



Resolving the Dilemmas of Ethical Living

A Resource Portfolio for Tertiary Education Institutions



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Introduction

Background

The Independent Commission Against Corruption (ICAC) adopts a comprehensive and integrated approach to tackling the problem of corruption through law enforcement, corruption prevention and community education. On the education front, the Community Relations Department (CRD) of the ICAC is responsible for educating the public about the evils of corruption.

The root of corruption, as manifested in many cases, lies in the failure of individuals to uphold a desirable standard of integrity. The Commission is committed to inculcating a culture of probity in the community through schools, universities, community organisations, businesses and professional bodies.

The ICAC is particularly keen to contribute to the building of integrity for tertiary students who are the cream of the society. Integrity, justice, equity and ethical practices are important values and attributes that leaders of tomorrow have to embrace. These core values will enlighten them about the fundamental principles upon which they can make right decisions in their daily lives and future careers.

A commitment to high ethical standards is also essential for them to meet challenges in an age of globalisation. Companies/employers have become increasingly alert to the importance of corporate ethics in enhancing their competitive edge, and appreciate employees who can play the role of ethical leaders.

Collaborative Efforts with Tertiary Institutions

The ICAC has been collaborating with tertiary education institutions in embarking on a series of integrity-building programmes. These programmes have not only enhanced students' awareness of the importance of personal and professional ethics, but also encouraged them to take ownership in promoting probity to their peers and the community at large. In the academic year 2010–11, the CRD cooperated with the three constituent colleges of the Chinese University of Hong Kong (CUHK) to incorporate lectures on personal ethics into their credit-bearing General Education Programmes for Year 1 students.

The lectures aimed to equip students with the necessary skills for handling ethical dilemmas and enhance their understanding of ethical decision making. Over 2,000 students have attended the lectures and their feedback was highly favourable. Some considered the lecture contents thought-provoking and the ethical challenges they raised relevant to their daily lives. (The teaching notes are in *Appendix 1*.)

The Teaching Module

The ICAC believes that a module on integrity education for students would be welcomed by tertiary education institutions. In an era of globalisation epitomized by rapid social and economic changes, Hong Kong's universities are striving to enhance their students' moral and civic values, as well as their leadership capacity, to prepare them to meet the challenges ahead.

The purpose of this portfolio is to provide ready-to-use reference materials on integrity education based on ICAC's experience in promoting ethical leadership and personal integrity for business executives and young people. In developing this portfolio, teaching materials used for the CUHK lectures have been incorporated. Case studies/real-life dilemmas are included to develop students' thinking and perspectives on resolving ethical challenges. Practical suggestions and the application of decision making models in resolving the dilemmas are provided, which students can use to guide decisions. Videos on handling ethical dilemmas will be developed in 2011–12 to support the teaching and learning of the module.

Universities are welcome to incorporate the module into their general education curricula or relevant programmes. The ICAC also welcomes collaboration opportunities for the implementation of the module, for example by having seasoned ICAC officers conduct sessions.

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Ethics

and

**Preventive
Education**

Part 1

Ethics and Preventive Education

This section provides a working definition of the concept of ethics and delineates the core values of the ICAC. It also shows how integrity education can help to prevent corruption.

1.1 What is ethics?

There are many definitions of what ethics encompasses¹, viz.:

- i) **Decisions, choices, and actions** we make that reflect and enact our **values**;
- ii) The discipline dealing with what is good and bad, and with moral duty and obligation;
- iii) A set of moral principles or values;
- iv) A theory or system of moral values; and
- v) A guiding philosophy.

The first definition is very relevant to the concept of ethics adopted for the development of this resource portfolio. The keywords highlighted in this definition are worth noting.

Ethics relates to **decision making** which requires making reference to a set of normative rules of conduct or codes/standards for deciding what is right and wrong. The development of these standards and procedures reflects our beliefs or values.

Values are the core beliefs we embrace regarding what is right and fair in terms of our actions and interactions with others. For example, the values of “trustworthiness, respect, responsibility, fairness, caring and citizenship” have been considered as universal and can help improve the quality of ethical decisions².

We translate values into principles so that they can guide and motivate ethical conduct. Ethics is about putting principles into **action**. For example, honesty is a value that governs behaviour in the form of principles such as: tell the truth, do not deceive

¹ Ethics Resource Center (2009) 'Ethics Glossary',
<<http://www.ethics.org/resource/ethics-glossary>>

² Josephson Institute of Ethics (2002) 'Making Ethical Decisions',
<http://www.sjohnson.com/acad/ethics/Making_Ethical_Decisions.pdf>

and do not cheat. In this way, values give rise to principles in the form of specific “dos” and “don’ts” which involve ethical **choices**. When there are competing choices, ethical challenges are present.

Handling ethical challenges requires frameworks and procedures for applying to problems. Decision making models are useful tools enabling individuals to make well-informed and effective decisions. It is important for young people to acquire relevant knowledge and skills as well as the capability to overcome ethical challenges and commit to ethical principles in resolving problems.

1.2 Core values of the ICAC

All along, the ICAC has placed much emphasis on the promotion of positive values in life as an effective and lasting way to prevent corruption and malpractice. The ICAC has consciously tried to define the values that should be expounded as core values for youth education programmes, viz.:

- a regard for truth and honesty;
- a regard for justice and fairness;
- a regard for the rights and well-being of others;
- a sense of responsibility and self-discipline;
- a respect for the rule of law; and
- a balanced view of wealth and material possessions.

Integrity is the quality of being honest and firm in ethical principles, which can be seen as an overarching concept for these core values. Addressing the Youth Summit of the “I Generation” Youth Integrity Programme³, the Commissioner of the ICAC expounded on the importance of integrity, as follows:

Integrity first means being true to yourself. With personal integrity comes the knowledge that you are honest, faithful, upright and that will give you confidence..... Life, as you know or will find out, is not without setbacks. Personal integrity is also a stout defence against setbacks.

Also, integrity involves being true to others. It is the surest foundation for a fair and just society. A society that puts integrity first can truly claim to be fair and just.

These core values are perennial and stand the test of time. The ICAC, however, reviews constantly the means through which these values are disseminated, with due

³ Dr Timothy Tong, Commissioner, Independent Commission Against Corruption, HKSAR Welcoming Address at the “I Generation” Youth Integrity Programme.
<<http://www.icac.org.hk/me/new/yintegrity/en/Appendix2.htm>>

consideration to changes in the social environment and pertinent values and attitudes of youngsters. These changes are taken into account when formulating ICAC's work strategies on youth moral education.

According to the findings of ICAC's annual opinion surveys, public tolerance of corruption in the civil service and business sector has remained low. The average score given by respondents aged 15–24, however, was noticeably higher than in other age groups⁴.

In an ICAC focus group study on public perception and tolerance of corruption conducted in July 2008, the findings also indicated that secondary students were comparatively less concerned about the problem of corruption and were unclear about the evils of corruption. In the same vein, tertiary students' sense of law compliance was relatively weak and their vigilance on conflict of interest was rather low.

