

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/228237796>

An Introduction to Ethics

Article in *SSRN Electronic Journal* · March 2011

DOI: 10.2139/ssrn.1781502

CITATIONS

3

READS

21,311

1 author:



Prabhakar Krishnamurthy

Centre for Social Initiative and Management

63 PUBLICATIONS 63 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



Research Methodology [View project](#)



Social Progress Index for Tamilnadu [View project](#)

An Introduction to Ethics

**Prepared by
Prof.K.Prabhakar
Visiting Faculty,
Indian Institute of Information Technology (D&M),
(Indian Institute of Technology, Madras Campus),
Guindy, Chennai-600036.**

Abstract

Young engineer graduating from university has many career choices. He or she can choose to be an entrepreneur, join a small firm or a multinational organization. Each of these organizations operates in business environment that is totally different before two decades. In a globalized era the frame work in which organizations work also have undergone a lot of change. The product life cycles are shortened, downsizing, and lean and mean manufacturing, outsourcing has become some of the competitive strategies of organization. Organizations have no more stable and predictive environment. In this scenario, the young engineer is faced with many dilemmas. The present paper addresses the issues of moral dilemmas and methods to deal with a set of bibliography.

Key words: Ethics, Values, Engineering values, morals, moral dilemmas, science of values

Moral or ethical statement may assert that some particular action is right or wrong; or that some actions of certain kinds are so; it may offer a distinction between good and bad characters or dispositions; or it may propound some principle from which more detailed judgements of these sorts might be inferred - for example that we ought always aim at the general happiness or try to minimize the total suffering of all sentient beings, or ... That it is right and proper for everyone to look after himself. All such statements express first order ethical judgements of different degrees of generality."

J L Mackie 1977

Introduction

A simple example is should I leave present employer and go for another in a foreign country for better salary and perquisites. If I stay here, what is the guarantee that I will be offered continued employment? The course on ethics will not provide any yes or no answers to these questions. It provides an inside compass that will empower an engineer to take appropriate decisions. This write up is meant for teachers who are planning to teach course on "Engineering Ethics". The framework for the write up is in the context of organizations. Therefore, the student trained in ethics, which joins an organization, which has an established policy of ethical governance such as Tata Motors or a start up organization, will be comfortable with both. While he will understand and appreciate the Tata Motors commitment, he will be in a position to provide inputs on the path that organization has to take in the direction of ethics. No originality is claimed for providing the write up. Many sources are consulted to provide the write up, the author is

thankful to all and provided bibliography at the end and no originality is claimed for authorship and an eclectically approach has been undertaken. However, for all the mistakes and error the author is totally responsible and will be thankful if they are sent to his email. (kprabhakar975@gmail.com)

If we examine the current literature on ethics, the focus is on guidelines given by philosophers, academics and social critics. However, leaders, managers and engineers require more practical information about managing ethics. Managing ethics in the workplace holds tremendous benefit to all including engineers, managers, organizations and society. This is particularly true today when it is critical to understand and manage highly diverse groups, with different values in the workplace and operating in globalized economic conditions.

The most frequent forms of business ethics literature today typically include:

- a) philosophical, requiring orientation and analysis;
- b) anthologies requiring review and integration;
- c) case studies, requiring analyses to synthesize; and
- d) Focus on social responsibility, which includes many examples of good and bad actions taken by organizations.

However, if we do not attempt to study ethics at undergraduate level, we may expose our engineers to myths about ethics, e.g., "Ethics is simply to do what's right" or saying just "do good". Some times many engineers may believe ethics is irrelevant because in business we cannot talk of ethics and training in ethics may avoids the real-to-life complexities in leading organizations.

What is ethics?

Ethics involves learning what is right or wrong, and then doing the right thing -- but "the right thing" is not nearly as straightforward as conveyed. Most ethical dilemmas in the workplace are not simply a matter of yes or no. For example Azim Premji tells all his employees whatever that is, "***Grey is Black***". That means even if there is some kind of doubt about a transaction, do not go for it. We have to answer a question is there are always a right thing or ethics depend on situation?

We may consider ethics to be the "***Science of Conduct***." Ethics includes the fundamental ground rules by which we live our lives. Philosophers such as Socrates and Plato have given guidelines for ethical behaviour. Many ethicists consider emerging ethical beliefs to be legal principles, i.e., what becomes an ethical guideline today is made into to a law, regulation or rule. Therefore following ***law of the land*** is one of the basic virtues of ethics. Values, which guide how we ought to behave, are moral values, e.g., values such as respect, honesty, fairness, responsibility, etc. ***Statements around how these values are applied are sometimes called moral or ethical principles.***

Definition of Ethics

The concept has come to mean various things to various people, but generally in the context of organizations coming to know what is right or wrong in the workplace and doing what's right -- this is in regard to effects of products/services and in relationships with stakeholders. (We will have a discussion on stakeholders later) In times of fundamental change, values that were previously taken for granted are now strongly questioned. For example, life long employment is considered one of the best policies of organizations. However in the changed competitive situations we find that downsizing, delaying, outsourcing production systems raise questions about the fundamental premise of previously laid down good practices. Consequently, there is no clear moral compass to guide leaders through complex dilemmas about what is right or wrong. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Perhaps most important, attention to ethics in the workplaces helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass.

Let us consider the following questions that are likely to arise in our mind with respect to ethics.

- What kind of knowledge does ethics lay claim to? How is such knowledge defined?
- What is its relevance/application to business conduct?
- How is morality acquired? What are the origins of ethics as systems of belief?
- Should we be good all the time? Must the answer always be "Yes" or are there degrees of correct or wrongful action?
- Is morality necessarily related to religion?
- Is questionable morality necessarily criminal or needing a framework of control and sanction? What form does a framework of sanction take for example for a businessperson operating in global market place? For example, an organization may be following all that is required regarding pollution in a particular country. However, in some other country the rules may not be so stringent regarding pollution control. Now, should the organization follow the same stringent rules?
- Are some acts committed by people always wrong (murder, theft, corrupt practice, exploitation of others, damaging and irreversible destruction of the natural environment)?
- Is moral, ethical behaviour bound by absolute, universal, undeniable rules, which everyone must accept and follow in life? What are such rules? How could they be so absolute? Alternatively is such behaviour based more on
- (a) Avoidance of consequences (fear of punishment) when making decisions or acting? Generally during childhood, certain behaviour is encouraged and other type of behaviour is discouraged. In this process ethics are being thought.

