
Ethics in Business: Ethics or
Ethical law, what comes first?

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Contents

- The Realization
 - Business Ethics simplified
 - Ethics or Ethical Law
 - Ethical Decision Making Process
 - Why the Ethical Lapses
 - The Proposition
 - Conclusion
 - References
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YOU REALIZE

For those of you who find this
difficult to read, there are millions
amongst us who don't even know
this is upside down!!

YOU DECIDE

How many of us having
realised that this is upside
down are still reading??

Consequences of your decision....

- Jamie Olis, a 38-year-old Korean immigrant with a wife and a six-month-old daughter, is sentenced to 24 years in prison for accelerating future earnings at Dynegy through relatively modest fictions.
 - W.R.Grace, case of sexual harrasment – CEO loses job
 - E-bay is still auctioning the Enron Code of Ethics for US\$25 plus shipping and handling charges
 - Sarbanes Oxley law enacted after numerous corporate scandals

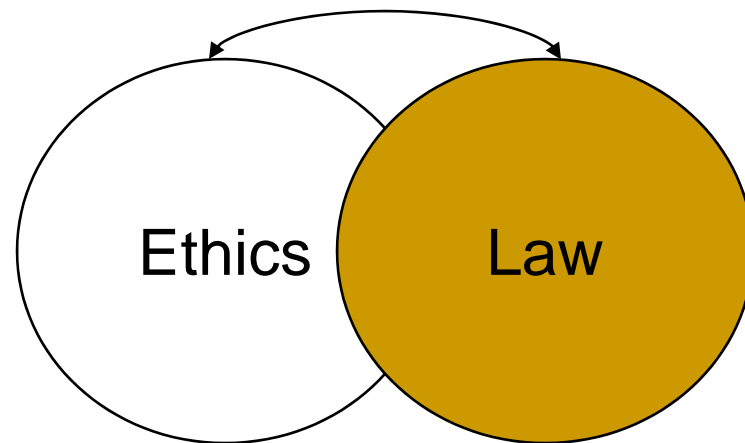
 - If ethics were at play, why were laws needed?
 - Why are we debating on this issue?
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Business Ethics

- The thing about business ethics is that we all agree
 - Business ethics - study of what is good and evil, right and wrong, and just and unjust in business
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Ethical Law

- Regulations and guidelines directing specific moral systems for a business to function.



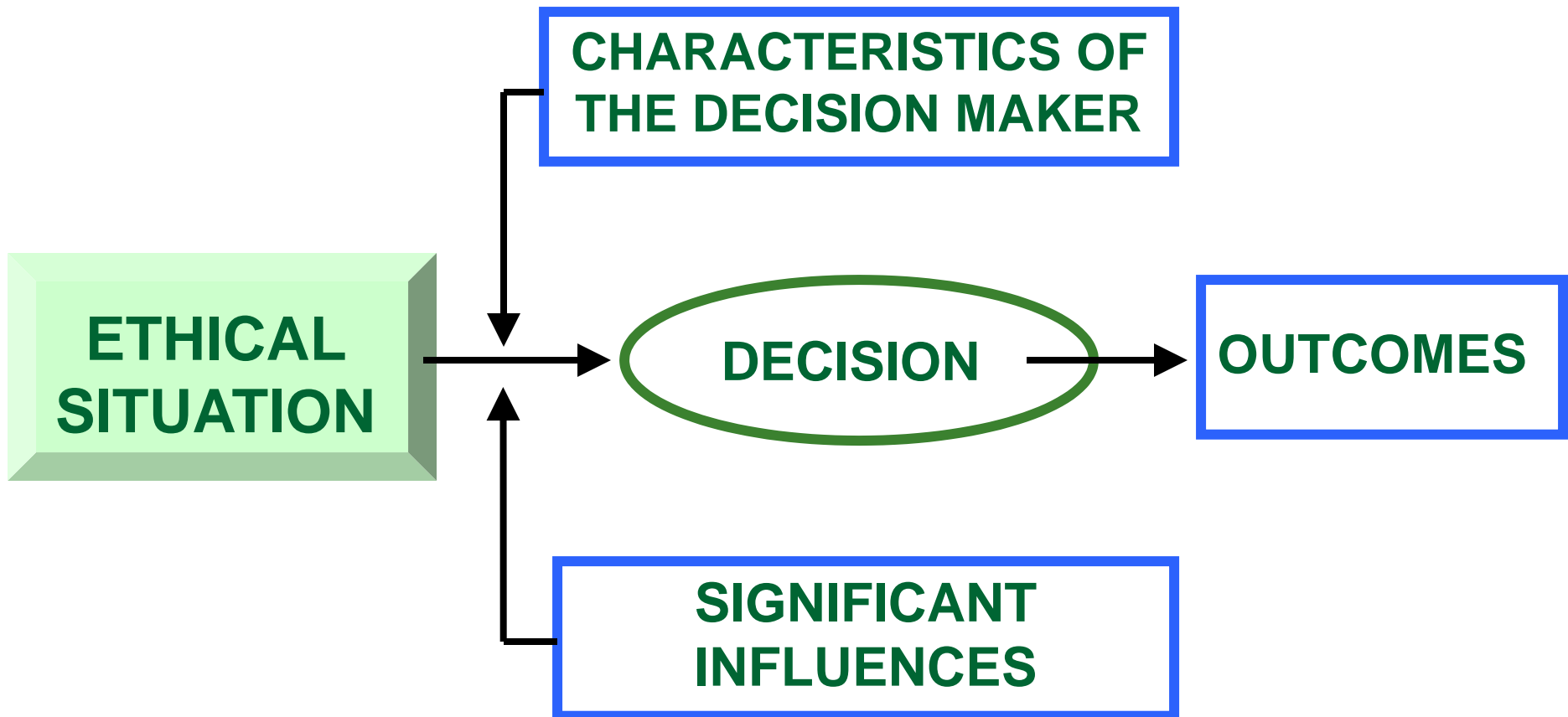
Ethics or Ethical law???

