

ROLE OF ETHICS IN BUSINESS AND SOCIETY

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- A. Introduction: A father teaches his son one style of ethics

- B. How are our ethical standards? Most people believe that they are ethical.
 - a. Why is this so?
 - b. Where do people learn their ethics?
 - c. Is ethics in business and government different than personal ethics?

- C. What do people mean by ethical?
 - a. Greeks-Philosophy: philo and sophos---seeking the truth-- quest for a virtuous life of character. This would lead to _____.
The person with the greatest virtue would be the _____.
Why try to be ethical? So you can be _____.

 - b. European/western philosophy
 - 1. Looking for justice
 - 2. Do unto others as you would have them do unto you.

- D. Law versus Ethics: Real World controversies about treating others
 - a. Law: authoritarian which governs human conduct
 - b. Ethics: governs human conduct because it is the right thing to do
 - c. Morality: recognition by the actor of the moral nature of an act

- E. Main sources of information about Ethics: Academics, Social Critics, And Philosophers—
 - a. Taught as logical thinking: Movie Paper Chase: Question, Question.
 - b. Taught as cause and effect: Bad people will be punished
 - c. Action – Reaction: theory of generalized self concept
 - d. Socratic: Reasoning-5 steps

Teaching methods primarily consisted of case studies:

- a. Martha Stewart-5 months in prison
- b. Enron scandal-10 years in prison
- c. Tyco-accused of stealing 170 million dollars
- d. WorldCom
- e. My adopted son and Wal-Mart
- f. John has used up his vacation time but has cancer
- g. Charging clients for travel time
- h. A child is beaten severely in the back seat of a car
- i. One observes dishonesty in the workplace
- j. A customer wants new jeans when the old ones are worn out
- k. A government official is offered a bribe
- l. Nestle foods and baby formula

These are simple stories but require complex problem solving. Sometimes we have to select answers from alternatives that are neither wholly right nor wholly wrong.

How bad is corruption in the World?

Rankings by Transparency International

- a. Finland is the cleanest country out of 133
- b. Bangladesh was consider the most corrupt
- c. Romania and India at 83rd
- d. USA at 18th with Ireland

The United Nations in 1996 Declaration against Corruption and Bribery in International Commercial Transactions: Five Points In 1999, the UN requested to enact the Global Compact in their corporate practices: Human Rights, Labor Standards, Environment and Anti-Corruption

Maxwell's whole premise is that the Golden Rule is enough for the following reasons:

- a. Accepted by almost everyone
- b. Easy to understand
- c. Win/win philosophy
- d. Acts as compass when one needs direction
- e. Most religions have a form of the golden rule.

What do people in the workplace really want?

- a. To be valued
- b. Appreciated
- c. Trusted
- d. Respected
- e. Understood

Why do people not follow the Golden Rule?

- a. Pressure
- b. Pleasure:
- c. Power
- d. Pride
- e. Priorities

Jim Collins book: *Good to Great: Core Values Make a Company Great.*

Are there examples of companies that have high ethical standards and have been really successful?

- a. Chick Fil a
- b. IBM Corporation
- c. Simmons Company
- d. Johnson & Johnson-Tylenol Case

What should we do as an organization if we want to have success and ethics at the same time?

- a. Develop a “Challenge Team”- most ethical issues should be resolved in a team
- b. Move from stockholders to stakeholders
- c. Make various stakeholders part of your organization
- d. Recognize that ethics is individual, not collective
- e. Rewards are partially based on a vision towards integrity-IBM
- f. Work through conflicts: stakeholder value perspectives
- g. Preferred behaviors are exhibited by employees
- h. CEO must full support the program
- i. Ombudsperson
- j. Code of Conduct
- k. Develop an ethics training program

Stay on the road to success.