ethics refers to the guidelines for conduct, that address question about morality.	Value is defined as the principles and ideals, which helps them in making judgment of what is more important.
What are they?	System of moral principles.	Stimuli for thinking.
Consistency	Uniform	Differs from person to person
Tells	What is morally correct or incorrect, in the given situation?	What we want to do or achieve?
Determines	Extent of rightness or wrongness of our options.	Level of importance.
What it does?	Constrains	Motivates

Roots of unethical behavior

- Unethical behavior in the workplace doesn't have to be widespread or wasteful to be costly.
- Corporate scandals that finish with the arrests of immoral executives may gather the headlines.
- But the cumulative damages caused by the apparently small indiscretions that employees and managers commit every day are just as bad.
- Almost half of the 120 million workers in the United States have acknowledged witnessing ethical misconduct.
- Whether it's a common infraction like misusing company time, mistreating others, lying, stealing or violating company internet policies, unethical behavior in the workplace is widespread.
- These are the root causes of unethical behavior:
 1. No Code of Ethics
 - Employees are more likely to do wrong if they don't know what's right.
 - Without a code of ethics, they may be unscrupulous.
 - A code of ethics is a proactive approach to addressing unethical behavior.
 - It establishes an organization's values and sets boundaries for adhering to those values.
Everyone is accountable.
 2. Fear of Reprisal
 - When explaining why they don't report ethical misconduct that they witness, people often say it is because they worry about the implications.
 - They don't want to damage their career or incur the anger of the offender.
 - Or, sometimes, they let the infraction go because they don't know how to report it or they feel that their report may be ignored.
 3. Impact of Peer Influence

- If everyone is doing it, it must be right. Or is it? What's to stop someone from padding their expense report when their co-workers do it but don't get caught?
- Too often people lapse into the bad behavior of others.
- People behave unethically because they tend to perceive questionable behaviors exhibited by people who are similar to them — like their co-workers — to be more acceptable than those exhibited by people who they perceive as dissimilar, researchers say.

4. Going Down a Slippery Slope

- Misconduct starts small, such as the exaggeration of a mileage report.
- But the longer it goes unchecked, the worse the offenses become.
- The few extra dollars that came from the mileage report may eventually be dwarfed by larger falsified expenses or perhaps even outright misuse.
- People who are faced with growing opportunities to behave unethically are more likely to rationalize their misconduct because unethical behavior becomes habit.

5. Setting a Bad Example

- Ethical behavior starts at the top.
- Employees emulate their leaders, and the most significant factor in ethical leadership is personal character.
- Corporate leaders who employees view as demonstrating personal character are more likely to be perceived as setting a strong tone, researchers say.
- If employees see the boss knocking off early every day, they may do likewise.
- Ignoring the small stuff will not necessarily lead to the type of scandals that make the news.
- But ethical misconduct could prove costly if it is not stopped.
- Identifying these causes of unethical behavior in the workplace could prevent problems and minimize damages.

Ethical decision – making process

Take Time to Define the Problem

- Some initial analysis has to happen for leaders to truly understand where they need to bring in ethical principles.
- Leaders need to decide why an ethical decision needs to be made and the outcomes that are desired for the decision.

Consult Resources and Seek Assistance

- Leaders then need to work on developing a strategy using the resources and people around them.

- Whether it be qualified co-workers, HR professionals, or policies and handbooks set long ago, leaders need to gain clarity from other sources when creating a strategy to tackle the issue.

Think About the Lasting Effects

- While identifying the problem and seeking viable resources to help is the way to go, any advice for how to handle an issue should be filtered through the lens of how it will affect others.
- For instance, if there is an issue with employees getting to work on time, managers could install policies that change the time workers report, but if they are not careful, it may have a harmful impact on other workers, and even clients.

Consider Regulations in Other Industries

- Regulations and standards that other companies have established can be a good starting point for developing ethical strategies.
- Leaders should take a look at how they handle specific issues that have come their way.
- It might also be helpful to take a look at the mistakes the leader's company and other organizations have made and learn from them.
- Everyone does not always get it right 100 percent of the time.
- Therefore, it is essential to see the good and bad side to become even more informed about a decision that should be made.

Decide on a Decision

- After consulting others and doing a bit of extra research, it is time for a final decision.
- Since the choice will likely impact many it is a good idea to create a proposal of what the issue is and how leaders plan to work with the team to solve it.
- If the problem is more personal and involves harassment of some kind, it is more appropriate to only deal with those involved and establish a plan of action to handle that particular situation.
- However, for widespread ethical issues that have become a problem in the workplace, it is a good practice to bring decisions to the team at large.

Implement and Evaluate

- This is where talk meets action.
- It is easy for people to research and create solutions to a problem, but when dealing with morality and ethics, it can be challenging to put it into action finally.
- No one benefits from a plan that is not put into practice, so at some point, leaders need to facilitate the implementation of the ethical decision.

- Also, the application is not enough.
- Evaluation allows everyone to see how the approach is working out, and if there were some unintended consequences leaders did not foresee.
- Is the problem finally fixed? Did things get better or worse? Analysis of this issue can help those involved figure out if the implementation was the appropriate response.

PLUS ethical decision-making model

- PLUS Ethical Decision-Making Model is one of the most used and widely cited ethical models.
- To create a clear and cohesive approach to implementing a solution to an ethical problem, the model is set in a way that it gives the leader “ethical filters” to make decisions.
- The letters in PLUS each stand for a filter that leaders can use for decision-making:
 - P – Policies and Procedures:
 - Is the decision in line with the policies laid out by the company?
 - L – Legal:
 - Will this violate any legal parameters or regulations?
 - U – Universal:
 - How does this relate to the values and principles established for the organization to operate? Is it in tune with core values and the company culture?
 - S – Self:
 - Does it meet my standards of fairness and justice?
- These filters can even be applied to the process, so leaders have a clear ethical framework all along the way.
- Defining the problem automatically requires leaders to see if it is violating any of the PLUS ethical filters.
- It should also be used to assess the viability of any decisions that are being considered for implementation, and make a decision about whether the one that was chosen resolved the PLUS considerations questioned in the first step.
- No model is perfect, but this is a standard way to consider four vital components that have a substantial ethical impact.

What is an ethical dilemma?

- An ethical dilemma is a conflict between alternatives, where choosing any of them will lead to a compromise of some ethical principle and lead to an ethical violation.
- A crucial feature of an ethical dilemma is that the person faced with it should do both the conflicting acts, based on a strong ethical compass, but cannot, he may only choose one.
- Not choosing one is the condition that allows the person to choose the other.
- Thus, the same act is both required and forbidden at the same time.
- He is condemned to an ethical failure, meaning that no matter what he does, he will do something wrong.
- When people encounter these tough choices, an ethical failure rarely occurs because of a temptation, but simply because choosing any of the conflicting actions will involve sacrificing a principle in which they believe.
- E.g. you are a salesperson. Are you ethically obligated to disclose a core weakness of your product to your potential customer?

