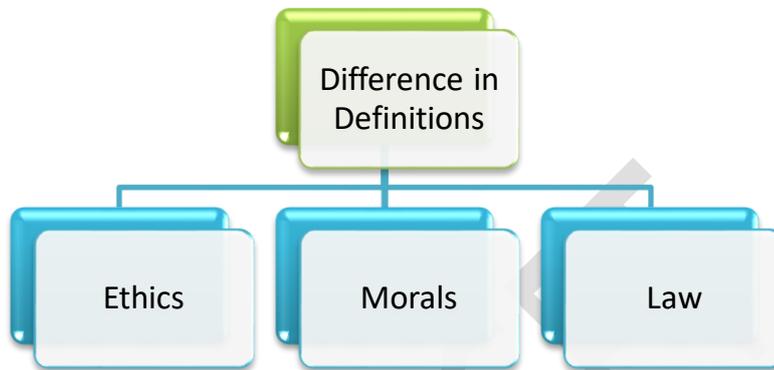




Unit I

Q) What are the ethics in IT? What is the use of ethics in business world? (07)

Ans:-



Ethics - set of beliefs about right and wrong behaviour. Ethical behaviour conforms to generally accept social norms.

Virtues - Habits that incline people to do what is acceptable.

Vices - Habits of unacceptable behavior Value system - Scheme of moral values.

Business ethics (also **corporate ethics**) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations.

- Business ethics has both normative and descriptive dimensions. As a corporate practice and a career specialization, the field is primarily normative.
- Academics attempting to understand business behaviour employ descriptive methods. The range and quantity of business ethical issues reflects the interaction of profit-maximizing behaviour with non-economic concerns.
- Interest in business ethics accelerated dramatically during the 1980s and 1990s, both within major corporations and within academia.

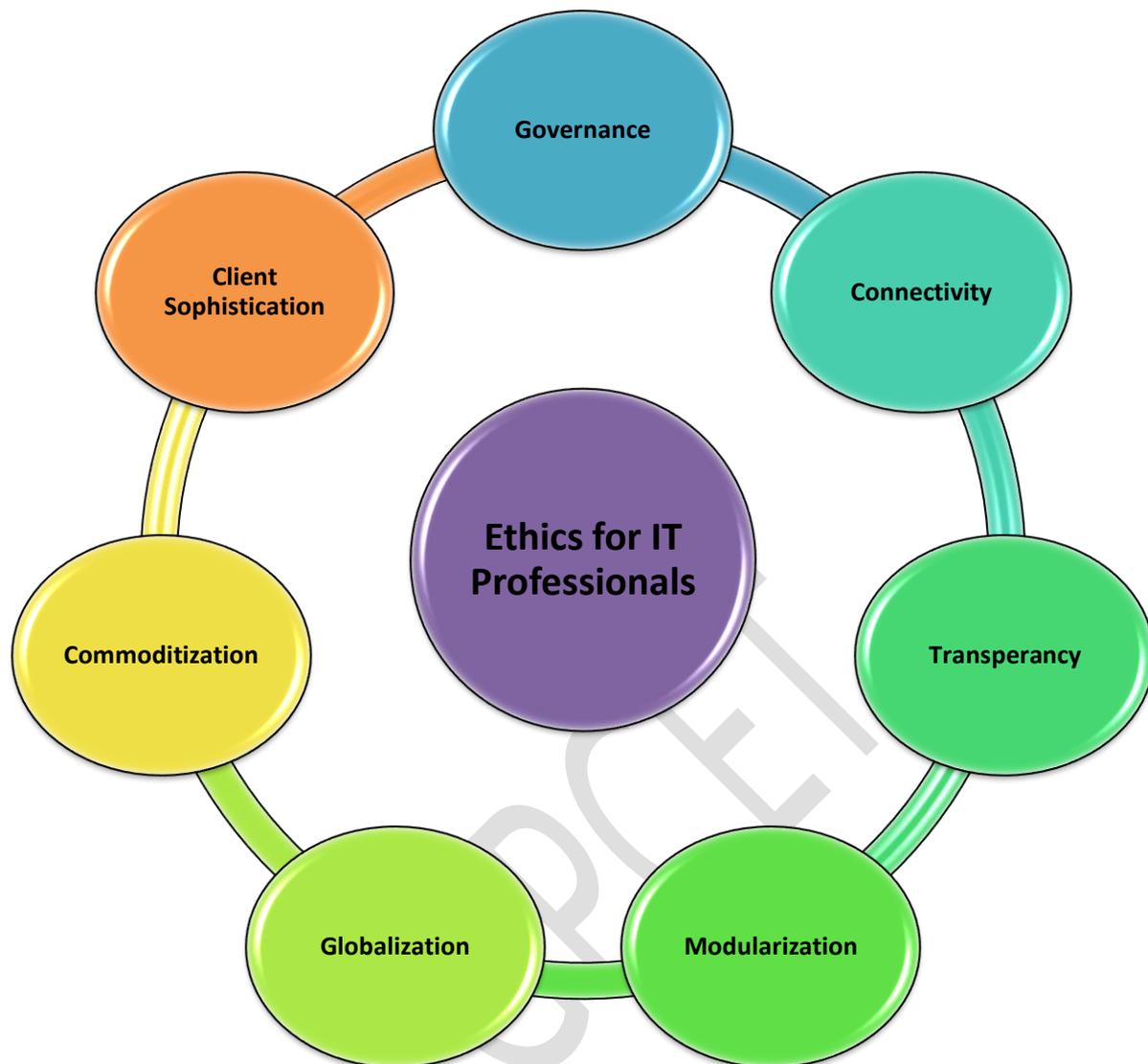
- For example, today most major corporations promote their commitment to non-economic values under headings such as ethics codes and social responsibility charters. Adam Smith said, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."
- Governments use laws and regulations to point business behaviour in what they perceive to be beneficial directions.
- Ethics implicitly regulates areas and details of behaviour that lie beyond governmental control.
- The emergence of large corporations with limited relationships and sensitivity to the communities in which they operate accelerated the development of formal ethics regimes.