The ultimate objective of stepping up integrity education for young people is therefore to assist them to become rational and responsible citizens who can play a positive role in the cause of probity.

1.3 Fighting corruption with ethics

The ICAC believes that integrity education can help to prevent corruption and unethical behaviour. As evident in many corruption cases, the root of problems lies in the failure of individuals to uphold a desirable standard of integrity.

Corruption occurs when an individual abuses his/her authority for personal gain at the expense of other people. Corruption erodes fairness and the rule of law and, in some incidents, puts lives and property at risk. The spirit of the Prevention of Bribery Ordinance (POBO), as enforced by the ICAC, is to maintain a fair and just society. Aspects of the POBO in relation to the prevention of bribery in the public and private sectors are provided in *Appendix 2*.

Corruption can be regarded as an unethical behaviour, albeit a serious one with grave consequences. In general, corruption takes place when three essential and interdependent elements exist:

(a) Motivation

When people are faced with a tempting offer, be it monetary or something more intangible such as the performance of a service, they will weigh the stakes involved. If the stakes are low, they may be interested. On the other hand, if the stakes are very high, they may feel that the risks are too high, the penalty too great and the guilt feelings too strong. As a result, they may not commit the crime. The attraction level has to be

⁴ Using a 0 to 10 rating scale (with 0 representing total rejection and 10 total tolerance), the scores registered by the age group 15–24 in 2006, 2007 and 2008 were 1.7, 1.4 and 1.4 respectively, whereas those registered by other age groups were between 0.9–1.1, 0.7–0.8 and 0.7–0.8 respectively.

optimal and the risk minimal to entice an individual to take part in corruption.

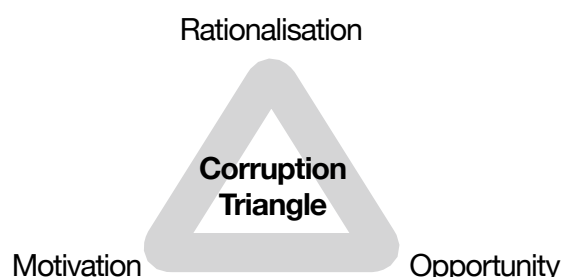
(b) Rationalisation

Corruption is sometimes committed because people rationalise an act as good or necessary. They may justify their actions on the pretext that bribery speeds up economic development or that it is the norm and everybody is doing it. Various excuses will be concocted to lessen the sense of guilt, even to the extent of blaming it on human nature. Very often, alibis, unethical beliefs, half-truths and plain lies are used to justify a crime.

(c) Opportunity

Corruption rears its ugly head when external and internal controls within an organization/company are lax – for example, when laws are not enforced effectively and company rules are weak, defective, not properly understood or not given enough attention. If the system control is sound and procedures are drawn up clearly, corruption opportunities can be minimized or even eliminated.

These three elements constitute what is called the “Corruption Triangle”⁵. When all three elements are present, calculation begins. The consequences can be studied, utility estimated, and moral principles and opportunity costs considered.



In summary, the corruption triangle analysis gives insight into ICAC's three-pronged approach to fighting corruption. Minimizing the attraction level and increasing the risks (law enforcement), improving the system and procedures to eliminate corruption opportunities (prevention), and promoting ethics and professionalism (education) are important in preventing corruption.

This module attempts to provide young people with practical guidelines for handling ethical challenges related to personal integrity and enhance their skills in making right decisions, especially when subject to enticement.

⁵ Byars, N (2009) 'The Corruption Triangle',
<<http://www.ethicsandentrepreneurship.org/wp-content/uploads/2009/06/Byars-2009.pdf>>

The image features a stylized, abstract representation of a road. The road is depicted as a black path with yellow dashed lines, which curves and branches out into multiple directions, creating a complex, maze-like structure. The background is a solid light green color. In the foreground, centered on the road, is a triangular warning sign with a red border and a white interior. The sign contains the text "ETHICAL CHALLENGES" in bold, black, uppercase letters.

**ETHICAL
CHALLENGES**

Part 2

Ethical Challenges

Being able to recognise the various types of situations with inherent ethical challenges is a practical start to handling them. This part provides some perspectives for identifying an ethical issue. The typology of ethical challenges proposed by Kidder (2003) is outlined, and distinctions between ethical and legal issues are drawn to help in assessing the ethics of actions. Also, case studies are used to illustrate the application of these perspectives to analysing ethical challenges related to personal integrity.

2.1 Identifying an ethical issue

Recognising the existence of an ethical issue is always the first step in addressing the inherent challenges. As stated in the literature on personal ethics (e.g. Howard and Korver, 2008; Kidder, 2006), the following perspectives are useful in identifying an ethical issue.

An ethical issue is one which entails a normative dimension of right or wrong. As argued by Howard and Korver (2008), our decisions about right and wrong must specify which people to include, or which stakeholders would be affected. In other words, whether or not a decision is ethically sensitive is a matter of its effects on others.

Ethical issues emerge when a core moral value has been violated or ignored (Kidder, 2006). For example, if honesty is a well-recognised value, acting dishonestly is unethical as it fails to accord with the value.

Ethical issues also arise when two of our core values come into conflict with each other. For example, being loyal to friends and telling the truth are both right things to do. Consider a situation in which you need to decide whether to help a friend by telling a lie. These two ethical principles would lead to opposite courses of action and you cannot do both. In such a case, ethics is a matter of right versus right (Kidder, 2006).

Kidder's scheme for categorising types of challenges is useful in analysing the complexities of ethical reasoning, and is discussed further in the next section.

2.2 Types of challenges

While providing a framework to tackle the dilemmas of ethical living, Kidder (2003) classifies life's dilemmas into "right versus wrong" and "right versus right" choices, referring to the former as "moral temptations" and the latter as "ethical dilemmas".

The challenge of right versus wrong

“Right versus wrong” challenges are those with clear, or mostly unambiguous, ethical imperatives which point to a right answer, however difficult or simple that answer may be.

Kidder (2003) observes that there are typically three facets of “wrongs”:

- *Violation of law*, in which there is failure in complying with clearly specified laws. Failure to comply can arise out of ignorance or deliberate intention, i.e. either because we don't know the law and its application, or because we deliberately choose to violate the law.
- *Departure from truth*, where we describe things in ways which do not accord with the facts as generally known.
- *Deviation from moral rectitude*, where we fail to adhere to the code of fundamental values that is so widely shared and broadly understood that it defines – at least for our place and time – the difference between right and wrong.

Kidder (2003) considers that right versus wrong challenges are relatively straightforward to resolve – these are issues of temptation and there are clear ethical principles that direct one to a right answer. People are caught in these ethically questionable situations when they are simply tempted to do something wrong – for example, cheating on a test or lying to a friend.

The challenge of right versus right

In contrast, in the right versus right situations, competing values exist on both sides which are “genuine dilemmas precisely because each side is firmly rooted in one of our basic, core values” (Kidder, 2003, p. 18).