Sources of ethical behavior

- In every society there are three sources of business ethics-Religion, Culture and Law.
- The HR manager in every organization, thus, has to be well versed with the unique system of values developed by these three sources.
- These sources are discussed as follows:

1. Religion

- Religion is the oldest source of ethical inspiration.
- Nearly 1,00,000 religions which exist across the whole world, but all of them are in agreement on the fundamental principles.
- Every religion gives an expression of what is wrong and right in business and other walks of life.
- The Principle of reciprocity towards one's fellow beings is found in all the religions.
- Great religions preach the necessity for an orderly social system and emphasize upon social responsibility with an objective to contribute to the general welfare.
- With these fundamentals, every religion creates its own code of conduct.

2. Culture

- Culture is the set of important understandings that members of a community share in common.

- It consists of a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct etc. which creates distinctiveness among human groups.
- When we talk about culture we typically refer to the pattern of development reflected in a society's pattern of knowledge, ideology, values, laws, social norms and day to day rituals.
- Depending upon the pattern and stage of development, culture differs from society to society.
- Moreover culture is passed from generation to generation.
- Culture facilitates the generation of commitment to something larger than one's individual self-interest.
- Culture encourages the members of the organization to give priority to organizational goals over and above their personal interests.
- Culture also serves as a sense making and control mechanism that guides and shapes the attitudes and behavior of people.
- Managers have to run an industrial enterprise on the cutting edge of cultural experience.
- The tension that their actions create makes the business ethically more complex.

3. Law

- The legal system of any country, guide the human behavior in the society.
- Whatever, ethics the law defines are binding on the society.
- The society expects the business to abide by the law.
- Although it is expected that every business should be law abiding, seldom do the businesses adhere to the rules and regulations.
- Law breaking in business is common E.g. Tax evasion, hoarding, adulteration, poor quality & high priced products, environment pollution etc.

Code of personal ethics for employees

- A code of ethics is a set of principles for employees to adhere to when conducting business to comply with company standards.
- A business code of ethics, usually based on the core values of the business, outlines the company mission statement, how professionals should approach dilemmas and the standards to which they hold their employees.
- An individual's code of ethics can include their beliefs, values and background.
- While codes of ethics are unique to every individual or organization, they commonly reflect an overall idea of what the general population considers "right" and "wrong" behavior, and many are based upon societal expectations, such as those that teach us not to steal from others.

- Having a code of ethics holds a different level of importance for people, but there are clear advantages to creating a personal code of ethics.
- Since personal beliefs are usually the foundation for an individual's code of ethics, they may refer to it when they are morally unsure about a situation.
- Their code of ethics can provide guidance to steer them toward an action or opinion that aligns with what they believe on a fundamental level.
- A code of ethics reinforces individual values and can provide clarity and strength to follow the path they believe is best.
- Here is an example of a personal code of ethics:
 - I will treat others as I wish to be treated.
 - I will be honest and transparent in my personal and professional life.
 - I will always put forth my best effort, and I will maintain a healthy work-life balance.
 - I am dedicated to continually improving myself.
 - I will keep my promises and honor my commitments.
 - I will remain accountable for my shortcomings or mistakes.
 - I will always uphold my beliefs.
 - I appreciate my life and will be grateful for it every day.

How to resolve an ethical problem?

1. Gather the relevant facts and identify the problems

- Do I have all the facts relevant to the situation?
- Am I making assumptions? If so, could facts be identified to replace these assumptions?
- Is it really your problem? Can anybody else help?

2. Identify the affected parties

- Who are the individuals, organizations and key stakeholders affected?
- In what way are they affected?
- Are there conflicts between different stakeholders?
- Who are your allies?

3. Consider the ethical issues involved

- Have you referred to related Code of Ethics?
- What are the professional, organizational and personal ethics issues?
- Would these ethical issues affect the reputation of the accountancy profession?
- Would these ethical issues affect the public interest?

4. 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 behavior
- Have you considered the following threats?
 - Self interest
 - Self-review
 - Advocacy
 - Familiarity
 - Intimidation
- If so, are the threats to compliance with the fundamental principles clearly insignificant?
- Are there safeguards which can eliminate or reduce the threats to an acceptable level?
Safeguards can be created by:
 - Profession, legislation and regulation
 - Work environment
 - Individual

5. Refer to the employing organization's internal procedures

- Does your organization's policies and procedure provide guidance on the situation?
- How can you escalate concerns within the organization? Who should be involved, in what role and at what stage?
- Does the organization have a whistleblowing procedure?
- At what point should you seek guidance from external sources

6. Consider and evaluate alternative courses of action

- You should consider:
 - Your organization's policies, procedures and guidelines
 - Applicable laws and regulation
 - Universal values and principles generally accepted by society
 - Consequences
- Test your proposed course of action. Ask yourself the following questions:
 - Have all the consequences associated with the proposed course of action been discussed and evaluated?
 - Is there any reason why the proposed course of action should not stand the test of time?

- Would a similar course of action be undertaken in a similar situation?
- Would the suggested course of action stand to scrutiny from peers, family and friends?

7. 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.

How to resolve ethical dilemmas?

- What do you do when you find yourself in an ethical dilemma? How do you figure out the best path to take? Before thinking about which path is the most ethical one, be sure to spell out the problem and the feasible options at hand.
- Many times, our mind limits itself to two conflicting options and does not see the presence of a third, better option.
- Generally, philosophers outline two major approaches in handling ethical dilemmas after assessing the legality of the actions.
- One approach, while focusing on the consequences of the ethical dilemma, argues ‘no harm, no foul’, while the other focuses on the actions themselves, claiming that some actions are simply inherently wrong.
- While these approaches seem to conflict each other, they actually complement the other in practice.
- A brief three-step strategy can be formulated by combining these two schools of thought.

1. Analyze the consequences

- When you have two options, considering the positive and negative consequences connected with each of those options gives you a better outlook on which option is better.
- It is not enough to count the number of good and bad consequences an option has, it is also important to note the kind and amount of good it does.
- After all, certain ‘good things’ in life (e.g., health) are more significant than others (e.g., a new phone).
- Similarly, a small quantity of high-quality good is better than a large quantity of a low-quality good and a small quantity of a high-quality harm (like betraying someone’s trust) is worse than a large quantity of low-quality harm (like waiting a few more months before asking for a promotion).

2. Analyze the actions

- Now, look at those options from an entirely different perspective.

