5.1 An Ethics Framework[1]

LEARNING OBJECTIVES

1. Be able to define ethics and give examples of ethical decisions you make in your daily life.
2. Explain the levels of ethics and how they relate to human relations.
3. Explain how your ethics are developed both personally and in the workplace.

What Is Ethics?

Before we begin our conversation on ethics, it is important to note that making ethical decisions is an emotional intelligence skill, specifically self-management. We know that our emotional intelligence skills contribute to our career success, so learning how to make ethical decisions is imperative to development of this human relations skill.

First, though, what exactly is ethics? Ethics is defined as a set of values that define right and wrong. Can you see the challenge with this ambiguous definition? What exactly is right and wrong? That obviously depends on the person and the individual situation, which is what makes ethics difficult to more specifically define. Values are defined as principles or standards that a person finds desirable. So we can say that ethics is a set of principles that a person or society finds desirable and help define right and wrong. Often people believe that the law defines this for us. To an extent it does, but there are many things that could be considered unethical that are not necessarily illegal. For example, take the popularized case where a reality production crew was filming about alcoholism—a show called *Intervention*. They followed one woman who got behind the wheel to drive and obviously was in no state to do so. The television crew let her drive. People felt this was extremely unethical, but it wasn't illegal because they were viewed as witnesses and therefore had no legal duty to intervene. [1] This is the difference between something ethical and illegal. Something may not necessarily be illegal, but at the same time, it may not be the right thing to do.

[1]Laura Portolese Dias, An Ethics Framework, Chapter 5, Human Relations, V 1.0, Online. Flatworldknowledge.com (2013)

Levels of Ethics: An Organizational Framework

While there may appear to be a difference in ethics between individuals and the organization, often individuals' ethics are shown through the ethics of an organization, since individuals are the ones who set the ethics to begin with. [2]In other words, while we can discuss organizational ethics, remember that individuals are the ones who determine organizational ethics, which ties the conversation of organizational ethics into personal ethics as well. If an organization can create an ethically oriented culture, [3] it is more likely to hire people who behave ethically. This behavior is part of human relations, in that having and maintaining good ethics is part of emotional intelligence. Of our four levels of ethics discussed next, the first two may not apply to us directly as individuals in the company. As possible leaders of an organization, however, presenting all four in this section is necessary for context.

There are four main levels of ethical levels within organizations. [4] The first level is societal issues. These are the top-level issues relating to the world as a whole, which deal with questions such as the morality of child labor worldwide. Deeper-level societal issues might include the role (if any) of capitalism in poverty, for example. Most companies do not operate at this level of ethics, although some companies, such as Tom's Shoes, feel it is their responsibility to ensure everyone has shoes to wear. As a result, their "one for one" program gives one pair of shoes to someone in need for every pair of shoes purchased. Concern for the environment, for example, would be another way a company can focus on societal-level issues. This level of ethics involves areas of emotional intelligence we have discussed, specifically, an individual's empathy and social awareness. Many companies take a stand on societal ethics in part for marketing but also in part because of the ethics the organization creates due to the care and concern for individuals.

Our second level of ethics is stakeholder's issues. A stakeholder is anyone affected by a company's actions. In this level, businesses must deal with policies that affect their customers, employees, suppliers, and people within the community. For example, this level might deal with fairness in wages for employees or notification of the potential dangers of a company's product. For example, McDonald's was sued in 2010 because the lure of Happy Meal toys were said to encourage children to eat unhealthy food. [5] This is a stakeholder issue for McDonald's, since it affects customers. Although the case was dismissed in April 2012, [6] the stakeholder issue revolves around the need for companies to balance healthy choices and its marketing campaigns.

The third level is the internal policy issue level of ethics. In this level, the concern is internal relationships between a company and employees. Fairness in management, pay, and employee participation would all be considered ethical internal policy issues. If we work in management at some point in our careers, this is certainly an area we will have extensive control over. Creation of policies that relate to the treatment of employees relates to human relations—and retention of those employees through fair treatment. It is in the organization's best interests to create policies around internal policies that benefit the company, as well as the individuals working for them.