Right versus right dilemmas can be classified into four different paradigms or patterns, viz.:

- *Truth versus loyalty*, which can be seen as honesty or integrity versus commitment, responsibility or promise-keeping.
- *Individual versus community*, which relates to the conflict between the pursuit of individual interests and the claims of the community. It can be restated as ‘us versus them’, ‘self versus others’, or ‘the smaller versus the larger group’.
- *Short-term versus long-term*, which reflects the difficulties that arise when immediate needs or desires run counter to future goals or prospects.
- *Justice versus mercy*, which highlights the fact that fairness, equity, and even-handed application of the law often conflict with compassion, empathy and love.

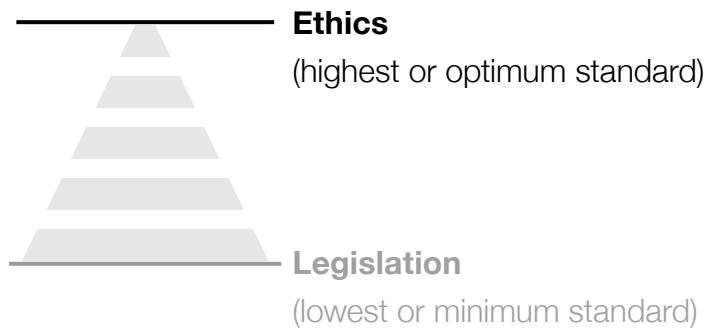
In summary, understanding the differences among types of challenges helps us to more readily identify and analyse ethically charged situations. As argued by Kidder (2003), the categorisation helps to cut through complexity and confusion – assuring that “however elaborate and multifaceted, dilemmas are in fact manageable problems which can be reduced to common patterns” (p. 22).

2.3 Legal and ethical dimensions of actions

The distinction between legal and ethical dimensions of actions is also of importance. Ascertaining whether an ethical issue as opposed to a legal issue is at stake can help us to become more conscientious in handling the challenges.

A good system of law does incorporate many ethical standards and guides our behaviour. However, it would be mistaken to regard legal compliance as an adequate means for addressing the full range of ethical issues. As noted by Kidder (2003), tough ethical decisions “often operate in areas that laws and regulations don’t reach” (p. 15).

A compliance approach to ethics is rooted in avoiding legal sanctions, which is the minimal requirement. Ethical courage, however, requires upholding the highest standards which go beyond compliance with laws and regulations, calling us to define the responsibility and aspirations that constitute one’s ethical compass.



Below is a case study which can help students to assess situations with ethical challenges by applying the perspectives mentioned above. A brief analysis of the case is also provided for reference.

A Friendship Too Far (Case Ref: 153⁶)

Sally works in the Sales Department of an airline. New to the company and under great pressure, she finds it difficult to sell air tickets, especially during the low seasons of the year. Sally's good friend, Pauline, who works for a travel agency, always tries to persuade customers to buy air tickets from Sally's company.

One day, Sally receives a warning letter from her company on her poor sales results. She is so upset that she goes to Pauline and cries. While comforting Sally, Pauline receives a phone call from an insurance company requesting 50 air tickets for a corporate trip to attend a convention in Europe.

Pauline knows that it is a good opportunity to help Sally out of her predicament and duly marks up other airlines' prices in order to sell the air tickets of Sally's company. The client, based upon the inaccurate information provided by Pauline, subsequently opts for Sally's airline.

By deceiving her client with inaccurate information, Pauline has breached the trust that her employer and her client have placed in her. As an employee of the travel agency, Pauline should have discharged her duty diligently and used her discretion in a fair and transparent manner. Worse still, Pauline might have committed criminal offences by overstating the prices offered by other airlines.

⁶ The case is available in the Hong Kong Ethics Development Centre (EDC) of the ICAC <<http://www.icac.org.hk/hkedc/eng/library4.asp>>. Since its establishment in 1995, the Centre has developed training materials, including case studies on ethics management, to provide practical advice on the handling of ethical issues in the day-to-day operation of various industries and professions.

Pauline has also involved herself in an ethically charged situation. First, the interests of the stakeholders have been affected by her act of aiding the sale of Sally's airline tickets by marking up the prices of other airlines. This is not only unfair to other airlines, but also places the credibility of her employer at stake.

Also, by giving her personal relationship a higher priority than work integrity, Pauline has put into conflict some well-recognised values such as honesty, and being a responsible employee.

Abiding by the law clearly is one basic requirement for an employee or any professions. Pauline must also pay close attention to ethical concerns in order to make the right decisions in this mercurial business environment where there are many "grey" areas.

2.4 Checking your moral compass

Appendix 3 provides a self-reflection exercise on scenarios in the daily lives of tertiary students which might pose ethical challenges in relation to personal integrity. The exercise aims to stimulate students to think about perspectives on ethical challenges and to check their own moral compass. A brief analysis of each of the scenarios is also provided in *Appendix 3* for reference.

Three types of ethical challenges are included in these scenarios, which involve *deception*, *potential conflicts of interest* and *right versus right challenges*. A brief analysis of each of these types of challenge is outlined below.

Scenario involving deception

Manipulation of project data

(Case no. 9 in the exercise in Appendix 3)

George, Elaine and David are members of a group project. George is responsible for collecting and analysing the data. Due to an unsatisfactory response-rate, George planned to manipulate some figures and present them in the report in order to fulfil the assignment requirements. He told Elaine his plan and asked her not to disclose it to anyone, including David. Elaine felt rather uneasy about this but did not stop George from doing it.

Manipulating the report data undermines the credibility of academic work and breaks the rules of fair play in the assessment system, and thus has an adverse effect on teachers/students and the institution. It also violates research ethics and is regarded as an act of academic dishonesty.

Elaine is facing an ethical challenge as she needs to decide whether to cover up George's wrongdoing (in which case she will sacrifice principles such as honesty and fairness) or show zero tolerance to an unethical behaviour.

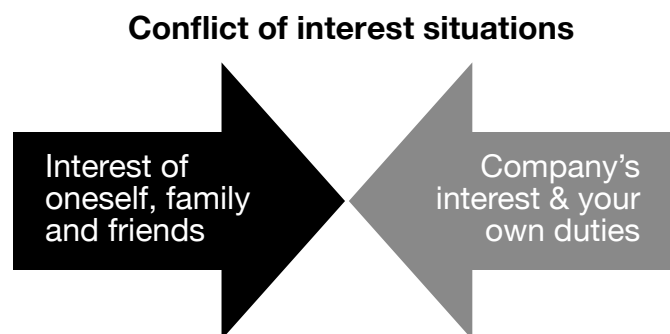
Ethical decision making will be discussed in Part 3 of this module.

Scenario where a potential conflict of interest exists

Personal relationships taking a higher priority (Case no. 4 in the exercise in Appendix 3)

Wayne is a member of a university social service society and his major duty is to provide programme and administrative support to a community centre. In organising a health promotion activity for the centre which requires the procurement of uniforms for its participants, Wayne recommends his uncle's company to be the sole provider as an attractive price is on offer. Wayne considers that the deal benefits both parties and does not bother to source other possible suppliers. He has not disclosed his relationship with his uncle to the centre.