- Some actions are inherently good (truth-telling, keeping promises), while others are bad (coercion, theft).
- No matter how much good comes from these bad actions, the action will never be right.
- How do your actions measure up against moral principles of honesty, fairness and respecting the rights and dignity of others? If there is a conflict between one or more of these principles, consider the possibility of one principle being more important than the others.

3. Make a decision

- Each of the above approaches acts as a check on the limitations of the other and must therefore be analyzed in combination.
- They provide the basic elements that we can use in determining the ethical character of the options at hand and make the process relatively easy.
- When you find yourself in a fix, consider speaking to others about the situation and getting the opinion of more knowledgeable people to find a possible solution.
- Once the decision is made, explain it to those who will be affected by your decision.
- Be aware and reactive to new developments in that situation that may require you to make changes in your course of action.
- It will also help to reflect on your past actions, and consider whether there is anything you can do to prevent the dilemma from happening again.

Ethical models that guide decision making

Utilitarian approach

- The ethical action is the one that produces the greatest good and does the least harm for all stakeholders e.g. clients, colleagues, the community.
- The utilitarian approach deals with consequences; it tries both to increase the good done and to reduce the harm done.

Rights approach

- The ethical action is the one that best protects and respects the moral rights of those affected.
- Humans have the ability to choose what they do with their lives.
- They have a right to be treated as ends and not merely puppets where the end justifies the means.
- Choices about e.g. what kind of life to lead, to be told the truth, not to be injured, to a degree of privacy.

Fairness/Justice approach

- Ethical actions should treat all human beings equally, or if unequally, then fairly based on some standard that is defensible.
- E.g. people are paid more based on their greater contribution to the organization, and we say that is fair.

Common good approach

- This approach suggests that the interactions with your community are the basis of ethical reasoning.
- Respect and compassion for all others, especially the vulnerable, are requirements of such reasoning.
- This approach draws attention to marginalized groups such as PwD.

Virtue approach

- Virtues are dispositions and habits that enable us to act according to the highest potential of our character.
- Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control, and prudence are all examples of virtues.
- Virtue ethics asks of any action, "What kind of person will I become if I do this?" or "Is this action consistent with my acting at my best?"

Which approach to use

- Each theory discussed above have their own strength and weakness.
- Also there are different people, follow different approach.
- So it is difficult to tell which approach is best, as all approaches are claim various ethical principles and they are right at their position.
- So it is based on situation and way of thinking of decision maker will decide which approach is used in particular situation.

Ethical decision making with cross – holder conflicts and competition

- The problem of ethical decision making becomes more complicated when we factor the conflicting interests of stakeholders in business.
- In a situation of conflicting interests of stakeholders, as for instance, when an organization with a view to increasing profits and declaring higher dividends to shareholders on a long-term basis, resorts to the introduction of high-technology labor-saving devices, and dismissal of its labor in hundreds, it leads to a very complex ethical decision making problem to managers.
- Such situations occur very often in industries.
- While the obligation of the management to the shareholders to make provision for declaring high dividends, the adopted measure of the cost cutting through dismissal of hundreds of employee will create sever human problem as well as an ethical dilemma for manager.
- This type of situation calls for a solution with a “human face”.
- For example the managers can ensure that displaced employee from one division can be train suitably to enable them to be absorb in the company’s other division.
- This type of situation is not an easy job so ethicists find it difficult to offer a proper solution to these conflicting situation.
- Barry proposed the following decision making rules regarding cases of conflicts and mixed effects:
 1. Choose more important obligation between two or more obligations.
 2. Choose an action of higher ideal when two or more ideals conflicts or when ideals conflict with obligations.
 3. Choose the action that produces greater good, or the lesser harm, when the effect are mixed.

Kohlberg's model of cognitive moral development

- How do people develop morality? This question has fascinated parents, religious leaders, and philosophers for ages, but moral development has also become a hot-button issue in psychology and education.
- Do parental or societal influences play a greater role in moral development? Do all kids develop morality in similar ways?
- One of the best-known theories exploring some of these basic questions was developed by psychologist Lawrence Kohlberg.
- His work modified and expanded upon Jean Piaget's previous work to form a theory that explained how children develop moral reasoning.
- Piaget described a two-stage process of moral development.
- Kohlberg extended Piaget's theory, proposing that moral development is a continual process that occurs throughout the lifespan.
- His theory outlines six stages of moral development within three different levels.

The Heinz dilemma

- Kohlberg based his theory on a series of moral dilemmas presented to his study subjects.
- Participants were also interviewed to determine the reasoning behind their judgments of each scenario.
- One example was "Heinz Steals the Drug." In this scenario, a woman has cancer and her doctors believe only one drug might save her.
- This drug had been discovered by a local pharmacist and he was able to make it for \$200 per dose and sell it for \$2,000 per dose.
- The woman's husband, Heinz, could only raise \$1,000 to buy the drug.
- He tried to negotiate with the pharmacist for a lower price or to be extended credit to pay for it over time.
- But the pharmacist refused to sell it for any less or to accept partial payments.
- Rebuffed, Heinz instead broke into the pharmacy and stole the drug to save his wife.
- Kohlberg asked, "Should the husband have done that?"
- Kohlberg was not interested so much in the answer to whether Heinz was wrong or right but in the reasoning for each participant's decision.
- He then classified their reasoning into the stages of his theory of moral development.

Level 1. Pre-conventional morality

- The earliest stages of moral development, obedience and punishment, are especially common in young children, but adults are also capable of expressing this type of reasoning.

- At this stage, Kohlberg says, people see rules as fixed and absolute.
- Obeying the rules is important because it is a means to avoid punishment.
- At the individualism and exchange stage of moral development, children account for individual points of view and judge actions based on how they serve individual needs.
- In the Heinz dilemma, children argued that the best course of action was the choice that best served Heinz's needs.
- Reciprocity is possible at this point in moral development, but only if it serves one's own interests.

Level 2. Conventional morality

- Often referred to as the "good boy-good girl" orientation, the stage of the interpersonal relationship of moral development is focused on living up to social expectations and roles.
- There is an emphasis on conformity, being "nice," and consideration of how choices influence relationships.
- This stage is focused on maintaining social order.
- At this stage of moral development, people begin to consider society as a whole when making judgments.
- The focus is on maintaining law and order by following the rules, doing one's duty, and respecting authority.

Level 3. Post-conventional morality

- The ideas of a social contract and individual rights cause people in the next stage to begin to account for the differing values, opinions, and beliefs of other people.
- Rules of law are important for maintaining a society, but members of the society should agree upon these standards.
- Kohlberg's final level of moral reasoning is based on universal ethical principles and abstract reasoning.
- At this stage, people follow these internalized principles of justice, even if they conflict with laws and rules.