- (b) Socially and culturally determined and dynamic values (subject to evolution and change).
- Do people have more of a propensity for goodness/evil, selfishness and greed (and are business people particularly vulnerable?) or do altruism, generosity and kindness prevail?
- How do children best learn to behave morally?
- What could be the content of a framework of ethical principles that business people in the modern world might benefit from?
- In an extension to childhood, do business people learn to behave morally? Do children learn to behave morally?
- Who has the right to tell us what is good and evil are? Who has the right to tell business people what right and wrong conduct is in the context of their business transactions?

Two Broad Areas of Ethics in relation to Business

1. **Managerial mischief** includes "illegal, unethical, or questionable practices of individual managers or organizations, as well as the causes of such behaviors and remedies to eradicate them." There has been a great deal written about managerial mischief, leading many to believe that business ethics is merely a matter of preaching the basics of what is right and wrong. More often, though, business ethics is a matter of dealing with dilemmas that have no clear indication of what is right or wrong.
2. **Moral mazes.** The other broad area of business ethics is "moral mazes of management" and includes the numerous ethical problems that managers must deal with on a daily basis, such as potential conflicts of interest, wrongful use of resources, mismanagement of contracts and agreements, etc.

Ethics has come to be considered a management discipline, especially since the birth of the social responsibility movement in the 1960s. In that decade, social awareness movements raised expectations of businesses to use their massive financial and social influence to address social problems such as poverty, crime, environmental protection, equal rights, public health and improving education. An increasing number of people asserted that because businesses were making a profit from using the planet's resources, these businesses owed it to the planet to work to improve society. Therefore, we replaced the word shareholder to stakeholder. In 1960's, our objective is to maximize the shareholders wealth and it used to be very narrow and leading to satisfying short run goals.

Who are stakeholders?

As commerce became more complicated and dynamic, organizations realized they needed more guidance to ensure their dealings supported the common good and did not harm others -- and so business ethics was born. In a survey done by MORI survey 66% of those polled said industry and commerce do not pay enough attention to their social responsibilities. In a poll in Guardian newspaper in November 1996, business leaders came only twelfth out of twenty possible moral role models which people should **“try to**

follow". However, the scandals of Enron and other organizations have shaken the faith of people in organization's ethical behaviour. In fact, they started questioning what for the organizations have been created.

One manifestation of the need to demonstrate greater accountability has been the rise in well-organized stakeholder representatives. For the last thirty years has seen the rise of increasingly well organized stakeholder representatives. Historically, trade unionism was a response to the exploitation of workers by owners, and for many years, this was one of the principal constraining forces, which governed corporate industrial behaviour. But the last thirty years has seen the raise of increasingly well organized advocates representing consumers, individual shareholders, the environment and the wider community. Some business sectors have non-human species as stakeholders and face accountability issues for animal welfare too. The stakeholders can be segregated as primary, secondary, social, and non-social. The following groups are identified for understanding purpose.

Primary social Stakeholders

- 1) Local communities
- 2) Suppliers and Business Partners
- 3) Customers
- 4) Investors
- 5) Employees and Managers

Primary non social stakeholders

- 1) the natural environment
- 2) Non human species
- 3) Future Generations

Secondary Social Stakeholders

- 1) Government and Civil Society
- 2) Social and third world pressure groups and unions
- 3) Media and communications
- 4) Trade bodies
- 5) Competitors

Secondary Non Social Stakeholder

- 1) Environmental pressure groups
- 2) Animal welfare pressure groups

After knowing about stakeholders, we need to know about certain myths about Ethics.

Ten Myths about Ethics

1. **Myth:** Business ethics is a matter of religion than management. It is not altering people's values or souls are not the aim of an organizational ethics program -- managing values and conflict among them is the aim of ethics.

2. **Myth:** Our employees are ethical so we do not need attention to business ethics. Most of the ethical dilemmas faced by managers in the workplace are highly complex. Let us examine the following situations
 - a) significant value conflicts among differing interests,
 - b) real alternatives that are equality justifiable, and
 - c) Significant consequences on "stakeholders" in the situation. Kirrane mentions that when the topic of business ethics comes up, people are quick to speak of the Golden Rule, honesty and courtesy. Nevertheless, when presented with complex ethical dilemmas, most people realize there is a wide "gray area" when trying to apply ethical principles.

2. **Myth:** Business ethics is a discipline best led by philosophers, academics, theologians, and only a fad for manager and engineers. It has nothing to do with day to day working organization. However, ethics is a discipline with a programmatic approach that includes several practical tools.

4. **Myth:** Business ethics is superfluous -- it only asserts the obvious: "do good!" Many people react that codes of ethics, or lists of ethical values to which the organization aspires, are superfluous because they represent values to which everyone should naturally aspire. However, the value of codes of ethics to an organization is its priority and focus regarding certain ethical values in that workplace. For example, it is obvious that all people should be honest. However, if an organization is struggling around continuing occasions of deceit in the workplace, a priority on honesty is very timely -- and honesty should be listed in that organization's code of ethics. Note that a code of ethics is an organic instrument as opposed to being mechanistic that does not change according to time.
5. **Myth:** Business ethics is a matter preaching and it is meant for people who are unethical. In organizations many times good people can take bad actions, particularly when stressed or confused. Stress or confusion is not excuse for unethical actions. Managing ethics in the workplace includes everyone working as a team to help each other and remain ethical and to work through confusing and stressful ethical dilemmas.

6. **Myth:** Many believe business ethics is a recent phenomenon because of increased attention to the topic in popular and management literature. However, business ethics was

written about even 2,000 years ago -- at least since Cicero wrote about the topic in his *On Duties*. Business ethics has gotten more attention recently because of the social responsibility movement that started in the 1960s.

