

Emerging Business Ethics Issues

Chapter three

Emerging business ethics issues

- Recognizing an ethical issue
- Ethical issues and dilemmas in business
- The challenge of determining an ethical issue in business

Ethical issues and dilemmas in business

- Ethical issue is a problem, situation, or opportunity that requires an individual, group, or organization to decide as right or wrong.
- Ethical dilemma is a problem, situation, or opportunity that requires an individual, group, or organization to choose among several wrong or unethical actions. (less unethical).
- Check table 3-1 and tick the most observable issue or issues.

Recognizing an ethical issue

- Not recognizing an ethical issue is very dangerous for business orgs if business is treated as a game in which ordinary rules of fairness don't apply.
- When you think of just making profit and increase sales then.
- “Business is business” mentality.

Recognizing an ethical issue

honesty

- Honesty: truthfulness or trustworthiness.
- To tell the truth and nothing but the truth.
- Business is not a game to play.
- Business is not a warfare.
- Jiff skilling of Enron was dishonest because he thought of business as a game and warfare. In the game of business the smart business man does what he can to make money.

Fairness

- Being just equitable, and impartial
- Equity
- Reciprocity
- Optimization not maximization by selecting the right people into the right job-
discrimination is unfair game to play.

Integrity

- Being whole, credible, honest and reliable.
- Its uncompromising adherence to ethical values. Integrity is a very important value for business people in the 21st century org.

Ethical issues and dilemmas in business

- Abusive or intimidating behavior. Very bad for employees.
- It begins by physical threat to false accusation, insults, harshness, roundness, profanity(curse), swearing.
- Intent at the center.

Lying

- Distorting the truth, some is related to joking
- Lying be commission- like gimmicks in advertising
- and lying by omission

Conflict in interest

- To avoid it you need to separate your private interests from your business dealings.
- Separating managing from ownership.

Bribery

- Offering something in order to get illegal advantage.

Corporate intelligence and marketing intelligence

- CI is a legitimate inquiry into meaningful information that can be used for staying competitive.
- Is it legal or illegal?
- What is the role of technology and internet?

Corporate intelligence

- Spying or espionage

hacking: is an internet method for obtaining trade secrets

- System hacking when the attacker has access to a user account.
- Remote hacking: attempting to remotely penetrate a system across the internet
- Physical hacking: entering a facility personally.

Corporate intelligence

- There is more into the topic when:
hackers or spy agents try to enter into the military and national secrets of one country in espionage and spying purposes for another country.
- Social engineering: when a hacker deceives you or trick you to reveal your password or other corporate or individual information.

Discrimination

- Race, gender, and age discrimination are a major source of ethical and legal debate in the workplace. I think that discrimination is a social, cultural and psychological problem. Discrimination in some cultures is more severe than other cultures- what do you think?
- EEO
- Affirmative action programs

Environmental issues

Are emerging ethical issues

- Kyoto protocol: international and global treaty in a world commitment to reducing emission of carbon dioxide in an attempt to reducing the global warming and pollution(USA did not sign the treaty).
- Water pollution
- 30 million plastic bottles are thrown daily for a total 11 billion a year in the US
- is nuclear power a green energy? See figure 3-2 for green practices

Fraud

Fraud: any intentional communication that deceives, manipulates or conceals facts in order to create a false impression.

Costs US 400 million a year.

You still can List any unethical practices that are related to our local culture and their impact on our business.

Types of fraud

- Accounting fraud
 - Marketing fraud: communicating misleading marketing information or marketing in general. Specifically via the communication and promotional side of the 4ps.
 - Consumer fraud: is when consumers attempt to mislead or deceive businesses for their own gain- shoplifting, price tag switching, lying ...etc
 - What do you think about “the customer is always right?”
 - Consumer protection organizations.
- Gimmicks in advertising is an example.

Other ethical issues

- Insider trading
- Intellectual property rights: the legal protection of intellectual property such as journals, periodicals, music, books, and movies.
- Privacy issues
- The Challenge of Determining An Ethical Issue In Business.
- Next chapter five and the next case study (Arthur Anderson, page 178)