Influences on ethical decision making

Personal factors

- Persons state of mind while taking decision will affect most to that decision.
- Also person's personal belief about good or bad will affects ethical decision making.
- Pressure on a person from organization to achieve something will also affects ethical decision making.

Interpersonal factors

- The relationship between two people in organization also affects ethical decision making.
- For example, Superior-Subordinate relationship in a work place influence who says what to whom with that effect.
- Regardless of status differences, the level of trust between two individuals affects communication.
- With greater trust, colleagues are more likely to make ethical decisions.
- Without trust it is more difficult to make innovative, ethical decision.

Small group factor

- Peer pressure is very apparent in small group meetings.
- Sometimes peer pressure can be positive which encouraging reason and fairness.
- At other time especially when a group is tired and running out of time, peer pressure operates against creative, ethical consideration.
- Effective group leader learns to be alert to these tendencies and avoid groupthink.
- Unethical leaders know how to manipulate groupthink to their advantage.

Organizational factors

- Organizational factor affects the quantity and quality of ethical decisions.
- The size of an organization makes a difference in a number of ways.
- Ethical issues in a firm with a three employees are not the same as they would be if those same three individuals were part of an organization with 30,000 employees.
- Not only would the ethical problems be different, solutions to these problems would be different.
- Large size requires a different set of skill compare to small size organization.

Personal values and ethical decision marking

- Individuals use different moral philosophies depending on whether they make a personal decision or a work-related decision.
- Two things may explain this behavior.
- First, in the business arena, some goals and pressures for success differ from the goals and pressures in a person's life outside of work.
- As a result, an employee might view a specific action as good in the business sector but unacceptable outside the work environment.
- Some suggest business managers are morally different from other people.

- In a way, this is correct, in that business contains one variable that is absent from other situations: the profit motive.
- The various factors that make up a person's moral philosophy are weighted differently in a business (profit) situation.
- The comment "It's not personal, it's just business" demonstrates the conflict businesspeople can experience when their personal values do not align with utilitarian or profit-oriented decisions.
- The reality is if firms do not make a profit, they will fail.
- However, this fact should not be a justification for seeking excessive profits or executive pay, issues that are now being questioned by stakeholders.
- The second reason people change moral philosophies is the corporate culture where they work.
- When children enter school, they learn certain rules, such as raising their hands to speak or asking permission to use the restroom.
- So it is with a new employee. Rules, personalities, and precedents exert pressure on the employee to conform to the firm's culture.
- As this process occurs, the individual's moral philosophy may change to become compatible with the work environment.
- Many people are acquainted with those who are respected for their goodness at home or in their communities but make unethical decisions in the workplace.
- Even Bernard Madoff, the perpetrator of the largest Ponzi scheme in history, had a reputation as an upstanding citizen before his fraud was uncovered.
- Obviously, the concept of a moral philosophy is inexact. For that reason, moral philosophies must be assessed on a continuum rather than as static entities.
- Each philosophy states an ideal perspective, and most individuals shift between different moral philosophies as they experience and interpret ethical dilemmas.
- In other words, implementing moral philosophies from an individual perspective requires individuals to apply their own accepted value systems to real-world situations.
- Individuals make judgments about what they believe to be right or wrong, but in their business lives they make decisions that take into consideration how to generate the greatest benefits with the least harm.
- Such decisions should respect fundamental moral rights as well as perspectives on fairness, justice, and the common good, but these issues become complicated in the real world.
- Problems arise when employees encounter ethical situations they cannot resolve.
- Sometimes gaining a better understanding of their decision rationale helps employees choose the right solutions.

Moral philosophy defined

- When people talk about philosophy, they usually refer to the general system of values by which they live.
- Moral philosophy, on the other hand, refers to the specific principles or values people use to decide what is right and wrong.
- It is important to understand the distinction between moral philosophies and business ethics.
- Moral philosophies are person-specific, while business ethics is based on decisions made by groups or when carrying out tasks to meet business objectives.
- A moral philosophy is a person's principles and values.
- In the context of business, ethics refers to what the group, firm, or organization defines as right or wrong actions that pertain to its business operations and the objective of profits, earnings per share, or some other financial measure of success.
- For example, a production manager may be guided by a general philosophy of management that emphasizes encouraging workers to get to know as much as possible about the product they are manufacturing.
- However, the manager's moral philosophy comes into play when he must make decisions such as whether to notify employees in advance of upcoming layoffs.
- Although workers prefer advance warning, issuing that warning could risk the quality and quantity of production.
- Such decisions require a person to evaluate the "rightness," or morality of choices in terms of his or her own principles and values.
- Moral philosophies present guidelines for "determining how conflicts in human interests are to be settled and for optimizing mutual benefit of people living together in groups."
- These philosophies direct people as they formulate business strategies and resolve specific ethical issues.
- However, there is no single moral philosophy everyone accepts.
- Moral philosophies are often used to defend a particular type of economic system and individuals' behavior within these systems.

Moral philosophies

Teleology

- Teleology (from the Greek word for "end" or "purpose") refers to moral philosophies in which an act is considered morally right or acceptable if it produces some desired result, such as pleasure, knowledge, career growth, the realization of self-interest, utility, wealth, or even fame.

- Teleological philosophies assess the moral worth of a behavior by looking at its consequences, and thus moral philosophers today often refer to these theories as **consequentialism**.

Deontology

- Deontology (from the Greek word for “ethics”) refers to moral philosophies that focus on the rights of individuals and the intentions associated with a particular behavior rather than its consequences.
- Fundamental to deontological theory is the idea that equal respect must be given to all persons.
- Unlike utilitarians, deontologists argue that there are some things we should not do, even to maximize utility.
- For example, deontologists would consider it wrong to kill an innocent person or commit a serious injustice against someone, no matter how much greater social utility might result from doing so, because such an action would infringe on individual rights.

Relativist Perspective

- From the relativist perspective , definitions of ethical behavior are derived subjectively from the experiences of individuals and groups.
- Relativists use themselves or the people around them as their basis for defining ethical standards, and the various forms of relativism include descriptive, meta-ethical, and normative.
- Descriptive relativism relates to observations of other cultures. Different cultures exhibit different norms, customs, and values, but these observations say nothing about the higher questions of ethical justification.
- At this point meta-ethical relativism comes into play.
- Meta-ethical relativism proposes that people naturally see situations from their own perspectives, and there is no objective way of resolving ethical disputes between different value systems and individuals.
- Simply put, one culture’s moral philosophy cannot logically be preferred to another’s because no meaningful basis for comparison exists.
- Because ethical rules are embedded in a specific culture, the values and behaviors of people in one culture do not generally influence the behaviors of people in another culture.
- Finally, at the individual level of reasoning, we have normative relativism.
- Normative relativists assume one person’s opinion is as good as another’s.

