Ethical Management Training
專業道德的管理培訓

Dr Christopher Leung

Academic Director, Applied Science Discipline
Vocational Training Council
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VTC

ETHICS at a Glance

- **Ethics: Greek word ethos, referring to character and individual behavior**

- **Moral principles that govern a person's behaviour or the conducting of an activity (Oxford Dictionary)**

- **More than Law and Regulation**

- 慎獨 -《中庸》

ETHICS AND MORALITY

- **Morals**
  - **Morals and morality refer to duties that apply to everybody**
- **Ethics**
  - **Ethics refers to duties specific to some occupation or role**
- **Professional Ethics**
  - **Special opportunities for misconduct in the professions, because of informational asymmetry between professionals and their clients**
  - **Hence importance of professional ethics**

PROFESSIONS AND PROFESSIONALISM

- **Professionals are contrasted with amateurs**

- **A profession distinguishes from other skilled occupations: possession of esoteric knowledge and practical experience**

- **Trust must be placed in the professions**
  - **Breach of Good Faith -** 違反誠信、其罪大矣！

- **Charters as guarantees of competence and trustworthiness**

- **Self-regulation, policing their own members**

- **Very valuable attributes, so everyone wants to be a 'professional'**

Ethic Characterise a Business Organisation

- **Most People**
    - **Avoid Punishment**
    - **Receive Rewards**

- **Some People**
    - **Responsive to family, friends or supervisors**

- **Very Few**
    - **To do what is right, justice, pursue ideal with cost (any cost?)**

Milgram Experiment (Behavioural Study of Obedience, 1961)

65% at 450 volts

- Please continue.

- The experiment requires that you continue.

- It is absolutely essential that you continue.

- You have no other choice, you must go on

Ordinary people, simply doing their jobs, and without any particular hostility on their part, can become agents in a terrible destructive process.

Moreover, even when the destructive effects of their work become patently clear, relatively few people have the resources needed to resist authority

(Milgram, Stanley (1974).

Signs of Dangerous Practice

- Excessive emphasis on short-term revenues over longer-term considerations.

- Failure to establish a written code of ethics.

- A desire for simple, "quick fix" solutions to ethical problems.

- An unwillingness to take an ethical stand that may impose financial costs.

Signs of Dangerous Practice (2)

- **Consideration of ethics solely as a legal issue or a public relations tool**

- **Lack of clear procedures for handling ethical problems**

- **Responding to the demands of shareholders at the expense of other constituencies**

- **"The reputation of a thousand years may be determined by the conduct of one hour." - Japanese Proverb**
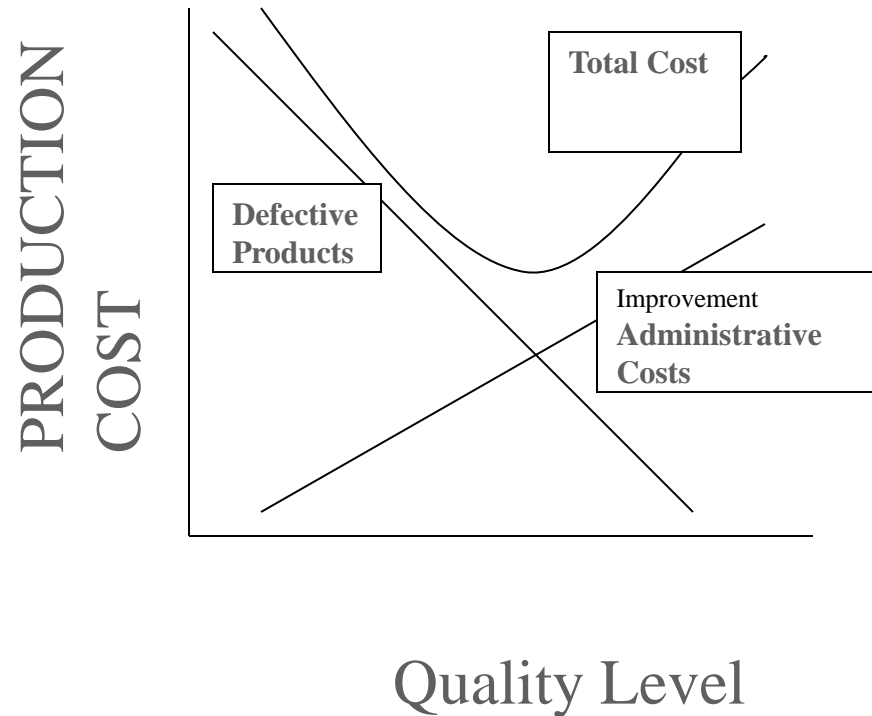
Shortage of Regulation

- **Increase of Control**

- **Reduction of Flexibility**

- **Increase of Production Cost**

- 道之以政，齊之以刑，民免而無恥；道之以德，齊之以禮，有恥且格。 **(**孔子**:**論語**)**

Iron Law of Responsibility (David and Blomstrom, 1971)

- **In the long run, those who do not use power in a manner that society considers responsible will tend to lose it**

- **Those who fail to regulate themselves will be regulated by others**

- **A business that wishes to retain its power as long as it can must act responsibly**

- **Common Patterns**
  - **(1) fight the regulations**
  - **(2) regulate yourself so that society's interests come first**
  - **(3) being regulated (e.g. by the market or by the authority)**

Impact of GMP on Production Cost

PRODUCTION COST

Total Cost

Defective Products

Improvement
Administrative Costs

Quality Level

Examples: Defined and Taken Over by the Law

Examples: Taken Over by the Market

Examples: Taken Over by the People

Elements of Ethic Management
(Values, Relationship, Structure)

- **Value (internal)**

  - 近朱者赤，近墨者黑 **(**孟子**:** 滕文公章句下**)**

  - **Hire individuals with high ethical standards**

  - **Provide ethics training**

  - 政者，正也。子帥以正，孰敢不正？**(**孔子**:** 答季康子**)**

Elements of Ethic Management
(Values, Relationship, Structure)

- **Relationship (external)**
  - **Social Bonds -** The "most crucial human motive" is the maintenance of social bonds (J. S. Thomas, 1990)

- **Pride (strengthening Social Bonds):**
  - **Fellowship**
  - **Recognition**
  - **Status**

- **Shame (weakening Social Bonds:**
  - **Embarrassment (outward expression)**
  - **Low self esteem**

Elements of Ethic Management
(Values, Relationship, Structure)

- **Structure**
  - **Establish codes of ethics and decision rules.**

  - **Conduct social audits.**

  - **Counseling: support for individuals facing ethical dilemmas.**

  - **Develop a code of ethics as a guide in handling ethical dilemmas in decision making - Communicate the code regularly to all employees.**

  - **Publicly reprimand and consistently discipline those who break the code - integrate into appraisal system.**

Examples: Selling Ethics can be Profitable

THANK YOU