7. **Myth:** Ethics cannot be managed. In reality, they are managed indirectly. For example, the behavior of the organization's founder will be a strong moral influence on behavior or employees in the workplace. What Jamshadji Tata has told is still mantra for the rest of the organization even after one hundred years after his death. Strategic priorities (profit maximization, expanding marketshare, cutting costs, etc.) can be very strong influences on morality. Laws, regulations and rules directly influence behaviors to be more ethical, usually in a manner that improves the general good and/or minimizes harm to the community.

8. **Myth:** Business ethics and social responsibility is the same thing. The social responsibility movement is one aspect of the overall discipline of business ethics.

- 1) It is application of ethics to the corporate community,
- 2) a way to determine responsibility in business dealings,
- 3) the identification of important business and social issues, and
- 4) a critique of business.

9. **Myth:** Our organization is not in trouble with the law, so we are ethical. One can often be unethical, yet operate within the limits of the law, e.g., withhold information from superiors, inflate travel bills, complaining about others and pretending that they are the most efficient, etc. However, breaking the law often starts with unethical behavior that has gone unnoticed. The "boil the frog" phenomena are a useful parable here: If you put a frog in hot water, it immediately jumps out. If you put a frog in cool water and slowly heat up the water, you can eventually boil the frog. The frog does not seem to notice the adverse change in its environment.

10. **Myth:** Managing ethics in the workplace has little practical relevance. Managing ethics in the workplace involves identifying and prioritizing values to guide behaviors in the organization, and establishing associated policies and procedures to ensure those behaviors are conducted. One might call this "values management." Value management is also highly important in other management practices, e.g., managing diversity, Total Quality Management and strategic planning.

Benefits of Managing Ethics in the Workplace

The following list describes benefits from managing ethics in the workplace.

1. Attention to ethics has substantially improved society. A matter of decades ago, children in different parts of the world worked 16-hour days. Most of the injuries to

workers were never attended to, disabled workers were condemned to poverty and often to starvation, and we have enacted workers compensation Act. Cartels (controlled some markets to the extent that prices were fixed and small businesses could not compete with them lost to big firms. Price fixing crippled normal market forces. Employees were selected and terminated based on personal liking and dislikes of managers. Influence was applied through intimidation and harassment. Then society reacted and demanded that businesses place high value on fairness and equal rights. Competition Laws were instituted Government agencies were established. Unions were organized. Laws and regulations were established.

2. Ethics programs help maintain a moral course in turbulent times. Attention to business ethics is critical during times of fundamental change -- times much like those faced now by businesses, both nonprofit and for-profit. During times of change, there is often no clear moral compass to guide leaders through complex conflicts about what is right or wrong. Continuing attention to ethics in the workplace sensitizes leaders and staff to how they want to act -- consistently.
3. Ethics programs cultivate strong teamwork and productivity. Ethics programs align employee behaviors with those top priority ethical values preferred by leaders of the organization. Usually, an organization finds surprising disparity between its preferred values and the values actually reflected by behaviors in the workplace. Ongoing attention and dialogue regarding values in the workplace builds openness, integrity and community -- critical ingredients of strong teams in the workplace. Employees feel strong alignment between their values and those of the organization. They react with strong motivation and performance.
4. Ethics programs support employee growth and meaning. Attention to ethics in the workplace helps employees face reality, both good and bad -- in the organization and themselves. Employees feel full confidence they can admit and deal with whatever comes their way.
5. Ethics programs help ensure that policies are legal. There are an increasing number of lawsuits about personnel matters and to effects of an organization's services or products on stakeholders. Ethical principles are often legal matters. These principles are often applied to current, major ethical issues to become legislation. Attention to ethics ensures highly ethical policies and procedures in the workplace. It is far better to incur the cost of mechanisms to ensure ethical practices now than to incur costs of litigation later. A major intent of well-designed personnel policies is to ensure ethical treatment of employees, e.g., in matters of selection, evaluating, disciplining, and separating.

6. Ethics programs help avoid criminal acts “of omission” and can avoid punishments. Ethics programs tend to detect ethical issues and violations early on so they can be reported or addressed.

7. Ethics programs help manage values associated with quality management, strategic planning and diversity management -- this benefit needs far more attention. Ethics programs identify preferred values and ensuring organizational behaviors are aligned with those values. This effort includes recording the values, developing policies and procedures to align behaviors with preferred values, and then training all personnel about the policies and procedures. This overall effort is very useful for several other programs in the workplace that require behaviors to be aligned with values, including quality management, strategic planning and diversity management. Total Quality Management includes high priority on certain operating values, e.g., trust among stakeholders, performance, reliability, measurement, and comments... Ethics management programs are also useful in managing diversity. Diversity is much more than the color of people’s skin -- it is acknowledging different values and perspectives. Diversity programs require recognizing and applying diverse values and perspectives -- these activities are the basis of a sound ethics management program.

8. Ethics programs promote a strong public image. Attention to ethics is also strong public relations -- admittedly, managing ethics should not be done primarily for reasons of public relations. Nevertheless, frankly, the fact that an organization regularly gives attention to its ethics can portray a strong positive to the public. People see those organizations as valuing people more than profit, as striving to operate with the utmost of integrity and honor. Aligning behavior with values is critical to effective marketing and public relations programs.

9. Overall benefits of ethics programs

Managing ethical values in the workplace legitimizes managerial actions, strengthens the alignment of the organization’s culture, and improves trust in relationships between individuals and groups. It supports greater consistency in standards and qualities of products, and cultivates greater sensitivity to the impact of the enterprise’s values and messages.

How do we describe an ethical organization?

1. They are at ease interacting with diverse internal and external stakeholder groups. The basic guidelines of these firms make the good of these stakeholder groups parts of the organizations' own good.
2. They are obsessed with fairness. Their guidelines emphasize that the other persons' interests count as much as their own.

3. Responsibility is individual rather than collective, with individuals assuming personal responsibility for actions of the organization. These organization guidelines mandate that individuals are responsible to themselves.

