

Antoinette Durand
ID: UB2924BBM7306

AIU Business Ethics

A description of “How Important are Ethics in Today’s Society” in conjunction with different aspects of ethical behavior through the eyes of individuals and cooperation’s.

ATLANTIC INTERNATIONAL UNIVERSITY

Table of Contents

Contents	Page
Introduction to Business Ethics	1-3
Whistle-blowing	4-5
Tom Delay and Lewis “Scooter” Libby	5-8
Lewis’s Conviction charges	8-9
Ethical Codes and Values come into question	9-10
Code of Ethics explored with company example	10-11
Scott Adams Cartoon “Dilbert”	11-12
Explanation concerning Scott Adams’ cartoon	13
Scenarios where ethics and value come into question	14
Conclusion	15

How important are Ethics in today's Society?

Ethical Behavior is the norm of business establishments and professional settings. On many occasions the importance of ethics tend to take a “back sit”, when people in certain positions tend to abuse their power and privilege. Basically, I have been exposed to several working environments where the behavior of prominent figures needed to be taken into consideration. Each individual has his or her idea of what the standards for ethical behavior should be or the manner by which such actions are conducted.

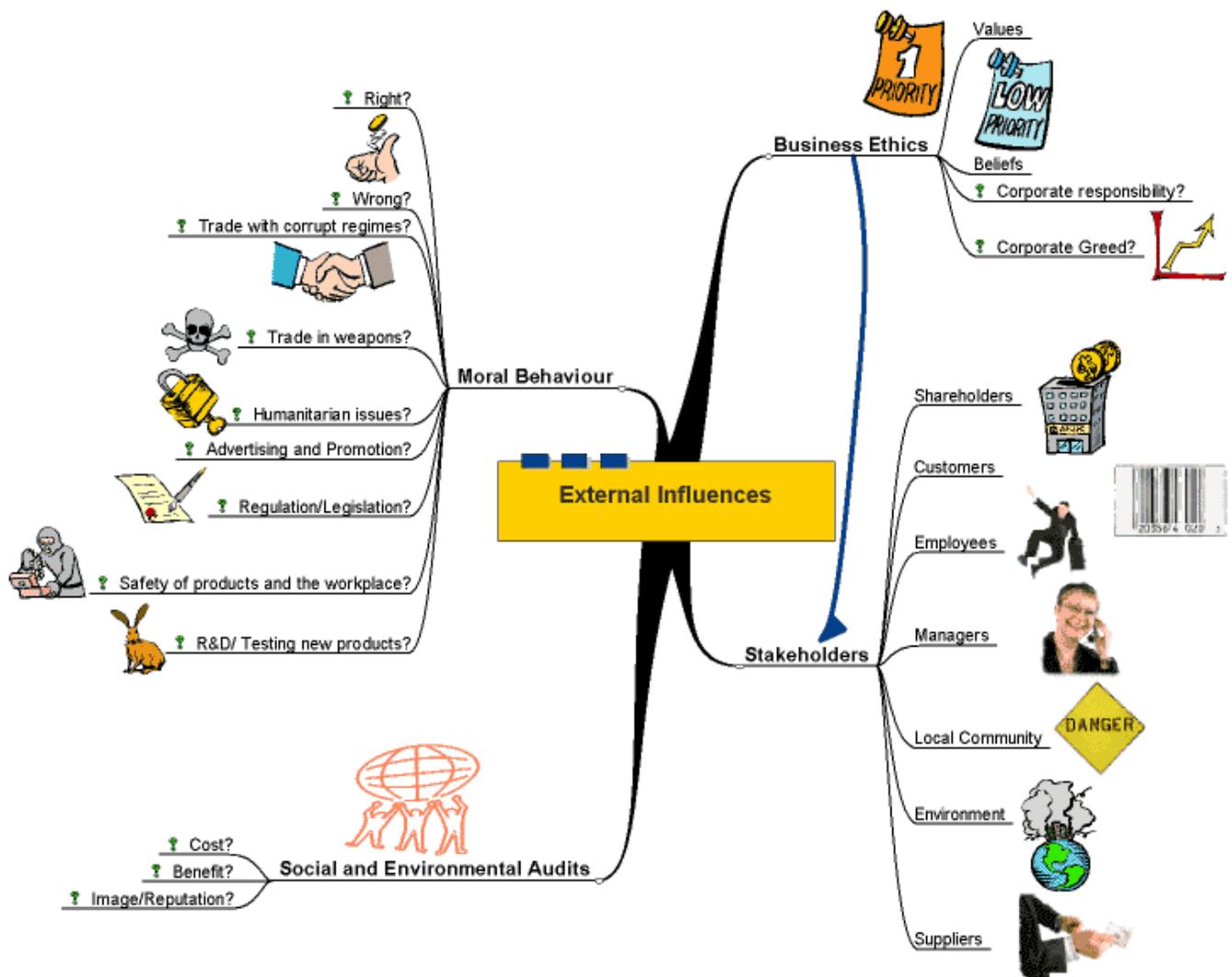
Working in an environment where ethics is not top priority can create tension and in most cases unacceptable comments and conducts which eventually leads to lawsuits and unwanted confrontation from individuals on the receiving ends of the situation.