In a workplace context, conflict of interest arises when the personal interest of an employee conflicts with the employer's interest. Such conflict may lead to split loyalty, which is conducive to corruption and can undermine a company's interests.



Tertiary students may encounter conflict of interest situations when they are involved in running student societies or participating in related activities. In Wayne's case, he has been entrusted with sourcing the best supplier in terms of quality and price, but he fails to perform his duty diligently.

This is an ethically sensitive situation as Wayne's decision may cause unfairness to other companies supplying uniforms as they have not been invited to give quotations for this exercise. A conflict of interest may exist as awarding the contract to his uncle may not be the best decision for the community centre.

Scenario involving “right versus right” decisions

Exercising discretion over ethical dilemmas

(Case no. 1 in the exercise in Appendix 3)

Linda is a committee member of the Student Hostel Association. Her roommate Annie has asked a friend to stay overnight at the hostel, without paying the residence fee. The committee happened to make a snap decision to inspect the hostel that night. Annie asks Linda to help her avoid paying the penalty but Linda declines to do so.

Linda needs to make a tough decision which involves a right versus right challenge. While maintaining loyalty or showing empathy to a friend is a good thing to do, offering help to Annie would violate student hostel regulations and challenge personal values such as honesty and being responsible.

ETHICAL DECISION MAKING



Part 3

Ethical Decision Making

This part aims to provide practical knowledge and know-how in support of the evaluation of ethical issues. The general strategy/process of decision making is first outlined, followed by decision making models, namely the “ETHICS PLUS” model developed by the ICAC and Kidder’s guidelines for decision making. All these will assist in the decision-making process, and provide guidance in resolving ethical challenges in a structured way. Finally, scenarios discussed in Part 2 are used to illustrate the application of the decision making models.

3.1 The decision-making process

Making sound ethical decisions requires systematic methods for identifying the challenges and choosing the courses of action. While ethical issues in daily life are complex and do not have simple solutions, a decision-making process can enhance ethical thinking.

The three-step process proposed by Howard and Korver (2008) includes: *clarifying the ethical challenge, generating creative alternatives and evaluating alternatives to choose defensible and ethical responses.*

Step 1: Clarifying the challenge

The most significant step in a decision-making process is to decide whether an ethical issue exists and clarify the challenge(s) involved in the situation. This is critical as how one defines a problem determines how one searches for solutions and alternatives.

The following techniques are useful in clarifying an ethical issue:

- Describing the situation/ethical temptation accurately in value-neutral language.
- Separating legal and ethical concerns.
- Framing questions in terms of relationships with others – for example, the individuals and groups which have an important stake in the outcome and the potential benefit/harm to them.



Step 2: Creating alternatives

Once the ethical question has been established, one can generate alternatives for action. Several strategies can help to identify the choices:

- Choosing alternatives that comply with required ethical standards.
- Considering alternatives that a role model would prefer.
- Creating options we would choose for a loved one – for example, acting as we would toward our child/children.



Step 3: Evaluating alternatives

The last step is to evaluate the alternatives and decide upon the option(s) which offer defensible and ethical responses. Four testing steps can be involved in this process:

- Evaluate alternatives against our code⁷ (What would our code direct us to do?)
- Evaluate against our ethical role model (What would our role model do?)
- Test for reciprocity (What would the 'other-shoe' test suggest we should do?)
- Test for universality (What if everybody does it?)

Howard and Korver (2008) consider that this three-step process can facilitate the making of *effective* ethical decisions. In referring to effective decision making, the authors mean decisions in which we have followed a high-quality process and adhered to proven principles. This is not to be confused with high-quality outcomes and/or the results of the decision.

⁷ The personal ethical code will be discussed in Part 4 of this module.

3.2 Decision making models

A decision making model is a suggested thinking process for use in resolving ethical challenges and reaching a decision about a course of action in a structured and systematic way.

There are various models in the literature of business and personal ethics. Some models are designed to help managers address ethical dilemmas – for example, ICAC's "ETHICS PLUS" model and Laura Nash's "Twelve Questions"⁸ for examining the ethics of a business decision. Some methods focus more on general strategies in resolving ethical challenges in daily life – for example, *Kidder's guidelines* for decision making.

The ICAC's model and Kidder's method are outlined below.

The "ETHICS PLUS" model

Based on its extensive experience in promoting ethical leadership in the business community, the Hong Kong Ethics Development Centre (EDC) of the ICAC has developed a model to help business executives to arrive at sound decisions in the face of ethical dilemmas. "ETHICS PLUS" is an acronym derived from six major steps in the thinking process and four key factors in the standards for decision making.

The ETHICS process – Six major steps to follow:

E	establish the relevant facts and identify the ethical issues.
T	take stock of the stakeholders or parties involved.
H	have an objective assessment of each stakeholder's position.
I	identify viable alternatives and their effects on the stakeholders.
C	compare and evaluate the likely consequences of each alternative with reference to the standards expected (PLUS standards).
S	select the most appropriate course of action.

8 The Twelve Questions are:

- 1 Have you defined the problem accurately?
- 2 How would you define the problem if you stood on the other side of the fence?
- 3 How did this situation occur in the first place?
- 4 To whom and what do you give your loyalties as a person and as a member of the corporation?
- 5 What is your intention in making this decision?
- 6 How does this intention compare with the likely results?
- 7 Whom could your decision or action injure?
- 8 Can you engage the affected parties in a discussion of the problem before you make your decision?
- 9 Are you confident that your position will be as valid over a long period of time as it seems now?
- 10 Could you disclose without qualm your decision or action to your boss, your CEO, the board of directors, your family, or society as a whole?
- 11 What is the symbolic potential of your action if understood? If misunderstood?
- 12 Under what conditions would you allow exceptions to your stand?

The PLUS standards – Four key factors to consider:

P	rofessional/trade-related/corporate code of conduct.
L	egal requirements: e.g. are there any breaches of the laws?
U	ncompromising self values: e.g. integrity, honesty, fairness, trustworthiness, etc.
S	unshine test: i.e. whether the issue can be discussed openly and the decision disclosed without misgivings?

Kidder's guidelines for decision making

The typology of ethical challenges proposed by Kidder (2003) is the fundamental building block of his framework for decision making. The steps are outlined below.

1	<i>Recognise that there is a moral issue</i> Drawing distinctions between moral questions and those that merely involve manners and social conventions.
2	<i>Determine the actor(s)</i> Identifying the actor(s) and considering the benefits and harm to each actor.
3	<i>Gather the relevant facts</i> Fact-gathering involves an examination of the way events have unfolded and who is culpably ignorant or innocently unaware.
4	<i>Test for right versus wrong issues</i> Considering whether the case at hand involves wrongdoing.
5	<i>Test for right versus right paradigms</i> Analysing the issue in terms of the right-versus-right paradigms to bring sharply into focus whether it is a genuine dilemma.

