

BUSINESS ETHICS



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DIRECTOR

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UNIT-I

Business Ethics an Introduction:

A business, also known as an enterprise or a firm, is an organization involved in the trade of goods, services, or both to consumers. Businesses are predominant in capitalist economies, where most of them are privately owned and provide goods and services to customers in interchange for other goods, services, or money.

Business can refer to a particular organization or to an entire sector. For Example - agribusiness represent subsets of the word's broader meaning, which includes all activity by suppliers of goods and services. The goal is for sales to be more than expenditures resulting in a profit.

Ethics are something that is easy to give examples of but hard to define. In this lesson, we will discuss ethics and how they apply in the business world, as well as discuss an example of an ethical situation using Enron.

Some years ago, one sociologist asked business people, "What does ethics mean to you?" Among their replies were the following:

"Ethics has to do with what my feelings tell me is right or wrong."

"Ethics has to do with my religious beliefs."

"Being ethical is doing what the law requires."

"Ethics consists of the standards of behavior our society accepts."

"I don't know what the word means."

These replies might be typical of our own. The meaning of "ethics" is hard to pin down, and the views many people have about ethics are shaky. Like that sociologist's first response many people tend to equate ethics with their feelings. But being ethical is clearly not a matter of following one's feelings.

A person following his or her feelings may recoil from doing what is right. In fact, feelings frequently deviate from what is ethical. Nor should one identify ethics with religion. Most

religions, of course, advocate high ethical standards. Yet if ethics were confined to religion, then ethics would apply only to religious people. But ethics applies as much to the behavior of the atheist as to that of the saint. Religion can set high ethical standards and can provide intense motivations for ethical behavior. Ethics, however, cannot be confined to religion nor is it the same as religion.

Being ethical is also not the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. But laws, like feelings, can deviate from what is ethical. Our own pre-Civil War slavery laws and the old apartheid laws of present-day South Africa are grotesquely obvious examples of laws that deviate from what is ethical. Finally, being ethical is not the same as doing "whatever society accepts." In any society, most people accept standards that are, in fact, ethical. But standards of behavior in society can deviate from what is ethical. An entire society can become ethically corrupt. Nazi Germany is a good example of a morally corrupt society.

Moreover, if being ethical were doing "whatever society accepts," then to find out what is ethical, one would have to find out what society accepts. To decide what I should think about abortion, for example, I would have to take a survey of American society and then conform my beliefs to whatever society accepts. But no one ever tries to decide an ethical issue by doing a survey. Further, the lack of social consensus on many issues makes it impossible to equate ethics with whatever society accepts. Some people accept abortion but many others do not. If being ethical were doing whatever society accepts, one would have to find an agreement on issues which does not, in fact, exist.

Then what Ethics is?

Ethics has two things.

First, ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethics, for example, refers to those standards that impose the reasonable obligations to refrain from rape, stealing, murder, assault, slander, and fraud. Ethical standards also include those that enjoin virtues of honesty, compassion, and loyalty. Ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury,

and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well-founded reasons.

Secondly, ethics refers to the study and development of one's ethical standards. As mentioned above, feelings, laws, and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well-founded. Ethics also means, then, the continuous effort of studying our own moral beliefs and our moral conduct, and striving to ensure that we, and the institutions we help to shape, live up to standards that are reasonable and solidly-based.

Meaning of Ethics

Ethics means norms for the conduct of people in social groupings. Ethics is derived from Greek word "Ethos" which means culture - the prevalent behavior in the society. Thus, it is a code of conduct which has social acceptance. Ethics has often been misunderstood to be conforming to law. On the contrary, ethics is about voluntarily conforming to what is good/acceptable/desirable behaviour without the force of any legal/social obligation. The key word here is VOLUNTARILY. It is about choosing to do something that is not mandated by the law or not doing something that is permitted by the law but may cause harm to someone.

Ethics are not universal. Ethics are derived from social values. Word "Ethnicity" is a derived word from Ethics which means relating to a specific social group. Thus, a set of ethical values relate to certain group which may not completely match with other group. Ethics keep changing from place to place, group to group, country to country and time to time. What is considered ethical today may have been considered unethical a few centuries back. What is ethical in one religious group may be considered unethical in other group. So, ethics are time and space dependent. Ethics are what you have learnt from the society as right or wrong behaviour. Law of the land might change from time to time but ethics remain relatively constant over a fairly long period of time. Whatever is bound by the law, does not remain "ethics" any longer. An ethical practice today might be coded into a law tomorrow. That practice would lose the high ground of ethics from that moment because ethics is about "voluntarily conforming to a good behaviour".

Ethics almost always appear on the fringes of the law. It might often cross the boundaries either way by small margins. What it means is that something which is lawful could still be unethical and even vice versa. Ethics is what a true human being is expected to do in a certain situation without the binding of law. No breach of law is committed by a person who accosts and demands his outstanding loan from his debtor in front of marriage party of the debtor's daughter.

But would any person support such an act?

It would be termed outright unethical. (He should consider himself lucky if does not get beaten up by some self appointed conscience keepers of the society). Similarly, many consider Robin Hood to be perfectly ethical, though his acts were out rightly unlawful. It is widely accepted norm that any act which achieves greater good for greater number of people is ethical. Even a refusal to forego one's lawful right would be termed unethical if it is going to cause a disproportionate and catastrophic loss to other person.

Market forces generally are able to balance the amount of profit among all participants in a trade. But situations arise when there is concentration of power, legal or illegal, in certain pockets which can be exploited to usurp unduly large share of profit to great detriment of others. Any amount of law making cannot cover every contingency. At such times, a good corporate citizen is expected to limit his greed and not indulge in irrational behaviour even though the existing laws may be helpless in curbing such practices. Sense of fair play should prevail.

For example, if every poor person is allowed to steal wheat from rich person, a stage will eventually be reached when no rich would be left with any wheat to be stolen by remaining poor. This is a contradiction. Therefore, it is not ethical. But a reverse stipulation does not lead to a situation where some people would be left who could not exercise the option.

Thus, not stealing is ethical. Another closely related word is "Moral". The two are used almost as synonyms but there is subtle difference between the two. While ethics begin from the smallest issues, morality generally addresses issues of grave consequences. As per

Webster, ethics is the discipline that deals with that which is good or bad or with moral duty and obligation. It is branch of philosophy considered as normative science.

Thus, ethics is a system of values, relating to human conduct and motives. Business ethics are not different from ethics in normal sense. It is ethics applied in conduct of business activity. According to Peter Drucker, "there neither is a separate ethics of business nor is one needed." What is ethical in other walks of life is ethical in business and vice versa.

Areas for Ethics in Contemporary Management

Have you ever been asked to define something like the sun or religion? All these areas are easier to describe than define, and we run into the same issue when we look at ethics. Ethics is something that we can talk about, give examples of, but it's hard to define because each person has their own interpretation of what is or is not ethical.

Therefore, if we define ethics, we are indeed giving someone what our definition is, but it is up to the person we are speaking to and their viewpoint on ethics to understand our position. Hence, ethics, though commonplace in society, has a wide range of interpretation. However, the formal definition of ethics is the rules of conduct recognized in respect to a particular class of human actions or a particular group, culture, etc.

If we think about the ethical issues that face managers in contemporary business, we really are looking at some broad topics that, once again, are open to interpretation. Basically, managers deal with ethics in the following areas:

- Employee relations - how the company or manager relates and works with the employees
- Investor relations - the relationship a company has with those that support it financially
- Customer relations - how a company takes care of, relates to and communicates with its customers
- Vendor relations - the relationship a company has with those that supply the products and services it needs

Managers handle these four areas in the same manner with a focus on being fair and communicating honestly. To be fair, it is hard to deal openly and honestly in all four of these areas because there's information that cannot or should not be told to some of these people.

For example, if you are struggling financially, you might not tell your employees because you do not want to create panic. In this case, your personal definition of ethics comes into play. Some people would agree that it is ethical to not tell them because that would prevent panic, but others would say they have every right to know. This supports our theory that ethics is subjective and takes on different meanings from person to person and situation to situation.

Reasons emphasizing the importance of business ethics

1. Long-term growth: Sustainability comes from an ethical long-term vision which takes into account all stakeholders. Reduced but sustainable profits long-term must be better than higher but riskier short-lived profits.
2. Cost and risk reduction: Companies which diagnose the importance of business ethics will need to spend less guarding themselves from internal and external developmental risks, especially when supported by sound governance systems and independent research.
3. Anti-capitalist sentiment: The financial crisis marked another blow for the trustworthiness of entrepreneurship, with resentment towards bank bailouts at the cost of important rights such as education and healthcare.
4. Limited resources: The planet has limited resources but a rising population; without ethics, those resources are complete for individual gain at huge cost both to present and upcoming generations.

Ten Commandments of Ethical Business Behavior to be followed:

1. Be honest, truthful, forthright, candid and sincere.
2. Have integrity: Strive to be scrupulous.
3. Keep your word and abide by the spirit as well as the letter of the law.
4. Maintain fidelity: Be faithful and never disclose confidential information.
5. Always be fair: Demonstrate a commitment to justice, with equal treatment of all.
6. Care for others: Be kind.
7. Respect others in every way.
8. Be a responsible citizen. Obey just laws and protest unjust ones.

9. Rigorously pursue excellence. Never be content with mediocrity.

10. Always be accountable: good leaders lead by example.

Important Ethical Principles

1. Do not deceive or cheat the customers by selling substandard or defective products by under measurement or any other means.
2. Example : Textile merchants in general clear the defective stock under the guise of discounts.
3. Don not report to hoarding, black marketing or profiteering. Example: Management of theaters sells the tickets for higher prices during the initial days of release of a film starred by a crazy hero and heroine.
4. Do not destroy or distort competition. Treasure sincerity and accuracy in advertising, labeling and packaging. Ads of automobiles in general provide false details in every aspect.
5. Do not furnish the image of competitors by unfair practices. Publishing false information about competitors, bribing the retailers etc.
6. Make accurate business records so that transparency to the share holders can be achieved.
7. Pay taxes and discharge other obligations promptly.
8. Do not form castle agreements, even informal, to control production, prices etc. to the common detriment. Example: Cellular network providers will be in informal castle agreements to control the traffic.
9. Refrain from secret kick backs or pay logs to customers, suppliers, administrators, politicians etc.
10. Ensure payment of fair wages and fair treatment to the internal customers as well as external customers and share holders.

Business ethics and Law:

A relationship exists between law and ethics. In some instances, law and ethics overlap and what is perceived as unethical is also illegal. In other situations, they do not overlap. In some cases, what is perceived as unethical is still legal, and in others, what is illegal is perceived as ethical. A behavior may be perceived as ethical to one person or group but might not be

perceived as ethical by another. Further complicating this dichotomy of behavior, laws may have been legislated, effectively stating the government's position, and presumably the majority opinion, on the behavior. As a result, in today's diverse business environment, one must consider that law and ethics are not necessarily the same thing.

Law can be defined as a consistent set of universal rules that are widely published, generally accepted, and usually enforced. These rules describe the ways in which people are required to act in their relationships with others in a society. They are requirements to act in a given way, not just expectations or suggestions to act in that way. Since the government establishes law, the government can use police powers to enforce laws. The following chart defines the terms in the definition of law above.

- Consistent – If two requirements contradict each other, both cannot be termed a law, because people cannot obey both.
- Universal – The requirements must be applicable to everyone with similar characteristics facing the same set of circumstances.
- Published – The requirements have to be published, in written form, so that they are accessible to everyone within the society.
- Accepted – The requirements have to be generally obeyed.
- Enforced – Members of society must be compelled to obey the law if they do not choose to do so voluntarily.

The word ethics is derived from the Greek word *ethos* (character), and from the Latin word *mores* (customs). Together they combine to define how individuals choose to interact with one another. In philosophy, ethics defines what is good for the individual and for society and establishes the nature of duties that people owe themselves and one another. The following items are characteristics of ethics:

- Ethics involves learning what is right and wrong, and then doing the right thing.
- Most ethical decisions have extended consequences.
- Most ethical decisions have multiple alternatives.
- Most ethical decisions have mixed outcomes.
- Most ethical decisions have uncertain consequences.
- Most ethical decisions have personal implications.

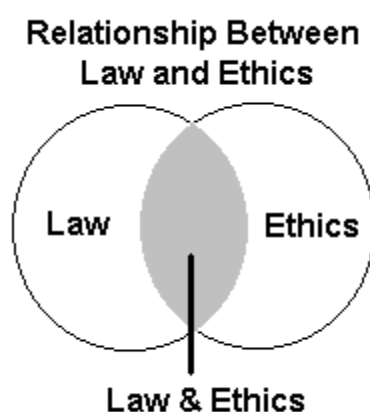
It is important to note that there is also a difference between ethics and morality. Morality refers both to the standards of behavior by which individuals are judged, and to the standards of behavior by which people in general are judged in their relationships with others. Ethics, on the other hand, encompasses the system of beliefs that supports a particular view of morality.

The Relation between Law and Ethics

Ethical values and legal principles are usually closely related, but ethical obligations typically exceed legal duties. In some cases, the law mandates ethical conduct. Examples of the application of law or policy to ethics include employment law, federal regulations, and codes of ethics.

Though law often embodies ethical principles, law and ethics are far from co-extensive. The law does not prohibit many acts that would be widely condemned as unethical. And the contrary is true as well. The law also prohibits acts that some groups would perceive as ethical. For example lying or betraying the confidence of a friend is not illegal, but most people would consider it unethical. Yet, speeding is illegal, but many people do not have an ethical conflict with exceeding the speed limit. Law is more than simply codifying ethical norms.

The following diagram shows the relationship between law and ethics.



Establishing a set of ethical guidelines for detecting, resolving, and forestalling ethical breaches often prevents a company from getting into subsequent legal conflicts. Having demonstrated a more positive approach to the problem may also ensure that punishment for

legal violations will be less severe. Federal sentencing guidelines passed in 1991 permit judges to reduce fines and jail time for executives proportionate to the ethical measures a company has taken.

The Legislation of Ethics

Numerous laws have been enacted to protect employees against what society perceives as unethical behavior in the workplace. These laws are administered by the United States Department of Labor. Generally, these laws reflect the ethical standards of the majority of society. An example is the Americans With Disabilities Act of 1990 (ADA). According to the ADA:

"No covered entity shall discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment."

Most citizens would agree that it would be unethical to deny employment or promotion to a disabled applicant, solely on the basis of that disability, especially when that disability would not affect their work performance. Legislators reacted and have enacted the ADA in order to make it illegal to engage in such discrimination. Yet even with this legislation, the Supreme Court continues to evaluate provisions of the ADA and its definition of disability.

Ethics Regulations for Federal Employees

Executive branch employees are subject to statutes and regulations commonly referred to as "ethics" standards. Through these statutes, the government has established legally enforceable rules on ethical behavior. The two basic sources of these standards are the criminal conflict of interest statutes and the administrative standards of ethical conduct.

Chapter 11 of Title 18, United States Code is an example of a Criminal Conflict of Interest Statute. The conflict of interest statutes prohibit a Federal employee from engaging in certain types of activities that would place the employee's own personal interests above the Federal Government's interests. According to this Statute, a Federal employee:

- Is prohibited from acting in an official capacity on a matter in which the employee (or certain others) has a financial interest;
- May not represent the interests of private parties in matters in which the United States is a party or has an interest;
- Is prohibited after leaving the Government from engaging in certain activities on behalf of other persons or entities;
- May not accept private compensation for performing official duties.

The Code of Federal Regulations Part 2635 is an example of Administrative Standards of Ethical Conduct Regulation. The standards of conduct regulation establish principles of ethical conduct for employees within the executive branch. The regulation not only identifies the principles but also provides easy to understand examples of how the principles apply. The standards of conduct cover such topics as:

- gifts from outside sources
- gifts between employees
- conflicting financial interests
- impartiality in performing official duties
- seeking other employment
- misuse of position
- outside activities

Codes of Ethics

Private Companies, organizations, and associations frequently establish their own Codes of Ethics. These may be formally written or understood. Although the government does not enforce these Codes, they are enforced internally. Violation of the Codes alone can, in some instances, be grounds for termination. The following tables show examples of such Codes.

Potential Conflicts

Some activities and beliefs may be legal, but not perceived as ethical. Marriott Corporation maintains very comprehensive ethics standards to which their employees must abide. Their Corporate Dress Code is an example. Several years ago, the orientation program at Marriott

Corporate Headquarters included a presentation on what was and was not considered acceptable appearance in the company. Some requirements included:

- Women could not wear skirts any shorter than 4 inches above the knee.
- Women could show no bare leg. Either long pants or hose were required at all times.
- Women's shoulders could not be exposed.
- Men's hair could not reach their collar, except for religious reasons.
- Men could not wear earrings.

Although these rules were part of company policy, there is nothing illegal about any one of these items. However, in the Marriott Corporate culture, each was considered unethical.

Another example is the manufacturing practices of Nike, one of the largest manufacturers of athletics sportswear in the world. Nike produces the majority of its goods in South East Asia. Despite the profits of the Nike organization, its foreign workers are paid substandard wages and work long hours in appalling conditions. In 1996, the entry-level wage at one of these factories was \$2.20 a day. Labor groups estimate that a livable wage in Indonesia is about \$4.25 a day. Compare this with the pay of one of Nike's celebrity promoters, Michael Jordan, who gets \$20 million a year to promote Nike sneakers. Jordan's compensation alone is more than the annual income of 20,000 workers who make Nike shoes.

Nike's manufacturing practices are not illegal. There is nothing that says a company cannot take its manufacturing operations outside the United States. And as long as the company is meeting the minimum wage standards of the host country, there is nothing illegal about paying low wages. However, most Americans would look at these practices as unethical, especially considering the profits of Nike and their spending on celebrity promoters.

On the other hand, there are some behaviors which are illegal, but widely perceived as ethical. One example is taking office supplies from the company supply cabinet for personal use. Legally, this is considered theft, but many people see no moral or ethical problem and do it anyway.

Another example is buying a copyrighted software program and installing it on multiple computers. Technically, this violates Federal copyright laws. Yet, the piracy of software is widespread, even in corporations that consider themselves ethical.

Federal copyright law protects software from the moment of its creation. This is stated in the Copyright Act, Title 17 of the US Code. The Act gives the owner of the copyright "the exclusive rights" to "reproduce the copyrighted work" and "to distribute copies ... of the copyrighted work". It also states that "anyone who violates any of the exclusive rights of the copyright owner ... is an infringer of the copyright", and sets forth several penalties for violation of a copyright. Those who purchase a license for a copy of software do not have the right to make additional copies without the permission of the copyright owner, except to:

- copy the software onto a single computer, or
- make another copy for archival purposes

Although many people would write off the impact of software piracy in order to justify their belief that it is ethical, an annual study on global software piracy shows that the impact is great. The study estimates that, of the 615 million new business software applications installed worldwide during 1998, 231 million, or 38%, were pirated. They estimate that this resulted in an \$11 billion loss to software companies.

Clearly, there is a relationship between law and ethics, and this relationship is important in management. Managers must evaluate not only what is legal, but what they, their employees, and society consider ethical as well. Important here is that companies must also consider what behaviors their customers will and will not accept. The news is full of stories regarding the ethical issues with which companies are being confronted, such as the practices of Nike, as outlined above. No company wants to be forced to defend itself over ethical issues involving wages, the environment, working issues, or human relations.

Managers play a vital role in a company's legal and ethical performance. It is in part their responsibility to ensure that their employees are abiding by Federal, State, and Local laws, as well as any ethical codes established at the company. But most importantly, the managers must provide a positive example to their employees of proper behavior in light of laws and ethical codes.

Certainly, policies and procedures will never be developed to satisfy everyone, but the establishment of Codes of Ethics will at least provide a framework for ethical behavior, and allow customers to evaluate the type of company with whom they are doing business. With this knowledge, employees and customers must decide whether or not they are willing and

able to conform to these Codes, as well as to the laws that have been enacted. Managers cannot simply limit their decisions to following the law. They must also consider the ethics of their employees and customer.

Ethics in context of Globalization:

In the last few decades globalization has become the focal point of all businesses. Globalization has vital impacts on almost everything from society to environment, technology, transfer of information and knowledge, life and living status of people and culture but most specifically economy and business. All the organizations have responded to these changes rapidly. This has acted as a channel for growth, penetration into new markets and building a wide range of customer's pool. With this wide spread of business, corporations face many new challenges. And in this race to win and account for volumes of growth and success corporate look for gaining competitive advantage by various strategic methods. The companies very well realize the importance of the customer, environment and society in the dynamic business world. With the advancement of technology, sharing of information is easy and easily accessed, and this raises the issue of how to gain competitive advantage. And one way the globalized business world has responded to this is by being Ethical in their conduct of business.

Ethics and business have long been a topic of controversy. Where many are of the view that both cannot sail in the same boat, some have made it an important element of their strategic business goals and fulfillment. Business ethics in the globalized world finds itself in the forefront of almost every vision and mission statements of the corporate.

“Globalization is the progressive eroding of the relevance of territorial bases for social, economic and political activities, processes and relations.”

Globalization is not only a very controversial topic in the public debate; it is also a much contested term in academic discourse. Apart from the fact that – mirroring the public debate – the camps seems to be divided into supporters and critics, there is growing concern about whether globalization is a fact at all. So, for example, some argue that there is nothing like a ‘global’ economy, because roughly 90 per cent of world trade only takes place either within or between the three economic blocks of the EU, North America, and East Asia, leaving out all other major parts of the globe (Chortarea and Pelagidis 2004; World Trade Organization 2004). Obviously, we have to examine the ‘globalization’ buzzword more carefully and to

develop a more precise definition if we want to understand its character and its implication for business ethics.

Scholte (2000) says if we want to get a grasp on the decisive features of globalization, he suggests we can start by looking at the way social connections traditionally took place. These connections, be it personal relations to family members or friends, or economic relations such as shopping or working, took place within a certain territory. People had their family and friends in a certain village, they had their work and business relations within a certain town or even country. Social interaction traditionally needed a certain geographical space to take place. However, this link between social connections and a certain territory has been continuously weakened, with two main developments in the last few decades being particularly important.

The first development is technological in nature. Modern communication technology, from the telephone, to radio and television, and now the internet, open up the possibility of connecting and interacting with people despite the fact that there are large geographical distances between them. Furthermore, the rapid development of global transportation technologies allows people to easily connect with other people all over the globe. While Marco Polo had to travel many months to finally arrive in China, people today can step on a plane and, after a passable meal and a short sleep, arrive some time later on the other side of the globe. Territorial distances play a less and less important role today. The people we do business with, or that we make friends with, no longer necessarily have to be in the same place as we are.

