

# IP: BUSINESS ETHICS

1. **Welcome!**
2. **Who are we? Bob, Damian, and Noa, with assistance from Dennis Turner.**
3. **A recommended book: Rush Kidder, *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living*, (NY: Fireside, 1995). (Used Monday and Tuesday.)**
4. **The Student's Handbook of Readings**

## 5. Five Handouts:

- **Course outline, Assessment, Timetable**
- **Five Syndicate groups of 5/6.**
- **Questions for Mr Ethicist of the *NYT* and the Australian CEO.**
- **Cases from M&W — to be done in teams of 4 — your choice; email bobm@agsm.edu.au with names.**
- **Eight IGE cases, for syndicate discussion.**

## **Assessment**

**The IP will be graded as Satisfactory/Unsatisfactory.**

**Five items for assessment:**

- I. Three individual Homework assignments (due 9am Tuesday, Wednesday, and Thursday). (each 5%)**
- II. Class participation, including team presentation of a case on Friday, with a 1- or 2-page outline. (30%)**
- III. A 5-page essay on a topic to be advised in class (due by October 6th). (55%)**

# Our Teaching Philosophy

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## **We all have dirty hands!**

**We are not here to preach.**

**We are all human: to err is human.**

**We have all behaved unethically at some time or other. Sometimes difficult to acknowledge this, even to ourselves.**

**We agree on confidentiality here: Chatham House rules — only between these four walls.**

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## **Ethical Dilemmas — Truth v Loyalty.**

**Consider:**

**Stan learns from his boss that a team member of his, Jim, will be fired, but this is confidential.**

**Jim asks Stan to confirm the rumour he's heard: he'll be fired.**

**What should Jim say?**

**A dilemma: Truth v loyalty.**

## **Ethical Dilemmas — Individual v Community.**

**Or:**

**John learns that five elderly residents of his old-folks home have had surgery at a hospital which now informs him that its transfusion blood might have been HIV-infected.**

**The hospital asks for the five to be tested (it's 1987).**

**What should John say and to whom should he say it?**

**Fear of HIV in 1987 among staff, among residents, could lead to panic.**

**But ignorance could lead to further infection.**

**It's right to tell, and right not to unnecessarily scare:**

**A dilemma: Individual v community.**

## **Further on Individual v community:**

**What is our “community”?**

**Do we see “circles” of closeness to us: family, relatives, friends, neighbours, acquaintances, local community, co-religionists, fellow ethnics, compatriots, kith (same language speakers).**

**See Nobel Laureate Ken Arrow’s piece on pp. 127 of the Pack.**

## **Ethical Dilemmas — Short-term v Long-term.**

**Or:**

**Andy with a young family (twins!), and with a new job. With only one income, money is tight.**

**Should he spend more time with the wife and kids, or study part-time for an MBA, which will result in a better career and more money in the future?**

**A dilemma: Short-term v long-term.**

## **Ethical Dilemmas — Justice v Mercy.**

**Or:**

**The professor has warned all students not to copy assignments, although they may talk about them.**

**She finds two assignments with almost identical answers.**

**The University warns all new students that plagiarism is a serious offence.**

**She knows that one of the two students has had family problems.**

**What should she do?**

**A dilemma: Justice v mercy.**

## **Rush's Four Ethical Dilemmas**

- **Truth v Loyalty.**
- **Individual v Community.**
- **Short-term v Long-term.**
- **Justice v Mercy.**

**Any ethical dilemma will fit at least one of these four, says Rush.**

**If not, then ask: perhaps it's a case of Right versus Wrong?**

## **But what about ...**

**Student Pam works part-time as a receptionist at home for the elderly and has befriended many of the tenants.**

**Last winter, many of them complained to her that the rooms were too cold.**

**When Pam relayed this to her boss, she was told to tell the old folks that the furnace was broken.**

**But Pam knew that the furnace had been turned down to save fuel and money.**

**The truth will cost her the job.**

**Or:**

**Bob makes keys, and is accused of selling car master-keys over the Internet, without certainty that the customers are not car thieves.**

**Bob's defence: it's not up to him to know his customer's intentions, and it's not illegal to sell master-keys.**

**Is Bob responsible for the consequences of selling master-keys?**

**Or:**

**Della is a survey research firm supervisor, and needs to get a survey finished in a dangerous part of town.**

**The last three interviewers who went there: two quit on the first day, the third was mugged and is recovering.**

**What, if anything, should Della tell a newly hired interviewer about the neighbourhood?**

## **Three Ways to be Wrong**

- 1. To break the law.**
- 2. To lie knowingly.**
- 3. To behave inappropriately — to ignore others' law-breaking or wrong-doing; to let down a friend for no good reason; to fail to perform a duty; to deceive for self-benefit; to take advantage of the trust of others.**

**“Inappropriate” might depend on context, or place, or time.**

**Wrong-doing mostly arises from “immorality.”  
Cheating the Bagel Man?**

**Don't confuse Right v Wrong with Right v Right.**

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## **Ethical Dilemmas are Right v Right**

### ***Justice v Mercy:***

**fairness, equity, and non-discriminatory application of laws and rules often conflict with compassion, empathy, and love.**

### ***Short-term v Long-term:***

**Now v then: immediate or future?**

### ***Individual v Community:***

**us v them, self v others, the smaller group v the larger group.**

### ***Truth v Loyalty:***

**honesty or integrity v commitment or responsibility or keeping one's word.**

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# **Are There Other Sorts of Ethical Dilemmas?**

**(Ethics: obedience to the unenforceable?)**

**Anyone?**

**Can you try to come up with an example that isn't described by one (or more) of the four tonight?**

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## **First Syndicate Exercise**

**In the five groups we've divided you into, go and discuss one of the five situations (from Kidder's web site) now handed out.**

**Designate a spokesperson, and come back and tell us what (if anything) your group decided.**

**Return: after the coffee break, at**

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## **Second Syndicate Exercise**

**In the five groups, go and discuss one of the three situations now handed out.**

**Designate a spokesperson, and come back and tell us what (if anything) your group decided.**

**Return: at**

## **Monday's Homework (individual)**

- 1. Read Friedman pp.35, Humber pp.41, and Nash pp.181 (in the Readings). Answer the questions in the Course Outline under Monday HW.**
- 2. Choose two of the questions from Mr Ethicist or the Australian CEO and ask which (if any) of the four dilemmas they fall into. (Could be more than one dilemma.)**
- 3. Try to think of an ethical quandry which isn't described by one (or more) of the four.**
- 4. See the Reflections Guide in the Course Outline and write half a page.**
- 5. Due by 9am tomorrow, max five pages. (Be prepared to share in class).**