6	<p><i>Applying the resolution principles</i></p> <p>These principles include:</p> <ul style="list-style-type: none"> • ends-based thinking: Do what's best for the greatest number of people. • rule-based thinking: Follow your highest sense of principle. • care-based thinking: Do what you want others to do to you.
7	<p><i>Investigate the “tri-lemma” options</i></p> <p>Exploring a third way through this dilemma and a creative course of action.</p>
8	<p><i>Make the decision</i></p> <p>This is a step which requires moral courage and ethical leadership.</p>
9	<p><i>Revisit and reflect on the decision</i></p> <p>Seeking lessons from the decision-making process to adjust the moral compass.</p>

3.3 Application of decision making models

These models are useful in enabling an individual to make well thought-out decisions. No single decision making model is superior to the others. The choice of an ethical decision making model is dependent on an individual's personal preferences. Also, the models can be modified to suit individual needs.

For demonstration purposes, the scenarios discussed in Part 2 are used to illustrate effective ethical decision making by applying the models mentioned above.

Applying ETHICS PLUS

Though the model was originally designed for business executives, it can be used to resolve challenges in daily life. In the following scenario, Elaine can apply the model in resolving the problem.

Manipulation of project data

(Case no. 9 in the exercise in Appendix 3)

George, Elaine and David are members of a group project. George is responsible for collecting and analysing the data. Due to an unsatisfactory response-rate, George planned to manipulate some figures and present them in the report in order to fulfil the assignment requirements. He told Elaine his plan and asked her not to disclose it to anyone, including David. Elaine felt rather uneasy about this but did not stop George from doing it.

Step 1

Establish the facts and identify the ethical issue in question.

Facts:

- George planned to manipulate project data due to an unsatisfactory response-rate.
- George asked Elaine not to disclose his plan to anyone, including David, another member.
- Manipulating project data breaks the rules in the assessment system and is regarded as an act of academic dishonesty.

Ethical issue:

Should Elaine cover up George's plan to manipulate data?

Step 2

Take stock of the stakeholders involved.

- The project group (George, David and Elaine)
- Other students
- The tutor
- The department/university

Step 3

Compare and evaluate each alternative with reference to the four PLUS standards.

The project group

George:

- Deliberately violating the university's policy and regulations on academic integrity is an irresponsible and dishonest behaviour.

David:

- David is unaware of the situation.

Elaine (who needs to face an ethical challenge) :

- Covering up George's misconduct will cause possible harm to/have a negative impact on David, other students, the tutor and the department/university.
- Elaine has to compromise principles such as integrity and fairness if she turns a blind eye to George's dishonest act.

Other students

- It is unfair to other students who are honest in their academic work.

The tutor

- It involves cheating the tutor and abusing the trust between teachers and students.

The department/university

- It breaks the rules of fair play in the assessment system and undermines the credibility of academic work.
- It damages the reputation of the department/university

Step 4

Identify alternatives and assess their effects on each stakeholder.

- Option 1
Agreeing to George's suggestion in manipulating data.
- Option 2
Dissuading George from the idea and encouraging him to seek advice from the tutor.
- Option 3
Declining George's suggestion and seeking alternative ways to remedy the situation, such as inviting more target groups to take part in the study or improving the research design.

Step 5

Compare and evaluate each alternative with reference to the four PLUS standards.

Professional codes of conduct and company rules

- This standard does not apply directly to the scenario as it is not in a workplace setting. However, Elaine should note that manipulating report data violates research ethics and deviates from any ethical codes.

Legal requirements

- Again, this does not apply directly. However, Elaine should be aware that data manipulation is considered a serious violation of the university's regulations.

Uncompromising self-values

- Covering up George's dishonest behaviour is not commensurate with values such as honesty, responsibility and fairness.

Sunshine Test

- Elaine has to consider whether she could disclose the options/decisions to her friends and family members. If such openness makes her feel uncomfortable, she should not support George's actions.
- Having scrutinized Option 1 using the above standards, probably Elaine would feel uneasy about discussing it openly.

Step 6

Select the appropriate course of action.

- With reference to the PLUS standards, Elaine should select options 2 or 3, i.e. to persuade George to seek advice from the tutor or to seek remedial measures for the project.

Applying Kidder's guidelines

Let's consider another scenario which involves "right versus right" decisions by applying Kidder's guidelines.

Exercising discretion over ethical dilemmas***(Case no. 1 in the exercise in Appendix 3)***

Linda is a committee member of the Student Hostel Association. Her roommate Annie has asked a friend to stay overnight at the hostel, without paying the residence fee. The committee happened to make a snap decision to inspect the hostel that night. Annie asks Linda to help her avoid paying the penalty but Linda declines to do so.

1 *Recognise that there is a moral issue*

Linda has to decide whether to perform her role as a committee member of the Student Hostel Association dutifully or turn a blind eye to Annie to help her avoid paying the penalty. This is a moral issue as her decision will have an impact on others and challenge personal values such as responsibility and honesty if she opts to accept her friend's wrongdoing.

2 *Determine the actor(s)*

Linda and Annie are the actors. From Annie's point of view, she can avoid paying the penalty if Linda offers help. However, offering help to Annie would violate student hostel regulations and encourage improper behaviour among residents.

3	<p><i>Gather the relevant facts</i></p> <p>There are student hostel regulations governing temporary residence of non-residential students. For example, they are allowed to stay overnight after registration and paying the fees.</p> <p>Being a committee member of the Student Hostel Association, Linda has the duty to manage the hostel and ensure compliance with the regulations.</p>
4	<p><i>Test for right versus wrong issues</i></p> <p>In asking for Linda's help to cover up a wrongdoing, Annie has deviated from moral rectitude and violated the hostel regulations. However, from Linda's point of view, she is facing a right versus right dilemma.</p>
5	<p><i>Test for right versus right paradigms</i></p> <p>Linda needs to make a tough decision which involves a right versus right challenge.</p> <ul style="list-style-type: none"> • Weighing the ideal of justice (i.e. complying with the principle of fairness by persuading Annie to tell the truth / pay the fine) against the competing imperative of mercy (i.e. responding in a compassionate and empathetic manner by turning a blind eye and helping Annie to avoid paying the penalty) and; • Telling the truth (i.e. performing her role as a hostel association committee member in an honest and truthful manner) against maintaining loyalty (i.e. faithfulness to friendship).
6	<p><i>Applying the resolution principles</i></p> <p>Linda can apply the principles which should direct her to the same decision i.e. compliance with the regulations would be best for the hostel residents (ends-based thinking) and be commensurate with the highest sense of principle (rule-based thinking).</p>
7	<p><i>Investigate the "tri-lemma" options</i></p> <p>Linda can explore a third way through this dilemma – for example, handling the dilemma tactfully while maintaining good interpersonal relationships and upholding integrity. She can talk to Annie who may be well aware of the ethical principles but does not observe them because of other considerations. She can also ask Annie to put herself in her position and see how she would make the decision.</p>

8	<p><i>Make the decision</i></p> <p>Linda can turn down Annie's request as it not only violates the hostel regulations but also is not compatible with personal values such as responsibility, honesty and integrity. She can also discuss the issue openly with Annie and work out solutions to the problem.</p>
9	<p><i>Revisit and reflect on the decision</i></p> <p>Both Linda/Annie can seek lessons from the decision-making process to adjust the moral compass for handling similar or new challenges in future.</p>

Making ethical decisions can be a difficult task. The need to build up skills in exercising sound judgement is, therefore, of paramount importance in handling ethical dilemmas. Two decision-making frameworks have been discussed and their applications illustrated.