The second development is political in nature. Territorial borders have been the main obstacles to worldwide connections between people. Only 20 years ago, it was still largely impossible to enter the countries in the eastern bloc without lengthy visa procedures, and even then, interactions between people from the two sides were very limited. With the fall of the iron curtain, and substantial liberalization efforts elsewhere (for instance within the EU), national borders have been eroded and, in many cases, have even been abolished.

These two developments mainly account for the massive proliferation and spread territorial connections. These connections may not always necessarily have a global spread in the literal sense of worldwide spread. The new thing though about these connections is that they no

longer need a geographical territory to take place and they are not restricted by territorial distances and borders any more.

Relevance of globalization for business ethics

Globalization as defined in terms of the deterritorialization of economic activities is particularly relevant for business ethics, and this is evident in three main areas – culture, law, and accountability.

1. Cultural issues

As business becomes less fixed territorially, so corporations increasingly engage in overseas markets, suddenly finding themselves confronted with new and diverse, sometimes even contradicting ethical demands. Moral values, which were taken for granted in the home market, may get questioned as soon as corporations enter foreign markets. For example, attitudes to racial and gender diversity in Europe may differ significantly to those in Middle Eastern countries. Similarly, Chinese people might regard it as more unethical to sack employees in times of economic downturns than would be typical in Europe. Again, whilst Europeans tend to regard child labor as strictly unethical, some Asian countries might have a more moderate approach. Consider the case of Playboy, the US adult magazine, which had to suspend its Indonesian edition and vacate the company premises in 2006 in the wake of violent protests by Islamic demonstrators – even though the Indonesian edition was a toned down version that did not show nudity. The reason why there is a potential for such problems is that whilst globalization results in the deterritorialization of some processes and activities, in many cases there is still a close connection between the local culture, including moral values, and a certain geographical region. For example, Europeans largely disapprove of capital punishment, whilst many Americans appear to regard it as morally acceptable. Women can freely sunbathe topless on most European beaches, yet in some states of America they can get fined for doing so – and in Pakistan would be expected to cover up much more. This is one of the contradictions of globalization: on the one hand globalization makes regional difference less important since it brings regions together and encourages a more uniform ‘global culture’. On the other hand, in eroding the divisions of geographical distances, globalization reveals economic, political, and cultural differences and confronts people with them.

It has been said that countries exhibit very different views on the makeup of business ethics. These differences are regarded as based largely in cultural diversity. For example, Japan is considered to have an entirely different set of guidelines than the United States because the cultures of these two countries come from entirely different origins. However, if business ethics are based only in culture then businesses' global interactions should instigate much more conflict than currently exists. The basic cultures of Japan and the United States have very little common ground, therefore their views on business ethics would come from entirely opposite directions. Compromising a culture's moral values can be considered extremely difficult; it is much more likely that those same values would try to be imposed upon the other party. With each culture imposing its values on the other, the result would be adamant conflict. However, the rapid growth of global business paints this picture of conflict as false. Businesses can only expand quickly in global markets by being empathic to the needs, perspectives, and accepted procedures of their foreign counterparts and partners. Therefore, business ethics is not entirely based on the culture from which it is derived. It is based more on a basic human moral understanding that transcends international boundaries. Up to present, ethics have evolved through isolated pockets due to the limited scope of global communications. Today's close communication and cooperation of companies worldwide will have an evening out effect. Business ethics will eventually drive toward one general definition. What exactly constitutes that definition is yet to be determined. The certainty is that the definition will be fluid in nature and change as new principles are accepted and implemented. To know where we are headed we must understand how ethical business practices evolved. Although business ethics is a relatively new study the concept has been around since commerce began. For instance, a blacksmith earned his reputation by treating his employees well and his customers fairly. As his reputation grew so did the size of his business. While this is a simplistic example it is meant to show that the concept of fair business practices has existed and contributed to the success of enterprises long before business ethics became an established study. Prior to today's multiple innovations in worldwide communications, business morals in each separate geographical area evolved on their own. Without much influence from the outside world, ethical behaviour was influenced by what was important to the society. What was significant to the society created expectations of fair business practices that have carried through the years? What do societies consider important?

Culture and ethics are interrelated and intertwined in such a way that it makes it difficult to know which factor guiding / motivating the behaviour is arising from a given situation. Is it the cultural vision of his/her ethics or is it the ethical vision of his/her culture that guides someone to do or not do certain things. Trompenaar's survey questioning people's reaction to a given situation shows that cultures with more emphasis on human relationships and loyalty (particularists) scored lower than those that emphasized obeying rules (Universalists).

The situation: you're riding in a car driven by a close friend, who's driving at least 35 mph in a 20 mph zone. He hits someone. No witnesses. His lawyer says if you testify under oath that your friend was driving at 20 miles per hour, it might save him from serious consequences.

What right has your friend to expect you to protect him?

Lying was more prominent in cultures stressing human relationships, whereas it was less prevalent in cultures stressing rules. Telling the truth is an ethical value that appears in this context. One could say, people in cultures emphasizing human relationships would most likely lie to protect the relationship; whereas, people in cultures putting a greater value on rules would lie less in order to abide by the rule. Adler differentiates between cultures that are universally oriented (all rules apply to everyone) and particularly oriented 'the nature of the relationship determines how someone will act in a particular situation'. When it comes to the actual experience of the individual in question it is not certain if that person is motivated by cultural influences and/or ethical implications of his/her act and/or decision. Paul Ricoeur suggests three positions in ethical development: 1) the self 2) relations with others, 3) institutional. Through this process of moral integration, the self eventually becomes autonomous (auto self-nomous – norms which becomes understood as self-regulatory) in its experiences and interactions with others and institutions. The self internalises the cultural norms and values through socialization (being in the world with others).

2. Legal issues

A second aspect is closely linked to what we said previously about the relation of ethics and law. The more economic transactions lose their connection to a certain regional territory, the more they escape the control of the respective national governments. The power of a government has traditionally been confined to a certain territory, for example: French laws are only binding on French territory, UK laws on UK territory, and so on. As soon as a

company leaves its home territory and moves part of its production chain to, for example, a third world country, the legal framework becomes very different. Consequently, managers can no longer simply rely on the legal framework when deciding on the right or wrong of certain business practices. If, as we said earlier, business ethics largely begins where the law ends, then deterritorialization increases the demand for business ethics because deterritorialized economic activities are beyond the control of national (territorial) governments. For example, global financial markets are beyond the control of any national government, and the constant struggle of governments against issues such as child pornography on the internet shows the enormous difficulties in enforcing national laws in deterritorialized spaces.

A behavior may be perceived as ethical to one person or group but might not be perceived as ethical by another. Further complicating this dichotomy of behavior, laws may have been legislated, effectively stating the government's position, and presumably the majority opinion, on the behavior. As a result, in today's diverse business environment, one must consider that law and ethics are not necessarily the same thing. Though law often embodies ethical principles, law and ethics are far from co-extensive. The law does not prohibit many acts that would be widely condemned as unethical. And the contrary is true as well. The law also prohibits acts that some groups would perceive as ethical. For example lying or betraying the confidence of a friend is not illegal, but most people would consider it unethical. Yet, speeding is illegal, but many people do not have an ethical conflict with exceeding the speed limit. Law is more than simply codifying ethical norms. Establishing a set of ethical guidelines for detecting, resolving, and forestalling ethical breaches often prevents a company from getting into subsequent legal conflicts. Having demonstrated a more positive approach to the problem may also ensure that punishment for legal violations will be less severe.

Some activities and beliefs may be legal, but not perceived as ethical. Marriott Corporation maintains very comprehensive ethics standards to which their employees must abide. Their Corporate Dress Code is an example. Several years ago, the orientation program at Marriott Corporate Headquarters included a presentation on what was and was not considered acceptable appearance in the company. Some requirements included:

Women could not wear skirts any shorter than 4 inches above the knee.

Women could show no bare leg. Either long pants or hose were required at all times.

Women's shoulders could not be exposed.

Men's hair could not reach their collar, except for religious reasons.

Men could not wear earrings.

Although these rules were part of company policy, there is nothing illegal about any one of these items. However, in the Marriott Corporate culture, each was considered unethical.

Another example is the manufacturing practices of Nike, one of the largest manufacturers of athletics sportswear in the world. Nike produces the majority of its goods in South East Asia. Despite the profits of the Nike organization, its foreign workers are paid substandard wages and work long hours in appalling conditions. In 1996, the entry-level wage at one of these factories was \$2.20 a day. Labour groups estimate that a livable wage in Indonesia is about \$4.25 a day. Compare this with the pay of one of Nike's celebrity promoters, Michael Jordan, who gets \$20 million a year to promote Nike sneakers. Jordan's compensation alone is more than the annual income of 20,000 workers who make Nike shoes. Nike's manufacturing practices are not illegal. There is nothing that says a company cannot take its manufacturing operations outside the United States. And as long as the company is meeting the minimum wage standards of the host country, there is nothing illegal about paying low wages. However, most Americans would look at these practices as unethical, especially considering the profits of Nike and their spending on celebrity promoters.

Clearly, there is a relationship between law and ethics, and this relationship is important in management. Managers must evaluate not only what is legal, but what they, their employees, and society consider ethical as well. Important here is that companies must also consider what behaviours their customers will and will not accept. The news is full of stories regarding the ethical issues with which companies are being confronted, such as the practices of Nike, as outlined above. No company wants to be forced to defend itself over ethical issues involving wages, the environment, working issues, or human relations.

Managers play a vital role in a company's legal and ethical performance. It is in part their responsibility to ensure that their employees are abiding by Federal, State, and Local laws, as well as any ethical codes established at the company. But most importantly, the managers

must provide a positive example to their employees of proper behaviour in light of laws and ethical codes.

Certainly, policies and procedures will never be developed to satisfy everyone, but the establishment of Codes of Ethics will at least provide a framework for ethical behavior, and allow customers to evaluate the type of company with whom they are doing business. With this knowledge, employees and customers must decide whether or not they are willing and able to conform to these Codes, as well as to the laws that have been enacted. Managers cannot simply limit their decisions to following the law. They must also consider the ethics of their employees and customers.

3. Accountability issues

Taking a closer look at global activities, one can easily identify corporations as the dominant actors on the global stage: MNCs own the mass media which influences much of the information and entertainment we are exposed to, they supply global products, they pay peoples' salaries, and they pay (directly or indirectly) much of the taxes that keep governments running. Furthermore, one could argue that MNCs are economically as powerful as many governments. For example, the GDP of Denmark is about the same as the turnover of General Motors. However, whereas the Danish government has to be accountable to the Danish people and must face elections on a regular basis, the managers of General Motors are formally accountable only to the relatively small group of people who own shares in the company. The communities in the US, Brazil, or Germany that depend directly on General Motors' investment decisions however have next to no influence on the company and, unlike a regional or national government, General Motors is, at least in principle, not accountable to these constituencies. What this means is that the more economic activities get deterritorialized, the less governments can control them, and the less they are open to democratic control of the affected people. Consequently, the call for direct (democratic) accountability of MNCs has become louder during the last years, evidenced for example by the anti-globalization protests that we mentioned before. Put simply, globalization leads to a growing demand for corporate accountability. The corporate community has been shocked to attention by the recent corporate governance meltdowns. The silver lining is that these scandals are resulting in better financial oversight and more focused attention on the ethics of

directors, officers, auditors and others. But while promises of increased ethical conduct focus the public's attention, self-scrutiny and accountability are also essential.

Ethics is easier in concept than in application. Codes of ethics are not new. Nor are efforts to encourage ethical corporate practices. In 1991, Congress enacted the U.S. Federal Sentencing Guidelines. These guidelines had a major impact on corporate America and were an effort to positively induce companies to prevent unethical activity by providing mitigation of some punishment and reductions of fines for companies that proactively made a good faith effort to take steps to prevent unethical activity. Congress used the stick and the carrot approach to provide an incentive for companies to create or modify their ethics programs—good behavior is rewarded when companies involve themselves in crime controlling actions. Elements of an effective compliance program under the Guidelines include a code of conduct or ethics; oversight by high-level personnel; due care when delegating authority; effective training and communication; auditing and monitoring and reporting mechanisms; enforcement of disciplinary mechanisms; and appropriate response after detection. Five years later, a court case provided another wake-up call. In 1996, a court in Delaware held a board of directors responsible for the unethical and illegal actions of the organization and its employees. This case caught the attention of corporations and led some companies to institute compliance and reporting structures.

Of course, the Sarbanes-Oxley Act of 2002 has gotten the most attention recently. Sarbanes-Oxley was enacted in response to the conduct of corporations such as World Com, Enron and Arthur Andersen. While Sarbanes-Oxley largely affects only publicly traded companies, it has led to a trickledown effect. Its requirement that all publicly held corporations disclose whether or not they have a code of ethics for its Chief Financial Officers have led privately held companies and non-profit corporations to enact codes of ethics. The trend is that more companies are adopting and using codes of ethics.

There are several benefits of a formal ethics policy. As described above, there are legal benefits in the form of reduced fines and penalties. However, an ethical working environment is another important benefit. A formal ethics policy can lead to decreased job dissatisfaction, decreased pressure to violate ethical standards, improved communication, increased trust in management, greater consistency in decision-making, and fewer violations of law and regulation, just to name a few. Pragmatically, it is often true that good ethics equals good

business. Consumers, employees, and vendors lose trust in companies which engage in unethical activities. Companies that promote trust, honesty, integrity, fairness and respect generally have an easier time attracting quality employees.

Less observable, a strong ethical environment can encourage conversations about ethical issues, questions, and gray areas. It can also provide a comfortable environment for employees to seek guidance and raise concerns. When given the opportunity to communicate expectations and requirements, a company can proactively influence its employees and officers to avoid unethical conduct and violations of law. A formal ethics policy reminds employees and officers what the company deems the right thing to do.

In conclusion we would like to depict the effect that Globalization will have on the ethical behavior and understanding of various stakeholders in a global business environment.

Sustainability as a goal of business ethics:

In business, the three aspects of sustainability include social, economic and environmental. The role of companies in addressing all these three aspects depend on the management practice implemented in the organization. Therefore, as the company strives into the future, it should take keen interest on a number of strategic options. For example, the company should focus on global economic development so that it could change with the trends. This is important for the company's success in all its business initiatives. Secondly, the company should strategically monitor the global monetary policies so that it could adjust based on the provisions of such regulations (Lynch 2003, p. 26). The company should also be able to detect international weaknesses and capitalise on them. This strategic option indicates that the company has to be agile and flexible in its operations so that it could capitalise on global business dynamics (McWilliams & Matten 2010, p. 27). The company should also avoid unnecessary sceptics in its strategic mission. This means the company could change its mode of operations to suit the state of economic affairs.

Engaging in CSR practices is also another significant step that the company could use to address the social, economic and environmental challenges it faces. In this regard, companies are most likely to react to the evidence provided by pretending that the issue CSR does not exist. This owes to the fact that despite the pressure presented by the evidence, companies may not afford to ignore the insurmountable profits accrued to the unethical practices (Carroll

1979, p. 497). Considering the amounts low costs of inputs invested towards the production of merchandise, organizations are most likely to ignore the evidence presented. This can continue until more pressure is enforced via other tools like the media (McWilliams & Matten 2010, p. 27). It is also possible that companies respond by pretending to withhold/suspend rather than completely stopping their production processes. They can do this by issuing press statements that give the wrong notion that production processes are stopped completely. A good example is the action taken by the Nike organization (Carroll 1979, p. 502). Despite the mounting pressure to stop the unethical practice of child manual labor, the organization only opted to suspend its activities until the world cooled down. The organization pretended to give in the pressure presented that it was using child labor to produce its merchandise.

However, it later resumed its endeavors despite the concrete evidence provided against its procedures. The bottom line is that it is extremely hard for organizations to refrain from production based on the evidence provided in the materials. Whichever option firms may take, they will always find a way to come back and enjoy the numerous profits. On the other hand, assuming that companies accept the legality and strength posed by the evidence, there are various measures that can be taken (Lynch 2003, p. 33). One is to improve the working conditions of the workers in third world countries. This can be achieved by ensuring that there are no instances of sexual harassment. Companies can reduce male dominance in the industry. Secondly, the organizations can make their workers in the third world nations proud of being part of the production process (Korhonen 2003, p. 30).

One of the most vital ways of doing this is by eliminating the exploitive contractors at the grass root level. This will provide the organizations with the ability to monitor the level of pay accrued to the workers (Carroll 1991, p. 40). If the companies accept the claims made, they can as well decide to involve their grass root workers in their decision making process so that they are made aware of all the companies operations. This will not only reduce the level of criticisms but will also integrate the workers in to the organizational operations. In addition, the firms may also respond to the substantiated claims by introducing a system that allows workers to work from their homes rather than from the industries (Carroll 1991, p. 41). This will be of great merit to the workers especially the women. It will help alleviate issues of harassment both verbally and sexually that are because of male domination in the congested work place.

Identifying and Improving Social Impacts of Business Ethics and Sustainability

In reality, it might not be easy to identify and improve social impacts of

business ethics and sustainability in a company, but it is a necessary organizational practice. By comparison a progressive company implementing social practices with others, there are reasons why different companies do not change voluntarily or has not been forced to adapt its strategy yet (Vicianová 2011, p. 44). People who work in several branches of their company in Europe need their jobs and also cheap items to cut their living expenses to improve the social well-being of their organization. A boycott of the cheap pricing policy would lead to increased living costs and perhaps also a loss of labour, a situation that might create adverse social impact in the company. However, if the company is not against their strategy, customers will support their ethical behaviour among employees so that it could improve its social outlook among potential competitors (McWilliams & Matten 2010, p. 27).

The company has a special way of identifying and making sure that it attracts more potential customers, thus having competitive advantages without affecting its profitability and social impacts (Vicianová 2011, p. 48). Attracting customers by adopting effective action plans to reward them is a practice that will play a key role in ensuring that the strategies put forward by the firm are not just stories to make the competitors believe that the welfare of employees is put in to serious consideration (Mallin 2009, p. 46). The CSR that the company used towards its clients are improving the entity's international image, defending the functioning situation and to prevent problems, which could eliminate the confidence of all the stakeholders. Implementing appropriate CSR ensure that the company will most likely to react to the evidence provided by pretending that problems do not exist among its stakeholders. This is due to the fact that despite the pressure presented by the evidence, the company may not afford to ignore the insurmountable profits accrued to the unethical practices. The reason is that it will affect the company's reputation among the consumers.

Considering the amounts low costs of inputs invested towards the production of different items, companies are most likely to ignore the evidence presented. This can continue until more pressure is enforced via other tools like the media so that the company reaches more customers. It is also possible that the company responds by pretending to withhold/suspend rather than completely stopping its production processes, but by promoting its relationship with the consumers (Lynch 2003, p. 49). The company can do this by not issuing statements

that give the wrong notion that the production processes are stopped completely. A good perspective is the specific action taken by an individual company to improve its social impacts to stakeholders. Despite the mounting pressure to stop the unethical practice of child manual labor in manufacturing the items, the company only opted to suspend its activities until the issue cooled down (Miles, Munilla & McClurg, 1999, p. 119). The company pretended to give in the pressure presented that it was using child labor to produce its merchandise so that it could promote its image.

Apparently, there are several companies that do not have CSR, neither do they have strategies to improve the social impacts of their activities. Such companies risk becoming irrelevant in the market and could face potential collapse. Essentially, the post-colonial perspective of company-customer relationship arise because of lack of information regarding the role of those companies providing organization in terms of CRS. Owing to the fact that they are never informed of the policies, projects and objectives of the organization, exploitation is not part of their perspective. This means that lack of CSR in those companies is not working for them (Yin 1984, p. 77). As such, company-customer relationship is non-existent to them. Perhaps, the company has no information to think along such lines, thus resort to advertising so that the business increase sale other than engaging in CSR. Sometimes, it would be wiser to use the alternatives if CSR practices prove expensive. Normally, the Public appreciate and recognize CSR efforts by fashion companies because the practices make the entities closer to the customers.

Environmental perspective of business ethics

The environment is everything we depend on. Whether it be the trees that give us oxygen, the land we live upon and the rivers that provide us with water. The environment is crucial for the society and businesses together. We all have a responsibility to conserve and protect the environment. And whether it be governments, businesses, consumers, workers or other members of society, each much contribute to stop the environment from polluting further.

Governments must initiate programs to ban the use of hazardous products such as plastic carry bags. Consumers, workers and society can support environmental protection by not using these hazardous products or other products that are not environmental friendly.

Steps that can be taken:

Business enterprises should take lead in solving environmental issues. It is their responsibility to check the consequences of their actions and also to protect environmental resources. Some initiatives which can be taken by business enterprises for environmental protection are:

- A sincere commitment by the top management of the business to cultivate, maintain and develop work culture for environmental protection and pollution prevention.
- To ensure that the commitment towards environmental protection is shared by all the employees of all the divisions of the business.
- Developing clear-cut policies and programmes for purchasing good quality raw material, using latest technology, using scientific techniques of disposal and waste management and to develop the skills of the employees for the purpose of pollution control.
- To adapt to the laws and regulations passes by the government for the prevention of pollution.
- Participation in government programmes relating to the management of hazardous substances, clearing up of polluted water bodies, plantation of trees and to reduce deforestation.
- Assesment of pollution control programmes in terms of costs and benefits to increase the progress with respect to environmental protection.
- Also businesses can arrange workshops and give training material and share technical information and experience with suppliers and customers to get them involved in pollution control programmes.
- Promoting green energy that reduces the use of fossil fuels.

Theories of Business ethics:

Normative ethical theories:

While Meta ethics is essential to ethics as a philosophical discipline, in courses on ethics (in particular, in courses whose audience is non-philosophers) normative ethical theories command the most attention. This attention is understandable, since the principal purpose that normative ethical theories serve is to articulate and advocate an ethical code, i.e., to provide

justifiable and reliable principles to determine what is moral (and immoral) behavior. What are normative ethical theories?

What theories are is a controversial philosophical issue. In the most basic sense, theories are abstract conceptual constructs that attempt to describe and explain certain phenomena. Normative ethical theories then represent systematic attempts to describe and explain moral or ethical phenomena.

As theories, all normative ethical theories share certain conceptual and structural characteristics. To be precise, in normative ethical theories it is possible to isolate a tripartite structure that comprises a moral standard, general moral principles and particular moral principles and judgments.

Moral standards represent the most fundamental and general principles that underlie normative ethical theories. There is a crucial difference between moral standards and moral principles or moral judgments. A moral standard provides the criteria that generate moral principles and moral judgments, i.e., it specifies what characteristics all moral actions must possess.^[2] Consider the utilitarian moral standard: Actions are moral to the degree that their consequences produce the most happiness. This principle represents neither a general moral principle nor a specific moral judgment; rather it determines what characteristics these principles and judgment must possess. General moral principles are principles that focus on general action classes, i.e., that claim that all actions in a certain class are either moral or immoral. The principle 'It is immoral to act with the direct intention to kill a human being', is a general moral principle since it asserts that all actions that include such intentions are immoral.