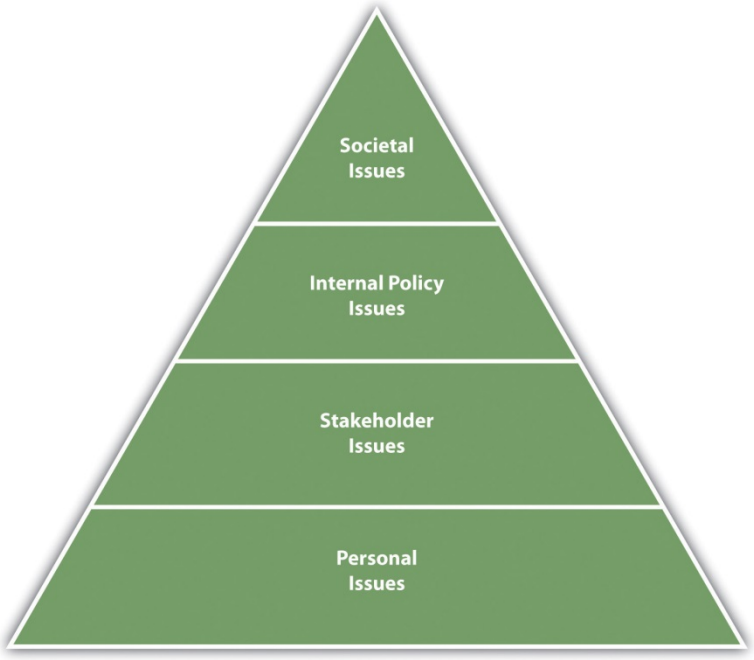
The last level of ethical issues is personal issues. These deal with how we treat others within our organization. For example, gossiping at work or taking credit for another's work would be considered personal issues. As an employee of an organization, we may not have as much control over societal and stakeholder issues, but certainly we have control over the personal

issues level of ethics. This includes “doing the right thing.” Doing the right thing affects our human relations in that if we are shown to be trustworthy when making ethical decisions, it is more likely we can be promoted, or at the very least, earn respect from our colleagues. Without this respect, our human relations with coworkers can be impacted negatively.

One of the biggest ethical challenges in the workplace is when our company’s ethics do not meet our own personal ethics. For example, suppose you believe strongly that child labor should not be used to produce clothing. You find out, however, that your company uses child labor in China to produce 10 percent of your products. In this case, your personal values do not meet the societal and stakeholder values you find important. This kind of difference in values can create challenges working in a particular organization. When choosing the company or business we work for, it is important to make sure there is a match between our personal values and the values within the organization.

How important is it for you to work for an organization that has values and ethics similar to yours?

Figure 5.1 The Four Levels of Ethics in Organizations



Sources of Personal Ethics

People are not born with a set of values. The values are developed during the aging process. We can gain our values by watching others, such as parents, teachers, mentors, and siblings. The more we identify with someone, say, our parents, the more likely we are to model that person's behavior. For example, if Jenny sees her father frequently speed when driving on the highway, there is a good chance she will model that behavior as an adult. Or perhaps because of this experience, Jenny ends up doing the exact opposite and always drives the speed limit. Either way, this modeling experience affected her viewpoint. Likewise, if Jenny hears her mother frequently speak ill of people or hears her lying to get out of attending events, there is a good chance Jenny may end up doing the same as an adult—or the opposite. Besides our life models, other things that can influence our values are the following:

1. **Religion.** Religion has an influence over what is considered right and wrong. Religion can be the guiding force for many people when creating their ethical framework.

2. **Culture.** Every culture has a societal set of values. For example, in Costa Rica living a "pure life" (Pura Vita) is the country's slogan. As a result of this laid back attitude, the culture focuses on a loose concept of time compared to the United States, for example. Similar to our models, our culture tells us what is good, right, and moral. In some cultures where corruption and bribery is the normal way of doing business, people in the culture have the unspoken code that bribery is the way to get what you want. For example, in India, China, and Russia, exporters pay bribes more often than companies from other countries, according to the *New York Times*. [7] In Europe, Italian businesses are more apt to pay bribes compared to other European Union countries. While bribery of a government official is illegal in many countries, it can happen anyway. For example,

the government officials, such as police, may view themselves as underpaid and therefore find it acceptable to accept bribes from people who have broken the law.