I worked for a company for about one year and during my first few months I discovered numerous wrong doings by the business owner. My boss was not reporting all his financial gains to the share holders and the IRS. He thought that by understating the amount of money that he made would increase his chances for having more money to his disposal. All his deceit finally caught up with him and he was audited by the federal government, so after the shareholders began retaliating, after a few months the business was completely dissolved and he filed for bankruptcy.

He filed for bankruptcy in order to escape the entire financial burden that was about to come his way. At the time that the business was terminated he had approximately twelve law suits pending. My boss would sell the same vehicle to about four different people, whenever these people would decide to pick up their vehicle he would indicate to them that he is working on the car and that he had to order new parts and it would be ready in about a month or two. The

Weird thing about the whole situation is that most of his clients believed him; he was very good at convincing people to acknowledge things his way he was blessed with the gift of gab.

Author Gates states in her article as follows, “Although most organizations in corporate America espouse to follow a formal ethics program, the recent headlines argue a much different case, carrying stories of widespread financial scandal and unethical business practices that make the term “business code of ethics” seem like an oxymoron.” **Figure 1.1** depicts the external influences of business ethics:



Authors Ferrell, Fraedrich and Ferrell indicate that “The term *ethics* has many nuances. Ethics has been defined as “inquiry into the nature and grounds or morality where the term morality is taken to mean moral judgments, standards and rules of conduct.” It has also been called the study and philosophy of human conduct, with an emphasis on the determination of the right and wrong. The *American Heritage dictionary* offers these definitions of ethics: “The study of the general nature of morals and specific moral choices; moral philosophy; and the rules or standards governing the conduct of the members of the profession” (5).

While growing up I witnessed many different circumstances where ethics and ethical conducts came into question. While attending high school I witnessed some of my friends cheating on their exams and class work. I was also aware that most of my class mates made each other do their work or term papers in exchange for money or promises of some elaborate gift of some sort.

At that time I question my self concerning whether or not I should say anything, but I said to myself that it was not my place to say anything. However; now am aware that maybe I should have said something, but on the other hand that would have made me no better than a whistle-blower. The fact of the matter is at that point in my life I was unaware of the fundamentals of ethics, therefore; I could not have done anything to rectify the situation. However; if the situation were to present it self at his moment in my life I know that I would not keep it to myself and I would most definitely report it to the higher authority.

I had never considered myself to be a “whistle-blower”, but are the people who embark on that particular journey noble or are they feeling left out of whatever event that’s taking place?

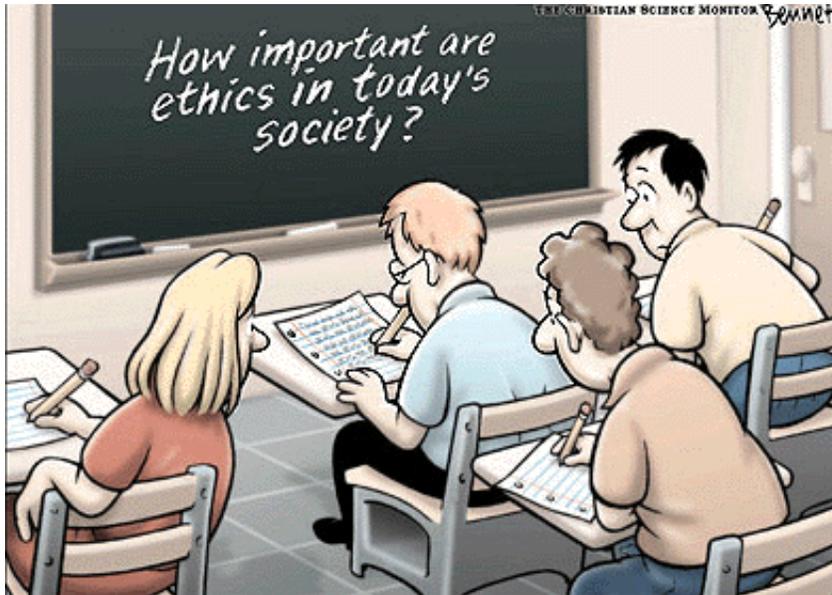
It's always wise to question the motives of the individuals who make it a point of duty to "rat" on others. Questioning their motives can lead us to their sincere reasons for their actions.