What becomes an ethical guideline today is often translated to a law, regulation or rule tomorrow

Why?

Why do “good” people make “bad” choices?

A General Framework of the Ethical Decision-Making Process



Unethical business behaviour rarely happens in a vacuum

- “Everyone’s doing it,”
 - “That’s just the way they operate”
 - “It makes no difference,”
 - “If I don’t do it, someone else would,”
 - “I was just doing my job,”
 - If it’s legal, it’s ethical, or as long as it is not illegal it’s okay!!
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Ethical Law comes first

- **What happens, when laws permit anti-social behavior?**
 - Should businesses not restrain themselves voluntarily, even if it imposes a cost on company stakeholders?
 - Karen Silkwood lost her life when she revealed flawed safety procedures at Kerr-McGee.
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The proposition

- Ethics is something you feel, not something you think.
 - Business ethics from the top - train the board of directors in ethics
 - Generating Social Capital
 - Guiding the direction of business activities in the light of ethical law.
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The proposition

- It all starts by you saying a NO
 - Protection for whistleblowers
 - The problem is not with framing of laws but implementation
 - **Setting examples**
 - The certainty of punishment over Severity of it
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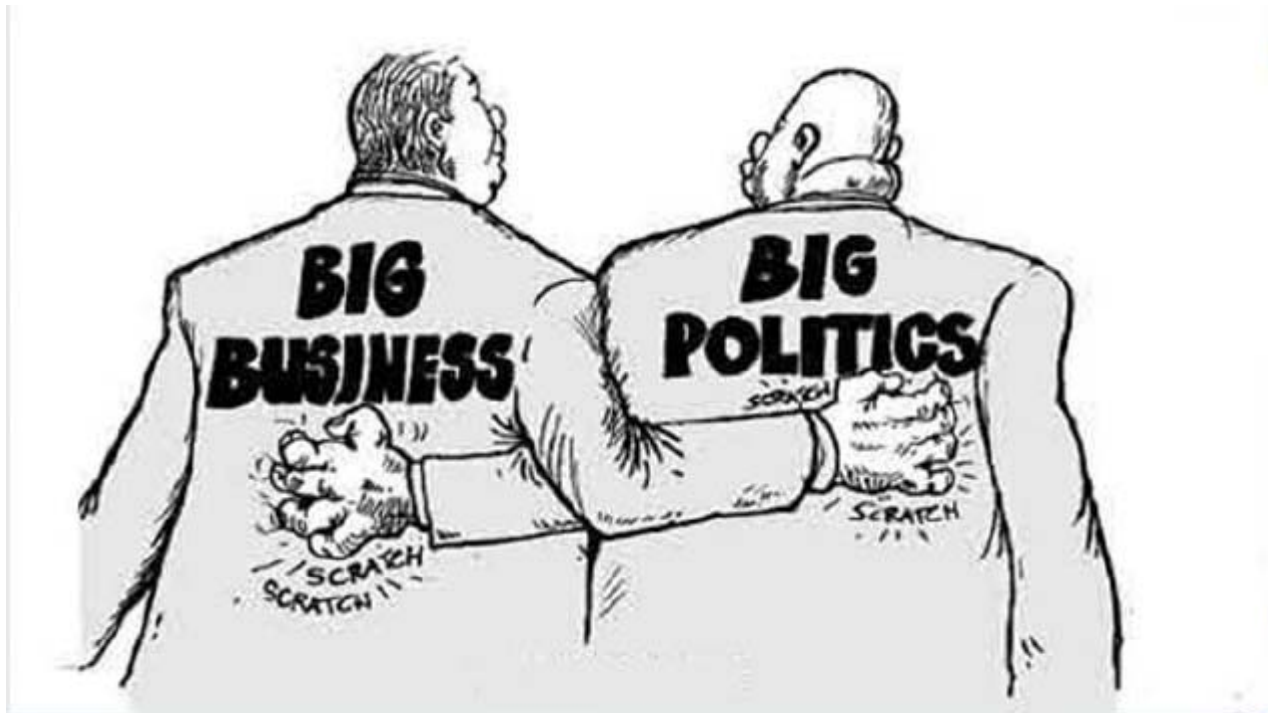
The proposition

- Don't talk about future course of action but act on correcting the present system
 - It is never 'what should be' but 'what are we doing'
 - Implementation of zero tolerance policy against questionable behaviour
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Zero tolerance Policy



Who would guard the guards???



Conclusion

- People judge themselves based on their intentions
- Others are judged based on their behavior
- Knowing the difference between what you have a right to do in the organization and what is the right thing to do.

Adapted from Former Supreme Court Justice Potter Stewart.

Realize.....

- **Alan Simpson, Former Wyoming Senator...**

“If you have ethics, nothing else matters.

If you don't have ethics, nothing else matters.”

References

- Ethics in Business- The Ethics in Business Research Fund
 - [Humanresources.about.com](http://humanresources.about.com)
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Thank you