The scenarios provided in this section focus mainly on university student life. However, students can apply these strategies later in handling more complicated challenges in the workplace. The Hong Kong Ethics Development Centre <<http://www.icac.org.hk/hkedc/eng/library4.asp>> has developed case studies on ethical management in various industries and professions. Some case studies related to young people handling ethical issues in the workplace are provided in *Appendix 4*. Lecturers/instructors may wish to use these cases for tutorial discussion to enhance students' understanding of the decision-making principles and process.



ETHICS

IN

ACTION

Part 4

Ethics in Action

Having examined ethical challenges and the decision-making process in the previous sections, this part features practical strategies for putting ethics into action.

Creating a personal ethical code is considered an effective way to reaffirm ethical commitments. Harvard's MBA Oath is used as an example for discussion. Also, in the workplace or as a professional, there are some commonly accepted standards that an individual needs to take into account. The general approach to the formulation of a code of conduct in the workplace is outlined. An ICAC sample code of conduct is also provided for reference.

4.1 Personal ethical code

A code of conduct is intended to be a central guide and reference in support of day-to-day decision making. A practical personal ethical code helps to clarify one's ethical principles and guides disciplined decisions and actions.

According to Howard and Korver (2008), writing a personal ethical code involves three steps:

Step 1: Drafting standards

This step involves a critical self-reflection process to clarify one's ethical sense of right and wrong by setting out the practical standards that one truly believes in.



Step 2: Testing standards

Several tests help to find out whether the code is worthwhile:

- **Check the logic.** Will the standards hold up to tests for reciprocity (Would I want other people to apply the same rule to me?) and universality (Would I want everyone to follow this?)
- **Check for focus.** Has the code included too many statements, making it unmanageable?
- **Test-drive for usefulness.** How well do the standards operate in everyday life? Are they practical?



Step 3: Refining the code

This is the process to check whether the codes are written precisely and distinctively so that they can provide unambiguous standards and clear guidance for concrete actions. Also, an ethical hierarchy is specified in case there are conflicts in the standards, i.e. which one takes precedence?

Harvard's MBA Oath

The MBA graduates at the Harvard Business School developed an Oath in 2009 which demonstrates the commitment of graduates to ethical principles by drafting their own ethical codes (Anderson and Escher, 2010). The details of the campaign are available in "MBA Oath Website" <<http://mbaoath.org/about/the-mba-oath/>>.

When doctors, accountants and lawyers graduate, they are expected to follow the ethical codes of their professions. Why should graduate business students not sign up for a business code of ethics? The long-term goal of the campaign is to transform the field of management into a true profession, one in which MBAs are respected for their integrity, professionalism and leadership. In the event, over half the graduating class of around 800 students in 2009 signed the pledge.

As highlighted in the introductory paragraph, the MBA graduates realise that their decisions may have a far-reaching impact on the well-being of individuals inside and outside the enterprises, today and in the future. As such, they try to reconcile the interests of different constituencies while facing difficult choices.

There are two versions of the MBA Oath – a *Short Version*, that boils the oath down to the key ideas, to make it easier to remember, and a *Full Version* that provides background on each of the eight commitments. The short one is as follows:

MBA OATH – SHORT VERSION

As a manager, my purpose is to serve the greater good by bringing people and resources together to create value that no single individual can build alone. Therefore I will seek a course that enhances the value my enterprise can create for society over the long term. I recognize my decisions can have far-reaching consequences that affect the well-being of individuals inside and outside my enterprise, today and in the future. As I reconcile the interests of different constituencies, I will face difficult choices.

Therefore, I promise:

- ***I will** act with utmost integrity and pursue my work in an ethical manner.*
- ***I will** safeguard the interests of my shareholders, co-workers, customers, and the society in which we operate.*
- ***I will** manage my enterprise in good faith, guarding against decisions and behaviour that advance my own narrow ambitions but harm the enterprise and the societies it serves.*
- ***I will** understand and uphold, both in letter and in spirit, the laws and contracts governing my own conduct and that of my enterprise.*
- ***I will** take responsibility for my actions, and I will represent the performance and risks of my enterprise accurately and honestly.*
- ***I will** develop both myself and other managers under my supervision so that the profession continues to grow and contribute to the well-being of society.*
- ***I will** strive to create sustainable economic, social, and environmental prosperity worldwide.*
- ***I will** be accountable to my peers and they will be accountable to me for living by this oath.*

This oath I make freely, and upon my honor.



There has been scepticism over the effectiveness and practicability of the Oath. For example, one criticism is that the oath's fine words are toothless – it is really only at the management, board or regulatory agency level that one can ensure ethical behaviour in business (The Economist Newspaper and The Economist Group, 2009⁹).

Your students can join the debate and make their own comments on the effectiveness of the MBA Oath. They can also apply Howard and Korver's (2008) proposal on the formulation of personal ethical codes to examine the MBA Oath, for example by considering the following questions:

- *What do you think about the details of the pledge?*
- *Would the various clauses be meaningful in practice?*
- *Which clause(s) would you suggest to be added or deleted?*
- *What is your opinion of the students' pledge?*
- *Do you think in the long-term it will influence their business behaviour?*

4.2 Standards of behaviour in the workplace

In the workplace, standards of behaviour expected by an organisation of its management and employees are usually set out in the "code of conduct".

A code of conduct is meant to clarify an organisation's mission, values and principles, linking them with standards of professional conduct. A well-written and thoughtful code provides clear guidelines governing corporate conduct in achieving business goals.

There are companies which include in their codes of conduct a detailed set of operating principles for management and staff to follow in dealings with customers, suppliers, contractors, public officials and any parties who have a relationship with the company. The broadest forms of code cover all of the above as well as the company's policy regarding social issues which affect the community at large.

⁹ The Economist Newspaper and The Economist Group (2009) 'Can managers be made more ethical?', June 8th 2009.

Formulation of a Code of Conduct

It is up to each individual business organisation to determine the ethical standards of behaviour of its management and employees. The common approach is to take into account legal requirements, a company's own ethical values and general community expectations.

Legal requirements: Abiding by the law has to be the most fundamental consideration in making ethical decisions and thus forms a crucial part of the code of conduct. For example, to help staff stay away from corruption and malpractice, statutory provisions relating to bribery offences need to be highlighted.

Ethical values: Ethical behaviour essentially comes down to honesty, integrity, fairness and social responsibilities. These are the basic values for resolving difficult legal and ethical matters. The upholding of an ethical culture in line with these standards is of critical interest to the organisation and stakeholders alike.

Community expectations: There already exist established standards of practice governing the conduct of specific trades and professions as well as special types of business corporations. These standards should be well observed in developing effective codes of conduct for organisations.

