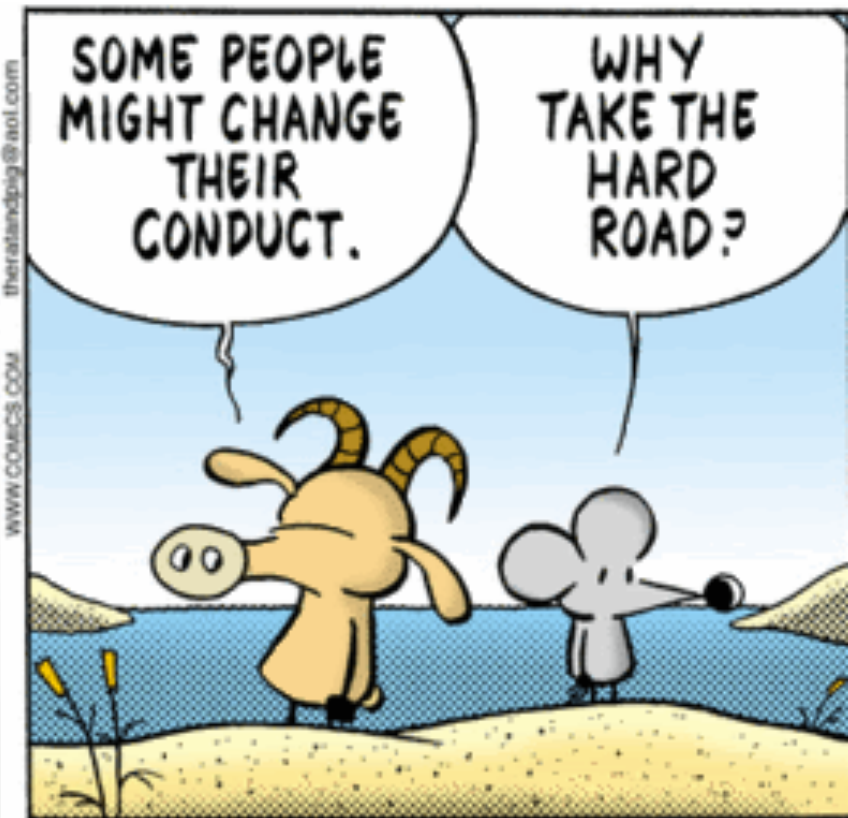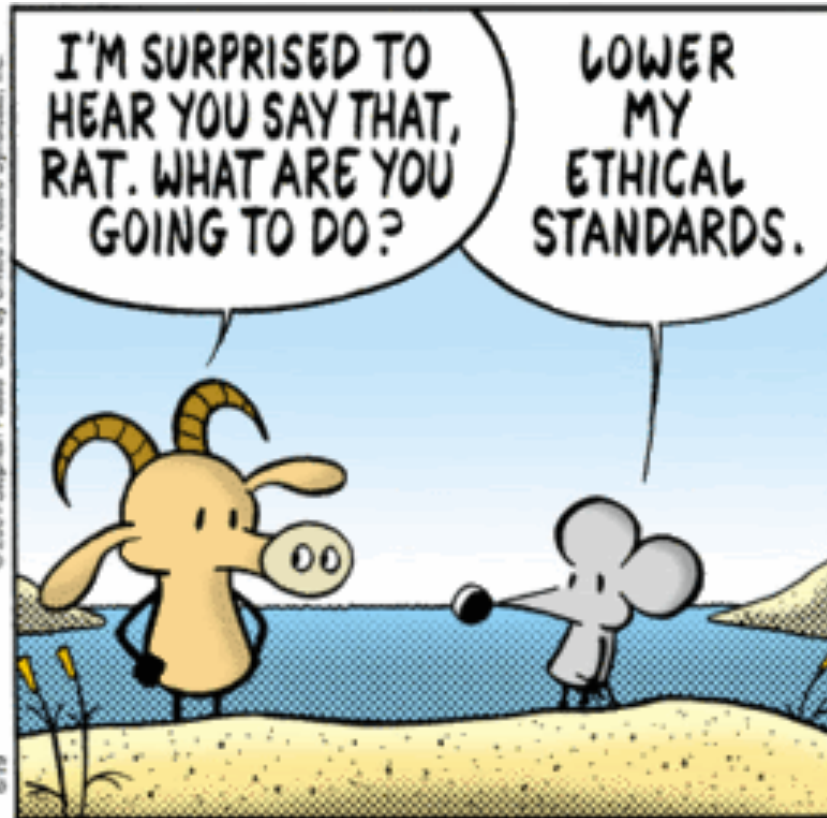# What are Ethics?
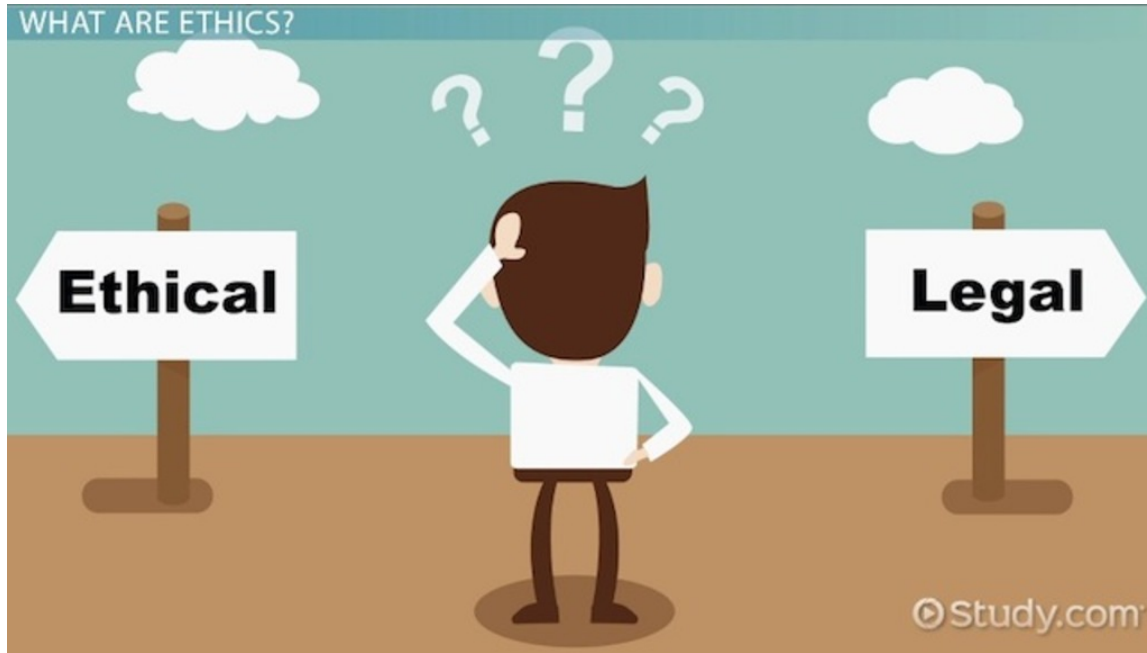
What are ethics?