3. **Media.** Advertising shows us what our values "should" be. For example, if Latrice watches TV on a Thursday night, advertisements for skin creams and hair products might tell her that good skin and shiny hair are a societal value, so she should value those things, too.

4. **Models.** Our parents, siblings, mentors, coaches, and others can affect our ethics today and later in life. The way we see them behave and the things they say affect our values.

5. **Attitudes.** Our attitudes, similar to values, start developing at a young age. As a result, our impression, likes, and dislikes affect ethics, too. For example, someone who spends a lot of time outdoors may feel a connection to the environment and try to purchase environmentally friendly products.

6. **Experiences.** Our values can change over time depending on the experiences we have. For example, if we are bullied by our boss at work, our opinion might change on the right way to treat people when we become managers.

   Our personality affects our values, too. For example, in Chapter 3 "Manage Your Stress", we discussed type A personalities and their concern for time. Because of this personality trait, the type A person may value using their time wisely

Sources of Company Ethics

Since we know that everyone's upbringing is different and may have had different models, religion, attitudes, and experiences, companies create policies and standards to ensure employees and managers understand the expected ethics. These sources of ethics can be based on the levels of ethics, which we discussed earlier. Understanding our own ethics and company ethics can apply to our emotional intelligence skills in the form of self-management and managing our relationships with others. Being ethical allows us to have a better relationship with our supervisors and organizations.

For example, companies create values statements, which explain their values and are tied to company ethics. A values statement is the organization's guiding principles, those things that the company finds important. The following are examples:

When making decisions within our organizations, many companies have codes of conduct and ethical standards that must be abided by. This is to make sure everyone in the company follows the same ethics, since ethics can vary from person to person.

Coca-Cola [9]

- Leadership: The courage to shape a better future
- Collaboration: Leverage collective genius
- Integrity: Be real
- Accountability: If it is to be, it's up to me
- Passion: Committed in heart and mind
- Diversity: As inclusive as our brands
- Quality: What we do, we do well

Whole Foods [10]

- Selling the highest quality natural and organic products available
- Satisfying and delighting our customers
- Supporting team member happiness and excellence
- Creating wealth through profits and growth
- Caring about our communities and our environment
- Creating ongoing win-win partnerships with our suppliers
- Promoting the health of our stakeholders through healthy eating education

Banner Bank's Values: [11] "Do The Right Thing"

- Honesty and integrity
- Mutual respect
- Quality
- Trust
- Teamwork

Examples of Ethical Situations

Have you found yourself having to make any of these ethical choices within the last few weeks?

- Downloading music and movies from share sites
- Plagiarizing
- Breaking trust
- Exaggerating experience on a resume
- Using Facebook or other personal websites during company or class time
- Taking office supplies home
- Taking credit for another's work
- Gossiping
- Lying on time cards
- Conflicts of interest
- Knowingly accepting too much change
- Calling in sick when you aren't really sick

- Discriminating against people
- Taking care of personal business on company or class time
- Stretching the truth about a product's capabilities to make the sale
- Divulging private company information

A company publicizes its values statements but often an internal code of conduct is put into place in order to ensure employees follow company values set forth and advertised to the public. The code of conduct is a guideline for dealing with ethics in the organization. The code of conduct can outline many things, and often companies offer training in one or more of these areas:

- Sexual harassment policy
- Workplace violence
- Employee privacy
- Misconduct off the job
- Conflicts of interest
- Use of company equipment
- Company information nondisclosures
- Expectations for customer relationships and suppliers
- Policy on accepting or giving gifts to customers or clients
- Bribes

Verizon, for example, has a forty-page code of conduct that outlines ethical expectations. An excerpt from that code of conduct is shown below. [14]

Maintaining Integrity and Fairness in the Workplace

Verizon's reputation depends heavily on the actions and integrity of its employees. It is imperative that you avoid any relationships or activity that might impair, or even appear to impair, your ability to make objective and fair decisions when performing your job. You owe a duty to Verizon to advance its legitimate interests when the opportunity to do so arises. You must never use Verizon property or information for personal gain or take personal advantage of any opportunity that arises in the course of your work for Verizon.