TGPCE

Q) What are the ethics for IT professionals?

(07)

Ans:



A **profession** is a calling that requires specialized knowledge and trained judgment, long and intensive intellectual preparation.

Partial list of IT specialists

- Programmers
- Systems Analysts
- Software Engineers
- Database Administrators
- Local Area Network (LAN) Administrators

IT workers are not recognized as professionals, because they are not licensed. Consequently, IT workers are not liable for malpractice

IT professionals have relationships with:

- Employers
- Clients
- Suppliers
- Other professionals
- IT users
- Society at large.

Relationships between it professionals and employers

- IT professionals must set an example and enforce policies regarding the ethical use of IT
Software piracy is the act of illegally making copies of software.
- Or enabling others to access software to which they are not entitled Software piracy is an area in which IT professionals can be tempted to violate laws and policies

TGPCET

Q) Explain the ethical behavior?

(06)

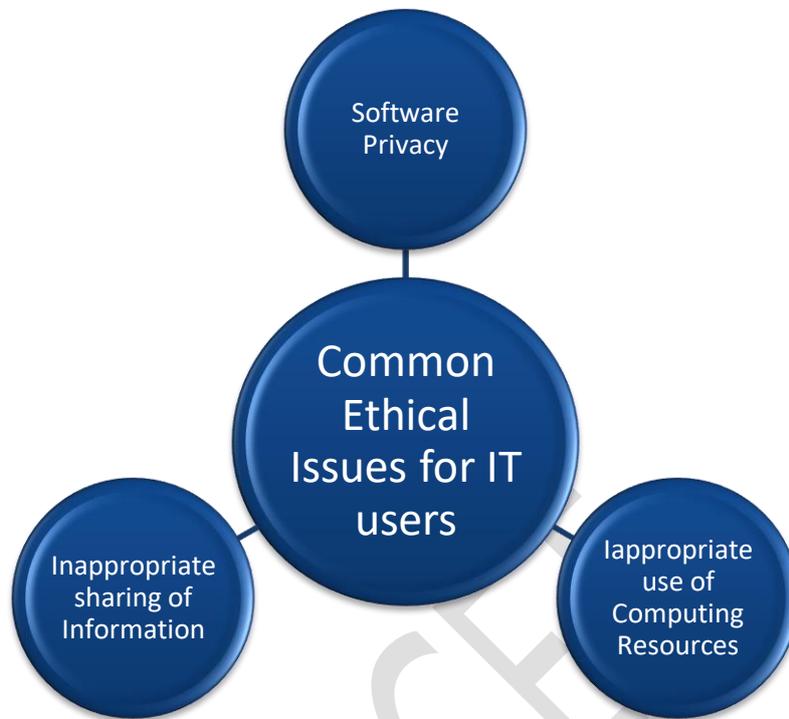
Ans:-

- Ethical behaviour is behaviour that is appropriate.
- It is based on morals. Ethical behaviour is the right way to behave. It is choosing the right and good.
- Ethical behaviour is the standards that you hold for yourself of the attributes of honesty, responsibility, and how you treat others in all facets of your life.
- The same standards are applicable to whatever position you hold in commerce, in your community, and even behind your own doors where only you know what you do. Ethical behaviour is applying these standards even when it is inconvenient to do so.
- Ethical behaviour is characterized by honesty, fairness and equity in interpersonal, professional and academic relationships and in research and scholarly activities.
- Ethical behaviour respects the dignity, diversity and rights of individuals and groups of people.
- *Ethics and Information Technology* focuses on the ethical dilemmas that exist where human beings, information objects, and social computing technologies interact.
- The course explores emerging ethical models from historical and cross-cultural perspectives and then applies these models to a variety of new and emerging technologies that are inherently social in their construction and use.
- Initial examples of issues that the course covers in discrete modules include:
 - The integrity of digital content in a networked world; identity and avatars; and interpersonal engagement through online games and virtual environments.
 - Students explore the technological underpinnings of associated technology systems, experiment with individual and group interaction with technologies, and examine the mechanics of ethical and unethical behaviours.

Q) Explain the term 'IT Professionals'. What are the common Ethical issues for I.T users?