4. They see their activities in terms of purpose. This purpose is a way of operating that members of the organization highly value. Moreover, purpose ties the organization to its stakeholders. We see that organizations such as Tata Motors, Wipro, and Infosys have specific ethical policies and they are immensely benefited by these policies.

The following characteristics are common the companies that are mentioned:

1. There exists a clear vision and picture of integrity throughout the organization.
2. The vision is owned and practiced at every level of management.
3. The reward system is aligned with the vision of integrity.
4. Policies and practices of the organization are aligned with the vision and no mixed messages are being sent.
5. It is understood that every significant management decision has ethical value dimensions.
6. Everyone is expected to work through conflicting-stakeholder value perspectives.

Most of these organizations have ethics programs that convey corporate values, often using codes and policies to guide decisions and behavior, and can include extensive training and evaluating, depending on the organization. They provide guidance in ethical dilemmas.

Guidelines for Managing Ethics in the Workplace

The following guidelines ensure the ethics management program is operated in a meaningful fashion:

1. Recognize that managing ethics is a process. Ethics is a matter of values and associated behaviors. Values are discerned through the process of ongoing reflection. Therefore, ethics programs may seem more process-oriented than most management practices. Managers tend to be skeptical of process-oriented activities, and instead prefer processes focused on deliverables with measurements. However, experienced managers realize that the deliverables of standard management practices (planning,

organizing, motivating, and controlling) are only tangible representations of very process-oriented practices. For example, the process of strategic planning is much more important than the plan produced by the process. The same is true for ethics management. Ethics programs do produce deliverables, e.g., codes, policies and procedures, budget items, meeting minutes, authorization forms, newsletters, etc. However, the most important aspect from an ethics management program is the process of reflection and dialogues that produces these deliverables.

2. The bottom line of an ethics program is accomplishing preferred behaviors in the workplace. As with any management practice, the most important outcome is behaviors preferred by the organization. The best of ethical values and intentions are relatively meaningless unless they generate fair and just behaviors in the workplace. That's why practices that generate lists of ethical values, or codes of ethics, must also generate policies, procedures and training that translate those values to appropriate behaviors.
3. The best way to handle ethical dilemmas is to avoid their occurrence in the first place. That is why practices such as developing codes of ethics and codes of conduct are so important. Their development sensitizes employees to ethical considerations and minimizes the chances of unethical behavior occurring in the first place.
4. Make ethics decisions in-groups, and make decisions public, as appropriate. This usually produces better quality decisions by including diverse interests and perspectives, and increases the credibility of the decision process and outcome by reducing suspicion of unfair bias.
5. Integrate ethics management with other management practices. When developing the value statement during strategic planning, include ethical values preferred in the workplace. When developing personnel policies, reflect on what ethical values you would like to be most prominent in the organization's culture and then design policies to produce these behaviors.
5. Use cross-functional teams when developing and implementing the ethics management program. It is vital that the organization's employees feel a sense of participation and ownership in the program if they are to adhere to its ethical values. Therefore, include employees in developing and operating the program.
7. Value forgiveness. This may sound rather religious. However, it is probably the most important component of any management practice. An ethics management program may at first actually increase the number of ethical issues to be dealt with because people are more sensitive to their occurrence. Consequently, there may be more occasions to address people's unethical behavior. The most important ingredient for remaining ethical is trying

to be ethical. Therefore, help people recognize and address their mistakes and then support them to continue to try operate ethically.

8. Note that trying to operate ethically and making a few mistakes is better than not trying at all. Some organizations have become widely known as operating in a highly ethical manner.

Key Roles and Responsibilities in Ethics Management

Depending on the size of the organization, certain roles may prove useful in managing ethics in the workplace. These can be full-time roles or part-time functions assumed by someone already in the organization. Small organizations certainly will not have the resources to implement each the following roles using different people in the organization. However, the following function points out responsibilities that should be included somewhere in the organization. Mr. P.A.Viswanathan is ethics counselor in Tata Steel and some of his experiences are given here.

1. The organization's chief executive must fully support the program. If the chief executive is not fully behind the program, employees will certainly notice -- and this apparent hypocrisy may cause such cynicism that, the organization may be worse off than having no formal ethics program at all. Therefore, the chief executive should announce the program, and champion its development and implementation. Most important, the chief executive should consistently aspire to lead in an ethical manner. If a mistake is made, admit it.
2. Consider establishing an ethics committee at the board level. The committee would be charged to oversee development and operation of the ethics management program.
3. Consider establishing an ethics management committee. It would be charged with implementing and administrating an ethics management program, including administrating and training about policies and procedures, and resolving ethical dilemmas. The committee should be comprised of senior officers.
4. Consider assigning/developing an ethics officer. This role is becoming more common, particularly in larger and more progressive organizations. The ethics officer is usually trained about matter of ethics in the workplace, particularly about resolving ethical dilemmas.
5. Consider establishing an ombudsperson. The ombudsperson is responsible to help coordinate development of the policies and procedures to institutionalize moral values in the workplace. This position usually is directly responsible for resolving ethical dilemmas by interpreting policies and procedures.

6. Note that one person must ultimately be responsible for managing the ethics management program.

Codes of Ethics

A code generally describes the highest values to which the company aspires to operate. Many ethicists note that it is the developing and continuing dialogue around the code's values that is most important.

Sometimes, employees react to codes with suspicion, believing the values are "motherhood statements and codes are for window dressing". However, when managing a complex issue, especially in a crisis, having a code is critical.

Developing Codes of Ethics

In the case of a large organization e.g., includes several large programs or departments, we have to develop an overall corporate code of ethics and then a separate code to guide each of departments.

Codes should not be developed out of the Human Resource or Legal departments alone, as it is sometimes done in organizations. Codes are insufficient if intended only to ensure that policies are legal. All staff must see the ethics program being driven by top management.

One of the essential variables in the development of codes is the organizational culture.

1. Organizational Culture - review to get a basic understanding of "personalities" of organizations
2. Strategic Planning - specific to developing a Values Statement
3. Valuing Diversity - to consider that there are other values and perspectives

Following guidelines may be useful while developing codes of ethics:

1. Review any values need to adhere to relevant laws and regulations; this ensures organization is not violating any of them.(Various laws given by both state and Central Governments have to be followed such as Factories Act, Workmen Compensation Act etc)
2. Review which values produce the top three or four traits of a highly ethical and successful product or service in a particular functional area, for example for accountants: objectivity, confidentiality, accuracy, etc. Identify the values produce behaviors that exhibit these traits.