2.1 Avoiding Conflicts of Interest

You must disclose any potential or actual conflict to the VZ Ethics and EEO GuideLine. This chapter addresses some of the most common conflicts.

2.1.1 Personal Conflicts of Interest

You may not supervise someone with whom you share a close personal relationship, such as anyone in your family or household, someone with whom you have or had a romantic relationship or other close personal relationship. Nor may you participate in the selection process for, or supervise Verizon's relationship with, a company that does business with Verizon if it employs someone with whom you have such a close personal relationship.

If you supervise someone, even indirectly, with whom you have one of the relationships described above, or if you have such a relationship with an employee of a company that does business with Verizon, you must disclose the relationship promptly. In addition, you should not use your position at the company to advance your personal interests or those of a friend or relative at the expense of the company's interests.

2.1.2 Employment Outside Verizon

You may not - with or without compensation - be self-employed or employed by, consult with, own, perform services for or aid a company or organization (including a charitable organization) that is a vendor, supplier, contractor, subcontractor or competitor of Verizon, or that provides services that are provided by Verizon, or that Verizon is seeking to provide (examples of such services may include communications, cable, video, entertainment or information management, long-distance, Internet, network security, software or repair or service of computers, telephones or televisions). Outside work should not interfere with your work for Verizon. This limitation also applies to simultaneous employment by Verizon and its subsidiaries and affiliates.

Exceptions to the requirements of the previous paragraph may be granted only upon written approval by the Office of Ethics and Business Conduct.

Unless you receive the prior written approval of your supervisor and Human Resources, you may not engage in any outside employment or self-employment or perform any commercially-related services – with or without compensation – while absent from work on any company-approved leave of absence, absence due to sickness or disability, Family Medical Leave or comparable leave provided for by applicable law.

Figure 5.2

Like a person, a company can have ethics and values that should be the cornerstone of any successful person. Understanding where our ethics come from is a good introduction into how we can make good personal and company ethical decisions. Ethical decision making ties into human relations through emotional intelligence skills, specifically, self-management and relationship management. The ability to manage our ethical decision-making processes can help us make better decisions, and better decisions result in higher productivity and improved human relations. We will discuss ethical decision making and self-management in Section 5.2 "Making Ethical Decisions".

KEY TAKEAWAYS

- *Ethics* is defined as a set of values that define right and wrong. *Values* are standards or principles that a person finds desirable.
- There are four levels of ethical issues. First, societal issues deal with bigger items such as taking care of the environment, capitalism, or embargos. Sometimes companies get involved in societal-level ethics based on their company policies—for example, not using child labor in overseas factories.
- The second level of ethical issues is stakeholder issues. These are the things that a stakeholder might care about, such as product safety.
- Internal policy issues are the third level of ethical issues. This includes things like pay and how employees are treated.
- Personal issues, our last level of ethical issues, refer to how we treat others within our organization.
- There are sources of personal ethics and sources of company ethics. Our personal sources of ethics may come from the models we had in our childhood, such as parents, or from experiences, religion, or culture. Companies use values statements and *codes of ethics* to ensure everyone is following the same ethical codes, since ethics vary from person to person.

5.2 Making Ethical Decisions

Now that we have working knowledge of ethics, it is important to discuss some of the models we can use to make ethical decisions. Understanding these models can assist us in developing our self-management skills and relationship management skills. These models will give you the tools to make good decisions, which will likely result in better human relations within your organization.

Note there are literally hundreds of models, but most are similar to the ones we will discuss. Most people use a combination of several models, which might be the best way to be thorough with ethical decision making. In addition, often we find ethical decisions to be quick. For example, if I am given too much change at the grocery store, I may have only a few seconds to

correct the situation. In this case, our values and morals come into play to help us make this decision, since the decision making needs to happen fast.