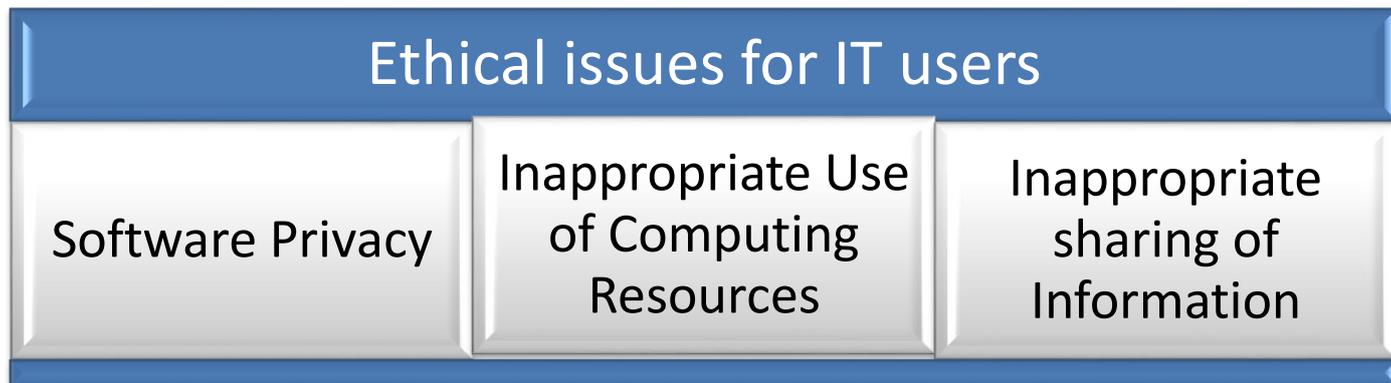
(07)

Ans:-



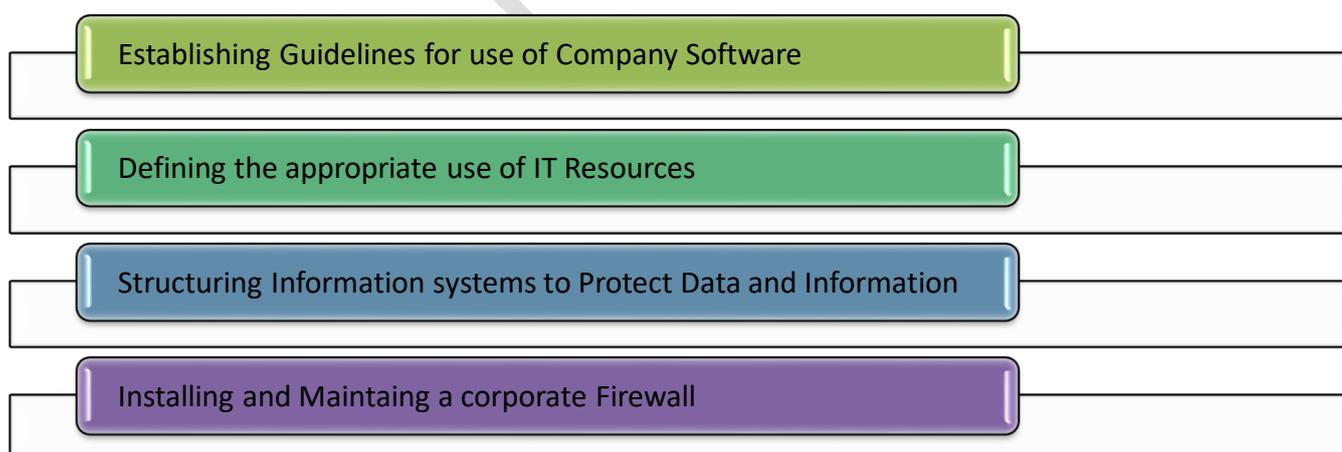
- A **profession** is a calling that requires specialized knowledge and trained judgment, long and intensive intellectual preparation.
- IT workers are not recognized as professionals, because they are not licensed. Consequently, IT workers are not liable for malpractice.
- Professional mal practices is the one who is detent own other party a duty at not just a reasonable person under the certain as require by negligee law but to meet higher standard that of professional that particular field.
- A profession is not a business ethics establish by the requirement extensive for the training, leaving admission to practice by qualify lesser a code ethics.
- Imposing standard qualitatively and extensively beyond those talented at market place.
- The typical malpractices mutually fort of negligent by profession.

Common Ethical Issues for IT Users



- ✓ Software piracy - copying work software for use at home (even when doing *some* work at home) is considered piracy. Inappropriate use of computing resources, surf work-unrelated websites, sends questionable email etc.
- ✓ Inappropriate use of Computing Resources - some employees use their computers to surf popular websites that have nothing to do with their jobs, some participate in chat room, and some play computer games.
- ✓ Inappropriate sharing of information – IT user who shares private or confidential information of an individual or organisation with an unauthorised party, has violated someone’s privacy or created the potential that company information could fall into the hands of competitors.

Supporting the Ethical Practices of IT Users



- **Establishing Guidelines for use of Company Software** –Company IT manager must provide clear rules that govern the use of home computers and associated softwares.
- **Defining the appropriate use of IT Resources** – Companies must develop, communicate and

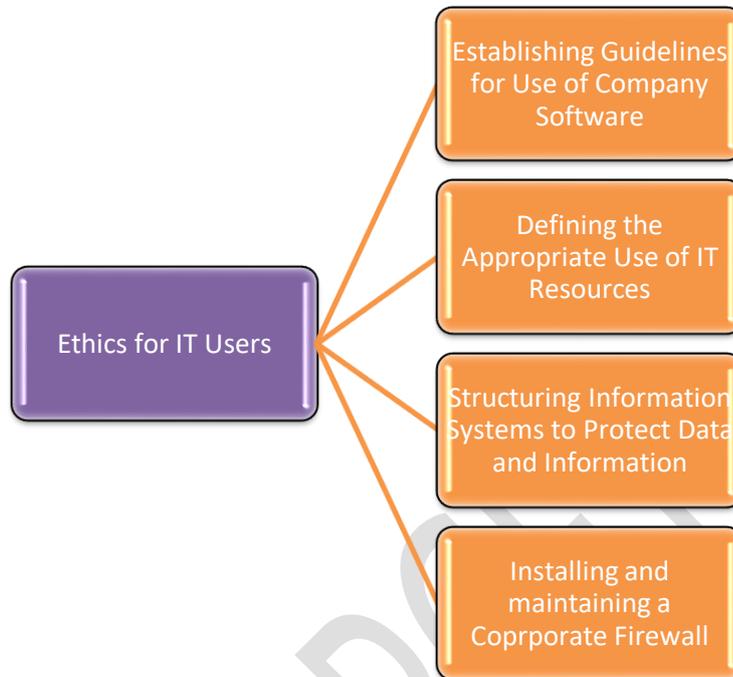
enforce written guidelines that encourage employees to respect corporate IT resources and use them to enhance their job performance.