Particular moral principles and judgments represent the final level in normative ethical theories. These principles and judgment focus on more specific action classes or on specific actions. The statements, 'Rape is immoral' or 'Spousal abuse is immoral' represent particular moral principles, while the statement, 'Socrates' conviction and execution were immoral' represents a particular moral judgment. It is through these particular principles and judgments that moral theories devise their ethical codes.

Virtue Ethical Theories

The **Virtue Ethical Theories** hold that ethical value of an individual is determined by his **character**. The character refers to the virtues, inclinations and intentions that dispose of a person to be ready to act ethically.

1. Individual Character Ethics: The individual character ethics hold that the identification and development of noble human traits help in determining both the instrumental and intrinsic value of human ethical interactions. These noble traits are courage, self-discipline, prudence, gratitude, wisdom, sincerity, understanding, benevolence, etc.
2. Work Character Ethics: The identification and development of reflective, practitioner, noble traits at works such as creativity, honesty, loyalty, honor, trustworthiness, civility, dependability, shared work pride, empathy, etc. determine the intrinsic and instrumental ethical quality of work life.

For example, Suppose a manager is facing global competition, huge productivity expectations and requires an effective teamwork, then his work character behavior should be such that he is considered as a role model for task accomplishment and his considerate relations with everyone at the workplace.

3. Professional Character Ethics: The professional character ethics hold that self-regulation, loyalty, impartial judgment, altruism, truthfulness, public service determine the intrinsic and instrumental ethical quality of an individual associated with some communities.

For example, if a business manager of a firm of doctors detects the double billing for the OT's services, then his ethical professional behavior will enforce him to inform about this to the doctors-in-charge to get the problem solved. And in case the problem still persists, then he will act as a whistleblower and inform about this to the public outside and will not be silent until the problem is rectified. He does all this because of his loyalty towards the professional code of ethics.

Thus, the Virtue Ethical Theories are based on the notion that developing a sound character is what the life is all about. The character builds a substantive moral foundation for one's actions.

It is believed that a person with the strong character has imbibed emotional, intellectual, moral and social virtues to achieve the self-discipline and do the right thing or want what is

actually good for him. Whereas, the person with weak character finds himself doing all the wrong things, wanting what is truly harmful and making excuses for all his ill doings.

Discourse Ethics

Jürgen Habermas currently ranks as one of the most influential philosophers in the world. Bridging continental and Anglo-American traditions of thought, he has engaged in debates with thinkers as diverse as Gadamer and Putnam, Foucault and Rawls, Derrida and Brandom. His extensive written work addresses topics stretching from social-political theory to aesthetics, epistemology and language to philosophy of religion, and his ideas have significantly influenced not only philosophy but also political-legal thought, sociology, communication studies, argumentation theory and rhetoric, developmental psychology and theology. Moreover, he has figured prominently in Germany as a public intellectual, commenting on controversial issues of the day in German newspapers such as *Die Zeit*.

However, if one looks back over his corpus of work, one can discern two broad lines of enduring interest, one having to do with the political domain, the other with issues of rationality, communication, and knowledge.

Feminist ethics:

Feminist ethics is a diverse and growing body of philosophical work, initially based in the recognition that most canonical accounts of morality neglected, distorted, and/or trivialized women's moral perspectives while either ignoring or defending unjust power imbalances between women and men. Feminist ethicists have largely agreed that women's invisibility in canonical ethical theories—even leaving aside the overtly misogynist statements that also litter the tradition—is not only morally objectionable in and of itself, but also profoundly distorts many of the arguments and conclusions therein. Perhaps the most nearly unanimous claim of feminist ethicists has been that what passes for a human ideal in much of mainstream philosophical ethics is in fact a male or masculine ideal—and that such bias leads us into error not simply about women, but about morality itself.

In general, feminist ethicists suspect that, in ethical theory as in other disciplines of thought and research, what has been portrayed as the human experience is in fact (at least in significant part) the distillation of a very specific experience—namely, that of highly privileged white men who relied on the exploited labor of others (typically men and women

of lower economic classes and/or of despised ethnicities, as well as women of their own class and ethnicity) to enable them to pursue higher inquiry. These relationships of unjust privilege and group-based oppression, although they need not characterize human experience, in fact have done so throughout the period of time (including the present) during which Western moral philosophers have developed and refined their theories. These oppressive conditions shape people's moral beliefs, values, priorities, and characters at deep levels.

The task of feminist ethicists is to try to correct for existing biases in moral theory while also developing new theories, concepts, and strategies that will forge a path away from oppression and toward more just and humane social relationships. Bringing a feminist perspective to moral philosophy has included critiquing and reinterpreting both canonical male authors (such as Immanuel Kant, Plato, Friedrich Nietzsche, Aristotle, and David Hume) as well as reclaiming underappreciated female and/or feminist foremothers (including Simone Weil, Iris Murdoch, and Simone de Beauvoir). An early emphasis on criticizing sexist biases in traditional moral theories has given way to the formulation of new theories which, though their degree of engagement and continuity with canonical theories varies widely, all share an understanding of both gender oppression and women's perspectives as fundamental to human experience.

Questions:

Short questions:

- What is ethics? What are some common ethical types?
- **What are the advantages of Business Ethics?**
- **What is the need Of Business Ethics?**
- **What are the Principles Of Business Ethics?**
- **What are Core Values?**
- **What do you understand by virtue ethics?**
- **What is feminist ethics?**
- **What is discourse ethics?**

Long or Essay type questions:

- **Discuss ethics in the context of Globalization . Support your answer with suitable corporate examples.**
- **Establish a relationship between business ethics and law.**

- **Elucidate the environmental perspective of business ethics.**
- **Discuss the various theories of business ethics with examples.**

MODULE-II

Indian perspective of Ethics:

In the knowledge tradition of India, ethics has its origin in its religious and philosophical thinking. From time immemorial, various religious faiths have flourished here. Every religious and every philosophical system of India has a prominent ethical component. Ethics is the core of all these systems. In every religious tradition, good moral conduct is considered essential for a happy and contented life. Without following the path of righteousness no one can attain supreme goal (mokṣa) of life. For this one has to perform good deeds and avoid wrong-doing.

India has a very ancient history of thinking about ethics. Its central concepts are represented in Ṛigveda, one of oldest knowledge texts not only of India but of the entire world. In Ṛigveda, we come across the idea of an all-pervading cosmic order which stands for harmony and balance in nature and in human society. Here it is described as a power or force which is the controller of the forces of nature and of moral values in human society. In human society, when this harmony and balance are disturbed, there is disorder and suffering. This is the power or force that lies behind nature and keeps everything in balance.

In Indian tradition, the concept of cosmic order gave rise to the idea of dharma. The term dharma here does not mean mere religion; it stands for duty, obligation and righteousness. It is a whole way of life in which ethical values are considered supreme and everyone is expected to perform his or her duty according to his or her social position and station in life. In Buddhism, the word dharma is used, which is the Pali equivalent of the Sanskrit word dharma. The guidelines and rules regarding what is considered as appropriate behavior for human beings are prescribed in the Dharma Śāstras. These are sociological texts that tell us about our duties and obligations as individuals as well as members of society.

In the Hindu way of life, every individual is expected to perform his or her duty appropriate to his or her caste (varṇa) and stage of life (āśrama). This division of one's life into the four

āśramas and their respective dharmas was designed, in principle at least, to provide fulfillment to the person in his social, moral and spiritual aspects, and so to lead to harmony and balance in the society. The four āśramas are: (1) brahmacarya, stage of studentship; (2) gṛhastha, stage of the householder; (3) vanaprastha, life in the forest; and saṁnyāsa, renunciation.

Apart from this, the concept of four ends of life (puruṣārthas) is also very important. These four ends of life are the goals which are desirable in them and also needed for fulfillment of human aspirations. These are (1) righteousness (dharma);(2) worldly gain (artha);(3) fulfillment of desire; (kāma)and (4) liberation (mokṣa). The fulfillment of all of these four ends of life is important for man. In this classification, dharma and mokṣa are most important from the ethical point of view. They give right direction and purpose to human life. For instance, acquiring wealth (artha) is a desirable objective, provided however it also serves dharma, that is, the welfare of the society.

In the Bhagavad-Gita, selfless action (niṣkāma karma) is advocated. It is an action which is required to be performed without consideration of personal consequences. It is an altruistic action aimed at the well-being of others rather than for oneself. In Hinduism this doctrine is known as karma yoga.

The concept of right and wrong is the core of the Mahabharata which emphasizes, among others, the values of non-violence, truthfulness, absence of anger, charity, forgiveness and self realization. It is only by performing one's righteous duties or dharma that one can hope to attain the supreme path to the highest good. It is dharma alone that gives both prosperity (abhyudaya) and the supreme spiritual good (niśryas). Similarly, the importance of ethics and ethical values is highlighted in epics and philosophical texts like, Upaniṣads, Rāmāyaṇa, darśana-śāstras and dharma-śāstras. The darśana śāstras are philosophical texts, which provide rational explanations of the ethical issues; the universal moral problems faced by man in daily life are placed in a philosophical context. In the dharma-śāstras, emphasis is on the social ethics. In these texts the inter-personal and social relations are placed in an ethical framework for guidance. In these texts the ethical problems are discussed in an indirect manner.

Indian Value System:

India has a place of pride in a strong ethical base. It needs to be rekindled by proper education to our young and budding managers. Indian ethico-moral discussions go back to three and half millennia when Vedas specified the ground rules of human existence and living. The ethical discussions and teaching continued all through Indian history though India was ruled by different emperors and foreign rulers.

The Upanishads, Puranas and Smritis continued the traditions. The values were put for popular use in great epics of Mahabharata and Ramayana. Bhagavad-Gita puts ethics in a clear and concise way.

The epics give human dilemmas in every walk of life and attach importance to values in dealing all such issues. Kautilya's Arthashastra, Vishnu Sharma's Panchatantra, Hitopadesha, Neetishastra, Katha Saritsagar, Neeti Shataka, Somadev Neeti Sootra and many more works stress Indian ethos in different ways.

Perhaps to attract readers these works are in story form, ornate, colourful and poetic giving an unparallel practical ethical values in them. The current ethical behaviour of Indian is an intimate mix of good textures of values taken from Vedantic, Jaina, Buddhist, Sikh and Sufi traditions. In recent past we have also added western values.

About 2½ millennia ago the roots of western ethical values started in Greece from Socrates, Plato and Aristotle. At about the same time Chinese got ethical base in Confucius. The Vedantic ethical values are spiritual, sacred and simple. The entire value system is put as 'Dharma' or righteousness in all what one does.

Some of ethical Vedantic principles as applied to modern business are:

- i. Treat people decently. Respect all stakeholders' opinions, background, privacy dignity and desire to grow.
- ii. All people are having egos and selfish nature. Respect diversity.
- iii. Companies or business is created to serve people and all stakeholders.
- iv. Some are more intelligent and powerful but protect the weak.

v. Look inside sitting alone and think is it right? Is it fair? Will it do good to all?

vi. Be good, do good to as many and as much.

vii. Mahabharata sums up importance of ethical behaviour in a sloka.

Ethical behaviour is important for a man. When a man goes down in ethical values, he will have no use of his money or his relatives and he has no reason to live.

As noted above, ethics was and is a traditional subject in India. Vedantic ethics had spiritual approach, which is summed up in its entirety (what you do not wish unto you do not do it to others). Business ethics is a new branch of study giving ethic plus business combination in decision making processes in industry and commerce.

The important Vedantic values in Indian society valid even today are:

i. Showing respect to elders specially teachers

ii. Not showing emotion outward

iii. God fear in all walks of life. In any function Pooja or offering to God is made first before the work begins.

iv. Marriage is made in heaven and is considered lifelong bond. Some consider it as bond even after death.

v. In recent years Indian household look western. These are outward looks, whereas the Vedantic culture flews in hearts and actions. Similarly Indian ethos had many changes when foreigners ruled India for many centuries but Vedantic identify and ethos remained intact.

vi. Indian ethos were built and perfected long before others evolved them. Hence India contributed immensely in teaching ethical lessons to outside world with its classical books. The ethical thought process in Vedantic ethos starts with Vedas, Upanishads, Smritis and Puranas. These were told in many ways with day to day life in epics Ramayana, Mahabharata and Gita. The ethical values were told in story form in Panchatantra, Hitopdesha, Katha-Saritsagaf, Bhoja prabhand, Chanakya Neeti, Bliagavata, Sooktimuktavali, Neeti Shastra, Neeti Shataka Manusmuti and the like.

vii. Sacred simplicity of four goals to a man.

- a) Dharma – Righteousness
- b) Artha – Creation of wealth
- c) Kama – Desires and needs
- d) Moksha – Liberation of the spiritual core.

viii. The ethos in work life are:

- a) Man's inner strength. Simple living
- b) Holistic relationship between man and nature
- c) Cooperation with each other
- d) Yoga and meditation. That is excellence and concentration.
- e) Spirit of sacrifice.

ix. Internal orientation towards work as worship.

In Indian Vedantic system personality types have been suggested based on set of attributes.

The classifications are:

- a) Daivi or good attributes give Sattwa type of personality.
- b) Rajas personality shows an angry and always busy type.
- c) Tamas is always thinking negative doing such harmful work.

Lessons from Ramayana and Mahabharata:

Two great epics written more than two millennia ago are books on ethics. Mahabharata encompass all walks of life and contain 10,000 slokas. Both Ramayana and Mahabharata are in Sanskrit and every human dilemmas and actions are depicted in these mega volumes.

They are not just story books, although they are very good in that way too. They are the records of the mind and spirit of our forefathers who cared for the good, ever so much more than for the pleasant and who saw more of the mystery of life than we can do in our interminable pursuit for petty and illusory achievements in the material plane.

We should be thankful to those who preserved for us these many-centuries-old epics in spite of all the problems through which our nation passed since Vyasa and Valmiki's time. Even the poets who wrote these epics in the original did not create but built out of the inherited bricks of national memory prior to their own time.

Mythology is an integral part of religion. It is as necessary for religion and national culture as the skin and the skeleton that preserve a fruit with its juice and its taste. Form is no less essential than substance. We cannot squeeze religion and hope to bottle and keep the essence by itself.

It would neither be very useful nor last very long. Mythology and holy figures are necessary for any great culture to rest on its stable spiritual foundation and function as a life-giving inspiration and guide. It is a fact that it is the Ramayana and the Mahabharata that bind our vast numbers together as one people, despite caste, space, money, power and language that seeming divide them.

Business Ethics in THE RAMAYAN

Ramayana contains the universal human values and the sense of morality which can regulate the code of society for the betterment of establishing peace. It is because, through various characters, social and moral values are displayed. There is an explanation in this epic to differentiate the term human value from social value. Rama sacrificed all his pleasures for the welfare of the subjects of his kingdom. Dasharatha was the King of Ayodhya and had three wives and four sons. Rama was the eldest and his mother was Kaushalya. Bharata was the son of Dasharatha's second and favorite wife, Queen Kaikeyi. The other two were twins, Lakshmana and Shatrughna whose mother was Sumithra. In the neighboring city the ruler's daughter was named Sita. When it was time for Sita to choose her bridegroom (at a ceremony called a swayamvara) princes from all over the land were asked to string a giant bow which

no one could lift. However, as Rama picked it up, he not only strung the bow, he broke it. Seeing this, Sita indicated that she had chosen Rama as her husband by putting a garland around his neck. Their love became a model for the entire kingdom as they looked over the kingdom under the watchful eye of his father the king. A few years later, King Dasharatha decided it was time to give his throne to his eldest son Rama and retire to the forest. Everyone seemed pleased, save Queen Kaikeyi since she wanted her son Bharata to rule. Because of an oath Dasharatha had made to her years before, she got the king to agree to banish Rama for fourteen years and to crown Bharata, even though the king pleaded with her not to demand such a request. The devastated King could not face Rama and it was Queen Kaikeyi who told Rama the King's decree. Rama, always obedient, was content to go into banishment in the forest. Sita and Lakshmana accompanied him on his exile. One day Rama and Lakshmana wounded a rakshasas (demon) princess who tried to seduce Rama. She returned to her brother Ravana, the ten-headed ruler of Lanka. In retaliation, Ravana devised a plan to abduct Sita after hearing about her incomparable beauty. He sent one of his demons disguised as a magical golden deer to entice Sita. To please her, Rama and Lakshmana went to hunt the deer down. Before they did though, they drew a protective circle around Sita and told her that she would be safe for as long as she did not step outside the circle. After Rama and Lakshmana left, Ravana appeared as a holy man begging alms. The moment Sita stepped outside the circle to give him food; Ravana grabbed her and carried her to his kingdom in Lanka.

Vibhishana was the younger brother of the demon Ravana. Though a halfdemon himself, Vibhishana was of a noble character and advised Ravana, who kidnapped and abducted Sita, to return her to her husband Rama in an orderly fashion (promptly). When his brother did not listen to his advice, Vibhishana joined Rama's army. Later, when Rama defeated Ravana, Rama crowned Vibhishana as the king of Lanka.ii. Vibhishana had a sattvic(pure) mind and a sattvic heart. From his early childhood, he spent all his time meditating on the name of the Lord. Eventually, Brahma appeared and offered him any boon he wanted. Vibhishana, said that the only thing he wanted was to have his mind fixed at the feet of the Lord as pure as lotus leaves (charankamal). He prayed that he should be given the strength by which he would always be at the feet of the Lord, and that he would receive the darshan(holy sight) of Lord Vishnu. This prayer was fulfilled, and he was able to give up all his wealth and family, and join Rama, who was Avatar (God incarnate).

Due to Vibhishana's differences with Ravana and because he was against the act of kidnapping Sita, Ravana exiled him from Lanka. His mother, Kaikesi, advised him to go and serve Shri Rama, who was at that time assembling an army to conquer Ravana and to recover Sita. Lord Rama accepted Vibhishana's service and anointed him the Lord of Lanka after Ravana's death. In the Lanka War, Vibhishana's knowledge about the secrets of Lanka proved invaluable to Shri Rama. Vibhishana freely divulged many secrets that became key to the success of Rama's attack, including revealing the secret path to the temple of Mata Nikumbala, the family deity of the Pulatsya Clan. Because of this, however, Vibhishana is also known as a traitor. The Ramayana's characterisation is trying to represent the practical implications of the concept of Dharma. The epic stresses that neither Vibhishana or Kumbhakarna strayed from the path of Dharma and that there is no single way out of a moral dilemma. The Ramayana teaches that Kunbhakarna adhered to the Dharma of loyalty to his kin when his advice fails, while Vibhishana chose to oppose his kin when his advice failed. Symbolically, Vibhishana represents devotion to Shri Rama, and as a demon devotee, he shows that the Lord does not distinguish between his followers based on birth or circumstances in life. When Vibhishana attained the position of the King of Lanka, he turned his subjects from the path of evil to the path of good and Dharma(righteousness). His wife, Queen Sarma also aided him in this effort. When Shri Rama was about to leave Ayodhya at the end of his reign, Lord Rama in his original form of Shri Vishnu ordered Vibhishana to stay on earth and serve the people and guide them to the path of truth and Dharma. Hence, Vibhishana is considered one of the seven immortals, or Chiranjeevins.

Major Findings

1. Employee exploitation
2. Completion of task
3. Search of loopholes
4. Team building ability
5. Anti-poching rule
6. Marketing of correct thinking
7. Motivation ability
8. Control of anger
9. Employee humiliation
10. Purity of soul- spiritualism
11. Maximum utilization of resources
12. Decentralization of power
13. Never underestimate your opponents

Business Ethics in THE MAHABHARATA:

Next to the Rig-Veda Samhita, the Mahabharata is, perhaps, the most remarkable work in Sanskrit literature. It is the biggest of the world's epics. Since the commencement of the sixth century A.D., it is known to have consisted of 100,000 verses. The writers of this great epic were political thinkers, poets, and dramatists, almost uninterruptedly, from about the fifth century B.C.

The Mahabharata represents a whole literature rather than a single homogeneous work; it constitutes a veritable treasure-house of Indian mythological stories, both secular and religious; and no other single work gives an insight into the innermost depths of the soul of the people as it does.

It is a 'Song of Victory'. It is a purana-samhita (collection of old tales) containing diverse stories of seers and sages. It is an authoritative book of law, morality, and social and political philosophy, laying down rules for the attainment of dharma, artha, and kama, called trivarga.

The great kings of the epic were usually a monarch who could boast of an illustrious pedigree and a claim to rule by hereditary right. But elective monarchies were not known.

The head of the State in the epic was no autocrat. He carried on the affairs of his realm with the assistance of a sabha, which was either an assembly of all the warriors of the clan, or a council of elders consisting of the members of the royal family, generals, subordinate allies, and other military chiefs.

The circle of advisers and councilors was sometimes enlarged by the admission of priests and even representatives of the lower orders of the people, as the following extracts from the Santiparvan seem to indicate: 'I shall tell you (the king) what kinds of ministers should be appointed by you.'

The royal advisers in the epic did not hesitate to point out or raise voice to the king when he went wrong. The king had also to defer to the wishes of, the Brahmanas, the sreni-mukhyas – elders of corporations-and the people whose opinion could not always be ignored.

The connection between the king and his people was based on a theory of mutual advantage. The king was to protect the people and do what was pleasing to them in return for the taxes that he received. For the efficient discharge of his duties he had to learn the Veda and the Sastras and practice self-control.

The army seems to have been recruited from all castes. Women were accorded a place of honour in the epic society and were allowed a considerable amount of freedom in the early period. The total character of the Mahabharata leads to ethics.

In its final form it combines in itself the characteristics of several Sastras, including those of niti, moksa, dharma, artha, and kama. The Mahabharata is indeed a Dharma-sastra par excellence, presenting, as it does, systematic law and general morality. Dharma represents not only the foundation on which the whole stately edifice of the Mahabharata has been erected, but also, to a great extent, its material.

Views of Vivekananda, Gandhi and Arovindo :

About Swami Vivekananda

- Swami Vivekananda was born Narendra Nath Datta, on 12th January, 1863.
- He was a monk and chief disciple of Ramakrishna Paramhansa.
- He introduced Indian philosophies of Vedanta and Yoga to the Western world and is credited with raising interfaith awareness, bringing Hinduism to the world stage during the late 19th century.

