

COMM101 Summary Notes

Week 2 - Irresponsible business

Factors contributing to unethical behaviour

Why do people behave unethically?

- Blinded by money
- Lack of information
- The pressure to succeed is too strong (desperation)
- Wealth
- Failure is sometimes not an option
- Taking risks can make big profit
- Greed

Why do good people engage in unethical acts?

- Obedience to authority
- Consensus / peer pressure. The need to fit in and succeed through this out actual thinking is changing
- Not wanting to be an outcast for being and acting different
- Self-serving bias: people tend to look for info that will confirm their pre-existing views to interpret info in ways that support their own view and to selectively remember the information that supports their view.
- Slippery slope: people are willing to do unethical things because they have already done smaller, less extreme acts that make the bigger choice appear less unethical
- Sunk costs and loss aversion: continuing towards unethical course of actions because we do not accept that our prior choices were that bad or wrong.

Requisites for ethical action

Ethical action requires for steps:

1. Awareness of an ethical problem
2. Ability to reason about ethical issues
3. Having the motivation to act ethically
4. Having the persistence or courage to implement the ethical action in the face of inevitable obstacles

Week 3 – Is responsible business important?

What is a corporation?

A group of people working together at the same common goal within an organisation.

Eg. An corporation is like an onion – all the layers come together to form a whole

Business success depends on the ability of a firm to act responsibly in the long term.

A general crisis of legitimacy and trust includes;

- Environmental disasters (Shell Nigeria)
- Accounting scandals (Enron)
- ethical misconduct in various shapes and forms (NIKE)

Building Trust

Businesses need to regain the licence to operate from society

This can only be achieved by

- walking with integrity
- making profits with principles
- delivering on the triple bottom line
- and creating value for stakeholders

Business ethics

Ethics- the study of right and wrong, duty and obligation, moral norms, individual character and responsibility.

Morality and Law

The distinction between morality and legality

- an action can be illegal but morally right
eg. Whistle blowing, euthanasia
- an action can be legal but morally wrong
eg. Moving offshore (Bonds)

Professional codes: the rules that govern the conduct of the members of a given profession

- Individuals have the responsibility to critically assess the rules of their professional, these rules however are not always complete and reliable guides to adequate moral conduct.

The sources of morality

The claim of morality is based on religion:

- Religion provides incentives to be moral
- Religion provides moral guidance
- Moral norms are in essence divine commands

Ethical relativism:

- The view according to which moral norms derive their ultimate justification from the customs of the society in which they occur
- This means that moral norms are not universal, but are dependent upon a particular cultural or social context

Implications of relativism:

- There is no independent standard by which to judge the rightness or wrongness of other societies
- The idea of ethical progress loses its significance
- It makes no sense to criticize the moral code of one's own society or culture.