It should be noted that it is not feasible to prescribe exhaustive guidelines to cover each and every single ethical concern that employees are likely to face in their work. In case of doubt, one should consider seriously whether or not it would survive disclosure and critical public scrutiny. A breach of personal or moral ethics thus may extend beyond a violation of legal requirements.

For an illustration of how companies in general provide ethical guidelines for staff, a sample code of conduct developed by the ICAC is provided in *Appendix 5* for reference. The key content areas to be covered are:

- Prevention of Bribery Ordinance
- Acceptance of advantages
- Entertainment
- Conflict of interests
- Handling confidential information
- Compliance with the code

In summary, codes of conduct offer an invaluable opportunity for responsible organisations to create a positive public identity for themselves. They also encourage discussion of ethics and equip employees better for dealing with the ethical dilemmas and grey areas that are encountered in everyday work (Ethics Resource Centre, 2009¹⁰).

¹⁰ Ethics Resource Centre (2009) 'Why have a code of conduct?',
<<http://www.ethics.org/resource/why-have-code-conduct>>

APPENDICES

Teaching Notes

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Self-reflection Exercise

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Sample Code of Conduct

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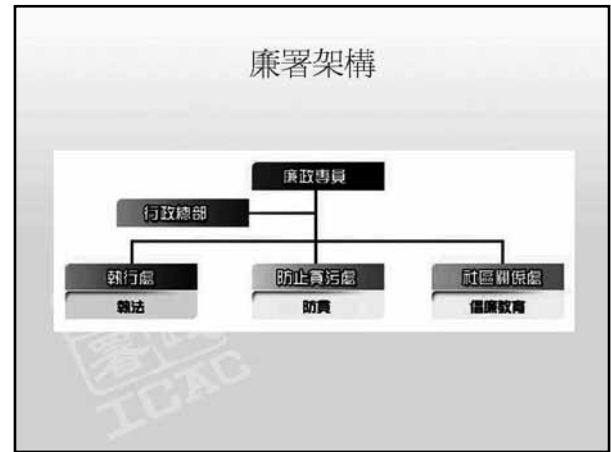
References

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誠信 I 世代：解難高手
香港中文大學
書院通識教育課程

廉政公署社區關係處





誠信 I 世代：解難高手

↑

- I
- ICAC
- Integrity
- Involvement

↑

「難」 兩難處境
「解難」 抉擇模式
「高手」 誠信領導

大綱

- 1. 誠信
 - 「誠信抉擇」反思練習
 - 「對與錯」/「對與對」的抉擇
- 2. 「解難」
 - 解難抉擇模式及應用
 - 廉政行動「釘子戶」個案分析
- 3. 總結

個案分享— 誘惑邊緣

• 從『阿耀的故事』說起



個案分享— 恪守公平？



個案分享 — 法律/道德操守？



個案共通點（貪污陷阱）

- 涉及利益
 - 利益誘惑（用不正當手段獲取利益，如欺詐）
 - 利益衝突（因私人利益而未能適當履行職責）
- 破壞公平
- 有違誠信

甚麼是「誠信」？

誠信可視為對法律、原則和信念的堅持和承諾，不因長短或偏好而妥協。在這個意義上，誠信可說是法治和司法獨立的共有根本。
（譯本）

香港特別行政區律政司司長 黃仁龍先生
廉政公署「誠信1世代」青年高峰會議（2010年3月）

走堂的試探



「阿菲的抉擇」

- 阿菲面對的是否和誠信（道德操守）有關的抉擇？
- 試代入阿菲的處境，作抉擇時你會考慮什麼因素？

判定行為抉擇對錯的準則



「誠信抉擇」反思練習

- 整個測試共有10個處境，主要圍繞日常生活的兩難處境。
- 答案所得分數可幫助你進一步思考你對公平及誠信的價值的看法。

「誠信抉擇」反思練習計分方法

- 第1、2題
完全贊同（5分）... 堅決反對（1分）
- 第3至10題
完全贊同（1分）... 堅決反對（5分）

「誠信抉擇」反思練習

公私分明、誠實可靠 (高分)

未能常常堅持原則
或按規矩辦事

容易因利益而放棄原則 (低分)

↑

反思練習

9.
專題研習
虛構數據



反思練習

9.
專題研習
虛構數據

- 對與錯的抉擇
 - 破壞大學有關「學術欺詐」的守則
 - 有違誠信操守 (破壞公平原則)



對與錯的抉擇 (誘惑試探)
Right vs. Wrong decisions

- 破壞法紀 / 規則 (Violation of law)
- 背離常理 (Departure from truth)
- 有違誠信操守 (Deviation from moral rectitude)



反思練習

5.
學生會的主席尋求
經費贊助



反思練習

5.
學生會的主席
尋求經費贊助

對與錯的抉擇

- 破壞法紀 / 規則?
- 潛在利益衝突?



兩難困境

1.
宿生會「打
蛇」行動



兩難困境

1.
宿生會「打
蛇」行動

- 對與對的抉擇
 - 忠於真相 vs. 忠於承諾
 - 公平公義 vs. 仁慈憐憫



兩難困境

2.

暑期實習



兩難困境

2.

暑期實習

●對與對的抉擇

➢短期回報 vs. 長遠成效

➢個人利益 vs. 社群福祉



對與對的抉擇 (兩難困境)

Right vs. Right Decisions

- 忠於真相 (Truth) vs. 忠於承諾 (Loyalty)
- 個人利益 (Individual) vs. 社群福祉 (Community)
- 短期回報 (Short-term) vs. 長遠成效 (Long-term)
- 公平公義 (Justice) vs. 仁慈憐憫 (Mercy)

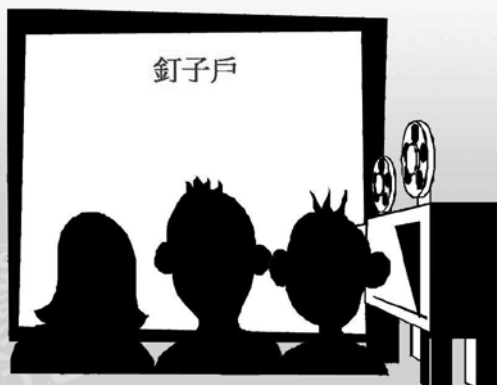


兩難抉擇

- 對與錯的抉擇 (誘惑試探)
- 對與對的抉擇 (兩難困境)

Kidder, R M (2003) *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living*, New York: HarperCollins Publishers

釘子戶



釘子戶

「市建局」收樓賠償案例改編

- 一名公司董事涉嫌向「市建局」一名職員提供利益，以獲取有關多項重建項目的機密資料
- 懷疑有人從中詐騙收樓賠償。牽涉地產公司東主、業主及懷疑冒充租客人士

廉政行動「釘子戶」人物關係圖



「兩難抉擇」

廉政行動「釘子戶」個案研習

- 在片中，李子倫及Zoe面對著不同的困局。試從他們的角度分析其處境及作出抉擇。
- 討論



「解難」抉擇模式 / 應用

「思慮要訣」— 道德抉擇指引

Ethical decision making model - ETHICS PLUS



「解難」抉擇模式 / 應用

- 在日常生活中，我們不時遇到涉及道德操守的難題。要有系統及按部就班地作出明智抉擇，我們可參考一些思考或抉擇模式
- 其中一套是由廉政公署制定的「思慮要訣」(ETHICS PLUS)— 道德抉擇指引，協助處理涉及道德操守的問題