Vedanta

- It was **based on Upanishads** and their interpretation.
- Its aim was to **enquire about 'Brahman' (ultimate reality)** which was the **central concept of Upanishads**.
- It saw **Veda as the ultimate source of information** and whose authority could not be questioned.
- It emphasized on path of knowledge (jnana) as opposed to that of sacrifice (karma).
- Ultimate aim of knowledge was '**Moksha**' i.e. liberation from '**sansara**'.

Core Values of Swami Vivekananda

Ethics

- Morality in both individual life and social life is mostly based on fear of societal censure.
- But Vivekananda gave a new theory of ethics and new principle of morality based on the intrinsic purity and oneness of the Atman.
- Ethics according to Vivekananda was nothing but a code of conduct that helps a man to be a good citizen.

- We should be pure because purity is our real nature, our true divine Self or Atman.
- Similarly, we should love and serve our neighbours because we are all one in the Supreme Spirit known as Paramatma or Brahman.

Swamiji's Concept of Ethics: Ethics, according to Vivekananda, is nothing but a code of conduct that helps a man to be a good citizen of the world. The world needs good citizens for the betterment of the people. Without good citizens, no system, social or practical can function in right ways. All the systems are developed to offer better conditions for people who want to manifest their inner qualities to get the chance to realize their real nature. According to Swamiji, —The basis of all systems social or political rests upon the goodness of men. No nation is great or good because parliament enacts this or that, but because its men are great and good ... people often work for the same ends but fail to recognize the fact. One must admit that law, government, politics are phases not final in any way. There is a goal beyond them where law is not needed. ... All great Masters teach the same thing Christ saw that the basis is not law, that morality and purity are the only strength. (Vivekananda S. 2009). From this excerpt, it is followed that ethics or morality has something more than laws of a country that governs the people. We feel the necessity of laws, government, or politics for better governance, for the development of the society. But all these facts have some limitations. They can act only as means, not as ends. End is something more, that lies beyond these facts. They can help us to reach the goal to some extent. Ethics is also a mean to reach the goal, but it lies beyond laws. The strength of morality is greater than those facts. Laws, politics can force a man to act accordingly. But they have no power to help a human being to manifest his/her perfection that resides in the core of their hearts. There is infinite power in our heart, but we are not aware of it. That is why we are exercising laws to keep the society intact. Laws are nothing but bondage. We have to overcome this bondage. So, we have to follow the codes of ethics. Ethics will help us finally to reach the goal.

The Goal of Human Beings: What is the goal of human beings? There are different attitudes that explain in different ways the goal of human beings. The materialists will say that a prosperous life is our goal and we are trying to apply all out world forces to achieve it. We engage ourselves in doing science to open the door of our goal. What ourselves in doing science to open the door of our goal. What do we get from material prosperity? We collect some elements to make our lives more sophisticated and more powerful. Gradually, to collect all these elements we begin to hate others and trying to cheat others to collect more money, more power, more sophistication. In this way, we are manifesting our animality. We degrade

ourselves into the level of animals. The goal of human beings is to be a human being. A human being is nothing but a combination of both virtue and vices. Animality and humanity both are there in human beings. Manifestation of humanity dissociates a man from an animal. Animal is animal from the very beginning of its life. But a human being should be a man. The manifestation of animality is spontaneous. No education, no procedure is required for the manifestation of animality. But to manifest humanity a human being should have to go through the process of education, through the process of socialization. Human beings have goals in their lives, i.e. to manifest humanity.

Ethics as a Means: From the very beginning of the human society some ethical, social, and political codes are there to pave the way for the manifestation of humanity for the betterment of the society. Among all these codes, it is accepted that the codes of ethics is the basis of all. So, ethics has a profound role to play for the society. All the ethical codes are always trying to help a human being to be a human being from its end. But they have some limitations. Do not steal, Do not tell a lie, -such types of ethical codes are there from the beginning of the society. But they do not tell the cause behind such codes. Not only that, they do not tell the process not to be a thief, not to be a liar. That is why; they are not able to show the right path to be a human being. All the ethical codes remain only as theories. Theory without practice is nothing but a culmination of good words and that is the reality of all the ethical theories preached from time immemorial. According to Swami Vivekananda, the goal of all nature is freedom, and freedom is to be attained only by perfect unselfishness; every thought, word, or deed that is unselfish takes us towards the goal, and, as such, is called moral. (Vivekananda S. 2007).

Motto of ethics: Swami Vivekananda clearly makes distinction between two concepts of moral and immoral. He says, —That which is selfish is immoral, and that which is unselfish is moral.¶6(Vivekananda S. 2009, P-110)He again says, —All ethics, all human action and all human thought, hang upon this one idea of unselfishness. The whole idea of human life can be put into that one word, unselfishness.¶(Vivekananda S. 2009)According to Swami Vivekananda, —The watchword of all well being, of all moral good is not —I¶ but —thou.¶(Ibid).He again says, —Two forces have been working side by side in parallel lines. The one says —I¶, the other says, —not I¶. ... Throughout creation these two forces are working side by side, where you find the one, you find the other too. The one is selfishness, the other is unselfishness. The one is acquisition, the other is renunciation. The one takes the other gives. From the lowest to the highest, the whole universe is the playground of these two

forces. It does not require any demonstration; it is obvious to all. (Ibid). The motive power of the whole universe in whatever way it manifests itself, is that one wonderful thing, unselfishness, renunciation, love, the real, the only living force in existence. (Vivekananda S. 2007) So, it can be said that the motto of ethics, according to Swami Vivekananda, is not self, but non-self. A man who wants to behave in accordance with the code of ethics must put himself last, i.e. he must show his attention for the interest of others first. Swamiji says, —All codes of ethics are based upon this renunciation; destruction, not construction, of the individual on the material plane. (Vivekananda S. 2007). Here Swami Vivekananda concentrates on the recognition of non-individuality. To lead ethical life or to be moral acceptance of oneness and the rejection of individuality is must. The background of ethics of Swami Vivekananda is oneness. He clearly says, —The infinite oneness of the soul is the eternal sanction of all morality, that you and I are not only brothers—every literature voicing man's struggle towards freedom has preached that for you —but —that you and I are really one... (Ibid). The concept of oneness implies that you are a part of me, and I of you; the recognition, that in hurting you I hurt myself, and in helping you, I help myself. It says to love everyone as your own self because the whole universe is one. It is said that Swamiji, here, actually explains the idea of morality of Advaita Vedanta. He says that the principle of Advaita morality is self-abnegation. The Advaita says, this little personalized self is the causes of all my misery. This individualized self, which makes me different from all other beings brings hatred and jealousy and misery, struggle, and all other evils. And when this idea has been got rid-off, all struggle will cease, all misery vanish. So this is to be given up. We must always hold ourselves ready; even to give up our lives for the lowest beings. When a man has become ready even to give up his life for a little insect, he has reached the perfection... (Vivekananda S. 2009). From this thinking of Swami Vivekananda it is clear that the boundary of morality is extended to non-human beings also to treat them as ethical beings. The duty of all human beings is not only to help other fellow beings, but also to extend his helping hands to non-human beings. So, it is free from anthropocentrism (in strong sense), speciesism and sentientism like others. Swamiji says —In every nation the thought has been preached from the most ancient times —love your fellow-beings as yourselves —I mean, love human beings as yourselves. In India it has been preached, —love all beings as yourselves; we make no distinction between men and animals. (Vivekananda S. 2009).

Centre of Morality: According to Swamiji, —...extreme self abnegation is the centre of all morality. And what is perfect self abnegation? It means the abnegation of this apparent self

abnegation of all selfishness. This idea of me and mine –Ahankara and Mamata –is the result of past superstition, and the more the present self passes away, the more the real self becomes manifest. This is true self abnegation, the centre, the basis, the gist of all moral teaching. (Vivekananda S.2009), This attitude is different from that of all traditional ethics. The traditional western ethics believes that that rationality is the basis of all morality and ethical actions. There are three main principles of ethics to judge any action of human beings whether it is right or wrong. Rationality, identity, and self-control –are the three basic moral postulates which pave the way of the possibility of ethics. No ethical theory is ready to go beyond rationality. Rather they use to think that rationality is the back-bone of all ethical theories. On the other hand, Swamiji's ethics goes beyond the rationality. It wants to go to the deepest area of the heart. It presupposes the oneness of the soul and asserts that this very concept offers the basis of all ethics or morality. There is another point that makes difference between the concept of morality of Swami Vivekananda and the concept of morality of traditional western ethics. The traditional western ethics deals with the concept of individuality and never thinks about their unity. All the ethical principles preached by them must be followed by every individual to act morally. There is no inner connection among the inhabitants of the moral world. They are simply members of that world. That is why the diversity exists till the end. There is no scope to overcome the diversity. On the other hand, the concept of ethics of Swamiji always tries to destroy the so called separation between man and man. To Vivekananda, the extreme self-abnegation is the centre of all morality. — I am the universe; this universe is one is the main theme of Swamiji's ethical thought. Swamiji says, —Why should I do good to others? What compels me? It is sympathy the feeling of sameness everywhere. (Vivekananda S. 2007). So, there is an interaction among all the people of the earth, i.e. the feeling oneness. Again Swamiji says, —Ethics is unity its basic is love. It will not look at variation. The one aim of ethics is this unity, this sameness. The highest ethical codes that mankind has discovered up to the present time know no variation; they have no time to stop to look into it; there are end is to make for that sameness... (Vivekananda S. 2007). Here one can say that the world is full of variation. It is impossible to reject variations among people. So, the claim made by our great Swamiji is hard to accept. In this context Swamiji says, — [But] this is a fact that variation exists, and so it must, if life is to be A state of things, where all variation has died down, giving place to a uniform, dead homogeneity, is impossible so long as life lasts. Nor is it desirable. At the same time, there is the other side of the fact, viz. that this unity already exists. That is the peculiar claim –not that

this unity has to be made, but that it already exists, and that you could not perceive the variety at all, without it.(Vivekananda S. 2007). What will be the role of ethics in this context? To answer this question Swamiji says, —The work of ethics has been, and will be in the future not to destruction of variation and the establishment of sameness in the external world – which is impossible, for it would bring death and annihilation –but to recognize the unity inspite of all these variations,...‖(Vivekananda S. 2007).

Utilitarianism and Swamiji: At the time of explaining ethics Swamiji shows the limitations of utilitarian theory. Utilitarianism is an ethical theory that argues the proper cause of action is one that maximizes a positive effect, such as happiness, welfare or the ability to live according to personal preferences. It is said that this theory is the paradigmatic example of a consequentialist moral theory, the principle of greatest happiness for greatest number.Swamiji says that the utilitarian theory has some limitations. He says, —The basis of utility is too narrow. All the current social forms and methods are derived from society as it exists, but what right has the utilitarian to assume the society as eternal? Society did not exist ages ago, possibly will not exist ages hence. Most probably it is of the passing stages through which we are going towards a higher evolution, and any law that is derived from society alone cannot be eternal, cannot cover the whole ground of man’s nature. At best, therefore, utilitarian theories can only work under present social conditions. Beyond that they have no value. But a morality, an ethical code, derived from religion and spirituality, has the whole of infinite man for its scope. It takes up the individuals but its relations are to the infinite, and it takes up society also –become society is nothing but members of these individuals grouped together; and as it applies to the individual and his eternal relations, it must necessarily apply to the whole of society, in whatever condition it maybe at given time.(Vivekananda S. 2009). According to Swamiji the utilitarian wants us to give up the struggle after the Infinite, the reaching out of the super-sensuous, as it is impractical and absurd. That is why they cannot explain the ethical relation of men. It should be kept in mind that ethical laws cannot be derived from the considerations of utility. Without anticipation of super-sensuous ethics is not possible. He says, — Any system that wants to bind men down to the limits of their own societies is not able to find on explanation for the ethical laws of mankind.‖ (Vivekananda S. 2007).Again Swamiji says that doing good to others is a good thing but that is not the primary aim of ethics. To him, —Doing good is a secondary consideration. We must have an ideal. Ethics itself is not the end, but the means to the end. If the end is not there, why should we be ethical? Why should I do good to other men, and not injure them? If happiness is the good of

mankind, why should I not make myself happy and other unhappy? What prevents me? (Vivekananda S. 2007). Of course there are some external conditions laid down by the utilitarian but they are not sufficient. No external conditions can help a man to realize his oneness. So, it can be said that utilitarian theory has some limitations.

Basis of Swamiji's Ethics: He asserted the oneness among individual by postulating equal potentiality and divinity in each individual. To support his view I can quote from complete works of Vivekananda where he says, —...potentiality, each one of us has that infinite ocean of Existence, Knowledge and Bliss as our birthright. Our real nature; and the difference between us is caused by the greater or lesser power to manifest that divine. Therefore the Vedanta lies down that each man should be treated not as what he manifests, but as what he stands for. Each human being stands for the divine, and, therefore, every teacher should be helpful, not by condemning man but by helping him to call forth the divinity that is within him. (Vivekananda S. 2009). From this passage it follows that each and every person, irrespective of his behavior, deserves equal respect. The differences between man and man are nothing but the differences of the manifestation of the same potentiality or divinity that resides in the core of heart of everyone. This unity, explained by Swamiji, lies not only among all human beings but also all the beings of this universe. It is all pervasive and all encompassing in nature. He says, —The whole of this universe is one Unity, one Existence, physically, mentally, morally and spiritually. We are looking upon this one Existence in different forms... (Vivekananda S. 2009). Again Swamiji says that the task of ethics is not only to judge the actions of human beings, but also to help him to get out of the automatic nature, to control the vast mass of sunken evil thought. The great task is to revive the man, as it were, in order to make him the complete master of himself. (Vivekananda S. 2009). The basis of the concept of Swamiji's ethics is the Vedanta philosophy. Swamiji says, —The Vedanta claims that there has not been one religious inspiration, one manifestation of the divine man, however great, but it has been the expression of that infinite oneness in human nature, and all that we call ethics and morality and doing good to others is also but the manifestation of this oneness. (Vivekananda S. 2007). Again he says that this expression of oneness is what we call love and sympathy, and it is the basis of all our ethics and morality. This is assumed up in the Vedanta philosophy by the celebrated aphorism-Tat-Tvam-Asi, Thou art that. (Vivekananda S. 2007) That is the relation that binds all beings with each other and that relation is the basis of all moral conducts. To express the nature of this relation Swamiji says, —To every man, this is thought: Thou art one with this Universal Being, and, as such, every soul that exists is

your soul; and everybody that exists is your body; and in hurting anyone, you hurt yourself, in loving anyone, you love yourself. As soon as a current of hatred is thrown outside, whomsoever else it hurts, it also hurts yourself; and if love comes out from you, it is bound to come back to you. For I am the Universe; this Universe is my body. I am the infinite, only I am not Conscious of the infinite, in perfection will be reached when full consciousness of this infinite comes. (Vivekananda S. 2009).

Gandhi ji's views on Ethics:

Ethical teachings are the central philosophy of Mahatma Gandhi. Mahatma Gandhi is a universally accepted as an exemplary model of ethical and moral life, with a rare blending of personal and public life, the principles and practices, the immediate and the eternal. He considered life to be an integrated whole, growing from truth to truth every day in moral and spiritual status. He believed in a single standard of conduct founded on dharma of truth and nonviolence. He successfully led nonviolent struggles against racial discrimination, colonial rule, economic and social exploitation and moral degradation. So long as these manifestations of violence remain, Gandhi will remain relevant. Gandhi was a good man in a world where few resist the corroding influence of power, wealth and vanity. Among the vital messages of Gandhi's leadership are: even one person can make a difference; strength comes not from physical capacity but from an indomitable will.

Mahatma Gandhi expresses that morality is quite inseparable with the conception of God and religion. Morality is the core essence or religion. For Mahatma Gandhi, spiritual is the highest goal of man and all else must be sub-servant to that goal. Mahatma Gandhi said that there are seven deadly sins in human life. The following seven sins are deadly sins according to Gandhi. They are 1. Wealth without work. 2. Pleasure without conscience. 3. Knowledge without character. 4. Commerce without morality. 5. Science without humanity. 6. Religion without sacrifice. 7. Politics without principle.

Ethical teachings of Gandhi are the great source for right, peaceful, healthy and blissful living in the world.

Views of Aurobinda on Ethics:

Sri Aurobindo examines various standards of morality, presents a standard at once integrating and transcending others, assesses the value of moral progress in social development, shows its limitations and finally indicates how religion and Yoga are an advance upon the ethical method.

Theories of ethics, psychology and metaphysics have been generally built upon the truths of some one aspect of man's being, on the truth of the individual, in isolation from society and vice versa, and on similar other abstractions.

But as Sri Aurobindo points out, "The ethical being escapes from all these formulas; it is a law to itself and finds its principle in its own eternal nature which is not in its essential character a growth of evolving mind, even though it may seem to be that in its earthly history, but a light from the ideal, a reflection in man of the Divine."

Law is for man's development. Morality is a mere means to that end. As Sri Aurobindo points out, "Rising from its intraregional beginnings through its intermediate dependence on the reason to a supranational consummation, the ethical is like the aesthetic and the religious being of man a seeking after the Eternal.'

This view seeks to cut at the very root of all types of dualism and abstractions. In it, there is no gulf between selfishness and altruism, theoretical and practical, moral and non-moral, this world and the other world. It takes account of the whole man, as a progressing, developing being, seeking the fulfillment of his tendencies.

Thus the ultimate end, according to the moral philosophy of Sri Aurobindo, is God-Realization. This is the criterion of good and right "All takes new values not from itself but from the consciousness that uses it; for there is only one thing essential, needful, indispensable, to grow conscious of the Divine Reality and live in it and live it always.'

This is a principle on which Indian sages have generally agreed. It is the real inner meaning of the ethics of self-realization as Sri Aurobindo points out, "The God is also, subjectively, the seeking for our highest, truest, fullest, and largest self.'

In the philosophy of Sri Aurobindo, man, world and God, are three forms of the same Reality, Existent, Conscious and Blissful to realize that Reality is the supreme end. Thus "good is all that helps the individual and the world towards their divine fullness and evil is all that retards or breaks up that increasing perfection?"

These concepts of good and evil in Sri Aurobindo's ethics are dynamic since their aim is progressive and evolving in time. Hence no rigid rules of conduct can be framed. The

temporality of the forms of moral conduct is quite compatible with the eternity of moral ideals.

Sri Aurobindo like the author of Gita, accepts Duty for the sake of God. He interprets the central teaching of the Gita in a way different from that of Samkara, Ramanuja and Tilak, etc.

To him, "The Gita does not teach the disinterested performance of duties but the following of the divine life, the abandonment of all Dharmas, sarvadharmas, to take refuge in the Supreme alone, and the divine activity of a Buddha, a Rama Krishna, a Vivekananda is perfectly in consonance with this teaching.

Sri Aurobindo emphasizes the transvaluation of values. In the spiritual progress of man, as Sri Aurobindo points out, "there could begin a heightening of our force of conscious being so as to create a new principle of consciousness, a new range of activities, new values for all things, a widening of our consciousness and life, a taking up and transformation of the lower grades of our existence, in brief, the whole evolutionary process by which the Spirit in Nature creates a higher type of being." Sri Aurobindo's ethics, like his philosophy, is positive. It negates nothing, but includes, integrates and fulfills all. And it is here that it has its superiority over other theories. Sri Aurobindo's ethics never preaches repression, far from it, it preaches spontaneous growth. The really important thing in moral growth is sincerity and perpetual progress.

Given this, man can safely indulge in the enjoyments and thus weaken the passions, before they drop down like a ripe fruit this is the surest way of progress, since coercion and repression only lead to frustration and pathological symptoms. The real thing is the positive growth towards the realization of the divine self, for, as the man advances on this path, the impediments automatically disappear in due course.

Questions:

- 1) What must one do to achieve “Moksha”?
- 2) What are the four ways to achieve “Moksha”?
- 3) What are the four main goals of life?
- 4) Explain why “Kama” is considered as the mercurial nature of pleasure?
- 5) What does the human goal of “Dharma” manifest in our lives?
- 6) Discuss the important vedantic values in Indian society valid even today.
- 7) What are some of ethical Vedantic principles applied to modern business?
- 8) “The Mahabharata is indeed a Dharma-shastra presenting systematic law and general morality”. Discuss the statement.
- 9) What does “Ramayana” contain? How can it regulate the code of society for the betterment of establishing peace?
- 10) Discuss briefly how ethical teachings of Gandhi are the great source for right, peaceful, healthy and blissful life in the world?

MODULE-III

ETHICAL LEADERSHIP AND VALUE SYSTEM

Ethical leadership is leadership within an organization centered around respect for ethics and values, as well as the rights and dignity of others. The concepts of honesty, integrity, trust and fairness are all critical to ethical leadership.

Ethical leadership can provide value to businesses by inspiring employees to be motivated and live up to the company's values. Experience suggests that ethical leadership leads to greater employee satisfaction and lower turnover rates.

Ethical leaders should demonstrate ethical and appropriate behavior in every facet of their life over time, even when their behavior is not necessarily observable by their employees. Ethical leadership may even occasionally be unpleasant, for example when it involves terminating an employee who uses company property for personal ends. Nevertheless, maintaining your integrity is of paramount importance to leadership.

Ethical leaders also work to create an ethical work culture. This means that a work environment is governed by a fair, clearly articulated set of rules, rather than by personality or politics. In an ethical work culture, an organization's management articulates a set of principles that are understood, and bought in to, by everyone in the organization. Every element of the business—from performance reviews and mentoring to compensation—reflects the ethical principles that are articulated from the top.

Principles of ethical leadership

Practitioners and scholars of ethical leadership point to five key principles of ethical leadership: honesty, justice, respect, community and integrity.

- Honesty
- Justice
- Respect
- Community
- Integrity

Honesty

Dishonest behavior is a form of lying or misrepresenting reality. Dishonest behavior by leadership creates an atmosphere of mistrust and can lead to leadership being seen as not dependable. People will lose faith in dishonest leadership. As a result, it is critical for ethical leaders to behave with honesty.

Justice

Ethical leaders are also concerned with issues of justice and fairness. These types of leaders prioritize treating everyone in an equal manner and placing justice and fairness at the center of their decision-making more broadly. They make a rule of never giving certain individuals special treatment, except when a particular situation demands it for the purposes of justice.

Respect

Leaders who convey respect to their peers and employees approach others with an inherent sense of their worth and value as individuals. Respect means listening carefully to others and confirming their inherent value. Leaders should also mentor others to become aware of their own purpose, values and needs so that ethical qualities spread throughout the organization.

Community

Ethical leaders behave with altruism. They place the welfare of their subordinates high in their esteem, and engage in activities like team building, mentoring, and empowerment behaviors. This means ethical leadership helps to build community. These leaders take into account the values and purpose of their employees as well as of the organization as a whole.

