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# Student Ethics Essay Prize 2013 (postgraduate)

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**Michelli Collado**

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## Business & Professional Ethics Group
11 October 2013

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# Relative Ethics in Business
## Michelli Carmel Collado

It takes a village. Every thought in our heads, every action we take is a product of the society we were raised in. People from different parts of the world have different levels of tolerance and definitions of justice and equality. Even though borders blur and societies merge, cultural idiosyncrasies remain. That is true from a legal standpoint, and especially true from an ethical perspective. When we find ourselves in ethical dilemmas, our response is often a reflection of what we know – the standards set by society, our own moral compass and our level of education. Societies and institutions, however, often fail to exemplify what is right. This is where education comes in and picks up the torch.

In a beautiful island in the Pacific lies a chaotic city where traffic cops dance and the train commute is a game of sardines. Beggars litter the streets with creative means of eliciting pity and street hawkers abound with wares both bizarre and questionable. It is a real-world paradox where abundance collides with poverty and Catholicism is as inextricable as corruption. This is Manila, my hometown. This is a society where rules are broken constantly, so systematically and unapologetically that ethical misconduct is petty by comparison. Small indignities are shrugged off and there is a pervasive, silent admission that the need to put food on the table undercuts the need for morality. This is a society that makes it easy for the weak to be exploited and even easier for the cunning to do so with impunity.

At the age of 18, I moved to Boston and had a rude awakening. There was no crude divide between the rich and the poor, and people's civil liberties were valued and protected. I was baffled when there was a lengthy debate on the use of 'Merry Christmas' versus the more politically correct 'Happy Holidays,' or when an employee was fired for a seemingly innocuous status update made on Facebook. People and institutions always had to walk a fine line and it mattered greatly whether they overstepped or not. I had always dismissed these issues as first-world hypersensitivity – I could not be more wrong. Firms are said to suffer from an ethical drift or 'a gradual, unconscious lowering of moral standards' (Bailey, 2013). Leaders slowly set the environment of the workplace by every decision they make, which in turn, affects the behavior of each worker. When scandal after scandal broke in the financial world, each one was attributed to unethical behaviour. Powerful firms collapsed and promising careers ended with prison sentences and a lifetime of shame.

Harvard Business School Dean, Nitin Nohria, points out that most people attribute ethical

failings to 'one bad apple', when, in fact, the institution as a whole is corrupt so that even good apples fall prey to their ways (as cited in Lau, 2013). In other words, we become unwitting players and victims in a system – be it a firm, a city or a country. The way out is education because as Nohria adds, far from being told explicitly what is right and wrong, students need to be 'reminded of their responsibilities. Just as most people overestimate how smart they are, many may overestimate how good they are' (as cited in Lau, 2013). Education then is a preventive measure. It brings awareness that comes with a broader understanding of real-world possibilities and our own fallibilities. It allows us to separate ourselves from the environment or culture in order to respond to ethical dilemmas more prudently.

Culture is difficult to change. In developing countries, for example, businesses in the beginning stages forego morality for survival. Once past the survival stage, however, corrupt practices have become so ingrained in the culture that changing them is difficult (Rossouw, 1994). Human beings are also known to suffer from what is called a status quo bias – an irrational form of decision making that leads an individual to prefer his or her current state over other alternatives (Masatlioglu and Ok, 2005). In other words, acceptance of an unpleasant situation is preferred to the discomfort of changing it. Moreover, when people lack information, they are often propelled into a vicious cycle of dependence, system justification and a further avoidance of relevant information (Shepherd and Kay, 2011). The uninformed, the easiest prey of any perverse system, therefore, are also the least likely to get out. Education is key to ending this vicious cycle.

Ellie Wiesel famously said, 'There may be times when we are powerless to prevent injustice, but there must never be a time when we fail to protest'. The grey area between moral and immoral is rife with temptation that it is futile to believe people will never stray. Education is a multilateral approach that seeks to prevent injustice but also endeavors to rectify it once it is already inflicted – this is true across borders. An informed mind questions and seeks answers. It realizes the difference between what has always been and what should be. It also allows an individual to realize that in every situation is a choice, one that has nothing to do with any external force.
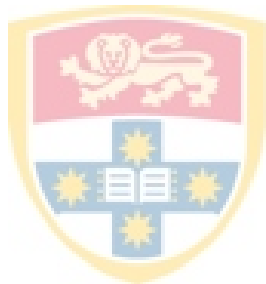
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