3. Identify values needed to address current issues in workplace. Appoint one or two persons to interview staff to collect descriptions of major issues in the workplace. Collect descriptions of behaviors that produce the issues. Consider those issues that are ethical in nature, e.g., issues in regard to respect, fairness and honesty. Identify the behaviors needed to resolve these issues. Identify values that generate preferred behaviors. There may be values included here that some people would not deem as moral or ethical values, e.g., team-building and promptness, but for managers, these practical values may add more relevance and utility to a code of ethics.
4. Identify any values needed, based on findings during strategic planning. Review information from SWOT analysis (identifying the organization's strengths, weaknesses, opportunities and threats). What behaviors are needed to build on strengths, minimize weaknesses, take advantage of opportunities and guard against threats?
5. Consider any top ethical values that might be prized by stakeholders. For example, consider expectations of employees, clients/customers, suppliers, founders, members of the local community, etc.
6. Collect from the above steps, the top five to ten ethical values that are high priorities in organization.
7. Examples of ethical values might include the following
 - a) Trustworthiness: honesty, integrity, promise keeping, and loyalty
 - b) Respect: autonomy, privacy, dignity, courtesy, tolerance, and acceptance
 - c) Responsibility: accountability, pursuit of excellence
 - d) Caring: compassion, consideration, giving, sharing, kindness, loving
 - e) Justice and fairness: procedural fairness, impartiality, consistency, equity, equality, and due process
 - e) Civic virtue and citizenship: law abiding, community service, and protection of environment.
8. Compose code of ethics; attempt to associate with each value, two example behaviors which reflect each value.
9. Include wording that indicates all employees are expected to conform to the values stated in the code of ethics. Add wording that indicates where employees can go if they have any questions.

10. Obtain review from essential members of the organization. Get input from all members of organization.
11. Announce and distribute the new code of ethics (unless you are waiting to announce it along with any new codes of conduct and associated policies and procedures). Ensure each employee has a copy and post codes throughout the facility.
12. Codes are not static and they are dynamic. The most important dimension of codes is developing them, not the code itself. Continued dialogue and reflection around ethical values produces ethical sensitivity and consensus. Therefore, revisit codes at least two or three times a year.
13. We should note that we cannot include values and preferred behaviors for every possible ethical dilemma that is likely to arise.

It has been observed that it is better to evolve one's own ethics based on culture of or the organization. All ethical values are attractive to include in a code; however, we have to prioritize those that provoke behaviors needed in organization at a specified time.

Ethics Tools:

Codes of Conduct

"Codes of conduct specify actions in the workplace and codes of ethics are general guides to decisions about those actions," codes of conduct contain examples of appropriate behavior to be meaningful.

Ethics Tools: Policies and Procedures

1. Update policies and procedures to produce behaviors preferred from the code of conduct, including, e.g., personnel, job descriptions, performance appraisal forms, management-by-objectives expectations, standard forms, checklists, budget report formats, and other relevant control instruments to ensure conformance to the code of conduct. In doing so, try to avoid creating ethical dilemmas such as conflicts-of-interest or infringing on employee's individual rights.

2. There are numerous examples of how organizations manage values through use of policies and procedures. For example, we are most familiar with the value of social responsibility. To produce behavior aligned with this value, organizations often institute policies such as recycling waste, donating to local charities, or paying employees to participate in community events. In another example, a high value on responsiveness to customers might be implemented by instituting policies to return phone calls or to repair defective equipment within a certain period of time. Consider the role of job descriptions and performance appraisals. For example, an advanced technology business will highly value technical knowledge, creativity and systems thinking. They use job descriptions and performance appraisals to encourage behaviors aligned with these values, such as rewarding advanced degrees, patents, and analysis and design skills.

3. Include policies and procedures to address ethical dilemmas. See the next section, "Ethics Tools: Resolving Ethical Dilemmas," to select a method which is most appropriate to your organization's culture and operations.

4. Include policies and procedures to ensure training of employees about the ethics management program. See a following section, "Ethics Tools: Training."

5. Include policies and procedures to reward ethical behavior and impose consequences for unethical behavior.
6. Include a grievance policy for employees to use to resolve disagreements with supervisors and staff.

7. Consider establishing a hotline for ethics. This function might best be provided by an outside consultant, e.g., an employee in the same organization with different department, or an ethics counselor etc. Alternatively, provide an anonymous suggestion box in which personnel can report suspected unethical activities, and do so safely on an anonymous basis.

Ethics Tools: Resolving Ethical Dilemmas

Definition of an Ethical Dilemma. Perhaps too often, business ethics is portrayed as a matter of resolving conflicts in which one option appears to be the clear choice. For example, case studies are often presented in which an employee is faced with whether or not to lie, steal, cheat, break terms of a contract, etc. However, ethical dilemmas faced by managers are often more real-to-life and highly complex with no clear guidelines, whether in law or often in religion.

An ethical dilemma exists when one is faced with having to make a choice among these alternatives.

Some Examples of Complex Ethical Dilemmas

- 1) A customer asked for a product from us today. After telling him our price, he said he could not afford it. I know he could get it cheaper from a competitor. Should I tell him about the competitor -- or let him go without getting what he needs? What is the guideline for us? The societal interest or the personal interest?
- 2) Our company prides itself on its merit-based pay system. One of our employees has done a tremendous job all year, so he deserves strong recognition. However, he has already paid at the top of the salary range for his job grade and our company has too many people in the grade above him, so we cannot promote him. What should I do?"
- 3) Our company prides itself on hiring minorities. One Asian candidate fully fits the job requirements for our open position. However, we are concerned that our customers will not understand his limited command of the English language. What should be done in these circumstances?