- Ethics: A code of moral principles used to set standards of "good" and "bad"

- Ethical Behaviour: What is accepted as good and right according to the governing moral code.
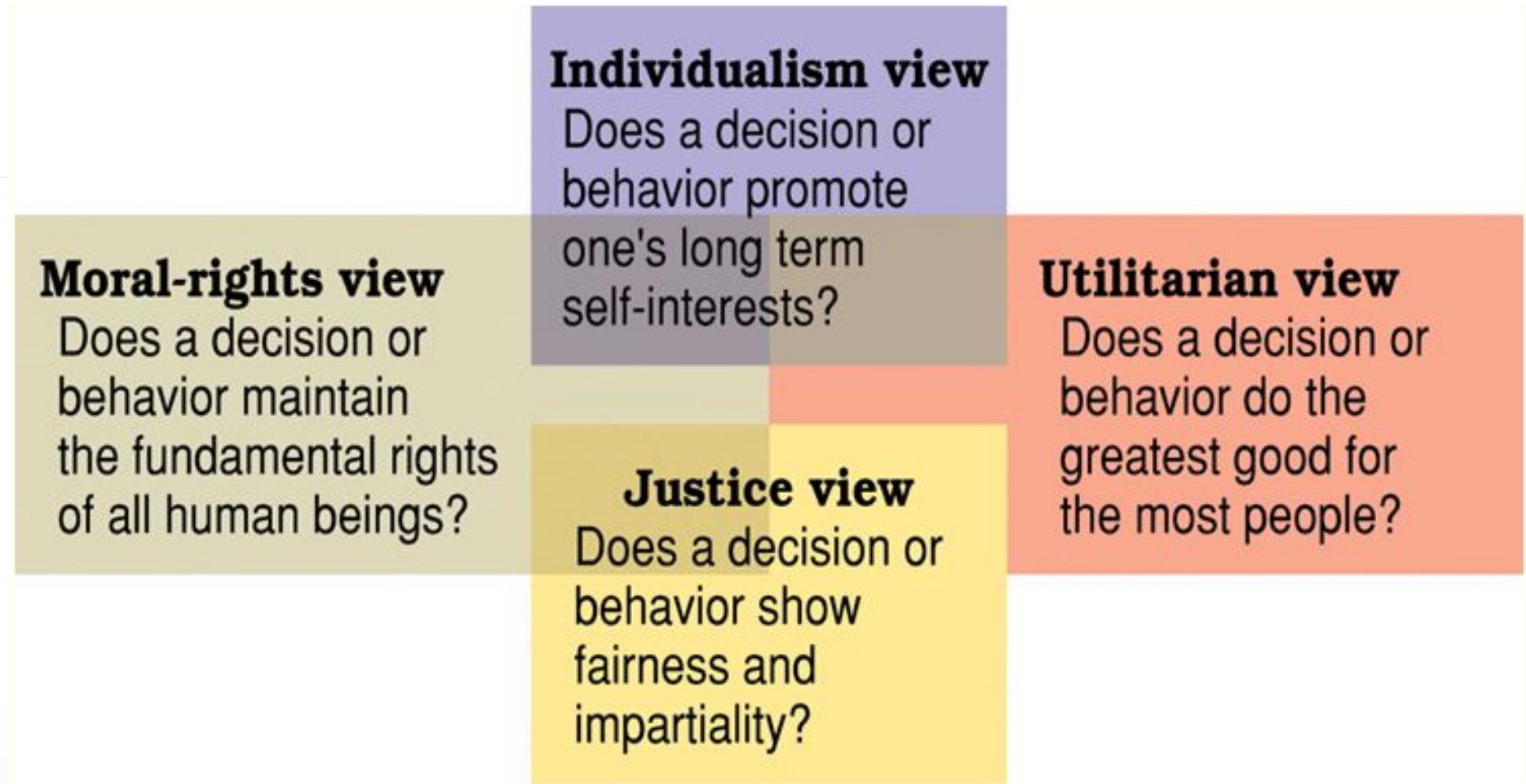
Ethical = Legal?