Virtue Ethics

- Virtue ethics argues that ethical behavior involves not only adhering to conventional moral standards but also considering what a mature person with a “good” moral character would deem appropriate in a given situation.
- A moral virtue represents an acquired disposition valued as a part of an individual’s character.
- As individuals develop socially, they come to behave in ways they consider to be moral.
- A person with the character trait of honesty will be disposed to tell the truth because it is considered to be the right approach in terms of human communication.
- A virtue is considered praiseworthy because it is an achievement that an individual developed through practice and commitment.
- Proponents of virtue ethics often list basic goods and virtues that are presented as positive and useful mental habits or cultivated character traits.
- Aristotle named loyalty, courage, wit, community, and judgment as “excellences” society requires.
- While listing the most important virtues is a popular theoretical task, the philosopher John Dewey cautions that virtues should not be looked at separately, and points out that examining interactions between virtues actually provides the best idea of a person’s integrity of character.
- The virtue ethics approach to business can be summarized as follows:
 1. Good corporate ethics programs encourage individual virtue and integrity.
 2. By the employee’s role in the community (organization), these virtues form a good person.
 3. An individual’s ultimate purpose is to serve society’s demands and the public good and be rewarded in his or her career.
 4. The well-being of the community goes hand in hand with individual excellence.

Justice

- Justice is fair treatment and due reward in accordance with ethical or legal standards, including the disposition to deal with perceived injustices of others.
- The justice of a situation is based on the perceived rights of individuals and on the intentions of the people involved in a business interaction.
- In other words, justice relates to the issue of what individuals feel they are due based on their rights and performance in the workplace.
- Three types of justice provide a framework for evaluating different situations:

Distributive justice

- **Distributive justice** is based on the evaluation of the outcomes or results of a business relationship.
- For Example: A boss who forces his employees to do more work so he can take more time off would be unjust because he is taking advantage of his position.
- Situations such as this cause an imbalance in distributive justice.

Procedural justice

- **Procedural justice** considers the processes and activities that produce a particular outcome.
- A climate that emphasizes procedural justice positively influences employees' attitudes and behaviors toward work-group cohesion.
- For Example: An employee is awarded with employee of the month for his or her work.

Interactional justice

- **Interactional justice** is based on the relationships between organizational members, including the way employees and management treat one another.
- Interactional justice is linked to fairness within member interactions.
- It often involves an individual's relationship with the accuracy of the information a business organization provides.
- For Example: How managers treat their subordinates.

Applying moral philosophy to ethical decision making

- Applying moral philosophy to ethical decision making is a normal process individuals resort to.
- However, what moral philosophy they take depends on whether they make a personal decision outside the work environment or they do so in a work-related matter.
- This difference in the approach of applying moral philosophies may arise because the kind of goals and pressures that motivate persons to achieve success in the work environment does not exist in their domestic or personal lives.
- As a result, a worker may consider a certain deed good in his or her job-related environment, but unacceptable in the domestic arena.
- For instance, an executive if asked by his manager, may prepare an exaggerated expenditure account for his department for necessary sanction so that his department will have a comfortable annual budget with no constraint in expenditure but when he has to make his own domestic expenditure he cannot be so generous and has to stay within his means.

- Another reason for changing their moral philosophy when applying them to decision making is may be due to corporate culture.
- So when a person joins a new firm he try to match themselves with firm's culture.
- Another reason is moral values of person is their personal perspective what is right and wrong, but in business it is not sufficient for ethical decision making because in business he has to keep culture, politics, and overall benefit and loss in mind.

Cognitive moral development

- Cognitive moral processing is based on a body of literature in psychology that focuses on the study of children and their cognitive development.
- However, cognitive moral processing is also an element in ethical decision making, and many models attempt to explain, predict, and control individuals' ethical behavior.
- Psychologist Lawrence Kohlberg developed a six-stage model of cognitive development.
- Although not specifically designed for business contexts, this model provides an interesting perspective on the issue of moral philosophy in business.
- According to Kohlberg's model of cognitive moral development (CMD) , people make different decisions in similar ethical situations because they are in different moral development stages.
- The six stages identified by Kohlberg are as follows:

1. The stage of punishment and obedience.

- An individual in Kohlberg's first stage defines right as literal obedience to rules and authority.
- A person in this stage responds to rules and labels of "good" and "bad" in terms of the physical power of those who determine such rules.
- Right and wrong are not connected with any higher order or philosophy but rather with a person who has power.
- Stage 1 is usually associated with small children, but signs of stage 1 development are also evident in adult behavior.

2. The stage of individual instrumental purpose and exchange.

- An individual in stage 2 defines right as what serves his or her own needs.
- In this stage, individuals no longer make moral decisions solely on the basis of specific rules or authority figures; they evaluate behavior on the basis of its fairness to them.

3. The stage of mutual interpersonal expectations, relationships, and conformity.

- Individuals in stage 3 emphasize the interests of others rather than simply those of themselves, although ethical motivation is still derived from obedience to rules.
- A production manager in this stage might obey upper management's order to speed up an assembly line if he or she believed doing so would generate more profit for the company and thus save employee jobs.
- These managers not only consider their own well-being in deciding to follow the order but also put themselves in upper management's and fellow employees' shoes.
- Thus, stage 3 differs from stage 2 in that fairness to others is one of the individual's ethical motives.

4. The stage of social system and conscience maintenance.

- Individuals in stage 4 determine what is right by considering their duty to society, not just to certain other people.
- Duty, respect for authority, and the maintenance of the social order become the focal points at this stage.
- For example, some managers consider it a duty to society to protect privacy and therefore refrain from monitoring employee conversations.

5. The stage of prior rights, social contract, or utility.

- In stage 5, individuals are concerned with upholding the basic rights, values, and legal contracts of society.
- Individuals in this stage feel a sense of obligation or commitment to other groups they feel, in other words, that they are part of a social contract and recognize in some cases legal and moral points of view may conflict.
- To reduce such conflict, stage 5 individuals base their decisions on a rational calculation of overall utility.
- For example, the president of a firm may decide to establish an ethics program because it provides a buffer against legal problems and the firm will be perceived as a responsible contributor to society.

6. The stage of universal ethical principles.

- A person in this stage believes right is determined by universal ethical principles everyone should follow.
- Stage 6 individuals believe certain inalienable rights exist that are universal in nature and consequence.

- These rights, laws, or social agreements are valid not because of a particular society's laws or customs, but because they rest on the premise of universality.
- Justice and equality are examples of principles some individuals and societies deem universal in nature.
- A person in this stage may be more concerned with social ethical issues and therefore not rely on the business organization for ethical direction.
- For example, a businessperson at this stage might argue for discontinuing a product that has caused death and injury because the inalienable right to life makes killing wrong, regardless of the reason. Therefore, company profits are not a justification for the continued sale of the product.