- **Structuring Information systems to Protect Data and Information** – Organization must implement systems and procedures that limit data access to just those employees who need it.
- **Installing and Maintaining a corporate Firewall** – A firewall is hardware device that serves as a barrier between an organization’s network and the Internet, it also limits access to the company’s network based on the organization’s internet usage policy.

TGPCEET

Q) What are the ethics for I.T users? Explain the importance of Ethics for IT users.(06)

Ans:-



Relationships between it professionals and it users

IT user: a person for whom a hardware or software product is designed

Duties of IT professionals to IT users:

- understand users' needs and capabilities
- provide products and services that best meet those needs
- establish an environment that supports ethical behavior by users
- discourage/prevent:
 - software piracy
 - inappropriate (e.g., personal) use of corporate IT resources
 - insecure computing practices

Common IT users ethical issues:

- Software piracy.
- Inappropriate use of computing resources.
- Inappropriate sharing of information.

Supporting Ethical Practices of IT Users

- Define and limit the appropriate use of IT resources.
- Establish guidelines for the use of company software.
- Structure information systems to protect data and information.
- Install and maintain a corporate firewall.
- IT usage policy helps users understand how to appropriately use IT resources.

TGPCE

Q) "Good Ethics can mean good business" justify the statement. (06)

OR

Explain the importance of good business Ethics. (07)

Ans:-



Organizations have at least five good reasons for promoting a work environment in which employees are encouraged to act ethically when making business decisions:

1. Gaining the good will of the community
2. Creating an organization that operates consistently
3. Fostering good business practices
4. Protecting the organization and its employees from legal action
5. Avoiding unfavorable publicity

Gaining the Good Will of the Community:

- Although organizations exist primarily to earn profits or provide services to customers, they also have some fundamental responsibilities to society.
- Often they declare these responsibilities in a formal statement of their company's principles or beliefs "Technology companies are waking up to the fact that they have to attract and maintain loyalty with their customers," says Carol Cone, head of Boston marketing consulting firm Cone,

Inc., which helps develop corporate giving programs.

- “Philanthropy allows a company to demonstrate its values in action and present a human face to its stakeholders.”
- The good will that socially responsible activities create can make it easier for corporations to conduct their business.

Creating an Organization That Operates Consistently:

- Organizations develop and stand by values to create an organizational culture and to define a consistent approach for dealing with the needs of their stakeholders—shareholders, employees, customers, suppliers, and the community.
- Such consistency means that employees know what is expected of them and can employ the organization’s values to help them in their decision making.
- Consistency also means that shareholders, customers, suppliers, and the community know what they can expect of the organization—that it will behave in the future much as it has in the past.
- It is especially important for multinational or global organizations to present a consistent face to their shareholders, customers, and suppliers no matter where those stakeholders live or operate their business. Although each company’s value system is different, many share the following values:
 - Operate with honesty and integrity, staying true to organizational principles
 - Operate according to standards of ethical conduct, in words and action
 - Treat colleagues, customers, and consumers with respect
 - Strive to be the best at what matters most to the organization
 - Value diversity
 - Make decisions based on facts and principles

Fostering Good Business Practices:

- In many cases, good ethics can mean good business and improved profits. Companies that produce safe and effective products avoid costly recalls and lawsuits.
- Companies that provide excellent service retain their customers instead of losing them to competitors.
- Companies that develop and maintain strong employee relations suffer lower turnover rates and enjoy better employee morale.
- Suppliers and other business partners often place a priority on working with companies that operate in a fair and ethical manner.
- On the other hand, bad ethics can lead to bad business results.

- Likewise, bad ethics can have a negative impact on employees, many of whom can develop negative attitudes if they perceive a difference between their own values and those stated or implied by an organization's actions.
- In such an environment, employees may suppress their tendency to act in a manner that seems ethical to them and instead act in a manner that will protect them against anticipated punishment.
- When such a discrepancy between employee and organizational ethics occurs, it destroys employee commitment to organizational goals and objectives, creates low morale, fosters poor performance, erodes employee involvement in organizational improvement initiatives, and builds indifference to the organization's needs.

Protecting the Organization and Its Employees from Legal Action:

- The principle established is called respondent superior, or "let the master answer." An example of the application of this principle can be found in the collapse in 2002 of Arthur Andersen, one of the "Big Five" international accounting firms.
- Andersen was indicted by the Department of Justice for obstruction of justice for the shredding of documents associated with the auditing work that a few of its partners performed for Enron.²¹
- Andersen was forced to relinquish its auditing license. It closed its U.S. offices due to lack of clients, and some 26,000 employees lost their jobs.
- Indeed, in 1991, the Department of Justice established sentencing guidelines that suggest more lenient treatment for convicted executives if their companies have ethics programs. Fines for criminal violations can be lowered.