- 4) My boss told me that one of my employees is among several others to be laid off soon, and that I'm not to tell my employee yet or he might tell the whole organization which would soon be in an uproar. Meanwhile, I heard from my employee that he plans to join his daughter in an engineering college. What should I do?"
- 5) My computer operator told me he had noticed several personal letters printed from a computer that I was responsible to manage. While we had no specific policies then against personal use of company facilities, I was concerned. I approached the letter writer to discuss the situation. She told me she had written the letters on her own time to practice using our word processor. What should I do?"
- 6) A fellow employee told me that he plans to quit the company in two months and start a new job, which has been guaranteed to him. Meanwhile, my boss told me that he wasn't going to give me a new opportunity in our company because he was going to give it to my fellow employee now. What should I do?"

The following tools can be used in such circumstances

1. Feedback
2. Listening
3. Questioning
4. Conflict (interpersonal)
5. Negotiating
6. Valuing Diversity

Methods to Resolve Ethical Dilemmas

Organizations should develop and document a procedure for dealing with ethical dilemmas as they arise. Ideally, ethical dilemmas should be resolved by a group within the organization, e.g., an ethics committee comprised of top leaders/managers and/or members of the board. Consider having staff members on the committee, as well. The

following three methods can be used to address ethical dilemmas. Methods include an ethical checklist, a ten-step method and a list of important questions. (Note that The Golden Rule is probably the most common method to resolve ethical dilemmas. The rule exists in various forms in many of the religions.)

Method One - Ethical Checklist

We can develop an ethical checklist.

Ethical Checklist

Circle the appropriate answer on the scale; "1" = not at all; "5" = totally accept for each of the statements.

1. **Relevant Information Test** Have I/we obtained as much information as possible to make an informed decision and action plan for this situation.

2. **Involvement Test** Have I/we involved all who have a right to have input and/or to be involved in making this decision and action plan.

3. **Consequential Test.** Have I/we anticipated and attempted to accommodate for the consequences of the decision and action plan on any that are significantly effected by it?

4. **Fairness Test.** If I/we were assigned to take the place of any one of the stakeholders in this situation, would I/we perceive this decision and action plan to be essentially fair, given all of the circumstances?

5. **Enduring Values Test.** Do this decision and action plan uphold my/our priority enduring values that are relevant to this situation.

- 6.

7. **Universality Test** Would I/we want this decision and action plan to become a universal law applicable to all similar situation, even to myself/ourselves?

8. **Light-of-Day Test** How would I/we feel and be regarded by others (working associates, family, etc.) if the details of this decision and action plan were disclosed for all to know?

9. **Total Ethical Analysis Confidence Score.**
10. Place the total of all circled numbers here.
How confident can you are that you have done a good job of ethical analysis?
If we add all your scores and they are falling into the following groups, we can have the following analysis.

7-14 Not very confident

15-21 somewhat confident

22-28 quite confident

29-35 Very confident

Method Two - Ten-Step Method of Decision Making

1. What are the facts in the situation?
2. Who are the key stakeholders, what do they value and what are their desired outcomes?
3. What are the underlying drivers that are causing the situation?
4. In priority order, what ethical principles or operating values do you think should be upheld in this situation?
5. Who should have input to, or be involved in, making decision?
6. List any alternative and action plans that would:
 - a) Prevent or minimize harm to stakeholders
 - b) Uphold the priority values for this situation
 - d) Be a good solution to the situation

Alternative 1

Alternative 2

Alternative 3

7. Build a WORSE CASE SCENARIO for preferred alternative to see how it affects the stakeholders. Iterate preferred alternative.
8. Add a preventive ethics component to your action plan that deals with the underlying drivers causing the situation listed in Step 3.
9. Evaluate your chosen decision and action plan against the checklist on the reverse side.
10. Decide and build an action plan, and implement and monitor it.

Method Three - Twelve Questions to Address Ethical Dilemmas

Laura L. Nash poses 12 questions to help managers address ethical dilemmas.

1. Have you defined the problem accurately?

2. How would you define the problem if you stood on the other side of the fence?
 3. How did this situation occur in the first place?
 4. To whom and to what do you give your loyalty as a person and as a member of the corporation?
 5. What is your intention in making this decision?
 6. How does this intention compare with the probable results?
 7. Whom could your decision or action injure?
 8. Can you discuss the problem with the affected parties before you make your decision?
 9. Are you confident that your position will be as valid over a long period as it seems now?
 10. Could you disclose without qualm your decision or action to your boss, your CEO, the board of directors, your family, society as a whole?
 11. What is the symbolic potential of your action if understood? Misunderstood?
 12. Under what conditions would you allow exceptions to your stand?
- (Adapted from: Nash, L. (1981). Ethics without the Sermon. Harvard Business Review, (59)

Summary

Engineering Ethics is one of the most important disciplines that need to be thought to the students to adopt ethical behaviour with respect to organizations. It promotes healthy society and fulfilling experience for individual. In the globalized era, we find that “Ethics will be one of the enablers of competitiveness”.

References:

- Berenbeim, R. E. (1992, Spring). "The Corporate Ethics Test". Business and Society Review, 31(1), 77-80.
- Brenner, S. N. (1992). "Ethics Programs and Their Dimensions". Journal of Business Ethics, 11,391-399.
- Buchholz, R. A. (1989). "Fundamental Concepts and Problems in Business Ethics". In Madsen, P., & Shafritz, J. M. (Eds.) (1990). "Essentials of Business Ethics". New York: Penguin Books.
- Carroll, A. B. (1990). "Principles of Business Ethics: Their Role in Decision-Making and in Initial Consensus". Management Decision, 28(8), 21-23.
- Dean, P. J. (1992). "Making Codes of Ethics 'Real'." Journal of Business Ethics, 11, 285-290.
- Deborah, B. (1991, January/February). "Asking for Help: A Guide to Using Socially Responsible Consultants". Business Ethics Magazine, pp. 24-29.

