ETHICS AND INTEGRITY

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ETHICAL PRACTICES IN BUSINESS

Applying ethical practices in business takes three things:

1. Awareness and Framing Decisions
2. Better Ethical Reasoning
3. Focus on Values, not Rules
AWARENESS: RECOGNIZING ETHICAL ISSUES

Ethical Issues deal with human relationships with regard to:

- Harm
- Fairness
- Trust
- Responsibility
- Honesty
- Freedom
AWARENESS: FRAMING BUSINESS DECISIONS

• Business Frame
  Profits and Economic Benefits
  Personal Interests

+ 

• Ethical Frame
  Stakeholders: Rights, Duties and Character
BETTER ETHICAL REASONING:

Make a decision that includes:

• Consideration of stakeholders’ interests, rights & duties

• Consideration of values and character/virtues
BETTER ETHICAL REASONING: RIGHTS AND DUTIES

Does the decision consider:

• Duties such as Promises?
• Duties to Customers & Society?
• Duties to protect important rights
• Rights (such as life/safety and choice)?
BETTER ETHICAL REASONING: CHARACTER/VIRTUE

Does the decision consider:

• Honesty
• Courage
• Trustworthiness
• Respect
• Integrity
We can make better ethical decisions if we apply a systematic and reasoned process of analysis for these types of issues.

Then, we can persuade others by using our analysis as the basis for a convincing argument.
BETTER ETHICAL REASONING

Make a decision that:

- Identifies the specific ethical issue
- Includes ALL the stakeholders
- Uses correct facts
- Has necessary, realistic assumptions
- Applies interests, rights, duties and virtues
- Is not based on just intuition or beliefs alone
VALUES, NOT RULES

Too often in business, RULES drive behavior rather than VALUES. Both are necessary for ethical practices.

- Consider the purpose for the rule
- Consider if the rule is being applied correctly (as meant to be)
- Consider the values important for ethical business practices
TITANIC

There are five people on a boat that is sinking in the middle of the Pacific Ocean. The ship will definitely sink to the bottom, but there is one lifeboat available. The lifeboat will only hold four people. Any more and it will sink as well. There are sharks circling in the water so no one can swim. The only option is the lifeboat. What is the right ethical choice in this situation? Why?
STUDENT CREDIT CARDS

Many banks offer credit cards to college students at a higher interest rate than typical credit customers since the students do not need earned income to get a card. The banks have contracts with the university to return a percentage of the card charges to the school. In turn, the university allows the banks to offer cards to students on campus. Often the cards are offered at athletic events in a carnival type atmosphere with t-shirts or other gifts for signing up. A significant number of students cannot manage the debt they incur with the cards. The banks then pursue the parents to be paid. Should banks be allowed to offer students credit cards in this manner?
ETHICS AND INTEGRITY IS ABOUT

• Paying attention to the ethical implications of actions (Awareness)
• Taking the time to THINK through the decision by considering more than just your intuition
• Remembering that your decisions affect other PEOPLE
• Remembering that values are as important as rules in business
THANK YOU!!

QUESTIONS???