

1.) What is ethics? If you follow all applicable rules and regulations, are you an ethical person?

In simple words, ethics can be defined as 'moral values and principals'. It is a decision of choosing right among wrong and right. **Business** ethics are that functions which leads to choosing right decision at right time which leads for the welfare of not only business owners but also society, consumers, stakeholders and its **employees**. Business ethics now days have become so important that no business can survive in **market** without following them (Trivology.com).

In my own organization, I am responsible for meeting my sales quota each month. There are many strategies that individuals in my position can use to help achieve our sales goals. Some people are really good at speaking on the phone with customers and setting appointments, some are really good in person, and unfortunately, some fail to disclose all of the necessary information to customers which is considered unethical. For example, if you came into my office to open a checking account, I will most likely get you to open a savings account as well because the benefits of having both a checking and savings are immense; however, if I told you that Identity Alert (a service we offer to protect identity) comes free with a checking account, and I fail to mention that it is only free for the first month and then ten dollars per month following, I am unethically selling a product to you.

I do feel strongly that by following all applicable rules and regulations one is more likely to be an ethical person. However, there are ways to stay within the rules and boundaries and still not be entirely ethical. It also depends on if the business (upper management) communicates effectively to employees to help maintain an ethical atmosphere.

I found an interesting article in my research; It's an uncomfortable message, but one increasingly supported by research. Many of us do unethical things even as we believe we are acting in the right.

- It may explain why bankers sold home mortgages to people who clearly could not afford them.
- It may explain why NASA supervisors approved the launch of the doomed space shuttle Challenger in extremely cold conditions, even when its own scientists advised against it.
- It may explain why you approved an obviously inflated expense report from an employee.

Welcome to the troubling world of "blind spots," as termed by professors **Max Bazerman** of Harvard Business School and **Ann E. Tenbrunsel** of University of Notre Dame. Bazerman provided some examples of this behavior in a recent interview with me.

"Having gender or race biases without knowing that you have these biases, overclaiming credit without meaning to do so, being affected by conflicts of interest, and favoring an in-group--such as universities often do when they give preferential treatment to the children of alumni. All these unethical actions can occur without anyone realizing that they are doing anything wrong."

Why this occurs is a bit more complex. One reason is that we are fully aware of right and wrong when we plan something, but the "want-self" trumps the "should-self" when we actually make decisions.

Then there is "ethical fading," our ability to believe there is not an ethical component to a decision when there clearly is one. This can occur under pressure of the moment, such as at the close of a quarter when our energies are focused on making a sales quota. In addition, we are prone to look the other way if the unethical behavior by someone else works to our advantage.

There are things we can do to counter these tendencies, such as putting in place precommitments when we are in the planning stages of a decision. In one example mentioned in the new book *Blind Spots: Why We Fail to Do What's Right and What to Do about It*, Philippine farmers who were likely to mispend their money stashed it in a "lockbox" that they could not access for awhile.

Just reviewing the data is another remedy, says Bazerman.

"If you firmly believe that you want to give women and minorities greater opportunities in your organization, but the data show that you always seem to see the white male as the best candidate, this might provide a hint." (Silverthorne, 2011).

#### **Sources:**

Triviology.com

Silverthorne, Sean (2011). *Why We Act Unethically Without Knowing It*. Retrieved from: [http://www.cbsnews.com/8301-505125\\_162-31551219/why-we-act-unethically-without-knowing-it/](http://www.cbsnews.com/8301-505125_162-31551219/why-we-act-unethically-without-knowing-it/)