Avoiding Unfavorable Publicity:

- The public reputation of a company strongly influences the value of its stock, how consumers regard its products and services, the degree of oversight it receives from government agencies, and the amount of support and cooperation it receives from its business partners.
- Thus, many organizations are motivated to build a strong ethics program to avoid negative publicity.
- If an organization is perceived as operating ethically, customers, business partners, shareholders, consumer advocates, financial institutions, and regulatory bodies will usually regard it more favourably.

Q) What are the ethical Standards Set by the board of Directors.

(06)

Ans:-

- The board of directors is responsible for the careful and responsible management of an organization.
- In a for-profit organization, the board's primary objective is to oversee the organization's business activities and management for the benefit of all stakeholders, including shareholders, employees, customers, suppliers, and the community. In a non-profit organization, the board reports to a different set of stakeholders—in particular, the local community that the non-profit serves.
- A board of directors fulfils some of its responsibilities directly and assigns others to various committees. The board is not normally responsible for day-to-day management and operations; these responsibilities are delegated to the organization's management team.
- However, the board is responsible for supervising the management team. Board members are expected to conduct themselves according to the highest standards for personal and professional integrity, while setting the standard for company-wide ethical conduct and ensuring compliance with laws and regulations.
- Employees will “get the message” if board members set an example of high-level ethical behaviour.
- If they don't set a good example, employees will get that message as well. Importantly, board members must create an environment in which employees feel they can seek advice about appropriate business conduct, raise issues, and report misconduct through appropriate channels.

Q) How it is important to establish a corporate code of Ethics.

(07)

Ans:-

- A code of ethics is a statement that highlights an organization's key ethical issues and identifies the overarching values and principles that are important to the organization and its decision making.
- Codes frequently include a set of formal, written statements about the purpose of an organization, its values, and the principles that should guide its employees' actions.
- An organization's code of ethics applies to its directors, officers, and employees, and it should focus employees on areas of ethical risk relating to their role in the organization, offer guidance to help them recognize and deal with ethical issues, and provide mechanisms for reporting unethical conduct and fostering a culture of honesty and accountability within the organization.
- An effective code of ethics helps ensure that employees abide by the law, follow necessary regulations, and behave in an ethical manner.
- Global Crossing, and Qwest—plus numerous restatements of financial reports by other companies, which clearly demonstrated a lack of oversight within corporate America. The goal of the bill was to renew investors' trust in corporate executives and their firm's financial reports.
- The act led to significant reforms in the content and preparation of disclosure documents by public companies. However, the Lehman Brothers accounting fiasco and resulting collapse as well as other similar examples raise questions about the effectiveness of Sarbanes–Oxley in preventing accounting scandals.
- Section 404 of the act states that annual reports must contain a statement signed by the CEO and CFO attesting that the information contained in all of the firm's Securities and Exchange Commission (SEC) filings is accurate.
- The company must also submit to an audit to prove that it has controls in place to ensure accurate information.
- The penalties for false attestation can include up to 20 years in prison and significant monetary fines for senior executives.

- Section 406 of the act also requires public companies to disclose whether they have a code of ethics and to disclose any waiver of the code for certain members of senior management. The SEC also approved significant reforms by the NYSE and NASDAQ that, among other things, require companies listed with them to have codes of ethics that apply to all employees, senior management, and directors.
- A code of ethics cannot gain company-wide acceptance unless it is developed with employee participation and fully endorsed by the organization's leadership.
- It must also be easily accessible by employees, shareholders, business partners, and the public. The code of ethics must continually be applied to a company's decision making and emphasized as an important part of its culture.
- Breaches in the code of ethics must be identified and dealt with appropriately so the code's relevance is not undermined.

TGPRCFE

Q) Explain how it is important for employees to take ethics Training.

(06)

Ans:-

- The ancient Greek philosophers believed that personal convictions about right and wrong behaviour could be improved through education.
- Today, most psychologists agree with them. Lawrence Kohlberg, the late Harvard psychologist, found that many factors stimulate a person's moral development, but one of the most crucial is education.
- Other researchers have repeatedly supported the idea that people can continue their moral development through further education, such as working through case studies and examining contemporary issues.
- Thus, an organization's code of ethics must be promoted and continually communicated within the organization, from top to bottom.
- Organizations can do this by showing employees examples of how to apply the code of ethics in real life.
- One approach is through a comprehensive ethics education program that encourages employees to act responsibly and ethically. Such programs are often presented in small workshop formats in which employees apply the organization's code of ethics to hypothetical but realistic case studies.
- Employees may also be given examples of recent company decisions based on principles from the code of ethics. It is critical that such training increase the percentage of employees who report incidents of misconduct; thus, employees must be shown effective ways of reporting such incidents.
- In addition, they must be reassured that such feedback will be acted on and that they will not be subjected to retaliation. In its 2009 National Business Ethics Survey, the Ethics Resource Centre reported that 46 percent of all complaints are reported to an employee's direct supervisor. "Because they are the 'eyes and ears' of the company, these supervisors need adequate resources, support, and training to address the stress created by and the additional misconduct related to the implementation of company tactics" according to the ERC.

- Motorola is committed to a strong corporate ethics training program to ensure that its employees conduct its business with integrity. The focus of the training is to clarify corporate values and policies and to encourage employees to report ethical concerns via numerous reporting channels.
- Motorola investigates all allegations of ethical misconduct. It will take appropriate disciplinary actions if a claim is proven, up to and including dismissal of all involved employees. All salaried employees must complete an online introduction to the ethics program every three years.
- All managers in newly acquired businesses or high-risk locations must take further classroom ethics training. In 2009, virtual dialogue sessions.

TGPCET

Q) Give difference between Moral, Ethics and Laws.