Authors Ferrell, Fraedrich and Ferrell indicates the following in reference to whistle-blowing, "When employees think they know the right course of action in a situation, yet their work group or company promotes or requires unethical decisions, interpersonal conflict will ensue and whistle-blowing may occur. Often, these employees follow their own values and beliefs and refuse to participate in corporate misconduct.

"Whistle-blowing means exposing an employer's wrongdoings to outsiders, such as the media or government regulatory agencies. If employees conclude that they cannot discuss with their coworkers or superiors what they are doing or what should be done, they may go outside the organization for help" (162).

Author Bogomolny indicated in her articles as follows, "For more than 20 years, the Royal Bank of Canada has relied on a corporate code of conduct to guide employee behavior. According to Christian Donely, the bank's senior adviser on employee relations and policy governance, the code "focuses on outlining behaviors that support honesty and integrity and covers environmental [and] social issues." A whistle-blower protection policy is also embedded. Several years ago, the company rolled out a web-based training program with a testing component; at least once every two year two years, employees must electronically role-play through sceneries that test their decision-making mettle, allowing higher-ups to evaluate whether they truly understand the polices and principles outlined in the RBC code".

Figure 2.1: Highlights ethics: and ask the important question;



The importance of ethics in today's society is beyond comprehension we need people who are ethical in our Governmental system, school systems, banks, police stations and court systems along with others to numerous to mentions.

If we are unable to trust the people we appointment to office to run our country along with their subordinates then our hope for an ethical society will be none-existent. While researching for my paper I decided to find out what new factors that are affecting us a people, and to be honest I was shocked by the information I came up with. I stumbled across a story concerning Tom Delay- House Majority leader and Lewis "Scooter" Libby Vice President Dick Cheney's Chief of Staff.

The Associated press indicates as follows, "Tom Delay deliberately raised more money than he needed to throw parties at the 2000 presidential convention, then diverted some of the

Excess to longtime ally Roy Blunt- now occupying Delay's former post as House Majority Leader- through a series of donations that benefited both men."

"When the financial carousel stopped, Delay's private charity, the consulting firm that employed Delay's wife and the Missouri campaign of Blunt's son all ended up with money, according to campaign documents reviewed by The Associated Press. Jack Abramoff, a Washington lobbyist recently charged in an ongoing federal corruption and fraud investigation, and Jim Ellis, the Delay fundraiser indicted with his boss last week in Texas, also came into the picture." **Figure 3.1** Picture of Tom Delay



I think after the fiasco with Tom Delay we began to question our authority figures, but unfortunately we did not have the opportunity to formulate an opinion of his wrong doings, due the fact that soon after we had another pending problem that seem to be at the root or foundation of our government establishment. With so many pending problems we as a society may have began to question our form of leadership, I can't speak for everyone, but I know that I have allot of questions that I know am not going to get answers to.