- Francis, David R. (1991, June). "Prevent Trouble by Improving Ethics". *Christian Science Monitor*, p. 9.
- Fulcrum Consulting Group, 1093 Snelling Ave. South, Saint Paul, MN 55116. Phone 1-800-55-ETHIC.
- Gandz, J. & Bird, F. G. (1989, Autumn). "Designing Ethical Organizations". *Business Quarterly*, 54(2), 108-112.
- Genfan, H. (1987, November). "Formalizing Business Ethics". *Training and Development Journal*, pp. 35-37.
- Josephson Institute of Ethics, 310 Washington Boulevard, Suite 104, Marina del Rey, California. Phone 310-306-1868.
- Kirrane, D.E. (1990, November). "Managing Values: A Systematic Approach to Business Ethics". *Training and Development Journal*, pp. 53-60.
- Madsen, P., Ph. D., & Shafritz, J. M., Ph. D. (Eds.). (1990). "Essentials of Business Ethics". New York: Penguin Books.
- McDonald, G., & Zepp, R. (1990). "What Should Be Done? A Practical Approach to Business Ethics". *Management Decision*, 28(1), 9-13.
- Nash, L. (1981). "Ethics Without the Sermon". *Harvard Business Review*, (59).
- Navran Associates Management Consultants, 3037 Wembley Ridge, Atlanta, GA. Phone 404-493-8886.
- Reynolds, L. (1992, July/August). "The Ethics Audit. *Business Ethics Magazine*", pp. 20-22.
- Sims, R. R. (1991). "Institutionalization of Organizational Ethics". *Journal of Business Ethics*, 10, 493-506.
- Strong, K. C., & Meyer, G. (1992). "An Integrative Descriptive Model of Ethics Decision Making". *Journal of Business Ethics*, 11, 89-94.
- Thompson, T. (1991, Spring). "Managing Business Ethics". *Canadian Public Administration*, 34(1), 153-157.
- Toffler, B. (1991, Winter). "Doing Ethics: An Approach to Business Ethics Consulting". *Moral Education Forum*, 16(4), 14-20.

World Wide Web Links:

The following are links to Web sites about business ethics.

<http://www.duke.edu/~wgrobin/ethics/surfing.htm>

<http://www.ethics.ubc.ca/resources/business/>

http://commfaculty.fullerton.edu/lester/ethics/ethics_list.html

<http://ethics.acusd.edu/index.html>

<http://www.ethics.ubc.ca>

<http://www.ethics.ubc.ca/resources/business/codes.html>

<http://commfaculty.fullerton.edu/lester/ethics/listserver.html>

Readings and Surfings

[Readings](#) | [Required Texts](#) | [Recommended Texts](#) | [Relevant Periodicals](#)

[Surfings](#) | [Ethical](#) | [Legal and Civic](#) | [Techno-Cultural Media](#) | [Voices](#)

[[webtaxi search](#) | [Webinator Search](#)]

Ethical Resources

Yes, this page needs updating -- I hope to get to it soon

1. [Indices](#) | 2. [Institutes](#) | 3. [Topics](#)

1. Indices

- [Bioethics](#) -- comprehensive healthcare and medical pointers from [MedWeb](#), see [Virtual Reality and Medicine](#)
- [Codes of Conduct or Ethics from Around the World](#) -- meta-index
- [Computer Ethics Lists](#) -- related mailing lists and newgroups
- [Ethics](#) -- search of recent reporting in the [Chronicle](#)
- [Ethics](#) -- definitions
- [Ethics](#) -- from the [Principia Cybernetica](#)
- [Ethics](#) -- pointers from Yahoo
- [Ethics and Social Issues in CS](#) -- computer and engineering sciences concerns
- [Ethics in Science](#) -- pointers and instances of misconduct in the hard sciences
- [Ethics in Science](#) -- with pointers to [Women in Science](#)
- [Ethics on the World Wide Web](#) -- Paul Lester's cross-disciplinary compilation of applied ethics and Net resources, strong on media ethics -- there's even a link to a fanzine site for a band called [Code of Ethics](#)
- [Ethics Pages](#) -- links from the philosophy department at Johns Hopkins

[Ethics Updates](#) -- ethics for education with

[Ethics Resources on the Internet](#)

- [Human Rights Issues](#) -- comprehensive pointers from the ACA

- [Legalethics.com](#) -- excellent resource provided by

[Internet Legal Services](#)

[Legal Ethics Materials](#) -- pointers from Cornell Law School's [LII](#)

[Nonviolence](#) -- Yahoo's pointers

[Philosophy and Religion](#) -- pointers from the

[American Studies Web](#)

[Philosophy at Duke](#) -- department provides links to philosophical information and amusement

[Philosophy in Cyberspace](#) -- philosophical resources on the Net

[Religion Links](#) -- from the [Divinity School](#) at Duke

- [Religion on the Internet](#) -- departmental index of indices

- [SATISRUN](#) -- Science And Technology In Society and information technology in education

- [Science, Technology, and Society](#) -- excellent list of pointers from the program of the same name at [NCSU](#)

- [Science, Technology, and Society](#) -- subject guide to STS with [Computers in Society](#)

- [Science, Technology, Ethics, and Law](#) -- pointers from the

[Voice of the Shuttle](#) -- see the [Philosophy](#) and [Religion](#) VoS pages as well -- see also Alan Liu's

"[Should We Link to the Unabomber? An Essay on Practical Web Ethics](#)," Oct. 10, 1995 (and the [Freedom Forum](#) on this topic)

[Skeptical Information on the Internet](#) -- disbelievers unite

- [Top Ethics Sites](#) -- chosen by [Point Communications](#),

see also Point's [Social Services](#) and [Ethics and Netiquette](#) picks (some crossover)

2. Institutes [\[top\]](#)

- [Alliance for Public Technology](#) -- working toward better distribution of access

[American Philosophical Association](#) -- leading academic organization

- [Amnesty International](#) -- prominent global human rights organization

[APA Ethics Information](#) -- pointers from the American Psychological Association

[Aspen Institute](#) -- nonpartisan seminars and policy programs for leaders

[Association for Practical and Professional Ethics](#) --

"interdisciplinary scholarship and teaching in practical and professional ethics"