(07)

Ans:

- Values are our fundamental beliefs. They are the principles we use to define that which is right, good and just.
- Values provide guidance as we determine the right versus the wrong, the good versus the bad. They are our standards. Consider the word “evaluate”. When we evaluate something we compare it to a standard.
- We determine whether it meets that standard or falls short, comes close or far exceeds. To evaluate is to determine the merit of a thing or an action as compared to a standard.
- Morals are values which we attribute to a system of beliefs, typically a religious system, but it could be a political system or some other set of beliefs.
- These values get their authority from something outside the individual- a higher being or higher authority (e.g. society).
- Ethics is about our actions and decisions.
- When one acts in ways which are consistent with our beliefs (whether secular or derived from a moral authority) we will characterize that as acting ethically.
- When one’s actions are not congruent with our values - our sense of right, good and just - we will view that as acting unethically.
- Defining what is ethical is not an individual exercise however. If it were then one could have argued that what Hitler did was ethical since his actions conformed to his definition of right, fair and good.
- The ethics of our decisions and actions is defined societal, not individually. If society is dominated by a single religious or cultural belief system, as is the case in some countries, then what is ethical and what is moral may be defined as the same thing.
- In societies where there is not a monolithic belief system there can be very wide differences in opinion in society as to whether a given action is ethical (or moral). Consider several of the long-standing national debates that are going on in the United States.

- Often the controversy is the result of people coming to a question from different moral positions or from different values. Culturally we also see differences as to how values are defined.
- In US society we stand against nepotism. We believe that a concern for fairness to all employees demands that large businesses protect their employees from the unfairness inherent in the situation where an individual supervisors a member of his or her immediate family. The concern is for the inevitability of preferential treatment and/or the inappropriate sharing of personal/confidential information about others in the workplace. Fairness demands that nepotism not be tolerated.

TGPCET

Q) Explain need or importance of Business Ethics?

(06)

Ans: Need or Importance of Business Ethics

These twelve points below discuss the need, importance of business ethics.

-
- 1 • Stop business malpractices
 - 2 • Improve consumers confidence
 - 3 • Survival of business
 - 4 • Protecting consumers rights
 - 5 • Protecting employees, shareholders, etc.
 - 6 • Develops good relations between business and society
 - 7 • Creates good image of business
 - 8 • Smooth functioning of business
 - 9 • Consumer movement
 - 10 • Consumer satisfaction
 - 11 • Importance of labour
 - 12 • Healthy competition

Stop business malpractices : Some unscrupulous businessmen do business malpractices by indulging in unfair trade practices like black-marketing, artificial high pricing, adulteration, cheating in weights and measures, selling of duplicate and harmful products, hoarding, etc. These business malpractices are harmful to the consumers. Business ethics help to stop these business malpractices.

Improve customers' confidence: Business ethics are needed to improve the customers' confidence about the quality, quantity, price, etc. of the products. The customers have more trust and confidence in the businessmen who follow ethical rules. They feel that such businessmen will not cheat them.

Survival of business: Business ethics are mandatory for the survival of business. The businessmen

who do not follow it will have short-term success, but they will fail in the long run. This is because they can cheat a consumer only once. After that, the consumer will not buy goods from that businessman. He will also tell others not to buy from that businessman. So this will defame his image and provoke a negative publicity. This will result in failure of the business. Therefore, if the businessmen do not follow ethical rules, he will fail in the market. So, it is always better to follow appropriate code of conduct to survive in the market.

Safeguarding consumers' rights: The consumer has many rights such as right to health and safety, right to be informed, right to choose, right to be heard, right to redress, etc. But many businessmen do not respect and protect these rights. Business ethics are must to safeguard these rights of the consumers.

Protecting employees and shareholders: Business ethics are required to protect the interest of employees, shareholders, competitors, dealers, suppliers, etc. It protects them from exploitation through unfair trade practices.

Develops good relations: Business ethics are important to develop good and friendly relations between business and society. This will result in a regular supply of good quality goods and services at low prices to the society. It will also result in profits for the businesses thereby resulting in growth of economy.

Creates good image : Business ethics create a good image for the business and businessmen. If the businessmen follow all ethical rules, then they will be fully accepted and not criticized by the society. The society will always support those businessmen who follow this necessary code of conduct.

Smooth functioning: If the business follows all the business ethics, then the employees, shareholders, consumers, dealers and suppliers will all be happy. So they will give full cooperation to the business. This will result in smooth functioning of the business. So, the business will grow, expand and diversify easily and quickly. It will have more sales and more profits.

Consumer movement: Business ethics are gaining importance because of the growth of the consumer movement. Today, the consumers are aware of their rights. Now they are more organized and hence cannot be cheated easily. They take actions against those businessmen who indulge in bad business practices. They boycott poor quality, harmful, high-priced and counterfeit (duplicate) goods. Therefore, the only way to survive in business is to be honest and fair.

Consumer satisfaction: Today, the consumer is the king of the market. Any business simply cannot survive without the consumers. Therefore, the main aim or objective of business is consumer

satisfaction. If the consumer is not satisfied, then there will be no sales and thus no profits too. Consumer will be satisfied only if the business follows all the business ethics, and hence are highly needed.

Importance of labor : Labor, i.e. employees or workers play a very crucial role in the success of a business. Therefore, business must use business ethics while dealing with the employees. The business must give them proper wages and salaries and provide them with better working conditions. There must be good relations between employer and employees. The employees must also be given proper welfare facilities.