On October 28th 2005 the Houston Chronicle reported an article done by Michael Hedges in which the following was stated, "Top Vice presidential aide Lewis "Scooter" Libby was charged Friday with lying to a grand jury and obstructing the probe into who exposed a CIA

operative, allegations that ended his White House career and deepened the woes of the embattled Bush Presidency. The Five-count indictment announced by special counsel Patrick Fitzgerald, who two years ago set out to find who leaked the name of CIA agent Valerie Plame, triggered Libby's immediate resignation. Fitzgerald kept his investigation open, but he did not charge President Bush's top aide, Karl Rove, who has been under scrutiny in the case. The Prosecutor said his investigation was "substantially finished" and noted that the grand jury had released. But he declined to say definitely that Libby would be the only person charged." **Figure 4.1** Photos of Lewis "Scooter" Libby and Karl Rove:



Lewis "Scooter" Libby



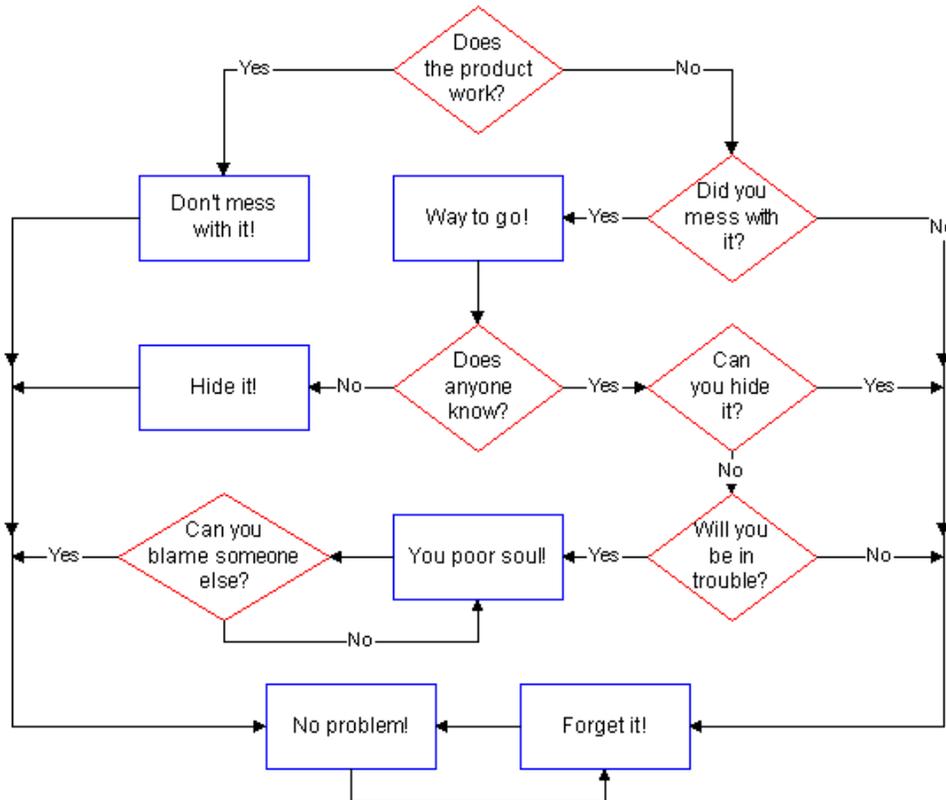
Karl Rove

The Details of Libby indictment is as follows:

- **One count of obstruction of justice:** Charged with knowingly deceiving the grand jury about when and how he learned that covert operative Valerie Plame worked for the CIA; accused of misleading jurors about how he disclosed that information to the media.
- **Two counts of false statements:** Knowingly and willingly misleading FBI agents in response to questions about a conversation with Tim Russert of NBC News and reporter Matt Cooper of Time Magazine.

- **Two counts of perjury:** After taking an oath to testify truthfully, Libby is accused of knowingly making a “false material declaration” to the grand jury about his conversations with Russert and Cooper.

Figure 4.1 Indicates how Libby thought his situation would work out after he leaked the story:



Both Tom Delay and Lewis “Scooter” Libby were considered to be prominent members of the Bush Administration, but unfortunately the manner in which they conducted their selves are left to be question by the people that they were supposed to be helping, which is the American people. The moral fabric of our society is being undermined by people who don’t value the importance of their job and who posses little understanding for ethical behavior in a social setting.

Moore indicates as follows in his article, “Ethics is at the heart of our success. You can look across lines of business. You can look at what our strategies are. But what really drives our business is our people. The people we have out there on the line, making professional judgments, rendering opinions, every single day. The choices they make set precedents for us. They create expectations on the part of our clients. They define the values of our organizations.”

A couple months I was faced with a situation at my work place and I began to question the rules and codes of ethics. I pondered whether or not they apply to all different situations or just in particular situation. Am not sure why the codes of ethics apply or when they actually come into play, but while doing this research I was enlightened by some of the information I gathered concerning the codes of ethics.