- Legal behavior = Ethical behavior. True?

- Personal values help shape your ethics:

- Terminal Values: Core moral beliefs.
  o Example: self-respect, family, security, freedom

- Instrumental Values: Values that lead to positive outcomes for an individual.
  o Example: ambition, courage, persistence

Four Views of Ethical Behaviour

- Utilitarian view — delivers the greatest good to the greatest number of people.

- Individualism view — primary commitment is to one's long-term self-interests.

- Moral-rights — respects and protects the fundamental rights of all people.

- Justice view — fair and impartial treatment of people according to legal rules and standards.

Individualism view
Does a decision or behavior promote one's long term self-interests?

Moral-rights view
Does a decision or behavior maintain the fundamental rights of all human beings?

Utilitarian view
Does a decision or behavior do the greatest good for the most people?

Justice view
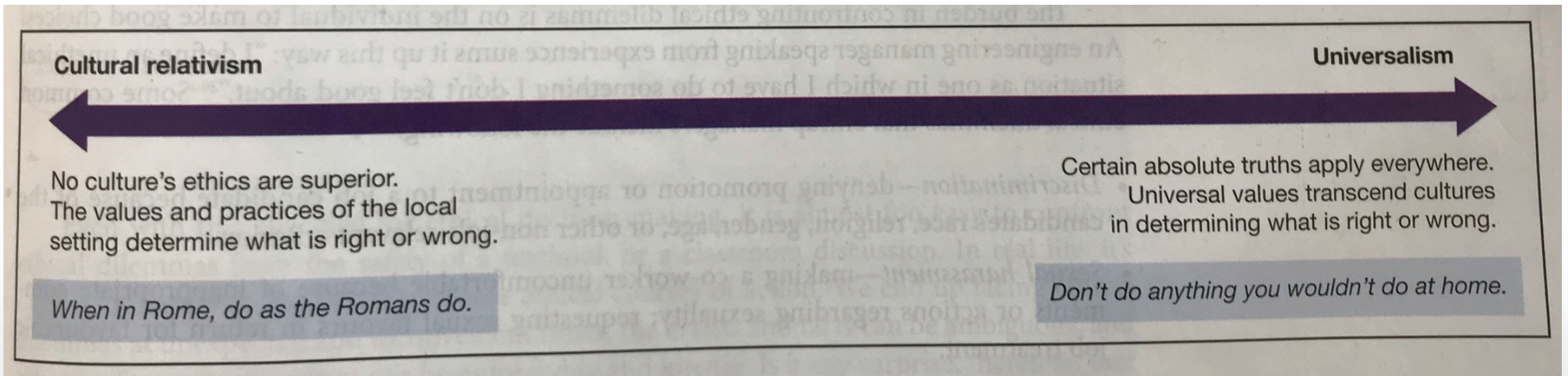Does a decision or behavior show fairness and impartiality?

Four Views of Ethical Behaviour

Cultural Issues in Ethical Behaviour

- Ethical management in a global environment is challenged by the complexities of different cultures and value systems throughout the world.

- Cultural relativism vs Universalism in international business ethics

Cultural relativism

No culture's ethics are superior. The values and practices of the local setting determine what is right or wrong.

When in Rome, do as the Romans do.

Universalism

Certain absolute truths apply everywhere. Universal values transcend cultures in determining what is right or wrong.

Don't do anything you wouldn't do at home.

Ethical Dilemmas

- An ethical dilemma occurs when someone must choose whether or not to pursue a course of action that, although offering the potential of personal or organizational benefit or both, would/may be considered unethical.

- Potential sources of ethical dilemmas faced by managers include:
    a) **discrimination**
    b) **sexual harassment**
    c) **conflicts of interest**
    d) **customer confidence** (protecting customers private info)
    e) **organizational resources** (using business resources for personal stuff)