The Twelve Questions Model

Laura Nash, an ethics researcher, created the Twelve Questions Model as a simple approach to ethical decision making. [1] In her model, she suggests asking yourself questions to determine if you are making the right ethical decision. This model asks people to reframe their perspective on ethical decision making, which can be helpful in looking at ethical choices from all angles. Her model consists of the following questions: [2]

1. Have you defined the problem accurately?
2. How would you define the problem if you stood on the other side of the fence?
3. How did this situation occur in the first place?
4. To whom and what do you give your loyalties as a person and as a member of the company?
5. What is your intention in making this decision?
6. How does this intention compare with the likely results?
7. Whom could your decision or action injure?
8. Can you engage the affected parties in a discussion of the problem before you make your decision?
9. Are you confident that your position will be as valid over a long period of time as it seems now?
10. Could you disclose without qualms your decision or action to your boss, your family, or society as a whole?
11. What is the symbolic potential of your action if understood? If misunderstood?
12. Under what conditions would you allow exceptions to your stand?
13. Consider the situation of Catha and her decision to take home a printer cartilage from work, despite the company policy against taking any office supplies home.

She might go through the following process, using the Twelve Questions Model:

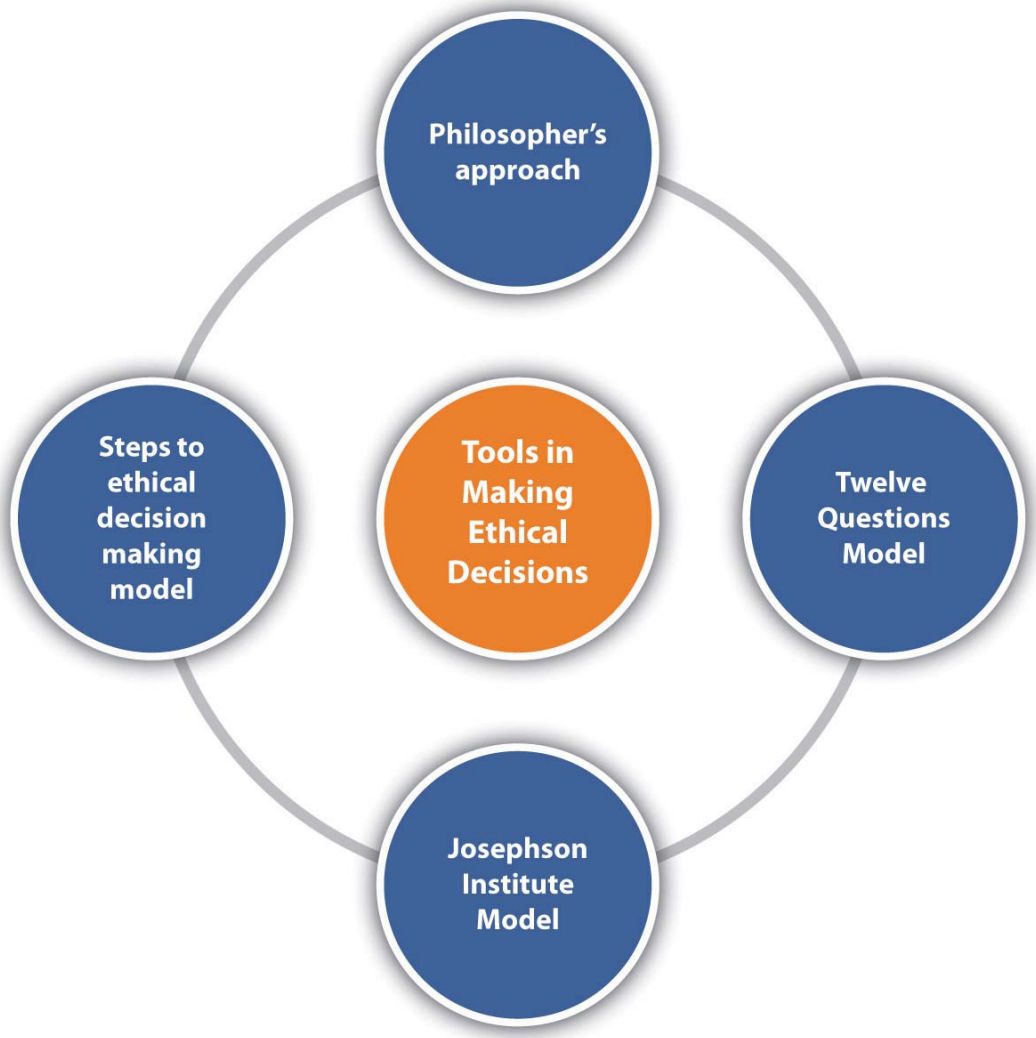
1. My problem is that I cannot afford to buy printer ink, and I have the same printer at home. Since I do some work at home, it seems fair that I can take home the printer ink.
2. If I am allowed to take this ink home, others may feel the same, and that means the company is spending a lot of money on printer ink for people’s home use.