Bogomolny states as follows, “Codes of ethics are often wrongly perceived as punitive tools used against low-level employees. In fact, implementing an ethics program can help clarify vision, spark staff enthusiasm, and ensure poor decisions are curtailed. Consumers are increasingly demanding that companies uphold certain values, and graduates from top business schools are indicating interest in working for ethical corporations. As Andrea Plotnick of Hay Group Ltd., a Toronto-based management consulting firm observes about an ethics code. “You want it to be about embedding the right behaviors and the right decision-making process within everybody in the organization, so that it becomes part of the culture. That is how you will have success.”

Everyone has his or her views concerning the standards acceptable for reasonable ethical behavior; here is another explanation from another author point of view. Author Gates states, “A mere compliance-based code of conduct does not have the energy or substance to produce a

culture change. Alone, it has a stagnant authority that does not arouse analytical thinking on the part of the employee. The presence of the code of conduct suggests that simply complying with the rules is ethical behavior. But true ethical behavior is more than conformity to the law; it is understanding the value of the law and what it is trying to accomplish. The law is only a means to an end, and when a business bases its ethics strategies on the law rather than on the values behind the law, it will not produce a culture where personal responsibility drives critical thinking and decision making.”

Here is an example of the Code of ethics by different corporations:

This particular ethical code is in phases:



Here is Texas Instruments code of ethics “which addresses issues relating to policies and procedures; government laws and regulations; relationships with customers, suppliers, and competitors; acceptance of gifts travel, and entertainment; political contributions; expense

reporting; business payments; conflicts of interest; invest in TI stock; handling of proprietary information and trade secrets; use of TI employees and assets to perform personal work; relationships with government officials and agencies; and enforcement of the code” as indicated by authors Ferrell, Fraedrich and Ferrell (184-185).

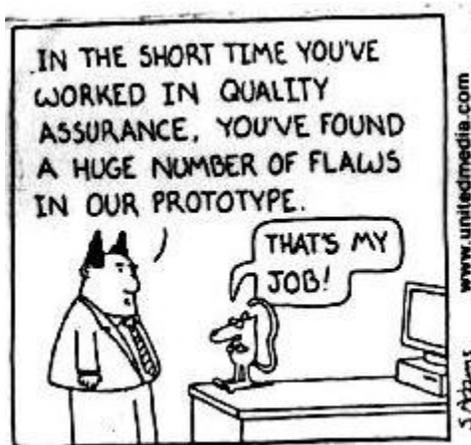
Table 8-5 Code of Ethics Implementation

Six steps to Effective Implementation of a code of Ethics

1. Distribute the code of ethics comprehensively to employees, subsidiaries, and associated companies.
2. Assist employees in interpreting and understanding the application and the intent of the code.
3. Specify management’s role in the implementation of the code.
4. Inform employers of their employees of their responsibility to understand the code and provide them with the overall objectives of the code.
5. Establish grievance procedures.
6. Provide a conclusion or closing statement, such as this one from Cadbury Schweppes:

The character of the company is collectively in our hands. Pride in what we do is important, and let us earn that pride by the way we put the beliefs set out here into action.

Figure 5.1: Illustrates certain unethical behavior done by Scott Adams cartons character better known as Dilbert



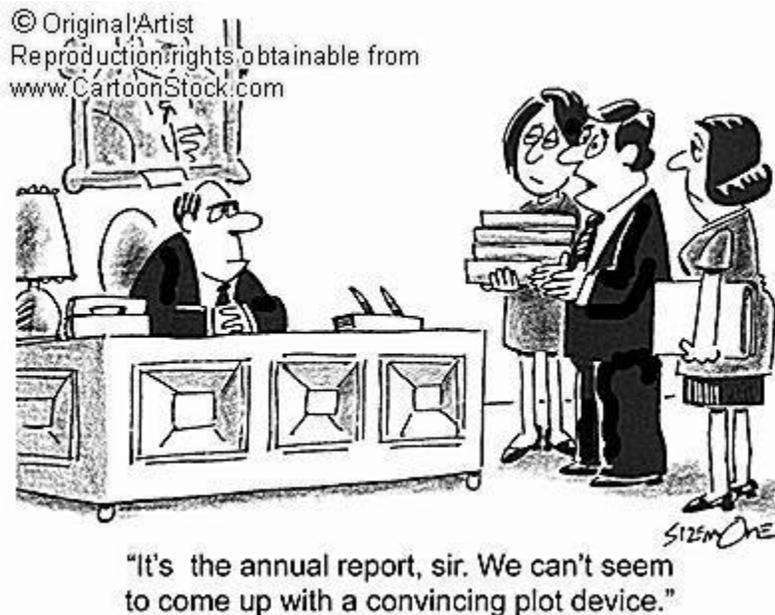
As you can tell from this cartoon, every aspect of his decision came into question when he made an attempt to try to explain things to the employee from his point of view without taking into consideration the importance of ethics or the decision based on his verbal actions.