Integrity

Integrity refers to the quality of having a strong moral purpose and being honest. Ethical leaders demonstrate appropriate values to those around them via their own behavior. Leaders who act with integrity can strengthen the organization by attracting talented, ethical hires. People generally want to work for leaders they perceive as acting with integrity. Investors and customers feel the appeal of leadership that acts with integrity and are more likely to be attracted to those organizations.

Ethical leadership examples

There are several types of ethical leadership behaviors you can practice to develop this soft skill in different settings:

- Set an example
- Publicly champion the importance of ethics
- Communicate ethics
- Make decisions based on values
- Be aware of values
- Establish zero tolerance for ethical violations
- Practice justice and respect
- Hire ethical employees

Set an example

Ethical leadership is about walking the walk as much as it is about talking the talk. Ethical leaders have high expectations for their employees, and they hold themselves to the same standards. Leaders also expect other members of their team to lead by example.

Publicly champion the importance of ethics

Ethical leaders focus on the importance of ethical standards and work to educate their teams and peers about their importance. They seek to integrate these values into every facet of their team and company.

Communicate ethics

Ethical leaders need to be good communicators. They should become comfortable speaking in public, leading meetings and writing communications that clearly articulate what they are trying to convey. Good relationships between leaders and their teams are built on fairness, integrity, and trust. Ethical leaders are effective at building these relationships via communication.

Make decisions based on values

Ethical leaders assess each decision before implementing it to make sure that the decision accords with the organization's mission and values. They will only initiate such decisions if the ethical criteria are met.

Be aware of values

Ethical leaders are aware of their values and the expectations that they place on themselves and their employees. They also communicate these values clearly so that they are widely understood by everyone in an organization.

Establish zero tolerance for ethical violations

Ethical leaders do the right thing at all times—not just when it is convenient or someone is watching—and they hold their employees to that same standard. For this reason, they cannot tolerate any sort of ethical violation. Implementing a zero-tolerance policy is helpful in conveying the leader's expectations of themselves and others.

Practice justice and respect

An ethical leader should always behave with fairness and respect for others. They do not play favorites. They treat peers and employees in an egalitarian way regardless of the employee's age, gender, nationality, ethnicity or any other factor that could prompt unfair treatment. Ethical leaders demonstrate respect for team members by listening attentively, being compassionate, considering opposing viewpoints fairly and valuing their contributions equally.

Hire ethical employees

It is important for ethical leaders to establish common ground with their team, whether or not they have precisely the same ethical values. This starts with the hiring process and is maintained throughout an employee's time at a company by the organization's vision statement and ongoing training.

Ethical leaders consciously work to hire employees who are aligned with the leader's and the company's values, as well as those who possess the right skill set and experience for the job.

They seek to maintain a respectful and diverse work culture where employees are aligned around particular ideals and values. In fact, it can be helpful from an ethics standpoint to assemble a team with diverse backgrounds and experiences that will bring different things to the table.

How to improve your ethical leadership skills

You can improve your ethical leadership skills with time, attention and practice. Start by identifying your strengths in ethical leadership and then build a plan to improve from there. Following these steps will improve your ethical leadership skill set:

1. Identify potential “trigger” situations

Identify situations such as hiring, firing, purchasing or promoting that seem to attract ethical dilemmas at your company or elsewhere. Recognizing when ethical dilemmas are likely to arise can help you be more attuned to the risk and to think carefully about how to behave with integrity.

2. Deal with ethical dilemmas when they arise

Identifying potential dilemmas is one thing, but dealing with them when they arise can be more difficult. There are a few steps you can take to deal with such dilemmas:

- **Prepare in advance:** Visualize how you might respond to theoretical scenarios so you can think about the ethics of such instances ahead of time. In a crisis, you may have less time to make a decision, so this kind of rehearsal can be helpful.

- **Assess the evidence:** Whenever possible, take time to carefully weigh all of the information you receive about a situation. Assess whether someone has definitely taken an unethical action before you react.

- **Get advice:** It is often helpful to talk through an ethical dilemma with a friend, mentor or even a spiritual advisor. Assessing advice rationally can help you to make important ethical decisions.

3. Demonstrate courage

Sometimes you will need to make a decision that will leave you wondering afterward whether you did the right thing. Even when you do know that you made the right choice, you or your team could suffer unpleasant effects as a result even of an ethical decision. For example, if you learn of irregular accounting in your firm and inform an auditor, this could lead to someone being fired. Even though you know that the decision you made was correct, it might be painful to see someone lose their job.

However, this type of situation can help you to learn to trust your instincts, release your anxiety and assess each situation logically rather than emotionally.

The importance of ethical leadership

Ethical leadership can have positive effects on a business environment at three levels: the individual, the team and the overall business or organization. We review each level briefly below.

Ethical leadership importance to the individual

At the individual level, ethical leadership can help maintain a positive work environment for each individual. Ethical leaders can inspire employees to follow their example. Positive communication among co-workers as a result of ethical leadership can in turn influence productivity and improve each individual's attitude in the workplace.

Ethical leadership importance to the team

Ethical leadership can also improve team dynamics and overall morale within the unit. Ethical leaders help team members to communicate and get along with one another, which in turn affects the team's performance. Strong ethical leaders set an example for their team.

Ethical leadership importance to the organization

Finally, the overall health and well-being of an organization can be deeply affected by ethical leadership. The leaders should foster an environment of collaboration and mutual respect, one that allows individuals to grow and contribute to the organization's overall goals.

How to highlight your ethical leadership skills

Ethical leadership is an important leadership skill that can help in all aspects of your career. When a leader and their company consistently do the right thing, employees will be aware of the foundations of their leadership. Management's actions convey to the rest of the company that the leaders act with integrity. This, in turn, means employees will be more pro-active about communication, including when things go wrong.

Additionally, ethical leadership skills can be very attractive for hiring managers. Highlight your ethical leadership skills when you are applying for new positions. For example, in an interview, you can convey specific examples of times when you acted with integrity in the workplace.

Moral and Ethics:

We greatly encounter moral and ethical issues, in our day to day life. Perhaps, these two defines a personality, attitude, and behavior of a person. The word **Morals** is derived from a Greek word "Mos" which means custom. On the other hand, if we talk about **Ethics**, it is also derived from a Greek word "Ethikos" which means character. Put simply, morals are the customs established by group of individuals whereas ethics defines the character of an individual.

While morals are concerned with principles of right and wrong, ethics are related to right and wrong conduct of an individual in a particular situation. Many use the two terms as synonyms, but there are slight and subtle differences between morals and ethis, which are described in the article below.

Comparison Chart

BASIS COMPARISON	MORALS	ETHICS
Meaning	Morals are the beliefs of the individual or group as to what is right or wrong.	Ethics are the guiding principles which help the individual or group to decide what is good or bad.
What is it?	General principles set by group	Response to a specific situation
Root word	Mos which means custom	Ethikos which means character
Governed By	Social and cultural norms	Individual or Legal and Professional norms
Deals with	Principles of right and wrong	Right and wrong conduct
Applicability in Business	No	Yes
Consistency	Morals may differ from society to society and culture to culture.	Ethics are generally uniform.
Expression	Morals are expressed in the form of general rules and statements.	Ethics are abstract.
Freedom to think and choose	No	Yes

Definition of Morals

Morals are the social, cultural and religious beliefs or values of an individual or group which tells us what is right or wrong. They are the rules and standards made by the society or culture which is to be followed by us while deciding what is right. Some moral principles are:

- Do not cheat
- Be loyal
- Be patient
- Always tell the truth
- Be generous

Morals refer to the beliefs what is not objectively right, but what is considered right for any situation, so it can be said that what is morally correct may not be objectively correct.

Definition of Ethics

Ethics is a branch of philosophy that deals with the principles of conduct of an individual or group. It works as a guiding principle as to decide what is good or bad. They are the standards which govern the life of a person. Ethics is also known as moral philosophy. Some ethical principles are:

- Truthfulness
- Honesty
- Loyalty
- Respect
- Fairness
- Integrity

Ethical issues of leaders

As a manager, there is a clear difference between being just a boss and being a leader. Where a boss orders, a leader guides; a boss manages, a leader inspires. The difference lies in how you make your employees feel and how you view your relationship with them. A good leader sees it as their responsibility to inspire, guide and nurture their employees to help them improve; they lead by example.

"In today's transparent, social-media-driven world, senior executives, especially those with a high profile, will be tested and called to task over their morals and ethics in how they do business," said Shane Green, author of Culture Hacker (Wiley, 2017). "This used to be more focused on business practices but is now shifting [to] leadership practices. Businesses, and their leaders, are under a microscope. How they act and interact with those around them professionally will have a significant impact on their ability to attract new talent and, ultimately, their bottom lines."

Ethical leadership is defined as "leadership that is directed by respect for ethical beliefs and values and for the dignity and rights of others." It is mainly concerned with moral development and virtuous behavior.

As Heather R. Younger, founder and CEO of Employee Fanatix, put it, "an ethical leader is someone who lives and dies for integrity. Doing the right thing, even when it hurts, is the ethical leader's mantra."

What is ethical leadership?

Ethical leadership involves business leaders demonstrating appropriate conduct both inside and outside of the office. Ethical leaders demonstrate good values through their words and actions. According to the Harvard Business Review, ethical leaders will not overlook wrongdoing, even in cases when doing so may benefit their businesses. Showing integrity and doing what's right are at the core of being an ethical leader. Ethical leaders set the example for the rest of the company.

Importance of being an ethical leader

Ethical leadership is a management style that works for any organization. These are the top benefits for a company that relies on ethical leadership:

- **Positive culture:** Employees' morale improves when they work behind an ethical leader. Staff won't feel as if they are helping a corrupt person earn even more money. Ethical leaders have the capacity to inspire those working with them to perform at their peak.

- **Improved brand image:** The leaders of the company should show the best that your brand has to offer.
- **Scandal prevention:** Ethical leaders don't create bad PR for a company. Company scandals can be damaging to an organization's image and cause customers to turn to a competitor.
- **Loyalty:** Both employees and customers are more likely to remain loyal to companies that hire ethical leaders.
- **Improved emotional well-being:** Workplace stress can hurt productivity levels at a company. If leadership is toxic, then efficiency will decrease.

While this may all sound lofty, it's more attainable than you might think. Here's how to become an ethical leader.

1. Define and align your values.

Consider the morals you were raised with: Treat others how you want to be treated, always say "thank you," help those who are struggling, etc. But as you grow, and as society progresses, conventions change, often causing values to shift.

"This is the biggest challenge ethics face in our culture and at work and is the biggest challenge ethical leadership faces," said Matthew Kelly, founder and CEO of [Floyd Consulting](#) and author of [The Culture Solution](#) (Blue Sparrow Books, 2019). "What used to be universally accepted as good and true, right and just, is now up for considerable debate. This environment of relativism makes it very difficult for values-based leaders."

Kelly added that to find success in ethical leadership, you should demonstrate how adhering to specific values benefits the mission of the organization.

"Culture is not a collection of personal preferences," he said. "Mission is king. When that ceases to be true, an organization has begun its journey toward the mediocre middle."

Ask yourself what matters to you as an individual, and then align that with your priorities as a leader. Defining your values not only expresses your authenticity but also encourages your team to do the same, creating a shared vision for all workers.

2. Hire people with similar values.

While your values don't need to be identical to those of your workers, you should be able to establish common ground with them. This often starts with the hiring process and is maintained through a vision statement.

"I do not believe that every person is a fit for every company, and that is OK," Green said. "Companies need to do a better job ensuring they find people who are aligned with their values rather than just hiring for experience."

In fact, Kelly believes it's valuable to hire employees who have different experiences and perspectives, because they each offer their own solutions to challenges.

"But when it comes to values, I think having and hiring people who share your values is critical," he added. "Nobody wants to work for somebody who doesn't share their values ... Without mutual respect, it is very difficult to form a dynamic team, and most people find it very difficult to respect someone who doesn't share their values."

3. Promote open communication.

Every employee is different, even if they share similarities. With each decision you make, be transparent and encourage feedback from your team. This helps you become a better leader and helps your workers feel more confident sharing their ideas or concerns.

"I believe that one of the important responsibilities for the modern company is to create an environment where open communication is encouraged and that, more importantly, people are listened to," Green said. "We are seeing a lot of employees calling on their companies to change policies, drop customers or take a stand on current issues. Companies cannot bend to every employee's demand, but what they do need to start executing is creating forums where employees can raise their viewpoints, feel they are listened to, and receive follow-up explaining why certain things can or cannot happen."

Gathering feedback from your team helps you improve as a leader and propels your business forward.

"Management is all about the people," said Alain Gazai, CEO of InteliKINECT. "Understanding where they come from is crucial."

4. Beware of bias.

As humans, many of us have beliefs, subconscious or otherwise, that are outdated or erroneous. No leader wants to admit to their flaws, but failure to practice self-awareness can have detrimental consequences.

"Everyone has bias, but for the longest time, you were not called out on it because you were never really challenged," Green said. "Now that the workforce is more diverse ... some unexposed biases are being called out. Managers need to ... look at themselves and be honest that they do, in fact, have biases that may impinge on another person feeling comfortable at work."

If you are an open-minded leader, you will build and maintain better relationships with your workers.

5. Lead by example.

To build an ethical company, you must start from the top down. Your employees will see your behavior, choices, and values and will adopt them in their own practices.

"To effectively lead, the ethical leader walks the line he or she wants others to follow," Younger said. "Leading by example is the best way to ensure an ethical business."

Leading by example instills respect and lets your employees see that you truly believe in them and trust them to work.

6. Find your role models.

"There are many leaders throughout history," said Mike Sheety, director of ThatShirt. "Do a little research of good, powerful leaders and try to identify what they do [well]. Then, implement it into your own leadership style."

7. Care for yourself so you are able to care for others.

You cannot pour from an empty cup, as the saying goes.

"Having a calm and capable demeanor is the foundation for strong leadership," said Christine Matzen, founder of Oak Street Strategies. "This can be accomplished through making sure that you, as a leader, are focused on meeting your own needs, [like] sleep, nutrition [and] true connection with loved ones."

Matzen said that devoting time to self-care might sound simple, but it's critical to support your capabilities as a leader. "The leader that is happy and content in life wants happiness and contentment for those they lead."

Examples of ethical leadership

Being an ethical leader involves more than simply stating you plan to act for the general good of all. You should make an active plan for how your actions at work can make you an ethical leader.

- **Remember actions matter more than words.** Ethical leaders don't make false promises. If they make a promise, they do whatever they need to in order to keep it. Always act in an unselfish and kind way to everyone on staff. As a golden rule, never treat the janitor any differently from how you treat the CFO.
- **Provide appropriate training.** Ethical behavior should always be emphasized through training opportunities. Schedule sessions that drive home how treating others in an ethical way promotes a positive workplace.
- **Practice good communication.** Remain transparent in all business dealings. Never lie or mislead others for the benefit of the business or yourself. Keep employees and associates in the loop about all dealings. For example, if your company must downsize, let staff know far in advance.

Fundamental goals: Long term

Business goals are goals that a business anticipates accomplishing in a set period of time. You can set business goals for your company in general as well as for particular departments, employees, managers and/or customers. Goals typically represent a company's larger purpose

and work to establish an end-goal for employees to work toward. Business goals do not have to be specific or have clearly defined actions. Instead, business goals are broad outcomes that the company wishes to achieve.

Setting business goals are important for several reasons, including that they:

- Provide a way to measure success
- Keep all employees on the same page as to what the goals of the company are
- Give employees a clear understanding of how decision-making reaches company's goals
- Ensure the company is headed in the right direction

Business objectives are clearly defined and measurable steps that are taken to meet a company's broader goals. Objectives are specific in nature and can be easily defined and kept track of. Companies must establish objectives to achieve their business goals.

Business goals vs. business objectives

The following are the differences between business goals and business objectives:

- Business goals define the "what" of a business's purpose whereas business objectives define the "how."
- Business goals typically only provide a general direction that a company will follow whereas business objectives clearly outline actionable steps.
- Business objectives are measurable whereas business goals generally are not.
- Business objectives are specific whereas business goals are more broad and all-encompassing.
- Business objectives typically have a set timeline whereas business goals do not.

How to set short-term business goals

Short-term business goals are typically goals that you want your company to achieve in a period of weeks or months. The following are steps you can take when setting short-term business goals:

1. Identify your company's short-term business goals for a set period of time

The first step in setting short-term business goals is to figure out which goals you want to achieve in a set period of time. Many short-term goals are goals that further the achievement of long-term goals. Consider your long-term goals as well as what you want to accomplish in the next weeks or months and translate these into short-term goals that will propel your business forward.

2. Break down each goal into actionable business objectives

Next, you should break down each short-term goal into actionable objectives. These objectives should represent the steps your company will take to reach each goal. For example, if your goal is to get six new customers in the next month, your objectives will be the steps you will take to secure the business of six customers, such as putting a new ad in a newspaper and posting three times a week on social media.

3. Ensure your objectives are measurable

The business objectives you establish in the previous step need to be measurable. For example, if one of your objectives to reach a short-term goal is to post more on social media, don't simply state "*post more on social media*" as a strategy. Instead, make the objective measurable by being as specific as possible. Using the above example, you could use "*post on Instagram three times a week and Facebook two times a week for eight weeks.*"

4. Assign goal-related tasks to employees

Once you have established the objectives for each short-term goal, assign each objective to an employee or team of employees who will see the objective through to completion.

5. Measure progress regularly

Regularly measure the progress of your short-term goals to ensure you are on track to meeting them in the time frame you established. For example, if you increase your social media posts to three times a week as part of a business goal, measure any increased customer/potential customer interaction you receive as a result. Keep track of the progress and adjust your objectives if needed to better meet your goals.

Examples of short-term business goals

Here are a few examples of short-term business goals:

- Increase product prices by 3% over the next three months.
- Hire three new marketing employees over the next five months.
- Increase traffic on your company's blog.
- Implement monthly giveaways for customers on social media.
- Begin an "Employee of the Month" award program.
- Select a charity to begin sponsoring.
- Create a profile on a new social media channel.
- Increase social media posting to three times a week.

How to set long-term business goals

In addition to the steps mentioned in the section on how to set short-term goals, you should also include these steps when creating long-term business goals:

1. Establish the goals you want to accomplish over the next 10 years

The first step to creating long-term business goals is to determine the goals you want to accomplish over the next several years. Many people find that setting goals 10 years out is sufficient; however, you can set goals as little as one year out or as far away as 20 years. Identify and write down as many goals as possible that you want your business to achieve in the time period you decide on.

2. Prioritize your long-term business goals

Many companies have several goals that they want to accomplish in the long-term. However, it's difficult to focus on every goal at once. For this reason, it's important to prioritize the goals that you want to focus on first and put your company resources into accomplishing those before moving onto other goals.

3. Break down each long-term goal into short-term objectives

Similar to how you break down short-term goals, you will also need to break down your long-term goals into actionable short-term objectives. For example, if your long-term goal is

to increase your company's overall brand awareness, you will need to break this down into short-term objectives that will ultimately help you accomplish the long-term goal. Examples of actionable objectives for the above goal would be to post to social media three times a week and collaborate with social media influencers on a monthly basis.

4. Track your company's long-term goals regularly

An important component of accomplishing long-term goals is tracking them on a regular basis. Because long-term goals can take an extended period of time to reach, it can be easy to forget about them or lose sight of the end goal. Keeping track of the progress being made towards each goal can ensure you're on the right path to reaching these goals and enable you to make any adjustments when needed.

Examples of long-term business goals

The following are examples of long-term business goals:

- Increase the total income of your company by 10% over the next two years.
- Reduce production expenses by 5% over the next three years.
- Increase overall brand awareness.
- Increase your company's share in its market.
- Open three new office locations throughout the United States.
- Hire 50 new employees nationwide.
- Develop and launch three new products.

Goals – Good of society and Mankind

According to one influential philosophical tradition, to understand human nature is to grasp the essence of what it is to be human. As typically understood, an “essence” is the fundamental being or reality that a particular thing embodies. An essence explains the traits that a thing has. It is not reducible to those traits, however; it is unchanging and timeless. An essence has an existence of its own, and indeed it is, in a sense, more real than the items that partake of it. Further, essences are often held to relate things of different kinds to each other. An essence connects individuals into a larger class or kind; all the members of a given kind share an essence, and members of other kinds lack it. According to an ancient lineage of scholars whose work draws on Aristotle, a kind is what it is by rational necessity. It is part of

this view that the overall universe is rationally ordered and necessary, and we can understand the order and necessity of the universe by grasping the essences that things in the universe embody.

However, essentialism is not the only way of understanding the concept of “human nature.” An alternative view, now salient in all post-modern thought and very significant in the biological sciences, is non-teleological evolution, pioneered by Darwin. When applied to the study of human beings, an evolutionary view makes no claim for the rational necessity of human nature, or for its immutability and timelessness; nor does it claim that an account of human nature will show that human nature is rationally related to the rest of the universe. There need also be no requirement that what makes humans human is some trait that the members of other species entirely lack. Typically, looking at traits allows one to recognize species, but the traits that allow us to recognize humans as humans might be found in some measure in other animals. And ultimately, in an evolutionary account, what really distinguishes species is not any claim about what traits characterize the members of the species, but the causal story that can be told about how the species appeared on the scene and how, through reproduction, it persists.

On an evolutionary view, then, “human nature” does not refer to an unchanging essence. Instead, it describes functions; it tells us what the members of the kind happen to be like. From this perspective we should expect to better understand human nature by studying our taxonomic neighbors, as Mary Midgley argues in *Beast and Man*. What distinguishes human beings from other animals is typically held to be their possession of various capacities related to cognition, such as language, rationality, tool-making, morality, and culture, but there is no need to establish that any of these capacities are possessed *only* by humans; indeed, the evidence is mounting that they are capacities or extensions of capacities that animals also possess in differing forms and degrees. At the same time, as Midgley also emphasizes, we need not restrict ourselves to biology to learn about human nature. We will have to study humans sociologically and anthropologically, as Paul Ehrlich does in *Human Natures: Genes, Cultures, and the Human Prospect*, in which he argues that there is no unitary account of human nature, and that, given the significance of culture in human ways of living, there are instead multiple human natures.

Moreover, the idea of “human nature” can refer both to how individual human capacities are acquired and to general claims about human capacities. Human bodies and faces tend to look

a certain way, and that is a fact of nature. But there is also a surprising degree of variation, and that, too, is a fact of nature. Plainly, there is no single, overarching definition of “nature” that applies to all of the ways in which the term is used and always shows clearly what the correct usage is. However, both in rejecting the essentialist understanding of “human nature” and in allocating only a limited role to assertions about human species norms, we shift the focus from general claims about what human beings are like to a recognition of diversity, complexity, and individual variation. To do so is to give up pretensions to a commanding knowledge of what human beings are really like.

