



CA
PAKISTAN

Introduction

You attempted scenarios based on ethical dilemmas and threats. The preference for a decision in each scenario reflects your awareness about your ethical responsibilities and your past experience of making decisions. What follows below is a system generated report of your behavioral style based on your responses. To reach to a meaningful conclusion, it is advised to apply your own judgment using second order thought and also consult your seniors, mentors and peers. It is also requested and encouraged to share your own assessment and feedback on the advices generated in the light of your responses at pvea@icap.org.pk. Your assessment and thoughts will be a useful contribution in improving the effectiveness and value of the Course.

Ethics has evolved throughout centuries to become an essential part in almost every discipline such as Accounting and Finance, Law, Art, Medicine, Information Technology, Business Management and others. It is almost impossible for the corporate world to ignore the realm of ethics, as it is crucial for survival and growth of all businesses. It is also true that ethical decision making within an organization essentially depends upon one or more individuals. Therefore, the building blocks of ethical or unethical culture of an organization are the people charged with governance and operations.

It is vital for you to understand the impact of your decision making approach which will eventually become part of organization's DNA of decision making.

MUHAMMAD ABDULLAH, here is an insight into your ethical decision making approach!

Your approach for ethical decision making is influenced by your sense of behaving like a good moral character that your larger society expects from you. Sometimes you also regard applicable rules of business and consequences of your decision.

When making a decision, although you mainly focus on your virtues or moral character, you also consider importance to duties, rules or consequences of actions. This approach to primarily focus on virtues is useful when you work within a professional organization or community that has developed high standards of ethical conduct for its employees or members. You are pleased when honesty triumphs in business dealings and are shocked or distressed when superiors, colleagues, customers, vendors and competitors do what is dishonest. For you, it is important that the professionals intend to be good people and exert effort to develop themselves as a moral agent, to associate with others who do the same, and to contribute to creating an organizational culture that supports ethical behavior. For you an ethical culture in an organization is a result of decision making done by virtuous persons not necessarily the policies and procedures adopted by the organization. As much as your

decisions are motivated by emotion or inclination, they are also guided by rational choice. Similarly, while your inner traits direct your decisions, the fear of negative consequences also play their part for reaching to a balanced decision within your organization. For instance, you show honesty in dealing with clients because you are an honest person but also because the consequences for being dishonest will adversely affect your position as well as your organization. Similarly, as a loyal person you report unethical activity within your organization, but the decision might also be guided by your responsibility as an employee and adverse consequences for the company if the act is ignored. Although you are devoted to continuously developing your identity as a moral character, you believe that in certain business dealings or situations, inner virtues can be kept aside either to fulfill a duty or to benefit maximum number of stakeholders being affected by the decision. For you, being an ethical professional is just as important as doing your job or maximizing benefit. An important point to note is that while you are passionate about your good moral identity, you are at a risk of taking actions which are insensitive, impulsive, and ignoring an objective viewpoint. At times it is useful to apply practical wisdom to know how to secure real benefits effectively and also to be thoughtful and cautious when consequences of your decisions are clearly harmful for parties relevant to the situation or if your action is in conflict with the rules of business.

Let's have a look at the analysis of your preferred decisions and responses against your attempted scenarios,

1. Your decision to follow your gut and prepare the management report with proper disclosure of commission details reflects your strong inclination towards doing the right thing. While conformance to the highest standards of integrity is a suitable approach to making decisions, a quick consideration of consequences could lead you to alternatives that are within the rules of the business and are fair to all concerned parties.
2. Your decision to disregard the executive's requests shows that you prefer complete integrity in reporting and have no distinction between material or immaterial errors. You should note that the common wisdom has acknowledged the practical value of true and fair presentation as against accurate presentation and as a part of the profession, we should keep this approach in mind while making professional decisions. It is advisable to assess the consequences of all acceptable options you can make, and also how well such acceptable options are aligned to the requirements of relevant standards.
3. Your support to the decision to hire female workers at wage and benefits higher than the minimum wage reflects your belief that, if there is a room to accommodate under the circumstances, one should act as a virtuous person who goes beyond minimum legal requirements to conform to the highest ethical standards of society. You make a conscious effort to make a fair decision avoiding the extremes at all times. Your support to this kind of approach will generally create high standard of ethical culture in your organization, but in some rare and critical cases it is important to consider organizational goals and objectives. A sustainable decision could be such which is beneficial for all stakeholders.
4. Your support to the decision to withdraw from the assignment on the basis of such unclear confidentiality agreement with the previous employer shows your preference to act as a virtuous person who goes beyond minimum legal requirements to conform to the highest ethical standards of society. Your support to this kind of approach will generally create high standard of ethical culture in your organization, but in some rare and critical cases it is important to consider organizational goals and objectives. Loyalty with the organization should not be compromised on the basis of superficial analysis of the facts of the situation.

5. Your decision to not participate in a board meeting in which you, as a director has a remote interest, which is not covered explicitly under the law, shows your preference to follow rules and laws and consider them above any kind of personal interest. However, you should also be aware of the end result of your action, which may impact the achievement of objectives of your organization.
6. In case of Zainab's practice such as her private consulting business and use of company's resources for personal benefit, you face a dilemma to choose between duty as an employee of the firm and fidelity to superior. Your preference to report it through the company's supportive system of anonymous whistleblowing policy shows your inclination towards following duties. In such cases, it is a preferable approach to rely on organizational whistleblowing system that conveniently shifts the ethical burden from you to a formal process. The process is reasonably expected to be fair and just to all parties involved. Here you should reflect on the fact that had there been no way to facilitate such complaints from employees, you might have been hesitant to report such an act.
7. Your decision to suggest the board to use the substitute for TiO₂ represents your intention to maximize benefit for maximum number of people. By suggesting to use the substitute, you are playing your part in protecting the environment from possible hazards. At the same time, you are also thinking about the benefits it can have for the company such as building an image of a socially responsible company. While this may seem a win-win situation, it is important to note that the company will be compromising on its profits due to this change.

Here are few possible reasons due to which you diverged from your preferred ethical decision making approach in some of the attempted scenarios:

- Your inclination to strictly follow legal provisions when needed.
- Not making compromises on rules of business to gain better results in cases where stakes are not that high.
- Your ability to accept that under certain circumstances you may need to prefer considering consequences of your decisions than your obligations.