White – collar crime

- For many people, the terms crime and criminal tend to evoke thoughts of rape, arson, armed robbery, or murder.
- These violent crimes are devastating, but they are no less destructive than crimes perpetrated every year by nonviolent business criminals.
- So-called white-collar crime (WCC) does more damage in monetary and emotional loss in one year than violent crimes do over several years combined.
- White-collar criminals tend to be highly educated people in positions of power, trust, respectability and responsibility within a business or organization.
- They commit illegal acts for personal and/or organizational gains by abusing the trust and authority normally associated with their positions.
- The victims of WCC are often trusting consumers who believe businesses are legitimate.
- At first glance, deciding what constitutes a white-collar crime seems fairly simple.
- According to the U.S. Department of Justice, a WCC is a non-violent criminal act involving deceit, concealment, subterfuge and other fraudulent activity.
- The corporate executive who manipulates the stock market, the tax cheat, or the doctor who falsely bills Medicaid are all obvious white collar criminals.
- But a government official who accepts illegal payments is also a white-collar criminal, and guilty of official corruption.
- Additionally, a corporate executive who approves the illegal disposal of toxic waste is a white-collar criminal guilty of violating environmental regulations.
- Online white-collar crime is a growing problem around the world.
- Because many companies rely on advanced technology systems, anyone with the ability to hack into a system can access the highly sensitive information necessary to commit WCC.

Individual factors in business ethics

- Of course, not everyone agrees on the roles of collective moral philosophies in ethical decision making within an organization.
- Unfortunately, many people believe individual values are the main driver of ethical behavior in business.
- This belief can be a stumbling block in assessing ethical risk and preventing misconduct in an organizational context.
- The moral values learned within the family and through religion and education are certainly key factors that influence decision making, but as indicated in the models, these values are only one factor.
- Many business schools focus mainly on personal character or moral development in their programs, reinforcing the notion that employees can control their work environments.
- Although a personal moral compass is important, it is not sufficient to prevent ethical misconduct in an organizational context.
- According to ethics consultant David Gebler, “Most unethical behavior is not done for personal gain, it’s done to meet performance goals.
- The rewards for meeting performance goals and the corporate culture in general have been found to be the most important drivers of ethical decision making, especially for coworkers and managers.
- The development of strong abilities in ethical reasoning will probably lead to more ethical business decisions in the future than individualized character education for each employee.
- Equipping employees with intellectual skills that allow them to understand and resolve the complex ethical dilemmas they encounter in complex corporate cultures will help them make the right decisions.
- The West Point model for character development focuses on the fact that competence and character must be developed simultaneously.
- This model assumes ethical reasoning has to be approached in the context of a specific profession.

Human values for Indian managers

- There are certain value suggested by Prof. Chakraborti for Indian Managers
- Respect for individual
- Cooperation and trust
- Non Jealousy
- Purification of mind for noble thoughts
- Top quality product/Services
- Work in worship
- Non covetousness
- Ethical and moral soundness
- Self-discipline and self-restraint
- Customer satisfaction
- Creativity
- The inspiration to give
- Renunciation and detachment from selfish demands

Lessons from ancient Indian education system

- Today most of the unsocial activities are being committed by well-educated new generation.
- The relationship between teacher and student lack confidence towards each other.
- Students lack humanitarian attitude towards other persons, family, society and the nation.
- Thus, there is greater urgency to think about ancient education system in India.
- The history is awesome every Indian will feel proud if we look back to our history.
- We knew mathematics, we derived theorems, we discovered planets, we calculated distance of sun to earth thousands of years ago and also distance between earth and many other planets, yeah many more such facts and figures are there.
- But how could India was so great? How it was possible to gain such knowledge? The research reveals that our solid education system was the reason for that.
- Ancient Education system was a meaningful education system, the idea of education has been very grand, noble and high in ancient India.
- Its aim was “training for completeness of life” and the molding of character of men and women for the battle of life.
- As quoted by Swami Vivekananda education was for “Man Making and Character Building”. But what were the methodologies of that education? What was so different about it?
- Below are few of methodologies of that great education system.

- **Complete Brahmacharya:** student will initiate his Brahmacharya phase through Upanayana.
- A student will be self-discipline and self-controlled.
- All sort of pleasure will be avoided and he must do all the work given by a Guru.
- Learning of Vedas: Vedas plays an important role in ancient education system, there are four vedas.
- Rigveda contains 1028 hymns and contains 10,522 verses. It teaches stages of life like family life, forest life and renunciation.
- Yajurveda teaches how to perform sacrifices in life and it has 1,984 verses.
- Samaveda is study of music, it has 1,875 verses.
- Atharvaveda is the study of medical sciences and has 5,977 verses.
- Vedas plays an important role in ancient education system Vedas teach our culture, the meaning of life, how we should live, what is right and what is wrong.
- Ultimately it is learning of Karma, learning of dedication.
- Vedas are the roots of Hindu Religion.

Learning phases in Ancient Indian Education System:

- Every student would undergo three phases (Sravana, Mañana, Nidhyaasana) every day.
- Every phase has its own importance, though they look simple but they were very effective.
 1. **Sravana:** Means listen and understand. One should understand that it is not just hearing, hearing is different and listening is different.
 2. **Mañana:** Is reflecting the things we listened (Shravana). It is discussing the truth of opinions. In this especially Guru will raise the questions, students will answer and the point will be discussed in group.
 3. **Nidhyaasana:** Complete comprehension by the student of the truth that is taught so that he may live the truth and not merely explain it by words. It is the realization of truth.
- So by this education system ancient people teach human values and knowledge both in Guru Shisya pratha and create Guru & Shisya Bonding which is going away in current education system.
- And due to this Guru Shisya pratha students learned ethics moral values and understand other person's life also which is not done in our current education system.
- In ancient education system it will help them to think ethically and morally before taking any decision which affect other person or society while in current education system students are not leaving life of poor people and not realize all conditions create in poor people's life.

The law of karma

What is the Origin of the law of ‘Karma’?

- ‘Karman’ is the Sanskrit word for action. ‘Karma’ as a philosophical concept is an original Vedic thought (1500 BCE) which was later propagated and popularized by the teachings of Buddha and Mahavira(500 BCE).

What is Karma?

- Buddha states that ‘Karma’ consists of our thoughts, words, actions and actions that others perform under our instructions.
- The Shatapatha Brahmana (700 BCE) explains the meaning of the ‘Karma’ doctrine — **‘While our bodies may die, the soul is eternal and it continues its journey through many lifetimes. The soul creates a system of actions and reactions (Karma), throughout these lives, forming a cycle of rebirth. And the totality of our actions and their reactions in this and previous lives, determine our future.**
- Thus — a man is born to the world he has made’.

