

Business Ethics



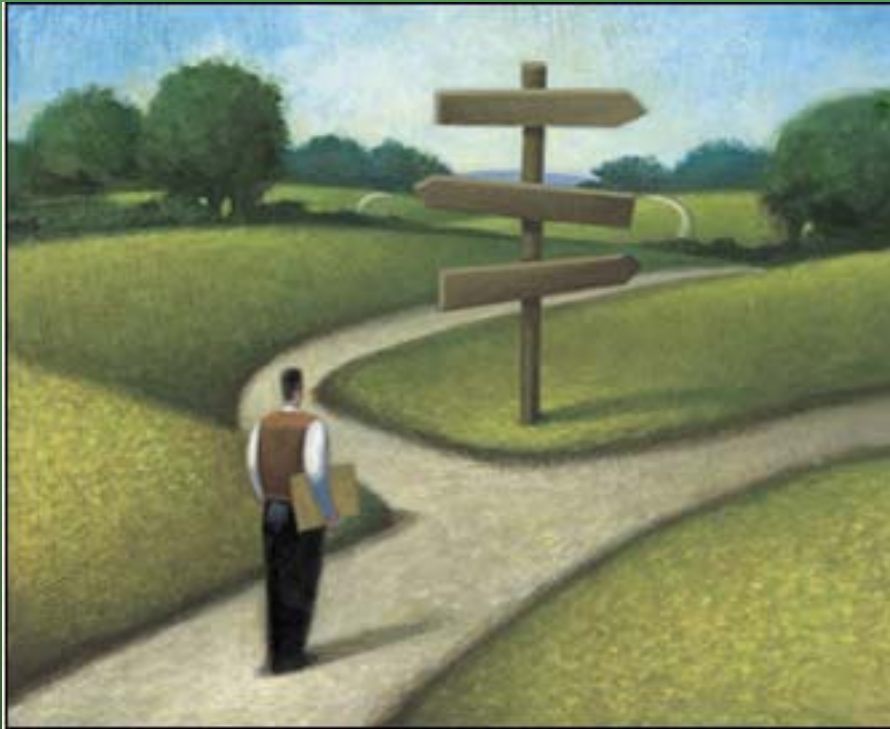
Rutherford County

What is Business Ethics?

Moral principles concerning acceptable and unacceptable behavior by an organization and its employees. Professionals are supposed to maintain a high sense of values and conduct honest and fair practices with the public.



Conflict of Interest



- Conflict of interest occurs when an individual (or organization) has an interest that compromises the reliability of their decision making.
- For example, a purchasing manager of an organization has a duty to perform their work with loyalty to that employer, thus choosing sellers who offer the best products at the lowest prices, but might be tempted to have the organization buy, from the manager's sibling, products that are not as good or as cheap.

Bribes, Payoffs and Kickbacks

- It is unethical to accept any type of payoff or gratuity that is offered to you because of your power or position.
- Payoffs may be monetary or they may benefit an individual in other ways. For instance, acceptance of a lavish or expensive gift, would be a direct violation.

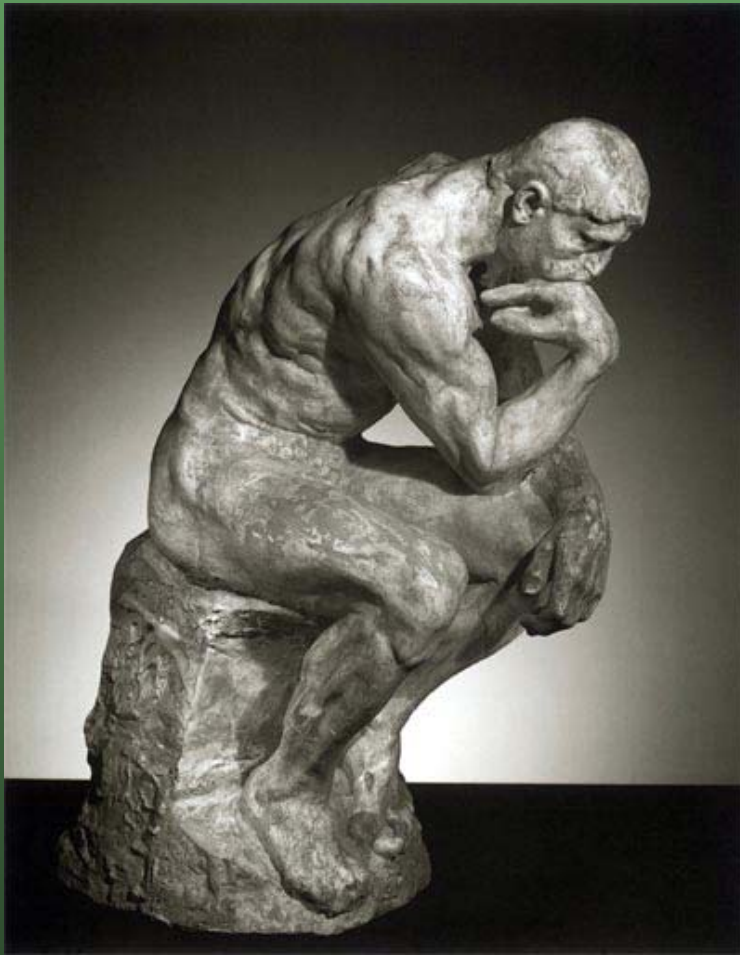


Examples of Ethical Dilemmas

- Your boss is taking office supplies for personal use.
- You notice a coworker you're friends with is not accurately reporting their time worked on their time sheets.
- You hear your coworkers talking about confidential information outside work.



Resolving an Ethical Dilemma



- There are two major approaches that we use in handling ethical dilemmas.
 - One approach focuses on the practical consequences of what we do (no harm, no foul)
 - the other concentrates on the actions themselves (some actions are simply wrong)

Here's a way to combine the two approaches into a 3-step decision making process . . .

Step 1: Analyze the Consequences

- Who will be helped by what you do?
- Who will be hurt?
- What kind of benefits and harms are we talking about? After all, some "goods" in life (like health) are more valuable than others (like a new IPOD). A small amount of "high quality" good can outweigh a larger amount of "lower quality" good.
- How does all of this look over the long run as well as the short run?

After looking at all of your options, which one produces the best mix of benefits over harms



Step 2. Analyze the Actions

Consider all of your options from a completely different perspective.

- Don't think about the consequences. Concentrate instead strictly on the **actions**.
- How do they **measure up** against moral principles like honesty, fairness, equality, respecting the dignity of others, respecting people's rights, and recognizing the vulnerability of individuals weaker or less fortunate than others?
- Do any of the actions that you're considering "**cross the line,**" in terms of anything from simple decency to an important ethical principle?
- What you're looking for is the option whose actions are **least problematic**.

Step 3: Make a Decision



- And now, take both parts of your analysis into account and make a decision!

Reporting Unethical Behavior

- Report any violations of policy, procedure or state/federal law to your elected official, director, department head or supervisor.
- If an employee observes a county official, department head, or fellow employee engaging in any activity which is considered to be illegal, improper, unethical, or wasteful, they should call the State Comptroller's toll free Fraud, Waste, and Abuse Hotline.

Fraud, Waste, and Abuse Hotline

1-800-232-5454

Quiz

- <https://secure.rutherfordcountyttn.gov/businessethics>