3. It has occurred due to the fact I have so much work that I need to take some of it home, and often I need to print at home.
4. I am loyal to the company.
5. My intention is to use the ink for work purposes only.
6. If I take home this ink, my intention may show I am disloyal to the company and do not respect company policies.
7. The decision could injure my company and myself, in that if I get caught, I may get in trouble. This could result in loss of respect for me at work.
8. Yes, I could engage my boss and ask her to make an exception to the company policy, since I am doing so much work at home.
9. No, I am not confident of this. For example, if I am promoted at work, I may have to enforce this rule at some point. It would be difficult to enforce if I personally have broken the rule before.
10. I would not feel comfortable doing it and letting my company and boss know after the fact.
11. The symbolic action could be questionable loyalty to the company and respect of company policies.
12. An exception might be ok if I ask permission first. If I am not given permission, I can work with my supervisor to find a way to get my work done without having a printer cartridge at home.

As you can see from the process, Catha came to her own conclusion by answering the questions involved in this model. The purpose of the model is to think through the situation from all sides to make sure the right decision is being made.

As you can see in this model, first an analysis of the problem itself is important. Determining your true intention when making this decision is an important factor in making ethical decisions. In other words, what do you hope to accomplish and who can it hurt or harm? The ability to talk with affected parties upfront is telling. If you were unwilling to talk with the affected parties, there is a chance (because you want it kept secret) that it could be the wrong ethical decision. Also, looking at your actions from other people's perspectives is a core of this model.

Figure 5.3



Some of the possible approaches to ethical decision making. No one model is perfect, so understanding all of the possibilities and combining them is the best way to look at ethical decision making.