Human Nature as the Basis for Morality

The moral concerns people have about modifying human nature are also various. Like the different views about what a concept of human nature is, views about the connection between human nature and moral value can have diverse implications for what one knows about human nature.

Here we want to consider the view that the concept of human nature represents the very foundation for morality. This view implies that, if our understanding of human nature was erroneous or incomplete, then many of our moral judgments would be unreliable. Everyone agrees that an adequate understanding of human nature is necessary in order to ensure that moral judgments square with the facts on the ground. For example, if we recommend punishment because we believe that it helps people rehabilitate themselves, but that belief is mistaken, then our judgments about punishment are unreliable. Our values lead to specific moral positions only in light of premises concerning relevant facts. But if human nature is understood as the very basis for morality, then our moral judgments may be wrong not only on factual premises but on values trait premises as well. Thus, to the extent we think we know what our values are, we must have a command of human nature.

Leon Kass is often thought to provide a clear example of this way of thinking about the moral relevance of human nature. Kass himself explicitly denies this view. Moreover, his method is not what one would expect if this were his view. The natural method for basing moral guidance directly on human nature would be first to set out an account of human nature and then to apply it as needed, but Kass’s method is typically to start by considering questions of meaning. In a chapter about the creation of human embryos in the laboratory, the

philosophical discussion begins with a section subtitled “The Meaning of the Question,” and Kass explains that his “orientation” is “that before deciding what to do, one should try to understand the implications of doing or not doing.” Kass then connects these, not to an account of human nature, which would offer various claims about what humans *are*, but to the “idea of humanness,” which is a question of how we think about ourselves—a topic for poetry as much as for science.

This method seems to commit Kass only to a limited theory of human nature. He is making claims about what is species-typical for humans, but the claims do not amount to a complete account of what is human and what falls outside the category. Moreover, many of the claims he offers are about such basic features of human life—sexual procreation, growing old, and passing away—that they encompass not only all humans but all animals. Kass’s theory is best rebutted not by challenging his theory of human nature but by challenging the claims he makes about its moral relevance.

Nonetheless, there are glimmers in Kass’s writings of a grander vision. He has a tendency, for example, to speak broadly of human nature as a kind of touchstone or guiding light in thinking about biotechnology. “Beyond Therapy,” a report from the President’s Council on Bioethics, and heavily influenced by Kass, asserts that “only if there is a *human* ‘givenness,’ or a given humanness, that is also good and worth respecting, . . . will the ‘given’ serve as a *positive* guide for the choosing what to alter and what to leave alone.” Also, it is striking that Kass reaches skeptical conclusions about enhancement every time he considers it; though the method is case by case, the underlying agenda is general. If human nature is not a straightforward moral guide, it nonetheless provides something close to a guide. Finally, there is an undercurrent in Kass’s writings of essentialism. Kass emphasizes the limits of science and empiricism and the room, and need, for alternative ways of apprehending human life. “Our current evolutionary orthodoxy,” he notes, “has, in fact, little to say about the true origin of life or about ultimate causes, not only of life but of all major biological novelty. It cannot account for the emergence of higher organisms.” We need to turn, Kass tells us, to “unorthodox biologists,” and in particular to Aristotle, “who emphasized questions of being over becoming, form over matter, purposiveness over moving parts, and wholes over parts; for whom the soul was not an ethereal spirit or a ghost-in-the-machine but an imminent and embodied principle of all vital activity; and for whom science was a refined and ever-deepening reflection on the natures and causes of the beings manifest to us in ordinary experience.”

It is hard to read such passages without concluding that Kass thinks, at some level, that the cosmos is rationally ordered; that humans—highest of the higher organisms—have their proper place in the overall order; and that understanding their nature is not merely a matter of collecting observations about what humans are like, but also of gaining special insight into larger mysteries. These grander ambitions for deploying the concept suggest a commitment to a much stronger theory of human nature than Kass ever attempts to provide.

Human Nature as a Condition of Morality

Another way of thinking about the moral relevance of human nature is to see it as a logical requirement of (human) morality. Francis Fukuyama takes this approach. Fukuyama is also the clearest case of someone opposed to enhancing human nature who rests the argument on an overarching theory of human nature. Fukuyama famously claims that human nature “is the sum of the behavior and characteristics that are typical of the human species, arising from genetic rather than environmental factors.” Thus, humans are distinguished by an overall set of traits, rather than by any one trait; Fukuyama does not attempt a complete list. In fact, the set would have to be somewhat indeterminate, if only because any attempt to specify “fundamental facts” tends to be indeterminate. Further, the set will consist of ranges of traits rather than precisely specified traits. Because traits are a function of environmental as well as genetic factors, the set of traits “arising from genetic factors” will be unstable; “normal human height,” for example, can change over the generations due to changes in diet. Nonetheless, out of this overall general understanding of the range of traits possible given the human genome emerges what is distinctively human, which Fukuyama calls “the human essence” or “Factor X.” This is not itself a trait but an emergent property that depends on the entirety of human traits. Thus, though Fukuyama holds that human nature is definable, he does not hold that we can easily articulate human nature:

If what gives us dignity and a moral status higher than that of other living creatures is related to the fact that we are complex wholes rather than the sum of simple parts, then it is clear that there is no simple answer to the question, What is Factor X? That is, Factor X cannot be reduced to the possession of moral choice, or reason, or language, or sociability, or sentience, or emotions, or consciousness, or any other quality that has been put forth as a ground for human dignity. It is all of these qualities coming together in a human whole that make up Factor X.

Fukuyama’s problem with enhancement technologies is that if we shift human nature beyond the pale of the traits that our genes make possible, then we will disrupt our understanding of

human dignity and, therefore, of human rights. Given his understanding of “the human essence” as emergent from the overall set of human traits, Fukuyama maintains a broad opposition to enhancement. “What is it we want to protect from any future advances in biotechnology? The answer is, we want to protect the full range of our complex, evolved natures against attempts at self-modification.” In other words, it is not only language and rationality but also the entire set of behavioral and physical characteristics that concerns Fukuyama.

I believe that the core problem with Fukuyama’s argument is that he attaches value primarily to human species norms, with the added complication that he sees the norms as established genetically. We have to be able to enumerate the traits we must watch, fix their appropriate ranges, and sort out the genetic contribution to them. But getting a handle on all this—and then sorting out the genetic versus the environmental contributions to the traits we choose to track—has proven difficult. Another weak spot is Fukuyama’s flirtation with essentialism. His broad and stringent set of traits that should not be genetically modified amounts to an attempt to define decisively what falls into the human category and what falls outside. But this will give some perplexing results. It may imply, for example, that Shaquille O’Neal, whose height is certainly anomalous, is not fully human. Fukuyama is aware of this danger, and he takes pains to emphasize that traits vary greatly and that gene-environment interactions can shift the entire range of traits over time. In that case, however, enhancement that does not bump a person beyond the range of normality might be unobjectionable, and enhancement that shifts someone outside the range of normality might not *always* make human dignity and human rights inapplicable. Enhancement would seem to pose a problem only when it occurs often enough and dramatically enough to pull apart the statistical curves that describe normal ranges of human traits. It is broad social trends that we are really concerned about, not individuals.

A non-essentialist version of Fukuyama’s general approach seems possible. Paul Lauritzen argues that if biotechnology can significantly change human capabilities and life trajectories but is not available to most people, then it risks undermining our common sense of humanity, which could undermine the capacity for human sympathy. The starting point for this thought is that human identity is bound up with human biology, such that “a new biology might give rise to a new psychology.” A new psychology would lead, in turn, to a new ethics. In particular, worries Lauritzen, it would challenge our conception of human rights. “The most persuasive account of human rights,” he writes, “is framed in relation to the notion of a stable

human nature.” The fear, then, “is that biotechnology will change the species-typical characteristics shared by all humans. If that happens, and if rights are tied to a conception of human nature that is in turn rooted in a biological reality, then biotechnology threatens the very basis of human morality as we know it.”

In Lauritzen’s view, then, it is critical to human morality that there is a stable human nature and that humans all recognize that there is a stable human morality. Lauritzen is not concerned with determining what is inside and what is outside the human category. His point is only that we must have some ability to describe important human characteristics that people of different races, ethnicities, sexes, and nationalities share in roughly the same measure.

The Relationship between Humans and Nature

Another way of arguing for the moral significance of human nature is to argue that a certain kind of relationship to it is morally significant. Michael Sandel and Jürgen Habermas exemplify this approach. Sandel argues that a certain relationship to human nature is both valued in itself and vital for various things that we value in human society, and Habermas claims that a certain relationship to human nature is vital for equal membership in the moral community.

Sandel’s argument for worrying about enhancement is broad ranging, and in places he seems to develop arguments that follow consequentialist lines. His primary argument, though, is that certain ways of using enhancement lead to an imbalance in two sorts of relationships to human nature—an accepting relationship, in which we see nature as a gift, and a perfectionist relationship, in which we strive to improve it. The ideal is to hold these in tension with each other, but enhancement pushes us away from the first and toward the second. Widespread use of enhancement would “represent the one-sided triumph of willfulness over giftedness, of dominion over reverence, of molding over beholding.”

Sandel goes on to say why losing “the ethic of giftedness” would be unfortunate. Losing the ethic of giftedness would undermine “three key features of our moral landscape—humility, responsibility, and solidarity.” This claim could be understood as a consequentialist point—if we lose these key constraints on our behavior, many people will end up worse off—or it might be understood as pointing out conceptual implications—if we lose these aspects of the “moral landscape,” we could not but feel that as a huge loss. Sandel plainly hopes, though,

that many of his readers will feel the loss of giftedness itself already as a loss. It is partly to show the import of losing giftedness itself that he tries to show how it is bound up in sports and in parenthood, such that if we lose the ethic of giftedness, then sports and parenthood will be diminished—“the drive to banish contingency and to master the mystery of birth diminishes the designing parent and corrupts parenting as a social practice governed by norms of unconditional love.” Sandel’s argument is not limited to sports and parenthood, however; he intends these discussions to exemplify a larger point about giftedness.

For my purposes, the important point is that Sandel can speak of the human relationship to bodily nature without making any overarching claim about human nature itself, other than that the traits people have depend on the bodies they have, and that traditionally people have acquired their bodies—and, therefore, their traits—through contingent processes rather than through design. The point of giftedness is that we do not know exactly what to expect in human nature, so we should foster what Sandel, borrowing from William May, calls an “openness to the unbidden.” But such claims fall well short of a theory of human nature.

Contingency is also critical in Habermas’s case against enhancement. We are able to live together in communities and engage each other as equals because we all share some sort of “prior ethical self-understanding”—an understanding of who we are that makes it possible for us to see ourselves as “ethically free and morally equal beings.” The critical element in this self-understanding is an awareness that we are embodied and that our bodies are our own, in the sense that we do not acquire them from other people; they are products of fate or nature rather than of other members of the community. In short, the contingent nature of a person’s traits is a condition of being one’s own person—of having autonomy, having unique worth, and being a member of equal standing in the moral community. We must be able to assume that “we act and judge *in propria persona*—that it is our own voice speaking and no other.”

Habermas worries that this assumption is at risk if a child knows that she has been genetically enhanced by her parents, for then the parents’ goals are present directly in her body. The processes of childrearing and socialization may also impose the parents’ goals on the child, but the child can in principle reject these, and Habermas supposes that such goals will not be present in the child’s body in the same way. Of course, the child might accept her parents’ goals as her own, and if she does, she will not feel deprived of her own voice. But because we cannot be sure that children’s and parents’ goals will harmonize, genetically enhancing children “jeopardizes a precondition for the moral self-understanding of autonomous actors.” Thus, parents should approach parenthood with an “expectation of the unexpected.”

Whether either Sandel's or Habermas's concerns are ultimately persuasive depends on pursuing moral and political questions that lie beyond the scope of this essay. Sandel's argument could be understood simply as identifying and defending a personal moral ideal, one that many people share and that Sandel wants to recommend, but that he would not seek to enforce through public policy. Habermas, however, must be aiming at public policy. To wrongly prevent some people from joining the moral community is to commit a grave injustice that must be opposed by law.

Both positions rest on claims about human nature that are modest and defensible. Neither is making any claims about human beings' essential nature. Nor are they arguing that a normal human range of traits is what we value. Rather, it is the *relationship* of each person to his or her own nature that Sandel and Habermas are concerned about.

The key point Habermas wants to make is that to be a person is to exist in a body that is one's own and is not the directed creation of other people (or of the community as a whole). The bodies of free and equal persons do not incorporate the intentions of other members of the community. To establish this concern and perspective, Habermas need not thoroughly catalogue the traits that make up human nature, nor come up with a *definition* of human nature that sets out a criterion for those traits. Further, Habermas's emphasis on contingency does not imply that human nature is fixed. It might indeed change, but the change must itself be contingent. Natural evolution seems acceptable, for example. The constraint Habermas would impose is only on how the change occurs; some members of the community should not be able to deliberately intervene in the bodies of other members.

The complexity of the genes' contribution to actual human life may qualify Habermas's and Sandel's concerns about modifying children. Parents' success at using genetic technologies to *make* their children turn out one way rather than another is likely to vary greatly, depending on what traits they have in mind for their children, and it may well be that a majority of the traits parents would want to produce lie beyond genetic control. It does not take complete success at controlling a trait to raise concerns, however. Completely controlling a trait might be the limit case. Habermas would be troubled if an intervention falls short but leaves a lasting reminder for the child, *on* the child, of what the parents wanted the child to be. Sandel's worry that the child is not regarded to a sufficient degree as a gift depends on the parents' attitudes, which (Sandel supposes) depend in part on parents' capacity to carry out their own plans. But parents might fail to regard a child as a gift even though they have little or no ability to modify the child's given traits.

If concerns about genetic interventions are explained in terms of parents' attitudes and children's self-understanding, then plainly there is no sharp line demarcating genetic from environmental interventions. To the degree that an environmental change leaves a permanent reminder of the parents' own intentions for the child (consider surgery to Westernize the eyes of an Asian child adopted by Western parents), it ought to generate both Habermas's and Sandel's concerns every bit as much as it would if accomplished through genetic intervention. The genes are not special repositories of value. The point is rather that the relationship in which we stand to human nature(s), and to the natures of our children, is a matter of human value.

Questions

- 1) What is Ethical leadership and why is it important?
- 2) State and explain the principles of Ethical leadership.
- 3) What are the Rules of conduct that Ethical leaders are required to follow to gain acknowledgement?
- 4) State and explain the seven behavioral dimensions of Ethical leadership.
- 5) What are Ethics and Morals? What difference exists between ethics and moral values?
- 6) Identify and explain three examples of morality in different cultures.
- 7) Explain Moral authority and Moral Relativism and the problems associated with them.
- 8) Discuss the significance of Human values in Society.
- 9) Explain what does social values include and reflect?
- 10) Discuss the Moral values that ought to guide the Management profession and to resolve the moral issues in the profession.

ETHICAL ISSUES-I

Ethical Issues in Marketing

Ethical problems in marketing stem from conflicts and disagreements. Each party in a marketing transaction brings a set of expectations regarding how the business relationship will exist and how transactions should be conducted. Each facet of marketing has ethical danger points as discussed below.

Market Research

Some ethical problems in market research are the invasion of privacy and stereotyping. The latter occurs because any analysis of real populations needs to make approximations and place individuals into groups. However, if conducted irresponsibly, stereotyping can lead to a variety of ethically undesirable results.

Market Audience

Selective marketing is used to discourage demand from so-called undesirable market sectors or disenfranchise them altogether. Examples of unethical market exclusion are past industry attitudes to the gay, ethnic minority, and plus-size markets.

Another ethical issue relates to vulnerable audiences in emerging markets in developing countries, as the public there may not be sufficiently aware of skilled marketing ploys.

Ethics in Advertising and Promotion

In the 1940s and 1950s, tobacco used to be advertised as promoting health. Today an advertiser who fails to tell the truth offends against morality in addition to the law. However the law permits puffery (a legal term). The difference between mere puffery and fraud is a slippery slope.

Sexual innuendo is a mainstay of advertising content, and yet is also regarded as a form of sexual harassment. Violence is an issue especially for children's advertising and advertising likely to be seen by children.

The advertising of certain products may strongly offend some people while being of interest to others. Examples include: feminine hygiene products as well as hemorrhoid and constipation medication. The advertising of condoms has become acceptable in the interests of AIDS-prevention, but are nevertheless seen by some as promoting promiscuity.

Through negative advertising techniques, the advertiser highlights the disadvantages of competitor products rather than the advantages of their own. These methods are especially used in politics.

Delivery Channels

Direct marketing is the most controversial of advertising channels, particularly when approaches are unsolicited. TV commercials and direct mail are common examples. Electronic spam and telemarketing push the borders of ethics and legality more strongly.

Deceptive Advertising and Ethics

Deceptive marketing is not specific to one target market, and can sometimes go unnoticed by the public. There are several ways in which deceptive marketing can be presented to consumers; one of these methods is accomplished through the use of humor. Humor provides an escape or relief from some kind of human constraint, and some advertisers intend to take advantage of this by deceptively advertising a product that can potentially alleviate that constraint through humor.

Anti-competitive Practices

Bait and switch is a form of fraud where customers are "baited" by advertising for a product or service at a low price; second, the customers discover that the advertised good is not available and are "switched" to a costlier product.

Planned obsolescence is a policy of designing a product with a limited useful life, so it will become unfashionable or no longer functional after a certain period of time and put the consumer under pressure to purchase again.

Pricing Ethics

Bid rigging is a form of fraud in which a commercial contract is promised to one party, although for the sake of appearance several other parties also present a bid.

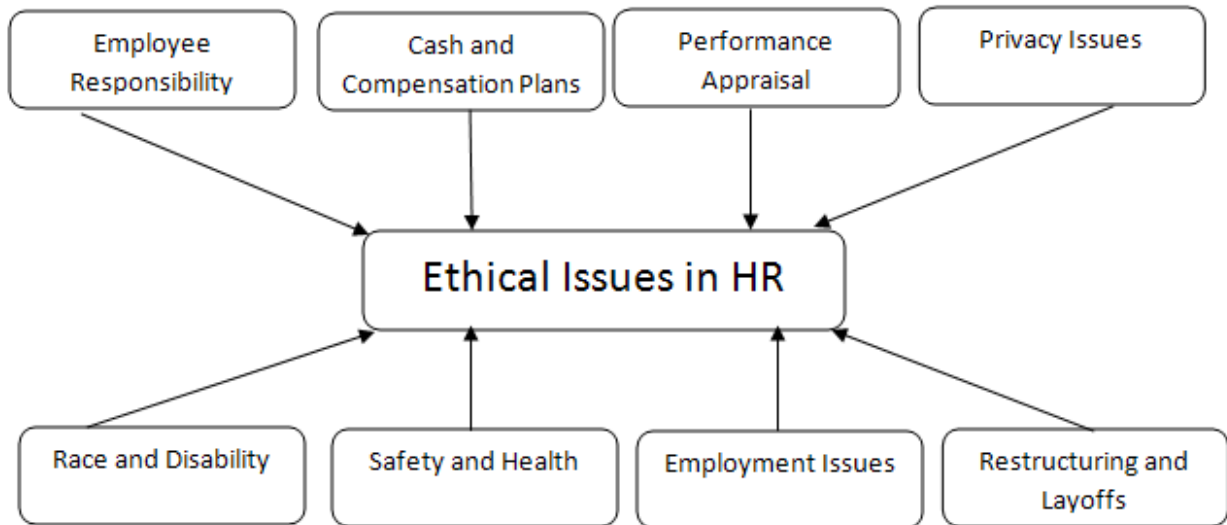
Predatory pricing is the practice of selling a product or service at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors.

Using Ethics as a Marketing Tactic

Major corporations fear the damage to their image associated with press revelations of unethical practices. Marketers have been quick to perceive the market's preference for ethical companies, often moving faster to take advantage of this shift in consumer taste. This results in the propagation of ethics itself as a selling point or a component of a corporate image.

Marketing ethics, regardless of the product offered or the market targeted, sets the guidelines for which good marketing is practiced. To market ethically and effectively one should be reminded that all marketing decisions and efforts are necessary to meet and suit the needs of customers, suppliers, and business partners. The mindset of many companies is that they are concerned for the population and the environment in which they do business. They feel that they have a social responsibility to people, places and things in their sphere of influence.

Ethical issues in HR



- Cash and Compensation Plans

There are ethical issues pertaining to the salaries, executive perquisites and the annual incentive plans etc. The HR manager is often under pressure to raise the band of base salaries. There is increased pressure upon the HR function to pay out more incentives to the top management and the justification for the same is put as the need to retain the latter. Further ethical issues crop in HR when long term compensation and incentive plans are designed in consultation with the CEO or an external consultant. While deciding upon the payout there is pressure on favouring the interests of the top management in comparison to that of other employees and stakeholders.

- Race, gender and Disability

In many organisations till recently the employees were differentiated on the basis of their race, gender, origin and their disability. Not anymore ever since the evolution of laws and a regulatory framework that has standardised employee behaviours towards each other. In good organisations the only differentiating factor is performance! In addition the power of filing litigation has made put organisations on the back foot. Managers are trained for aligning behaviour and avoiding discriminatory practices.

- Employment Issues

Human resource practitioners face bigger dilemmas in employee hiring. One dilemma stems from the pressure of hiring someone who has been recommended by a friend, someone from your family or a top executive.

Yet another dilemma arises when you have already hired someone and he/she is later found to have presented fake documents. Two cases may arise and both are critical. In the first case the person has been trained and the position is critical. In the second case the person has been highly appreciated for his work during his short stint or he/she has a unique blend of skills with the right kind of attitude. Both the situations are sufficiently dilemmatic to leave even a seasoned HR campaigner in a fix.

- Privacy Issues

Any person working with any organisation is an individual and has a personal side to his existence which he demands should be respected and not intruded. The employee wants the organisation to protect his/her personal life. This personal life may encompass things like his religious, political and social beliefs etc. However certain situations may arise that mandate snooping behaviours on the part of the employer. For example, mail scanning is one of the activities used to track the activities of an employee who is believed to be engaged in activities that are not in the larger benefit of the organisation.

Similarly there are ethical issues in HR that pertain to health and safety, restructuring and layoffs and employee responsibilities. There is still a debate going on whether such activities are ethically permitted or not. Layoffs, for example, are no more considered as unethical as they were thought of in the past.

Some of the major issues an organization deals with is handling ethical challenges in workforce diversity.