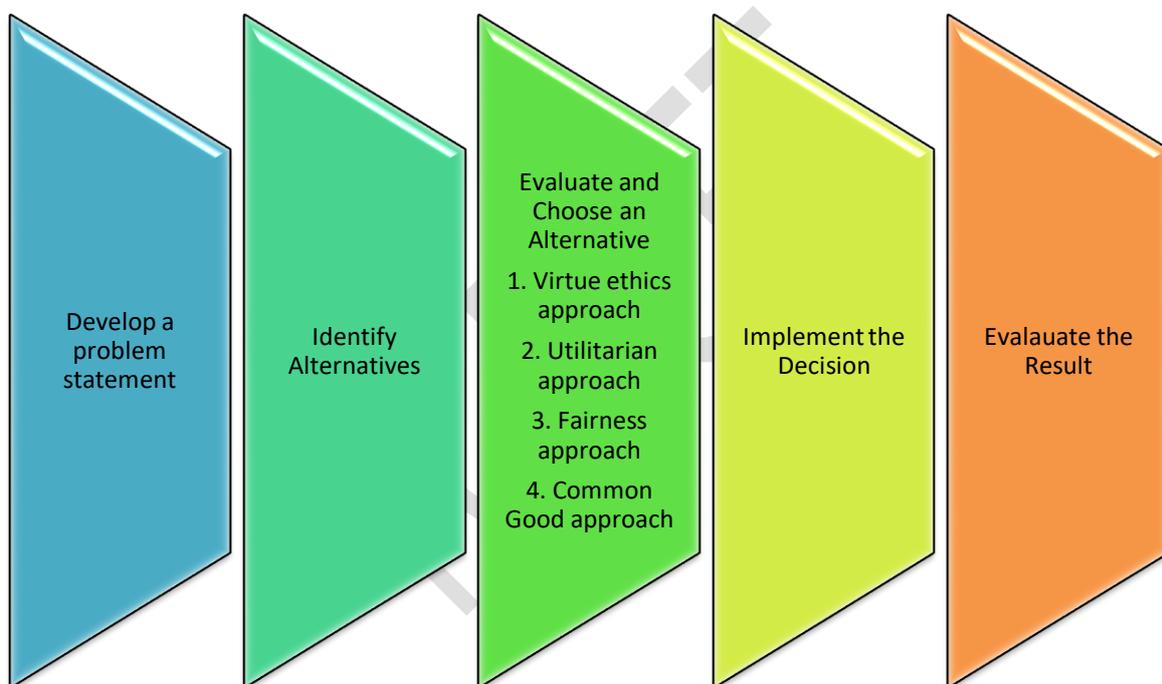
Healthy competition: The business must use business ethics while dealing with the competitors. They must have healthy competition with the competitors. They must not do cut-throat competition. Similarly, they must give equal opportunities to small-scale business. They must avoid monopoly. This is because a monopoly is harmful to the consumers.

TGPCEET

Q)What approach can you take to ensure ethical decision making?

(07)

Ans:



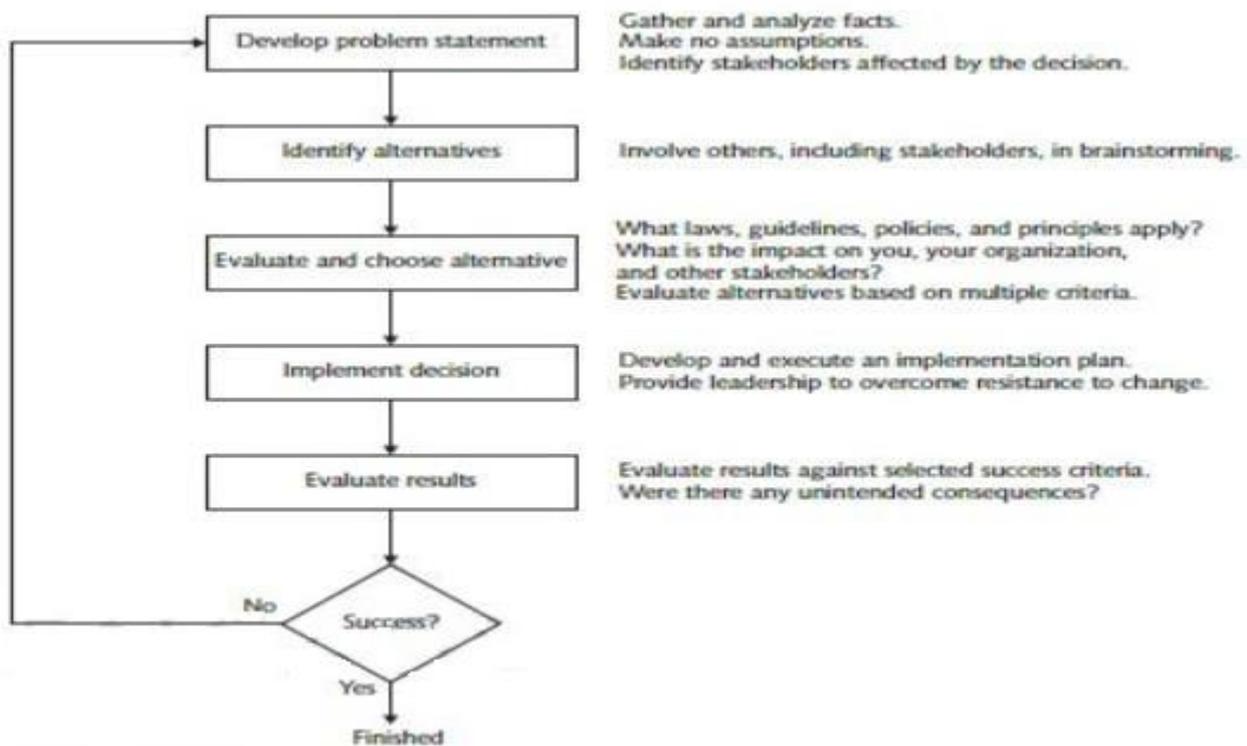


FIGURE 1-5 Decision-making process
Source: *Line: Course Technology/Cengage Learning.*