What is the law of ‘Karma’?

- Brihadaranyaka Upanishad (700 BCE)—ancient Sanskrit texts that contain some of the central philosophical concepts and ideas of Sanatana Dharma (Hinduism) sums up the law of ‘Karma’ beautifully...

“You are what your deep, driving desire is. As your desire is, so is your will. As your will is, so is your deed (Karma). As your deed (Karma) is, so is your destiny”.

- This almost sums up the concept of ‘Karma’.
- However, an interpretation given by ‘Osho’ differs from his predecessors.
- It does seem more practical when he states that the law of ‘Karma’ actually explains something that happens inside our being.
- According to ‘Osho’, through every living moment we are creating actions (Karma) and these actions can cause a grace to rise in us or a disgrace.
- This feeling of grace or disgrace is the spontaneous reaction of our actions.
- So, negative actions lead to suffering and positive actions beget happiness and joy.
- He further elaborates that nobody can avoid or cheat on Karma because that is simply not possible.
- And once you realize the inevitability of it you become a totally different person.

Quality of working life

- Dissatisfaction with working life affects the workers some time or another, regardless of position or status.
- The frustration, boredom and anger common to employees can be costly to both individuals and organizations.
- Managers seek to reduce job dissatisfaction at all organizational levels, including their own.
- This is a complex problem, however, because it is difficult to isolate and identify the attributes which affect the quality of working life.
- Profitability of a company is linked to satisfaction of its work force.
- A company that does not measure and improve employee satisfaction may face increasing turnover, declining productivity and limited ability to attract and retain qualified replacements.
- Employee satisfaction and quality of work life directly affect company's ability to serve its customers.
- Efforts towards QWL measurement help in efficient and effective allocation of resources to enhance productivity and stability of the workforce.
- It leads to:
 - 1) Positive employee attitudes toward their work and the company.
 - 2) Increased productivity and intrinsic motivation.
 - 3) Enhanced organizational effectiveness and competitive advantage.

Quality of work life involves three major parts:

1. Occupational health care: Safe work environment provides the basis for people to enjoy his work. The work should not pose health hazards for the employees.
 2. Suitable working time: Companies should observe the number of working hours and the standard limits on overtime, time of vacation and taking free days before national holidays.
 3. Appropriate salary: The employee and the employer agree upon appropriate salary. The Government establishes the rate of minimum salary, the employer should not pay less than that to the employee. Work represents a role which a person has designated to himself. On the one hand, work earns one's living for the family, on the other hand, it is a self-realization that provides enjoyment and satisfaction.
- Work-Life Quality — defined, as the balance between an employee's work demands and outside interests or pressures — is a long-standing but ever-evolving area of corporate social responsibility.

- Some organizations view QWL as important, but do not formally link it to their strategic or business plans.

Nature and Scope of Quality of Work Life:

- Quality of work life is the quality of relationship between employees and total working environment.
- A Great Place to work is where “You Trust the people you work for, have pride in what you do, and enjoy the people you work with.”
- Quality of work life represents concern for human dimensions of work and relates to job satisfaction and organizational development.

Ethics of Vivekananda

- Ethics, according to Vivekananda, is nothing but a code of conduct that helps a man to be a good citizen of the world.
- The world needs good citizens for the betterment of the people.
- Without good citizens, no system, social or practical can functions in right ways.
- All the systems are developed to offer better conditions for people who want to manifest their inner qualities to get the chance to realize their real nature.
- According to Swamiji, —The basis of all systems social or political rests upon the goodness of men.
- No nation is great or good because parliament enacts this or that, but because its men are great and good, people often work for the same ends but fail to recognize the fact.
- One must admit that law, government, politics are phases not final in any way.
- There is a goal beyond them where law is not needed.
- All great Masters teach the same thing Christ saw that the basis is not law, that morality and purity are the only strength.
- From this excerpt, it is followed that ethics or morality has something more than laws of a country that governs the people.
- We feel the necessity of laws, government, or politics for better governance, for the development of the society.
- But all these facts have some limitations. They can act only as means, not as ends.
- End is something more, that lies beyond these facts.
- They can help us to reach the goal to some extent.
- Ethics is also a mean to reach the goal, but it lies beyond laws.
- The strength of morality is greater than those facts.
- Laws, politics can force a man to act accordingly.

- But they have no power to help a human being to manifest his/her perfection that resides in the core of their hearts.
- There is infinite power in our heart, but we are not aware of it.
- That is why we are exercising laws to keep the society intact.
- Laws are nothing but bondage. We have to overcome this bondage.
- So, we have to follow the codes of ethics.
- Ethics will help us finally to reach the goal.

Ethics of Gandhiji

- Mahatma Gandhi is a great ethical values philosopher. Here we will discuss some ethics suggested by them.

Non-Violence

- Mahatma Gandhi expresses that non-violence is free from physical and psychological violence in living.
- Violence is hurting killing damaging physical and psychological sense.
- Non-violence develops vegetarianism and respect for all life.
- Non-violence prevents wars murders, exploitations, inequalities and injustices in the world.
- Non-violence is a discovery of truth. Non-violence is the means to truth.

Truth

- Truth is the law of our being. Truth is God. Truth is which is.
- Truth and non-violence are as old as the hills. Truth is a virtue. Truth is in fact self-revealing, but that we have become blind on account of our ignorance.
- Mahatma Gandhi explicitly mentions the six deadly enemies which cause prejudice, malice and ill-will to arise, on account of which the person is unable to see or feel the truth.
- These deadly enemies are desire, anger, greed, attachment, pride and jealousy.
- Therefore, in order to practice truth one must constantly endeavor to oneself from these evils, one must cultivate moral purity and courage and must not allow these enemies to cloud his vision.

Non-stealing

- Non-stealing is not to take by thought, word and action anything to which one is not entitled.
- Non-stealing is a good moral quality.

Non-possessiveness

- Non-possessiveness is rejection by thought, word and deed. Non-possessiveness is restricted to satisfaction.
- Non-possessiveness is non-acceptance.
- Mahatma Gandhi feels that the tendency to possess things is the cause of all evils.
- Therefore, one must cultivate the discipline of living with what one has.

Character

- Mahatma Gandhi expresses that Character is moral and ethical strength.
- Character comes from within.
- Character is the key to success.
- A man of character will make himself worthy of any position he is given.
- Character, not brains, will count at the crucial moment.
- Character is any day more eloquent than speech.
- Character must be above suspicion and truthful and self-controlled.