With the idea of ethics being the main idea through out this paper, there is also a strong focus on values not only by the employees but also by managers of the various business establishments. Values are the corner stone or the building blocks for good ethical behavior.

Gates states “Values are the characteristics of the organization that are visionary, clear, obtainable, and focused on the human element. They promote integrity, advocate respect for others, and revitalize a sense of community among workers. Ethical decision making is based on making decisions that reflect the company’s value. Choosing between two rights becomes a question of “which solution more closely reflects our values and gives us the most long-term sustainability?”

He also states that “one of the most essential values is integrity. The word integrity is from the Latin origin “integer”, meaning “whole” or “complete.” It is the alignment of deeply held beliefs (i.e., values) and everyday actions and decisions. Integrity is the quality that bridges the gap from ideas to action and motivates employees to compliance. In effect, organizations and individuals build character by exercising integrity. As corporate values become the character of the organization, they will leave a mark on corporate reputation, leadership, employees, and stakeholders. A corporate emphasis on values will foster an atmosphere of trust and empowerment within the organization. When employees feel as if they are serving a dictator, or a dictatorial set of rules, they are less productive, there is higher turnover, and there is less opportunity for creative conflict resolution.”

Figure 6.1 Indicate to scenarios where ethics and value come into question:



In a situation like this we can think about large corporations concealing or hiding evidence that they don't want to be discovered for example, Enron and Arthur Andersen in Houston Texas the classic example of covering up, not only by the company, but also by its accounting firm.

While conducting my research for this paper, I learnt many things concerning ethics that I was unaware about. I was amazed at the many articles written concerning ethics, but to be honest I focused my paper on the importance of ethics in our society because I was a little concern about the various things that have been taking place lately.

While listening to the news and reading the stories concerning Tom Delay and Lewis “Scooter” Libby, I was more certain than before that ethics deserves it’s place in any establishment, due to the fact that there are so many boundaries that needs to be respected in other for us to have a fair business environment and social setting.

I am assuming that Tom Delay and Lewis “scooter” Libby are probably questioning their actions at this point, and lets just say that they have not taken their actions into consideration then they are not any better than the corporations that steal from hard working people all over the world, not just in America, due to the fact that there is corruption every where, where money is top priority and where advance is the name of the game and greed is the driving force.

It also came to my attention that values and integrity are also important they account for maintaining good ethical standards and adds character to various aspects of management’s decisions and add importance to employee’s level of productivity. It allows corporation and small businesses to make bold decisions and changes.

I am aware now of what I need to look for in are business setting to find out whether or not ethical codes are being followed and employers are upholding the moral fabric of an organization. I also learned the reason why employees embark on the task of whistle-blowing. The facts for the maintenance of cause and integrity is definitely clear to me that at this point in my life, and I am extremely happy that I had an opportunity to explore this interesting topic.

Works Cited

Boromolny Laura. Good Housekeeping. Canadian Business 77 no.5 87-8 mr-1-4 2004

Moore Nicholas G. The sears lectureship business ethics at Bentley College: Ethics the way to do business. Business and Society Review 104 no.3 305-9 fall 1999.

Gates Jacquelyn B. “The Ethics of Commitment process: Sustainability through value based ethics. Business and society review 109 no.4 493-505 units 2004

Ferrell, Fraedrich and Ferrell. Business Ethics 5th Ed. Houghton Mifflin, Boston MA 2000

Houston Chronicle. Vol 105. no.16 Saturday October 29th 2005

www.bized.ac.uk

www.cartoonstock.com

www.ent.ohiou.edu

www.members.aol.com/ishauser/ratbert.html

www.msnbc.msn.com/associatedpress