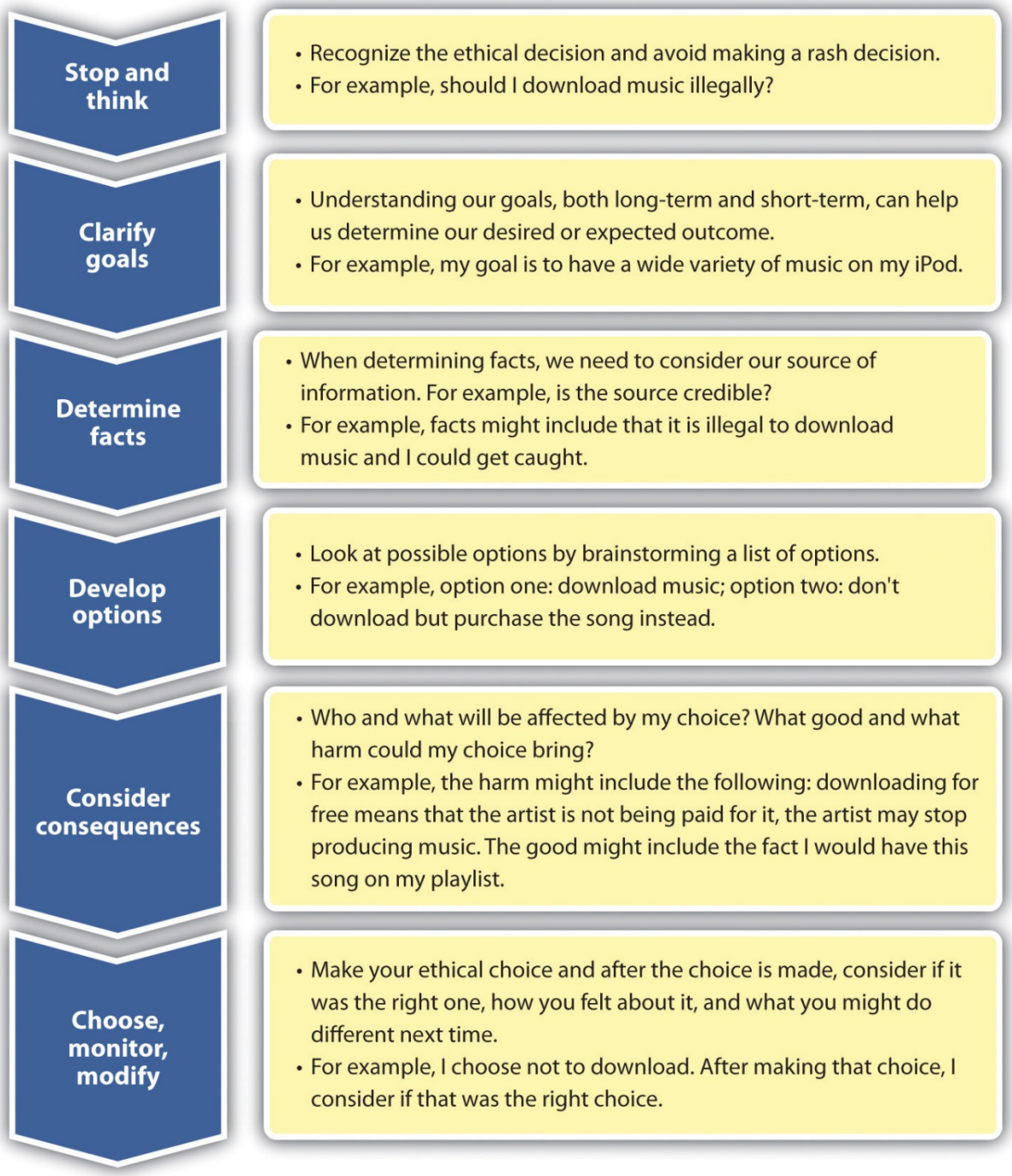
Josephson Institute of Ethics' Model

Josephson Institute of Ethics uses a model that focuses on six steps to ethical decision making. The steps consist of stop and think, clarify goals, determine facts, develop options, consider consequences, choose, and monitor/modify.

As mentioned, the first step is to stop and think. When we stop to think, this avoids rash decisions and allows us to focus on the right decision-making process. It also allows us to determine if the situation we are facing is legal or ethical. When we clarify our goals, we allow ourselves to focus on expected and desired outcomes. Next, we need to determine the facts in the situation. Where are we getting our facts? Is the person who is providing the facts to us credible? Is there bias in the facts or assumptions that may not be correct? Next, create a list of options.

This can be a brainstormed list with all possible solutions. In the next step, we can look at the possible consequences of our actions. For example, who will be helped and who might be hurt? Since all ethical decisions we make may not always be perfect, considering how you feel and the outcome of your decisions will help you to make better ethical decisions in the future.Figure 5.4 "An Example of Josephson's Model when Dealing with the Ethical Situation of Downloading Music from Share Websites." gives an example of the ethical decision-making process using Josephson's model.

Figure 5.4 An Example of Josephson's Model when Dealing with the Ethical Situation of Downloading Music from Share Websites.



Steps to Ethical Decision Making

There are many models that provide several steps to the decision-making process. One such model was created in the late 1990s for the counseling profession but can apply to nearly every

profession from health care to business. [3] In this model, the authors propose eight steps to the decision-making process. As you will note, the process is similar to Josephson's model, with a few variations:

Step 1: Identify the problem. Sometimes just realizing a particular situation is ethical can be the important first step. Occasionally in our organizations, we may feel that it's just the "way of doing business" and not think to question the ethical nature.

Step 2: Identify the potential issues involved. Who could get hurt? What are the issues that could negatively impact people and/or the company? What is the worst-case scenario if we choose to do nothing?

Step 3: Review relevant ethical guidelines. Does the organization have policies and procedures in place to handle this situation? For example, if a client gives you a gift, there may be a rule in place as to whether you can accept gifts and if so, the value limit of the gift you can accept.

Step 4: Know relevant laws and regulations. If the company doesn't necessarily have a rule against it, could it be looked at as illegal?

Step 5: Obtain consultation. Seek support from supervisors, coworkers, friends, and family, and especially seek advice from people who you feel are moral and ethical.

Step 6: Consider possible and probable courses of action. What are all of the possible solutions for solving the problem? Brainstorm a list of solutions—all solutions are options during this phase.

Step 7: List the consequences of the probable courses of action. What are both the positive and negative benefits of each proposed solution? Who can the decision affect?