[BEARS](#) -- Brown Electronic Article Review Service on morals and politics

[Better Business Bureau](#) -- ethical business protection

[Business Ethics Teaching Society](#) -- ethics for the real world

- [Carter Center](#) -- former president works to improve the standard of living

- [Center for Applied Ethics](#) -- with [Applied Ethics Resources on](#)

[the WWW](#), see "[Making Pseudonymity Acceptable](#)," paper by Peter A. Danielson, prepared for

the American Association for the Advancement of Science / American Bar Association National Conference of Lawyers and Scientists Invitational Workshop on Legal, Ethical, and Technological Aspects of Computer and Network Use and Abuse

[Center for Clinical Ethics and Humanities in Health Care](#) --

ethical healthcare

[Center for Environmental Philosophy](#) -- with [Environmental Ethics](#) journal

[Codes of Ethics and Conduct](#) -- institutional engineering and science codes gathered at MIT

[Cyberspace: The New Frontier](#) -- program in technology and ethics at the University of Idaho

[EnviroLink Network](#) -- their list of pointers spans [Animal Rights](#) to [Vegetarian Resources](#), with much more in between

[Environmental Organization Web Directory](#) -- meta-index

[Global Democracy Network](#) -- members of Parliament use the Internet and telecommunications to further human rights and combat injustice

- [Greenpeace](#) -- international ecological activism and solutions

[HandsNet on the Web](#) -- addressing income disparity, homelessness, illiteracy, urban revitalization, and other social problems

- [Institute for Business and Professional Ethics](#) -- with the [Ethics Beat](#)

[Institute for Global Communication](#) -- PeaceNet, EcoNet, ConflictNet, LaborNet, and WomensNet

[Institute for Global Ethics](#) -- the Big Picture

[International Society for Environmental Ethics](#) -- keeping the planet green

- [Internet Society](#) -- "non-governmental international organization for global cooperation and coordination for the Internet and its internetworking technologies and applications" -- see their [Standards](#)

- [InterNIC](#) -- Internet domain registration, see their policy statement, [Ethics and the Internet](#)

[JSCOPE](#) -- military ethics, with a Jan. 1996 conference

[LAMBDA](#) -- institute of gay and lesbian studies, with a [Code of Ethics](#)

[Loka Institute](#) -- democratizing and sensitizing science and technology

[National Rifle Association](#) -- do they have a code of ethics?

[OncoLink](#) -- [University of Pennsylvania Cancer Center](#), see their [General Disclaimer](#)

[Organization of News Ombudsmen](#) -- watchdogs of the newsroom, ombudsmen often face tough ethical decisions under deadline pressure -- see their [Columns](#)

[ORIGIN Global Ethic Project](#) -- from the 1993 Parliament of World Religions

- [Poynter Center for the Study of Ethics](#) -- ethics research at Indiana University, with [Digital Resources in Ethics](#)

[Public Interest Groups](#) -- Yahoo's pointers

[Rainforest Action Network](#) -- one of the coolest of the eco sites

- [Scientific Freedom, Responsibility, and Law Program](#) -- from the American Association for the Advancement of Science
- [Society of Professional Journalists](#) -- with a [Code of Ethics](#), adopted in 1926 (since revised)

[Stanford University's Program in Science, Technology, and Society](#) -- with [STS Links](#) and their journal [Techné](#)

[Superhighways Ethics Project](#) -- from the U.K.'s Collaborative Open Group

[U.S. Holocaust Museum](#) -- bears witness to and combats bigotry

[Washington Biotechnology Action Council](#) -- genetic

engineering concerns

[WITI](#) -- international network of women in technology works to break the [Glass Ceiling](#)

- [WWW Ethics Center for Engineering / Science](#) -- NSF-funded MIT initiative

3. Topics [\[top\]](#)

[Accuracy in Academia](#) -- preserving traditional ethics for today's youth

[Anarchy on the Net](#) -- online exchange provided by [Carol Woodbury](#)

- "[Cyberspace: The Ethical Frontier](#)" -- article by Simon Rogerson and Terrell Ward Bynum

"[Digital Imaging](#)" -- article by Brendon Nelson on the ethics of photo sampling

[Ethical Awareness Inventory](#) -- do you abuse power?

[Ethical Spectacle](#) -- alternative views on media ethics

"[Ethics in Cyberspace](#)" -- article by Laverna M. Saunders, May 22, 1994

"[Ethics, Morality, and Criminality](#)" -- panel chaired by J. Michael Gibbons of the FBI, March 18, 1992, at [CFP`92](#)

[Ethics of Technology in Education](#) -- bringing new tech to the classroom

[Ethics Vertical File](#) -- media ethics from the [Poynter Institute](#)

[Gaia's Hive](#) -- New Age ethics with the [Mother Earth Mall](#)

- [Gray Areas Magazine](#) -- only if you won't get caught

[How to Receive Banned Newsgroups](#) -- FAQ on alt.< groups > and the ethical basis for why their content may be removed and what users can do about it

- [Information Systems Ethics Education](#) -- computer ethics, or "cyberethics," course at Southern Illinois University with relevant [Cases](#)

[Internet Corruption Ranking](#) -- international whistle-blowing

[Journal of Buddhist Ethics](#) -- Eastern ethics

"[Law, Ethics, and Society on the Information Superhighway](#)" -- article / page by Amy Gorbin

"[Long Tradition of Doctoring Photos](#)" -- article by Ken Kobré in [PhotoPlex](#)

[People for the Ethical Treatment of Animals](#) -- help prevent cruelty to animals

"[Photo Manipulation Labeled 'A Visual Lie'](#)" -- article by Cheryl Arvidson, in the April 17, 1995, *Forum Weekly* of the [Freedom Forum](#) -- see also "[Publish or Perish: A Forum on the Decision to Publish the Unabomber's Manifesto](#)," Sept. 27, 1995

- [Remembering Nagasaki](#) -- arresting photojournalism from the [Japan Peace Museum](#)

[John W. Smith's Publications](#) -- with pointers to [Ethics Books and Articles](#)

- [Ten Commandments of Computer Ethics](#) -- from the CPSR
- [Ten Commandments of HTML](#) -- succinct advice, not bad at all
- [Ten Legal and Ethical Issues](#) -- highly recommended guide for