The following are some of the major ethical challenges an organization faces in ethical management –

Harming Some While Benefitting Others

HR managers do much of the screening while the hiring process is still on. By its very nature, screening leaves some people out and permits others to move forward. In short, the ones left out will be affected by not getting the job, no matter how much they need it.

HR managers can neglect the emotionalism of such situations by adhering strictly to the skill sets and other needs of the position, but there will always be a gray area where HR managers may scale how much each applicant wants and needs the job.

Equal Opportunity

The HR managers must regularly monitor the company's hiring practices to make sure there is no discrimination in the hiring process based on ethnicity, sexual orientation, race, religion and disability. However, simply abiding with Equal Employment Opportunity Commission (EEOC) guidelines does not guarantee ethical behavior.

For example, if an HR manager recommends a candidate in order to fill a quota, that decision is unethical, because it will remove other applicants that may be more qualified.

Privacy

Privacy is always a sensitive matter for an HR manager. Though a company culture may be friendly and open and motivates employees to freely discuss personal details and lifestyles, the HR manager has an ethical obligation to keep such matters private. This specifically comes into play when the competing company calls for a reference on an employee. To remain ethical, HR managers must abide with the job-related details and leave out knowledge of an employee's personal life.

Compensation and Skills

HR managers can suggest compensation. While these recommendations may be based on a salary range for each position, ethical dilemmas arise when it comes to compensating employees differently for the same skills.

For example, a highly sought-after executive may be able to negotiate a higher salary than someone who has been with the company for several years. This can become an ethical problem when the lower-paid employee learns of the discrepancy and questions whether it is based on characteristics such as gender and race.

Human resources departments must handle a host of ethical and legal issues from the regulations of the EEOC to the principles and practices of organizations such as the Human Resource Management Institute.

Labor Costs

HR must cope with conflicting needs to keep labor costs as low as possible and to invite fair wages. Ethics come into action when HR must select between outsourcing labor to countries with lower wages and harsh living conditions and paying competitive wages.

While there is nothing illegal about outsourcing labor, this issue has the potential to build a public relations problem if consumers object to using underpaid workers to save money.

Opportunity for New Skills

If the HR department selects who gets training, it can run into ethical issues. As training is a chance for development and broadened opportunities, employees who are left out of training may debate that they are not being given equal opportunities in the workplace.

Fair Hiring and Justified Termination

Hiring and termination decisions must be made without regard to ethnicity, race, gender, sexual preference or religious beliefs. HR must take precautions to eliminate any bias from the hiring and firing process by making sure such actions adhere to strict business criteria.

Fair Working Conditions

Companies are basically expected to provide fair working conditions for their employees in the business environment, but being answerable for employee treatment typically means higher labor costs and resource utilization.

Fair pay and benefits for work are more obvious factors of a fair workplace. Another important factor is provision of a non-discriminatory work environment, which again may have costs engaged for diversity management and training.

By now it's pretty clear that while working in an organization, we come across people with different backgrounds, cultural beliefs and we need to respect their beliefs. In case an employee feels left out due to some problem, it may not work in the favor of the organization.

Ethical Issues in Finance

Underreporting Income:

Under-reporting income in order to avoid taxes is an illegal practice. When people under report their incomes, the federal government loses tax revenue that could go towards social security, Medicare and other federal projects. Corporations are especially watched by auditors because of the large tax bills at stake each tax year. If caught under reporting, individuals and companies will be subject to penalties and, in extreme cases, criminal charges. Sometimes applies to public companies reporting lower revenues in a fiscal quarter than were actually recorded. If the company has already been reporting bad news and the stock is down, executives may try to take some revenue from the current quarter and push it into the next quarter. This way, the bad news can be “flushed out”, and the company can report an upside surprise in the coming quarter, potentially boosting the stock price. This practice is also illegal! The burden for public companies to succeed at high levels may place undue stress and pressure on accountants creating balance sheets and financial statements. The ethical issue for these accountants becomes maintaining true reporting of company assets, liabilities and profits without giving in to the pressure placed on them by management or corporate officers. Unethical accountants could easily alter company financial records and maneuver numbers to paint false pictures of company successes. This may lead to short-term prosperity, but altered financial records will ultimately spell the downfall of companies when the Securities and Exchange Commission discovers the fraud.

Falsifying Document: Falsification of Documents is to change details on the original document and try to pass them off as real. —Falsifying Documents is a type of white collar crime. It involves altering, changing, or modifying a document for the purpose of deceiving another person. It can also involve the passing along of copies of documents that are known to be false. In many states, falsifying a document is a crime punishable as a felony. Some types of documents that are commonly falsified may include:

- Tax returns and income statements
- Personal checks
- Bank account records
- Business record keeping books
- Immigration documents (such as visas, passports, etc.)
- Identification cards and birth certificates

Basically, any type of official form or document can be illegally modified. Falsifying documents is usually done in connection with broader criminal aims, such as tax evasion. In order to be convicted of falsifying documents, the accused person must have acted with criminal intent. Some businesses forms such as corporations can also be charged with falsifying documents. Many

different types of acts can be considered as falsifying a document, including:

- Altering or misrepresenting factual information such as prices or monetary amounts
- Stating false information when requested to provide truthful statements
- Forging a signature
- Using official letterheads without authorization
- Concealing assets or property (especially in bankruptcy proceedings)
- Knowingly using or distributing a fake document

Again, a person can only be held criminally liable if they are acting with the intention of deceiving or defrauding another party. So, if a person was using a document but did not know that it was fake, they usually cannot be found guilty of falsifying a document. Falsifying documents is a very serious offense and is generally classified as a felony. This means that a person charged with falsifying documents may be subject to the following legal penalties:

- Having to pay a monetary fine
- Incarceration in a prison facility

Depending on the nature of the offense, as well as individual state laws, falsifying documents can result in a prison sentence of 5-10 years. Also, if government documents or authorities were involved, the legal penalties may be more severe. Finally, legal penalties may increase with repeat offenses. Illegally evading income taxes and Allowing or taking questionable deductions

When a person, organization or corporation intentionally avoids paying his/her/its true tax liability it is an illegal practice. Those caught evading taxes are generally subject to criminal charges and substantial penalties. There is a difference between tax minimization/avoidance and tax evasion. All citizens have the right to reduce the amount of taxes they pay as long as it is by legal means.

Creative accounting:

Accounting practices that follow required laws and regulations, but deviate from what those standards intend to accomplish. Creative accounting capitalizes on loopholes in the accounting standards to falsely portray a better image of the company. Although creative accounting practices are legal, the loopholes they exploit are often reformed to prevent such behaviours. A primary benefit of public accounting statements is that they allow investors to compare the financial health of competing companies. However, when firms indulge in creative accounting they often distort the value of the information that their financials provide. Creative accounting can be used to manage earnings and to keep debt off the balance sheet.

Ethical Issues in Finance: When we put our hard- earned saving in the care of financial firms- asset managers, banks, insurance and all kinds of funds- and we trust them to look after the money. We want the best return, but there is a balance between the risk and reward.

We need to feel confident that we can trust the finance professionals to act with integrity, in our interest.

Insider trading

“Insider trading” is a term that most investors have heard and usually associate with illegal conduct. But the term actually includes both legal and illegal conduct. The legal version is when corporate insiders—officers, directors, and employees— buy and sell stock in their own companies. Illegal insider trading refers generally to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, nonpublic information about the security. Insider trading violations may also include “tipping” such information, securities trading by the person “tipped,” and securities trading by those who misappropriate such information.

Campaign financing

Campaign finance refers to all funds raised in order to promote candidates, political parties, or policies in elections, referendums, initiatives, party activities, and party organizations. The funds could also detract from the opponents of the above. Campaign funds are the subject heading under which all books dealing with money in politics are catalogued by the Library of Congress. The above Issues can be prevented through: GAAP (generally accepted accounting principles) GAAP for short of Generally accepted accounting principles, are the accounting rules used to prepare and standardize the reporting of financial statements, such as balance sheets, income statements and cash flow statements, for publicly traded companies and many private companies in the United States. GAAP based income is measured so that the information provided on financial statements is useful to those making economic decisions about a company, such as potential investors and creditors and other stakeholders. Financial statements prepared under GAAP are intended to reflect an economic reality; GAAP makes a company’s financials comparable and understandable so that investors, creditors and others can make rational investment, credit and other financial decisions. In order to be useful and helpful to users, GAAP requires information on financial statements to be relevant, reliable, comparable and consistent. GAAP is implemented through measurement principles and disclosure principles. Measurement principles recognize and determine the timing and basis of items that enter the accounting cycle and impact the financial statements, such as the period in which transactions will be recorded. Disclosure principles determine

what specific numbers and other information are essential to be presented in financial statements. Basically, GAAP is concerned with:

- The measurement of economic activity;
- The time when such measurements are to be made and recorded;
- The disclosures surrounding this activity; and
- The preparation and presentation of summarized economic information in financial statements.

Without GAAP, companies would be free to decide for themselves what financial information to report and how to report it, making things quite difficult for investors and creditors who have a stake in that company.

Indian Accounting Standards: Accounting standards may be defined as uniform rules for external financial reporting, which may be applicable either to all or a certain class of entity.

The ethical issues can be prevented through the implementation of accounting standards. The accounting standards are originally framed for informality in the presentation of accounting statements. Through accounting standard the account are become uniform and comparable. The accounting standards provides the guidance for making the financial statements in the true and fair manner, it helps the accounting professionals to increase the credibility of financial statements as well as useful in determining the efficiency of management Steps to be taken by the management for true, fair and reliable management accounts: The management should frames the rules and policies in such a way that have positive effect on business activities; determining the key elements of the business like objectives and see how they are defined and measured, and make sure that the funds are allocated in different activities on the basis of their importance.

Short questions:

- What do you mean by deceptive advertising?
- What is insider trading?
- What is underreporting income?
- Give examples for creative accounting.
- What is pricing ethics?

Long or Essay type questions:

- **Discuss the ethical issues in the field of Marketing.Support each of the issues with practical illustrations.**
- **Illustrate the ethical implications in the field of Human Resource Management.**
- **Elucidate the ethical issues in Finance.How can it be resolved.**

UNIT-V

ETHICAL ISSUES -II

Ethical issues in IT

The foundations of all secure systems are the moral principles and practices and the professional standards of all employees of the organization, i.e., while people are part of the solution, they are also most of the problem. The following issues are examples of security problems which an organization may have to deal with:

Ethics and Responsible Decision-Making

The foundation of all security systems is formed by moral principles and practices of those people involved and the standards of the profession. That is, while people are part of the solution, they are also most the problem. Security problems with which an organization may have to deal include: responsible decision-making, confidentiality, privacy, piracy, fraud & misuse, liability, copyright, trade secrets, and sabotage. It is easy to sensationalize these topics with real horror stories; it is more difficult to deal with the underlying ethical issues involved.

The student should be made aware of his individual responsibility in making ethical decisions associated with information security.

Confidentiality & Privacy

Computers can be used symbolically to intimidate, deceive or defraud victims. Attorneys, government agencies and businesses increasingly use mounds of computer generated data quite legally to confound their audiences. Criminals also find useful phony invoices, bills and checks generated by the computer. The computer lends an ideal cloak for carrying out criminal acts by imparting a clean quality to the crime.

The computer has made the invasion of our privacy a great deal easier and potentially more dangerous than before the advent of the computer. A wide range of data are collected and stored in computerized files related to individuals. These files hold banking information, credit information, organizational fund raising, opinion polls, shop at home services, driver

license data, arrest records and medical records. The potential threats to privacy include the improper commercial use of computerized data, breaches of confidentiality by releasing confidential data to third parties, and the release of records to governmental agencies for investigative purposes.

The basic law that protects our privacy is the Fourth Amendment to the United States Constitution, which mandates that people have a right to be secure in homes and against unreasonable search and seizure. In addition, many laws have been enacted to protect the individual from having damaging information stored in computerized databases.

Piracy

Microcomputer software presents a particular problem since many individuals are involved in the use of this software. Section 117 of the copyright laws, specifically the 1980 amendment, deals with a law that addresses the problem of backup copies of software. This section states that users have the right to create backup copies of their software. That is, users may legally create a backup copy of software if it is to be held in archive. Many software companies provide a free backup copy to users that precludes the need for users to purchase software intended to defeat copy protection systems and subsequently create copies of their software. If the software purchased is actually leased, you may in fact not even be able to make backup copies of the software. The distinction between leasing and buying is contained within the software documentation. The copyright statement is also contained in the software documentation. The copyright laws regarding leased material state that the lessor may say what the leaseholder can and cannot do with the software. So it is entirely up to the owner of the software as to whether or not users may make backup copies of the software. At a time when federal laws relating to copyright protection are evolving, several states are considering legislation that would bar unauthorized duplication of software.

The software industry is prepared to do battle against software piracy. The courts are dealing with an increasing number of lawsuits concerning the protection of software. Large software publishers have established the Software Protection Fund to raise between \$500,000 and \$1 million to promote anti-piracy sentiment and to develop additional protection devices.

Fraud & Misuse

The computer can create a unique environment in which unauthorized activities can occur. Crimes in this category have many traditional names including theft, fraud, embezzlement,

extortion, etc. Computer related fraud includes the introduction of fraudulent records into a computer system, theft of money by electronic means, theft of financial instruments, theft of services, and theft of valuable data.

Liability

Under the UCC, an express warranty is an affirmation or promise of product quality to the buyer and becomes a part of the basis of the bargain. Promises and affirmations made by the software developer to the user about the nature and quality of the program can also be classified as an express warranty. Programmers or retailers possess the right to define express warranties. Thus, they have to be realistic when they state any claims and predictions about the capabilities, quality and nature of their software or hardware. They should consider the legal aspects of their affirmative promises, their product demonstrations, and their product description. Every word they say may be as legally effective as though stated in writing. Thus, to protect against liability, all agreements should be in writing. A disclaimer of express warranties can free a supplier from being held responsible for any informal, hypothetical statements or predictions made during the negotiation stages.

Implied warranties are also defined in the United States by the UCC. These are warranties that are provided automatically in every sale. These warranties need not be in writing nor do they need to be verbally stated. They insure that good title will pass to the buyer, that the product is fit for the purpose sold, and that it is fit for the ordinary purposes for which similar goods are used (merchantability)..

Patent and Copyright Law

A patent can protect the unique and secret aspect of an idea. It is very difficult to obtain a patent compared to a copyright (please see discussion below). With computer software, complete disclosure is required; the patent holder must disclose the complete details of a program to allow a skilled programmer to build the program. Moreover, a United States software patent will be unenforceable in most other countries.

Copyright law provides a very significant legal tool for use in protecting computer software, both before a security breach and certainly after a security breach. This type of breach could deal with misappropriation of data, computer programs, documentation, or similar material.

For this reason the information security specialist will want to be familiar with basic concepts of to copyright law.

The United States, United Kingdom, Australia, and other countries have now amended or revised their copyright legislation to provide explicit laws to protect computer program. Copyright law in the United States is governed by the Copyright Act of 1976 that preempted the field from the states. Formerly, the United States had a dual state and federal system. In other countries, such as Canada, the courts have held that the un-revised Copyright Act is broad enough to protect computer programs. In many of these countries the reform of copyright law is actively underway.

Trade Secrets

A trade secret protects something of value and usefulness. This law protects the unique and secret aspects of ideas, known only to the discoverer or his confidants. Once disclosed the trade secret is lost as such and can only be protected under one of the following laws. The application of trade secret law is very important in the computer field, where even a slight head start in the development of software or hardware can provide a significant competitive advantage.

Sabotage

The computer can be the object of attack in computer crimes such as the unauthorized use of computer facilities, alternation or destruction of information, data file sabotage and vandalism against a computer system. Computers have been shot, stabbed, short-circuited and bombed.

It is easy to sensationalize these topics with real horror stories; it is more difficult to deal with the underlying ethical issues involved.

Ethics in Medical services:

Medical ethics involves examining a specific problem, usually a clinical case, and using values, facts, and logic to decide what the best course of action should be.

Some ethical problems are fairly straightforward, such as determining right from wrong. But others can also be more perplexing, such as deciding between two "rights"—two values that are in conflict with each other—or deciding between two different value systems, such as the patient's versus the doctor's.

Doctors may deal with a great variety of perplexing ethical problems even in a small medical practice. Here are some common problems identified in a 2016 Medscape survey, where at least some physicians held different opinions ^[1]:

- Withholding treatment to meet an organization's budget, or because of insurance policies;
- Accepting money from pharmaceutical or device manufacturers;
- Up coding to get treatment covered;
- Getting romantically involved with a patient or family member;
- Covering up a mistake;
- Reporting an impaired colleague;
- Cherry-picking patients;
- Prescribing a placebo;
- Practicing defensive medicine to avoid malpractice lawsuits;
- Dropping insurers; and
- Breaching patient confidentiality owing to a health risk.

Professional standards are a way to provide some guidance on ethical problems, but they cannot address every issue, and they may not address troubling nuances, such as reconciling two conflicting values.

Key Values for Deciding Ethical Issues

Many professional ethicists recommend using four basic values, or principles, to decide ethical issues:

1. **Autonomy:** Patients basically have the right to determine their own healthcare.
2. **Justice:** Distributing the benefits and burdens of care across society.
3. **Beneficence:** Doing good for the patient.
4. **No malfeasance:** Making sure you are not harming the patient.

However, ethical values are not limited to just these four principles. There are other important values to consider, such as truth-telling, transparency, showing respect for patients and families, and showing respect for patients' own values.

In addition, medical ethics is not just a thought process. It also involves people skills, such as gathering the facts needed to make a decision and presenting your decision in a way that wins over the confidence of all parties.

Ethics is often seen as a proscriptive activity—telling you what you cannot do. But in many cases it can be very freeing. It can affirm that you are doing the right thing.

Listening skills are an essential part of medical ethics. Quite often, ethical disputes result from not knowing all the facts, or not providing all the facts to patients. Tactfulness and respect are also important. A well-constructed ethical decision could be ignored if you have not won the patient's confidence.

Ethics is often seen as a proscriptive activity—telling you what you cannot do. But in many cases it can be very freeing. It can affirm that you are doing the right thing. If you go through the proper ethical thought process, you'll have greater certainty that what you're doing is the right thing. Relieved of nagging doubts, you will be able to proceed more directly and more vigorously with your care plan.

As the health system evolves, ethical decisions could become more challenging. For example, mounting difficulties in finding affordable insurance prompt patients to forgo the care they need, and this affects the clinician's care plan.

Practical Implications of Medical Ethics

Some doctors think of medical ethics as a very esoteric field, removed from the practical considerations of clinical practice. It is true that medical ethics is first and foremost a matter of conscience, but it also has some very practical implications and applications.

Physicians who can describe their ethical concerns and use negotiating skills may be able to change the organizational policies that produce burnout.

Here are some reasons to take medical ethics seriously:

To help resolve disputes between family, patients, physicians, or other parties: Often, the parties involved are operating strictly on emotion, which makes it difficult to come to a logical and fair decision. Ethics adds another dimension to help make decisions.

To maintain a clear conscience: All doctors want to be sure they have done the right thing. Being an ethical physician is more important than making money or seeing as many patients as possible.

To not make yourself look uninformed: Physicians sometimes stumble onto poor decisions because they did not understand their role, had not bothered to identify an ethical challenge, or hadn't thought the situation through to its logical conclusion.

To maintain the respect of your patients: Ethical missteps can destroy the bond between doctor and patient. Patients often implicitly trust their doctors, but once that trust has been breached, it is difficult to repair.

To maintain respectful relationships with other clinicians: Your colleagues often have very definite opinions about what is ethical, often enshrined in various codes of ethics of the profession or learned from mentors. Those codes and ethics role-modeling are created by people who practice some form of ethical decision-making.

To maintain some efficiency: Although ethical decision-making often requires extra time, it also can save time by anticipating disagreements that can slow down the care process. If you aren't ethical, patients or other caregivers who are upset with your decisions can seriously impede your work.

To reduce burnout: One cause of burnout is incongruence between physicians' personal values and those of their organization. Physicians who can describe their ethical concerns and use negotiating skills may be able to change the organizational policies that produce burnout.

Ethical issues in Engineering:

Ethics are principles followed depending upon the moral responsibility that a person feels. The study of related questions about moral ideals, character, policies and relationships of people and organizations involved in technological activity, can be termed as Engineering ethics.

An engineer whether he works individually or works for a company, has to go through some ethical issues, mostly under the conditions such as, conceptualization of a product, issues arising in design and testing departments, or may be on the issues involving the manufacturing, sales and services. Questions related to morality also arise during supervision and team works.

The ethical decisions and moral values of an engineer need to be considered because the decisions of an engineer have an impact the products and services - how safe they are to use, the company and its shareholders who believe in the goodwill of the company, the public and the society who trusts the company regarding the benefits of the people, the law which cares about how legislation affects the profession and industry, the job and his moral responsibilities and about how the environment gets affected, etc.

Not only an engineer, but everyone has to follow a set of morals in order to keep away from getting morally degraded. Our behavior should include the following –

- Respecting others and ourselves.
- Respecting the rights of others.
- Keeping promises.
- Avoiding unnecessary problems to others.
- Avoiding cheating and dishonesty.
- Showing gratitude towards others and encourage them to work.

Morality commands respect for persons, both others and ourselves. It involves being fair and just, meeting obligations and respecting rights and not causing unnecessary harm by dishonesty and cruelty or by hubris.

Steps to Deal with Issues

Whenever there occurs an issue, one should possess a few skills in order to sort out the problem. The issues that engineers face, have to be dealt with patience and few moral goals have to be kept in mind while dealing with such issues. They are as follows –

- Moral Awareness – One should be able to recognize the moral problems and issues that occur in Engineering. The analysis on the problem is necessary in order to differentiate and judge according to ethics or according to the rules to follow.

- Cogent Moral Reasoning – In order to come to a conclusion on an issue, the argument has to be assessed and comprehended. The argument on both sides has to be considered with all the probabilities and the nature of the argument should be logical and moral.
- Moral Coherence – After having gone through all the logical and moral facts, consistent and comprehensive view points are to be formed based upon a consideration of relevant facts.
- Moral Imagination – The moral issues and the practical issues have to be dealt separately. Alternative responses are to be found out for dealing with moral issues while creative solutions should be found out for practical difficulties.
- Moral Communication – The language to communicate about one's moral views should be so precise and clear, that the expression or words should not alter the original meaning.

Though one has all these moral goals, the ethical reasoning for achieving moral conduct with responsibility and commitment is obtained by a few skills that are described below.

