

Moral Issues in Business

Chapter One

The Nature of Morality

Terminology

- What is ethics?
 - The study of right and wrong
- Distinguish between ethics and morality?
 - Some people distinguish between the two. We will use them interchangeably.
- What is business ethics?
 - The study of what constitutes right and wrong, or good and bad, human conduct in a business context.

Non-Moral Standards

- Characteristics of moral standards
 - Concern behavior that is of serious consequence to human welfare
 - Take priority over other standards, including self-interest
 - Their soundness depends on the adequacy of the reasons that support or justify them.
- Moral Standards vs. Etiquette
 - Rules for socially acceptable behavior are not moral standards
 - Don't eat with your mouth full.
 - Say please and thank you.
- Moral Standards vs. Law
 - An action can be moral but not legal.
 - An action can be legal but not moral.
- Moral Standards vs. Professional Codes of Ethics
 - Rules that govern the conduct of members of a given profession.

Sources Of Moral Standards

- Societal norms-Ethical Relativism
 - The right thing to do is what one's culture says is right.
 - This keeps culture stagnant – no moral growth
 - It leaves no basis for one culture to pass judgment on another's actions
 - One's culture is hard to identify in the modern world.
- Role of religion—positive and negative
 - Nearly every religion has a version of the “Golden Rule”
 - Most theologians disagree with divine command theory.
- That theory says that something is right or wrong because God says so.
- Instead, God commands what is right and forbids what is wrong.
 - Saying that something is right because God says so is not persuasive to the atheist.
 - There are differences of opinion about what God commands.

The Context of Business Ethics

- Business as a game
 - Soccer and pizza party example
- Business values in tension with personal values
 - What is my responsibility as an employee? As a person?
 - Social pressures can make it hard to stick with our moral rules.
 - Corporations can bring pressure to bear against our personal values.
- Organizational conformity—herd instinct—group norms
 - Being a member of a team can require that people relinquish some of their personal freedom in order to further organization goals.
 - Psychological studies show that people will change their answers to questions to agree with the majority.
 - Groupthink – group members may have the illusion that the group is invulnerable or that because the group is good or right, whatever it does is permissible.

- Diffusion of Responsibility
 - “I’m just doing my job”.
 - “If I don’t do it, someone else will.”
 - “It’s someone else’s responsibility.” (The Kitty Genovese story)

How do Moral Principles Help Us?

- The Limits of Conscience
 - Conscience often reflects principles that have not been critically examined.
 - Terrible crimes have occasionally been committed in the name of conscience.
- Moral Principles and Self-interest
 - Morality serves to restrain our purely self-interested desires so we can all live together in society
 - Having a moral principle involves having a desire to follow the principle for its own sake
 - Paradox of Selfishness - People who are exclusively concerned with their own interests tend to have less happy and less satisfying lives than those whose desires extend beyond themselves.