Step 8: Decide on what appears to be the best course of action. With the facts we have and the analysis done, choosing the best course of action is the final step. There may not always be a "perfect" solution, but the best solution is the one that seems to create the most good and the least harm.
Most organizations provide such a framework for decision making. By providing this type of framework, an employee can logically determine the best course of action. The Department of Defense uses a similar framework when making decisions, as shown in Note 5.14 "Department of Defense Decision-Making Framework".

Philosopher's Approach

Philosophers and ethicists believe in a few ethical standards, which can guide ethical decision making. First, the utilitarian approach says that when choosing one ethical action over another, we should select the one that does the most good and least harm. For example, if the cashier at the grocery store gives me too much change, I may ask myself, if I keep the change, what harm

is caused? If I keep it, is any good created? Perhaps the good created is that I am not able to pay back my friend whom I owe money to, but the harm would be that the cashier could lose his job. In other words, the utilitarian approach recognizes that some good and some harm can come out of every situation and looks at balancing the two.

In the rights approach, we look at how our actions will affect the rights of those around us. So rather than looking at good versus harm as in the utilitarian approach, we are looking at individuals and their rights to make our decision. For example, if I am given too much change at the grocery store, I might consider the rights of the corporation, the rights of the cashier to be paid for something I purchased, and the right of me personally to keep the change because it was their mistake.

The common good approach says that when making ethical decisions, we should try to benefit the community as a whole. For example, if we accepted the extra change in our last example but donated to a local park cleanup, this might be considered OK because we are focused on the good of the community, as opposed to the rights of just one or two people.

The virtue approach asks the question, "What kind of person will I be if I choose this action?" In other words, the virtue approach to ethics looks at desirable qualities and says we should act to obtain our highest potential. In our grocery store example, if given too much change, someone might think, "If I take this extra change, this might make me a dishonest person—which I don't want to be."

The imperfections in these approaches are threefold: [5]

- Not everyone will necessarily agree on what is harm versus good.
- Not everyone agrees on the same set of human rights.
- We may not agree on what a common good means.

Because of these imperfections, it is recommended to combine several approaches discussed in this section when making ethical decisions. If we consider all approaches and ways to make ethical decisions, it is more likely we will make better ethical decisions. By making better ethical decisions, we improve our ability to self-manage, which at work can improve our relationships with others.

KEY TAKEAWAYS

- We can use a variety of models and frameworks to help us in ethical decision making. For example, one such model is the Twelve Questions Model. This model encourages us to ask questions such as who this decision affects to determine the best ethical choice.
- Josephson's model consists of six steps. They include stop and think, clarify goals, determine facts, develop options, consider consequences, choose, and monitor/modify.
- Another model discussed has the following steps: identify the problem, identify the potential issues involved, review relevant ethical guidelines, know relevant laws and regulations, obtain consultation, consider possible and probable courses of action, list

the consequences of the probable courses of action, and decide on what appears to be the best course of action.

- Philosophers look at ethical frameworks following a *utilitarian approach, common good approach, rights approach,* and the *virtue approach.* These approaches provide a framework for sound ethical decision making.

EXERCISES

1. Think of a recent ethical decision you have made. Using the model or framework of your choice, discuss how you went through the process of making a sound ethical decision.
2. What are the strengths and weaknesses of each model presented in this section? How can you combine them all to make ethical decisions?

Notes:

[1] Nash, L. (1981). Ethics without the sermon. *Howard Business Review*, *59* 79–90, accessed February 24, 2012, http://www.cs.bgsu.edu/maner/heuristics/1981Nash.htm
[2] Nash, L. (1981). Ethics without the sermon. *Howard Business Review*, *59* 79–90, accessed February 24, 2012, http://www.cs.bgsu.edu/maner/heuristics/1981Nash.htm
[3] Corey, G., Corey, M . S., & Callanan, P. (1998). *Issues and ethics in the helping professions.* Toronto: Brooks/Cole Publishing Company; Syracuse School of Education. (n.d.). An ethical decision making model, accessed February 24, 2012,http://soe.syr.edu/academic/counseling_and_human_services/modules/Common_Ethical_Issues/ethical_decision_making_model.aspx
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