Life Moral Teachings

- True disarmament cannot come unless the nations of the world cease to exploit one another.
- Morality is finding out the true path and fearlessly following it.

Ethics of Aurobindo

- Man possibly seeks for God in all the higher powers of his life.
- He sets out to arrive at his highest and most perfect self and the moment he touches upon it, the self in him appears to be one with some great soul that is God.
- According to Sri Aurobindo to grow into harmony with its eternal nature of light, love strength and purity is the aim of ethics.
- Ethics, Sri Aurobindo says, is one of the means by which we arrive at the knowledge of the workings of God through nature and through life.
- Ethics must eventually perceive that the law of good which it seeks is the law of God and depends on the being and nature of the Master of the law.
- Ethics deals only with the desire soul and the active, outward, dynamic part of our being.
- Its field is confined to character and action.
- It prohibits and exhibits certain actions, desires and impulses.
- It also inculcates certain qualities in the act, such as truthfulness, love, charity etc.
- When it has got this done and assured a base of virtue, its work is finished.
- Different theories of ethics such as hedonistic theory, sociological theory etc. have suffered from the defect of idea.

- These theories have been built upon the truths of some one aspect of man's being, on the truth of the individual in isolation from society and vice-versa.
- But Sri Aurobindo points out, "The ethical being escapes from all these formulas, it is a law to itself and finds its principle in its own eternal nature which is not in its essential character a growth of evolving mind, even though it may seem to be that in its earthly history, but a light from the ideal, a reflection in man of the Divine."
- Sri Aurobindo says that our ethical impulses begin in the infra rational and take their rise from the subconscious.
- They arise as an instinct of obedience to an understood law.
- At first man obeys the law without any question.
- He believes that these are the laws created by higher powers than himself and his race which are to be endured and cannot be violated.
- Later on, reason labors to use the ethical impulses intelligently and turns the instincts to ethical ideas.
- It corrects the crude and erring misprisions of man's ethical instincts, shows the relations of his clashing moral ideas, tries to compromise between their conflicting claims and arranges system of ethical action.
- And all this, says Sri Aurobindo, is a necessary stage of our advance.
- The high fulfilment of ethics comes when the being of man attains the level of divine nature.
- At this level, it is not his actions that standardize his nature, but his nature that gives value to his actions.
- He is no longer laboriously virtuous or artificially moral, but naturally divine.
- That is why Sri Aurobindo says, "Rising from the infra rational beginnings through its intermediate dependence on the reason to a supranational consummation, the ethical is like the aesthetic and the religious being of man a seeking after the eternal."
- This view takes account of the whole man, as a progressing, developing being seeking the fulfilment of his tendencies.
- Sri Aurobindo puts emphasis on the necessity of spiritual transformation.
- He says that the supreme thing in us is the spirit, "the wide ground upon which a divine life of the human being can be with security founded."
- This spirit is not the intellect or will.
- It is higher than reason.
- It is concealed behind the coatings of our nature.
- It is the secret seed of divinity.
- The spiritual change must be accomplished first in the individual and in a great number of individuals before it can lay any effective hold upon the community.

- Therefore, Sri Aurobindo says, two conditions are to be satisfied in order that the spiritual change may be effected.
- First, there must be the individual and the individuals who are able to see, to develop, to recreate themselves in the image of the Spirit and to communicate both their idea and power to the mass.
- Secondly, there must be at the same time a mass, a society which is capable of receiving and effectively assimilating ready to follow and arrive at an image of the Spirit.
- According to Sri Aurobindo, a spiritual human society would try to realize three essential truths of existence, viz. God, Freedom and Unity.
- When man is able to see God and possess him, then he will know real freedom and arrive at real unity.
- The aim of a spiritual age of mankind will be able to diminish as far as possible the element of external compulsion in human life by awakening the inner divine compulsion of the spirit.
- In a spiritualized society, the divine whom an individual sees in himself, he sees equally in all others and as the same Spirit in all.
- Not only to see and find the Divine in oneself, but to see and find the Divine in all, not only to seek one's own individual liberation or perfection but to seek liberation or perfection of others is the complete law of the spiritual being.

Ethics of Tagore

- Rabindranath Tagore had vast knowledge and there was perhaps no aspect of Indian life which escaped his searching eyes.
- He was a novelist, dramatist, educationist, penetrating social reformer and politician and gave his views about all that which concerned India.
- Some of his significant ideas are as under:

Spiritual Humanism

- The center of Tagore's philosophy was man of god.
- Even his concept of God was influenced by the humanism inherent in his outlook.
- The supreme reality thus according to Tagore, essentially human and could be realized only through love of man.
- Love of God was thus translated into love of human.
- Tagore in fact sought the origin of spiritual aspirations and the concept of god in the spirit of the unity expressed by the primitive man.
- In a discussion with Einstein, Tagore said, if there is any truth absolutely unrelated to humanity then for us it is absolutely non-existing.

- Tagore thus firmly believed that truth could be realized only in human society.

His political ideas

- Politically Tagore believed that each nation and individual must have certain rights and through those rights he should be in a position to ‘his personality’.
- At the same time he stressed people should have power and strength enough to realize their rights as without that strength it was impossible to retain rights even if extended by the rulers.
- He also stood for the individuals saying that States existed for the individual and its activities should aim at giving maximum freedom for attaining that liberty.
- He couldn’t reconcile himself with the then prevailing trend of British rule which was impersonal in character and which denied freedom, spiritual, economic and political, to the vast majority of the Indians.
- According to him freedom could be possible by adopting the policy of decentralization of authority and giving, more powers to local self-government institutes.

His social ideas

- Socially, Tagore believed that Indian society has very much degenerated mostly because of the policy of our social rulers who didn’t care to preserve our social institutions and allowed them to degenerate.
- He felt that social and political institutions should go side by side.
- He had faith in social solidarity and belief in ancient Indian culture and civilization.
- According to him political life was only a specialized aspect of social life and both could not be separated from each other.
- He quoted from Indian history that India always represented the synthesis of various philosophies and was very much broad-based.
- Therefore he believed that constructive efforts should be made to revive our ancient Indian culture.

His idea about education

- He was educationally a revolutionary and strongly believed that there should be a system of education suited to India.
- It should be the system in which the cultures of east and the west should unite and where there should be a platform for understanding each other.
- In the words of G. Ramchandran, “Gurudev never accepted that the object of education was simply the accumulation of knowledge.”

- He unhesitatingly proclaimed that education should give all-round human personality in which the physical, the intellectual, the aesthetic and spiritual growth would be harmonized into one integral process.
- He, therefore, emphasized freedom and joy as of basic importance in the education of boys and girls.
- This meant elimination of physical punishment, examination and therefore of fear and everything humiliating restriction from Shanti Niketan system rather pattern of education”.

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