Develop a Problem Statement:

- A problem statement is a clear, concise description of the issue that needs to be addressed. A good problem statement answers the following questions: What do people observe that causes them to think there is a problem? Who is directly affected by the problem? Is there anyone else affected? How often does the problem occur? Without a clear statement of the stated incorrectly, the decision will not solve the problem.
- You must gather and analyze facts to develop a good problem statement. Seek information and opinions from a variety of people to broaden your frame of reference.
- During this process, you must be extremely careful not to make assumptions about the situation.
- Simple situations can sometimes turn into complex controversies because no one takes the time to gather the facts. For example, you might see your boss receive what appears to be an employment application from a job applicant and then throw the application into the trash after the applicant leaves. This would violate your organization's policy to treat each applicant with respect and to maintain a record of all applications for one year. You could report your boss for failure to follow the policy, or you could take a moment to speak directly to your boss.

You might be pleasantly surprised to find out that the situation was not as it appeared. Perhaps the “applicant” was actually a salesperson promoting a product for which your company had no use, and the “application” was marketing literature. Part of developing a good problem statement involves identifying the stakeholders and their positions on the issue. Stakeholders often include others beyond those directly involved in an issue. Identifying the stakeholders helps you understand the impact of your decision and could help you make a better decision. Unfortunately, it may also cause you to lose sleep from wondering how you might affect the lives of others. However, by involving stakeholders in the decision, you can work to gain their support for the recommended course of action. What is at stake for each stakeholder? What does each stakeholder value, and what outcome does each stakeholder want? Do some stakeholders have a greater stake because they have special needs or because the organization has special obligations to them? To what degree should they be involved in the decision? The following list includes one example of a good problem statement as well as two examples of poor problem statements:

Good problem statement:

- Our product supply organization is continually running out of stock of finished products, creating an out-of-stock situation on over 15 percent of our customer orders, resulting in over \$300,000 in lost sales per month.

Poor problem statement:

- We need to implement a new inventory control system. (This is a possible solution, not a problem statement.)
- We have a problem with finished product inventory.

Identify Alternatives:

- During this stage of decision making, it is ideal to enlist the help of others, including stakeholders, to identify several alternative solutions to the problem.
- Brainstorming with others will increase your chances of identifying a broad range of alternatives and determining the best solution.
- On the other hand, there may be times when it is inappropriate to involve others in solving a problem that you are not at liberty to discuss.
- In providing participants information about the problem to be solved, offer just the facts, without your opinion, so you don’t influence others to accept your solution.

- During any brainstorming process, try not to be critical of ideas, as any negative criticism will tend to shut down the discussion, and the flow of ideas will dry up. Simply write down the ideas as they are suggested.

Evaluate and Choose an Alternative

- Once a set of alternatives has been identified, the group must evaluate them based on numerous criteria, such as effectiveness at addressing the issue, the extent of risk associated with each alternative, cost, and time to implement.
- An alternative that sounds attractive but that is not feasible will not help solve the problem. As part of the evaluation process, weigh various laws, guidelines, and principles that may apply.
- You certainly do not want to violate a law that can lead to a fine or imprisonment for yourself or others. Are there any corporate policies or guidelines that apply? Does the organizational code of ethics offer guidance? Do any of your own personal principles apply?

Virtue Ethics Approach

- The virtue ethics approach to decision making focuses on how you should behave and think about relationships if you are concerned with your daily life in a community.
- It does not define a formula for ethical decision making, but suggests that when faced with a complex ethical dilemma, people do either what they are most comfortable doing or what they think a person they admire would do.
- The assumption is that people are guided by their virtues to reach the “right” decision.

Utilitarian Approach

- The utilitarian approach to ethical decision making states that you should choose the action or policy that has the best overall consequences for all people who are directly or indirectly affected.
- The goal is to find the single greatest good by balancing the interests of all affected parties. Utilitarianism fits easily with the concept of value in economics and the use of cost benefit analysis in business.
- Business managers, legislators, and scientists weigh the benefits and harm of policies when deciding whether to invest resources in building a new plant in a foreign country, to enact a new law, or to approve a new prescription drug.
- A complication of this approach is that measuring and comparing the values of certain benefits and costs is often difficult, if not impossible. How do you assign a value to human

life or to a pristine wildlife environment? It can also be difficult to predict the full benefits and harm that result from a decision.

Fairness Approach

- The fairness approach focuses on how fairly actions and policies distribute benefits and burdens among people affected by the decision.
- The guiding principle of this approach is to treat all people the same. However, decisions made with this approach can be influenced by personal bias, without the decision makers even being aware of their bias.
- If the intended goal of an action or a policy is to provide benefits to a target group, other affected groups may consider the decision unfair.

Common Good Approach

- The common good approach to decision making is based on a vision of society as a community whose members work together to achieve a common set of values and goals.
- Decisions and policies that use this approach attempt to implement social systems, institutions, and environments that everyone depends on and that benefit all people. Examples include an effective education system, a safe and efficient transportation system, and accessible and affordable health care.