Important Skills for Ethical Reasoning

Let us now discuss the important skills for ethical reasoning –

- Moral Reasonableness – The ability and willingness to be morally reasonable that one should have while dealing such issues. Unless one is willing and improve such ability, justice cannot be done.
- Respect for Persons – The persons involved in the issue, should be treated with genuine concern by one. Such concern should also be there with oneself along with being there for others.
- Tolerance of diversity – One should have a broader perspective towards ethnic and religious differences that the people have. Every person differs with another when compared on grounds of moral reasoning. The acceptance of those differences is really important.
- Moral hope – The moral conflicts can be resolved by using better communication and having rational dialogue which is evident-based and open-ended which is acceptable and appreciable by both the parties.

- Integrity – The moral integrity has to be maintained. Being honest and having strong moral principles helps one to resolve an issue in an efficient manner. An individual also needs to consider other’s professional life and personal convictions while solving a problem.

Examples

Let us now understand a few examples related to moral issues.

Example 1

After a recent collapse of a structure in which many people died, an Engineer came to know about a bridge which is marginally safe. He informed his superior who asked him to stay calm and not to discuss with anyone, while waiting for the next year budget sessions to get some financial help for the repair required. What should the engineer do?

Example 2

What should an Engineer who observes his colleague copying confidential information unauthorized, do immediately? If he chooses to stop his friend, what if this gets repeated without his notice? If he chooses to report the management, what if his friend loses the job? Which is morally correct?

Example 3

An engineer who develops a proto-type for the project, loses it due to a mishap exactly the day before the submission. Is it morally correct to outsource the prototype of the project and reduce the risks of job insecurity? What should he do?

These are the few examples just to understand the kind of moral dilemmas. There might be one or more correct answers at times. There can be some other way around to deal with the issue, which one can’t easily notice. However, the decisions have to be made by following a slow and clear process in order to avoid further problems and also to solve this in a manner that leads to no regrets.

Types of Inquiries

The issues can be resolved by following an investigation procedure, step by step in order to have a clear understanding towards the issue. Here we have three different types of inquiries.

Judging the issues has to be followed by a systematic procedure to avoid any flaws. Engineering ethics involves investigations into values, meanings and facts. Following are the different types of inquiries made for this.

- Normative inquiries
- Conceptual inquiries
- Factual or descriptive inquiries

Normative Inquiries

Normative Inquiry refers to the description that describes what one ought to do under a specific circumstance. This is the expected ideal response, which might differ from what one believes to be right or wrong.

This list identifies and justifies the morally desirable nature for guiding individuals or groups. This includes the responsibility of engineers to protect the public safety and how they should respond under such dangerous practices. Normative inquiries also quote the laws and procedures that affect the engineering practice on moral grounds. They refer to the thought process where the moral rights are to be implemented in order to fulfill their professional obligations.

Conceptual Inquiries

Conceptual Inquiry refers to the description of the meaning of concepts, principles and issues related to engineering ethics. The ethics that an engineer should possess to protect the safety, health and welfare of the public, etc. are described under conceptual inquiries.

It describes what safety is and mentions the marginal issues of safety along with the precautions an engineer should take to avoid risk. Conceptual inquiries mention the moral aspects of bribery and how its effects, along with the professional ethics and professionalism.

Factual and Descriptive Inquiries

Factual Inquiry or the descriptive inquiry help to provide the facts for understanding and finding solutions to the value based issues. The engineer has to conduct factual inquiries by using scientific techniques.

This helps in providing the information regarding the business realities such as engineering practice, history of engineering profession, the effectiveness of professional societies, the procedures to be adopted when assessing risks and psychological profiles of engineers.

Let us now go through the concept of Moral dilemma that a person faces when confronted with a situation.

Types of Complexities

The difficulties in arriving to a solution, when segregated, can be divided into the following three sections.

Vagueness

This refers to the condition where the doubt lies in whether the action refers to good or bad. This is just like having a thought that following the rules is mandatory. This sometimes includes the unwritten rules like being loyal, having respect, maintaining confidentiality, etc.

Conflicting reasons

When you know about the solutions you have, the making of better choice among the ones you have, will be the internal conflict. Fixing the priorities depends upon the knowledge and the moral values one has. The reason why the particular choice is being made, makes sense.

Disagreement

When there are two or more solutions and none among them is mandatory, the final solution selected should be best suitable under existing and the most probable conditions. The interpretation regarding the moral reasons behind the choice and analysis should be made keeping in mind whether this is the better or the worse solution in the probable aspects.

Steps in Facing Moral Dilemmas

Whenever a person is faced with a moral dilemma, the issue is to be solved with a stepwise approach as this will generate a better output. The steps include the following –

Identification

The step of identification involves the following –

- The issue has to be thoroughly understood.
- The duties and the responsibilities of the persons involved are to be clearly known.

- The moral factors related to the issue are to be understood.
- The conflicting responsibilities, the competing rights and the clashing ideas involved are to be identified.

Ranking

The considerations in the issue are to be listed down. Then they have to be ranked according to the priorities. The moral aspect has to be considered to rank the issues. The advantages of a single person should never be given any importance unless any moral reason is there behind it. No partiality is allowed.

Inquiries

The inquiry of details involved in the issue is to be completely made. All the facts related to the issue are brought into light. Considering the alternative courses of action for resolving and tracing, full implications are also needed.

Discussions

Discussions are to be made with other members, as different minds look at the issue in different views to give different solutions. The complete analysis of a problem gives chances to different viewpoints, perspectives and opinions from which a better solution can be drawn.

Final Solution

After analyzing different perspectives and considering the facts and reasons on the basis of truths and understanding the flaws which lead to the issue, a final solution has to be drawn out. This solution will add value to the whole analysis, in all aspects.

Ethics in public service matters:

To begin with, the starting premise is that Public Service is a Public Trust. Citizens expect the public servants to serve the 'public interest' with fairness, and manage the public resources, properly on a daily basis. Fair and reliable Public Service inspires Public Trust and creates a

favourable environment for business, thus contributing to well-functioning markets and economic growth. Public Service and Ethics are a pre-requisite to and under-pin Public Trust and are the keystones of 'Good Governance'. Based on the experience of several developed and developing countries, including our own, we can easily identify the factors that constitute or go into the making of an Effective and Comprehensive Ethical Management Policy.

In the Public domain, normative nature of ethics tends to be in the frontline of ethical reasoning. Consequently, public servants usually understand ethics to be a prescribed and commonly shared set of values and standards relating to:

- Trustworthiness: in the form of honesty, integrity, reliability and loyalty;
- Responsibility: in the form of accountability, pursuit of excellence, and self-restraint;
- Fairness: in the form of open and un-biased process, impartiality and equity;
- Respect: in the form of civility, courtesy, decency, tolerance and compassion; and
- Rules of Conduct: especially those regarding personal financial gains, use of public resources, transparency, accountability and fair process.

These are some of the ingredients / factors guiding our obligatory, permissible and prohibitive official conduct in Public Service. Invariably, visible and demonstrable, due compliance with ethical values would go a long way in bolstering public confidence and trust in public services, while the contrary shall erode the confidence and trust in public services.

Late Shri Bhairon Singh Shekhawat, former Vice President of India, while delivering a Lecture on Ethical Governance, said: "Let me begin by stating that the reputation and success of governance depends upon the conduct of public functionaries and what the public believe about their conduct. It is, therefore, of fundamental importance that public functionaries act justly and fairly to all, and not only paying lip service to ethical conduct, but ensuring that these are manifestly and undoubtedly seen to be done. It is imperative that all public functionaries, upon accepting government employment, recognize that they have a special duty to be open, fair and impartial in their dealings with society. Personal self-interest should be subordinate to the public good in all circumstances, especially if circumstances arise where possibility of a conflict of interest may become an ethical dilemma".

The question then arises is: What is Ethics? In a general sense, Ethics could be said to be 'Moral Principles' and Values that govern the behaviour of a person or a Group, with respect

to what is right or wrong? Ethics sets standards as to what is good or bad in conduct and decision-making. In other words, Ethics deals with Internal Values that are part of Work–Culture and shapes decisions concerning Social Responsibility with respect to external environment, and come to assume much greater significance, when it is known that the actions of a person or organisation may hurt or benefit others.

Viewing Ethics in this light indicates that people are faced with choices, requiring them to make decisions enabling them to lead an ethical life, within the context of their relationships with others. This also suggests that people can be placed in Ethical Dilemmas.

An Ethical Dilemma is a complex situation that often involves an apparent conflict between moral imperatives, in which to obey one would result in transgressing the other. Ethical Dilemma arises because Ethical Standards are not codified, and disagreements and dilemmas about proper behaviour often occur. An Ethical Dilemma arises in a situation when each alternative ‘choice’ or behaviour is undesirable, because of potentially harmful consequences.

When confronted with the fundamental question, ‘What to do and how to act in complex situations’, and to the extent contrasted values or decisional premises could apply in a situation, one is entering the WORLD OF DILEMMA or that of ‘HARD CHOICES’?

Accordingly, Ethical Dilemmas do arise when a public servant or decision-maker has to choose between competing considerations of ethical values and rules, in order to determine the right thing to do. These Dilemmas could broadly fall into three categories:

- Personal Cost Ethical Dilemmas, arising from situations in which compliance with ethical conduct results in a significant personal cost (e.g. jeopardising the held position, injuring valued relationship) to the public servant or the decision maker.
- Right versus Right Ethical Dilemmas, arising from situations of two or more conflicting sets of bona fide ethical values (public servant’s responsibility of being open and accountable to citizens versus that of adhering to oath of secrecy / confidentiality etc);
- Conjoint Ethical Dilemmas, arising from situations in which a conscientious public servant / decision-maker is exposed to a combination of the already mentioned ethical dilemmas for the “right–thing–to–do”.

Frequently encountered Ethical Dilemmas tend to arise from three critical relationships:

- Civil Servants and Political Office holders;
- Civil Servants and Citizens; and
- Intra–Civil Service (inter se Ministries, Departments and Agencies, that make up the Country’s or State’s Civil Service).

Classical cases arise from the management of the relationship between the Minister, the political head, and senior officials at the level of Secretary, Additional Secretary or Head of the Department.

Conventionally, the Minister is the Political Head of the Ministry accountable to the people through Parliament / State Assembly. Before assuming Office, the Minister subscribes to adhere to the provisions of the Constitution, and publically expresses commitment to uphold it with a view to preserve and enhance public confidence and trust in the system.

On his part, the Secretary of a Department is the Chief Policy Advisor, to the Minister and also the Chief Executive, to execute the decisions taken at the political level. It should not be forgotten that as a civil servant, he is obliged to abide by the Conduct Rules and other rules / regulations in this regard, while demonstrating unflinching loyalty and commitment to the Minister.

However, in practice, while discharging their duties and responsibilities, situation(s) may arise, triggering conflict between the Minister and the Secretary and other senior officials of the Ministry. The Minister could be under pressure for material and / or pecuniary demands from his political or social organisation or from his constituency. For political expediency, he may feel obligated to meet these demands. Consequently, he may decide to ignore the ministerial ethics and communicate the demands to his departmental Secretary or other senior officers, with a directive to oblige. But it may be clear that meeting such demands may lead to violation of the acceptable accountability standards and practices as well as administrative ethical principles. My experience has been that if you stand your ground and explain in detail

the fall-out on the government as a whole, political bosses could reconsider what they 'ordered' in writing. Here I would like to give a personal example.

Way back in 1979, I was Director Industries, Madhya Pradesh (before bifurcation). I had on that job for three years when, all of a sudden, I was transferred as Additional Commissioner Raipur Division (now Capital of Chattisgarh State), which was considered a 'dump' post. My job involved hearing cases (revenue matters) against orders passed by District Collectors / Additional Collectors of Raipur and Bilaspur Division (now whole of Chattisgarh state). After about eight months, when the government came to know that I have disposed of almost all the cases in both the Divisions, I was brought back to Bhopal, where, within about fifteen days, a new government was sworn in and I was made Special Secretary, Agriculture. The very first file I got from my newly appointed Minister, was to organise sending two 'train-loads' of farmers from Raipur and Bilaspur Division to Delhi, with the ostensible purpose of 'learning' something from Indian Agriculture Research Institute. I had read in the newspaper a day or so earlier, that a Congress Party rally was being organised in Delhi by the then 'Youth' Leader. Being fully conscious of the fact that I had just been rehabilitated from a 'dump- post' and that could happen again, yet, despite this dilemma, I went to the Minister and showed him the file. He asked me what is wrong with the 'proposal'. Is not there a Scheme of the government to this effect? I explained that, there is a Scheme, under which farmers can be sent, but I have also read that there is going to be a Congress Rally on these very days in Delhi. He said, 'what is wrong? They will attend and learn at IARI as per its Programme, and afterwards they can do whatever they like.' I then mentioned that when the Shah Commission, appointed after the 'Emergency', enquired of the then L.G of Delhi, whether he was he not aware of the implications of what he was doing or permitting something to happen during that period, referring to the excesses being perpetrated during that period, the L.G had no answer. So sir, knowing that a political party rally is taking place at the same time when the farmers from the State are proposed to be sent, if I am asked to explain, I will have no answer. The discussion went on for about 40-45 minutes, and when he saw that I am not giving in, he said, "Leave the file with me"; which I did, and nothing happened afterwards.

In arriving at the right thing to do, the Secretary or other senior officers or the Ministry / Department's conscience keepers may raise a myriad of perplexing questions, like:

- Would refusal to oblige the Minister's directive not displease him, strain the relationship between the two? Would a protracted conflict arising from such incidents not obstruct the delivery of the Ministry's / Department's mandate, thus adversely affecting the image of the Ministry, with collateral damage to the required public confidence and trust?
- Would succumbing to the pressures of the Minister, with a view to pleasing him, not lead to violation of the acceptable 'accounting standards and practices' as well as 'administrative ethical principles, thereby derailing country's crusade for sound public service ethical robustness?
- Would such an act not be inimical to the overall image of public service?
- These sorts of situations lead the senior officers to ethical dilemmas. In such situations the civil servant has to consider:
 - Striking a balance between his responsibilities as a senior Executive Officer and that of the Minister, as the Ministry's political head, to avoid a unnecessary conflict;
 - Uphold the rule of law, due process, fairness and tact in carrying out the responsibilities; and
 - Uphold the highest administrative, financial, ethical and moral standards in the civil service.

It needs to be appreciated that the application of these principles by the secretaries, in practice, is not always easy for resolving the ethical dilemmas that confront them. While the first option mentioned above, i. e. the option of striking a balance, may be a euphemism for acquiescence, the other two options are squarely all about maintaining integrity and, perhaps, not caring for the consequences. However, very tactful secretaries do manage to get the ministers to communicate all their demands in writing in such a way that puts potential culpability on the latter. In this way, ministers, with tendencies for unethical actions are checked within the boundaries of the law.

It also needs to be appreciated that ethical dilemmas may always not be caused by a conflict between a civil servant and his political head. They could also arise among civil servants themselves, at the level of Secretary to the Ministry / Department, its Head of Department, his own Additional / Joint Secretary et al. The best thing to do in such a case is to put everything in writing, explain orally the dilemmas emerging out of it, and get the decisions / recommendations in writing, while taking full responsibility for the follow-up action(s). It

also needs to be appreciated that ethical dilemmas are not germane to senior functionaries alone. They are equally, and perhaps more importantly, germane to all levels of public services, who deal with public at large.

It is in this context and background that we need to ponder over: how to rise to the occasion and negotiate the ethical dilemma. We could consider the following ‘advanced’ set of ‘Fundamental Principles’, or criteria, that integrate and rearrange, the process of dealing with ethical dilemmas in public administration:

- Democratic ACCOUNTABILITY of administration;
- The Rule of Law and principle of LEGALITY; and
- Professional INTEGRITY.

This may be conveniently described as the ‘ALI’ model of Ethical Reasoning in Public Administration.

The Imperative of ACCOUNTABILITY

The distinction between Politics and Administration, which forms one of the most classic ‘doctrines’ of modern Political Science and Public Administration, connotes not only ‘division of Functions and their structural separation’, but also the ‘subordination’ of the latter to the former. Thus, the primacy of ‘politics’ in the politico-administrative nexus explains the ultimate political control or rather governmental control of the administrative machinery of the State in a democracy. The loyalty of the public service to its political masters is grounded on the obligation of the ministers in parliamentary Democracies to be answerable and responsible to the legislature (ministerial responsibility to parliament). It is only by this means that the ministers, being representatives of the people of the nation, may hold the public service too accountable to the will of the people and public interest.

It is then the fundamental ethical duty of the civil servants, in pluralistic parliamentary democracies, to subordinate themselves to political authority, to carry out all ‘orders’ from the ‘top’, as long as they in conformity with the law of the land. In the same vein, the public servants would have to show a spirit of ‘neutrality’ in their official capacity and dealings, as members of administrative infrastructure of the State vis-à-vis partisan politics, and keep at bay their own personal preferences in the performance of their duties and responsibilities.

The conclusion that may be drawn is that ‘democratic virtue’ does form part and parcel of the core values and ‘normative determinants’ of administrative behaviour in the public-domain, namely, that the administration should be held ‘accountable’ to the government, and through it to the people via the legislature, i.e. the House of Representatives of the people. It also needs to be emphasized that this does not amount to and cannot be taken to mean politicisation of public services and, more specifically, does not give ‘licence’ to the political masters to pass ‘orders’ contrary to law / rules / public interest, and expect the public servant to carry them out blindly; because that would undermine the instrumental value of the executive branch of the government and administration. If a Minister still insists on carrying out his ‘orders’, which the public servant does not find palatable, in the light of law on the subject or on account of any hidden agenda behind the ‘order’, than the best option open to the public servant is to get the order in writing; and, in case of a disagreement, the public servant should record his views in writing and resubmit the file to the Minister. ‘Speaking Truth to the Power’ can be considered an important ingredient of professional ethics and moral integrity of civil servants and the administrative machinery of the State, in general. Here I would like to give a personal example.

I was Secretary, Health Department, M.P. way back in 1990. One day, all of a sudden, I got a ‘call’ from Chief Secretary’s office asking me to proceed to the room where a Cabinet Meeting was taking place. I had no Agenda for ‘discussion’ in the Cabinet Meeting, yet, as directed, I went to the room where meeting was in progress. There the Chief Minister directed me to listen to what a very senior Minister had to say. That Minister asked me: is it true that a World Bank Team, which was touring the State to appraise our request for funding certain Medical colleges, has been told not to consider the request of aiding the Medical College at Gwalior? According to the Minister, this is what was stated by the Team, while interacting with the media in Gwalior. I said that there was no such advice from us. Matter ended there and I came back to my room. I rang up the officer, who had been deputed by me to accompany the World Bank Team, to ascertain the facts, as alleged by the Minister. He said that neither the Team was told not to consider the claim of Medical College, Gwalior nor did the Team ever make such a statement to the Press at Gwalior, as he was with them throughout, till the Team left Gwalior. I was in a dilemma. I called the officer and decided to put the whole series of ‘facts’ before the Cabinet. Very unusual, but, unannounced and uninvited, I barged into the Cabinet meeting, along with the officer, who had been with the

Team throughout. The whole cabinet looked ‘askance’ at me. I told them, here is the officer who was with the World Bank Team, and according to him neither the Team was told to ‘exclude’ Medical College Gwalior from its consideration nor did the Team make any such ‘statement’ to the press. The officer was with the Team, till they left for Delhi from Gwalior. There was complete and awkward silence in the Cabinet. As nothing more was required, I was asked to leave. Cabinet meeting had taken place in the ‘forenoon’. At about 4 pm, I was called by the Chief Secretary and was informed that the Chief Minister has ordered him to shift me from the present post immediately and the C.M. has also directed him to give me any Department of my ‘choice’. I said that I have no preference. By the same evening I was shifted, but was made Secretary of two Departments. Till date, I have no regrets about what I did to keep my conscience clear and to act according to the dictates of my ‘inner self’.

The imperative of LEGALITY

The Rule of Law, besides being one of the fundamental evolutionary universals, in both modern politics and society, pertains in a very specific and significant way to ‘administrative conduct’. Respect and adherence to the Principle of Legality manifests a ‘spirit’ of constitutionalism and forms an essential pre-requisite for the ‘legitimacy’ of state action and the exercise of authority.

Respect for and application of the Principle of Legality entails a particular type of control on administrative action and aims to see that public administration operates within the context of the law of the land, established by the Legislature (Parliament). Since the source of all power are ultimately the people, in a democracy, hence it follows that all power must be exercised in general interest of the people. And for that to take place, in an effective rather than an arbitrary manner, the running of the business of the State has to be guided and determined by an ‘articulate’ system of Rules and Laws. Their application, while performing official functions, forms the essence of Legality and Rule of Law. The control of Legality of administrative action, initially exercised by the administration itself, purports to ensure that proper procedures have been followed and observed, as well as that equity, reasonableness and impartiality have been respected. It is in these circumstances, that the artful application of the Principle of Legality in administrative performance would go a long way to serve and promote Rule of Law, and avoidance of ‘abuse of power’. Only decisions / actions, taken following Principle of Legality, will help the public servant withstand, in a positive manner, any ‘scrutiny’ by the judicial system, at any ‘stage’.

The imperative of INTEGRITY

The State's 'Guardian Elite' comprises the body of civil servants, and permanent officers subordinate to ministers. Civil servants are expected to be fully competent on the basis of their ascertained knowledge, experience and expertise, and independent enough to offer 'official' advice to ministers as well as implement public-policies and decisions in an efficient and effective manner in the public-interest.

The application of knowledge and science in public affairs has been historically related to the advent and increase in professionalism, in their exercise. Professional integrity entails that while public administration may be brought under political guidance and control, it cannot and must not be forgotten that public servants are recruited and trained to appreciate that they serve under the constitutional mandate, laws of the land and in public interest, and not on the basis of partisan favouritism. Professionalism in public service could, therefore, be seen to accrue from a combination of knowledge, expertise, judgement, and conduct in accordance to the laid-down and expected standards, as well as a commitment to the cause they are assigned to serve.

The imperative of Integrity, therefore, constitutes a source of 'internal self control' in administrative conduct, based on ethical standards and criteria shared and respected by the corps of professional administrators. Avoiding, for instance, corruption and exhibiting integrity would then be for them a matter of personal and professional honour and prestige, in a culture of ethics, and not simply an externally imposed obligation. In order to facilitate and uphold the integrity in administration, several countries have developed and prescribed a 'Code of Ethics for Public Servants', thus imposing on public servants certain rather austere standards, and requiring that they uphold and respect them in their conduct. "Integrity in life and pure from crime", as Horace put in one of his Odes, would than seem to offer an appropriate definition of the ethical imperative for the public servants. Here I would like to quote a personal example.

Questions:

- Write a note on : Ethical issues in the field of Information and Technology.
- How ethical implications can strengthen governance of medical services.
- Discuss the ethical implications in the field of Engineering.