「思慮要訣」(ETHICS PLUS)

1. 弄清有關事實，找出涉及的道德問題
2. 列出所有利益相關者
3. 客觀衡量每位利益相關者的處境
4. 找出一切可行辦法及其對利益相關者的影響
5. 基於下列四個考慮準則(PLUS)，比較和評估各種辦法可能引致的後果
6. 選擇最適當的行動

考「慮」準則 PLUS 四大元素

1. 專業/行業/公司紀律守則	Professional/Company/Student Body code of conduct
2. 法例要求	Legal requirements
3. 個人價值觀	Uncompromising self values
4. 陽光測試	Sunshine test



廉政行動「釘子戶」個案分析

假如你是李子倫，你會如何處理？作決定時你會考慮哪些因素呢？

➢ 有責任保密，以維護公眾利益；透露資料或會觸犯法律

➢ Rainy向他表示，有關計劃不會傷害任何人，猶如一般的樓宇買賣活動，並無不妥……

「思慮要訣」的應用 (李子倫)

1. 事實及涉及的道德問題	<ul style="list-style-type: none"> ● 李子倫有責任將機密資料予以保密 ● 道德問題：應否洩漏機密以換取私利？
2. 所有利益相關者	<ul style="list-style-type: none"> ● 李子倫、Zoe、阿荃夫婦、Rainy、市區重建局、其他租戶/業主、市民大眾...
3. 客觀衡量每位利益相關者的處境	<ul style="list-style-type: none"> ● 李子倫及Zoe：獲取金錢作婚禮之用 ● 阿荃夫婦：解決交通意外賠償問題 ● 市區重建局：蒙受損失，信譽受破壞 ● 其他租戶/業主：未能獲取「應得」的賠償 ●
4. 可行辦法及其對利益相關者的影響	<ul style="list-style-type: none"> ● 透露機密資料予Rainy ● 不透露資料 ● 其他可行辦法

「思慮要訣」的應用 (李子倫)

5. 基於下列四個考慮準則(PLUS)，比較和評估各種辦法可能引致的後果

5.1. 專業/公司紀律守則	有關決定會否觸犯機構員工指引？
5.2. 法例要求	有關決定會否觸犯《防止賄賂條例》？
5.3. 個人價值觀	有關行徑是否有違個人價值，如誠信、公平？
5.4. 陽光測試	子倫能否公開與上司/同事、親友討論事件？他能否心安理得地向人披露所作的決定？
6. 選擇最適當的行動	基於以上考慮，應選擇不透露



廉政行動「釘子戶」個案分析

如果你是Zoe，你會不會接受男朋友的提議？

➢ 容許男友子倫與Rainy合作，將可協助阿荃渡過難關

➢ 如子倫與友人Rainy合作，或會觸犯法律

羅拉納西(Laura Nash)模式

1. 你是否準確地分析問題的癥結？	7. 你的決定或行動會否對一些人造成傷害？
2. 若你站在相反的立場，你會如何分析面對的問題？	8. 你在做決定前，能否與受影響的人一同討論有關問題？
3. 事件最初是如何發生的？	9. 你是否有信心你的決定可以經得起時間的考驗？
4. 作為個人和作為公司的一份子，你向誰效忠？	10. 你是否可以向你的上司...家人及社會人士公開你的決定或行動，而不會有半點有愧於心的感覺？
5. 你懷著什麼動機而作出有關的決定？	11. 你所做的事會否獲得其他人諒解或會被人誤解？
6. 你的動機與預期的結果會否相同？	12. 在什麼特殊情況下你才會改變的立場？

誠信新一代：個人誠信約章

哈佛大學工商管理碩士畢業生個案
<http://mbaoath.org/>



The MBA OATH (Short version)

As a manager, my purpose is to serve the greater good by bringing together people and resources to create value that no single individual can build alone. Therefore I will seek a course that enhances the value my enterprise can create for society over the long term. I recognize that my decisions can have far-reaching consequences that affect the well-being of individuals inside and outside my enterprise, today and in the future. As I reconcile the interests of different constituencies, I will face difficult choices.

Therefore I promise:

1. I will act with utmost integrity and pursue my work in an ethical manner.
2. I will safeguard the interests of my shareholders, co-workers, customers and the society in which we operate.
3. I will manage my enterprise in good faith, guarding against decisions and behavior that advance my own narrow ambitions but harm the enterprise and the societies it serves.
4. I will understand and uphold, both in letter and in spirit, the laws and contracts governing my own conduct and that of my enterprise.
5. I will take responsibility for my actions and will represent the performance and risks of my enterprise accurately and honestly.
6. I will develop both myself and other managers under my supervision so that the profession continues to grow and contribute to the well-being of society.
7. I will strive to create sustainable economic, social, and environmental prosperity worldwide.
8. I will be accountable to my peers and they will be accountable to me for living by this oath.

This oath I make freely, and upon my honor.

個人誠信約章～反思問題

- 簽署約章對推動商界的誠信行為和價值有幫助嗎？為什麼？
- 你同意約章的內容嗎？你會加入或刪減某些條款嗎？
- 你認為大學生在推動誠信方面可以怎樣發揮更積極的角色？

總結 學習目標/成果評估

- **概念理解**
加強對「個人誠信」(Personal integrity)、「道德兩難」(Ethical dilemmas) 等概念的理解
- **應用**
應用抉擇模式，處理與誠信有關的道德兩難事件
- **價值觀**
透過反思，確立正面價值觀及對貪污零容忍的態度

香港中文大學 書院通識教育課程 「誠信 I 世代：解難高手」(廉政公署主講) 意見問卷

請在適當的格內加上「✓」，及將意見記下。

1. 講授內容能加強我對「個人誠信」(Personal integrity) 的了解。
☐ 非常同意 ☐ 同意 ☐ 不同意 ☐ 非常不同意
2. 講授內容能加強我對「道德兩難」(Ethical dilemmas) 概念的理解。
☐ 非常同意 ☐ 同意 ☐ 不同意 ☐ 非常不同意
3. 解難抉擇模式有助我思考及處理與誠信有關的道德兩難事件。
☐ 非常同意 ☐ 同意 ☐ 不同意 ☐ 非常不同意
4. 整體而言，我對今天的課程感到：
☐ 非常滿意 ☐ 滿意 ☐ 不滿意 ☐ 非常不滿意
5. 最深刻的環節 / 部份是什麼？原因為何？

謝謝

<http://www.icac.org.hk/>

(Source: The ICAC Corporate Website 'Anti-Corruption Laws',
http://www.icac.org.hk/en/law_enforcement/acl/index.html)

POBO - Public sector

Public servants¹ include prescribed officers and employees of public bodies. Prescribed officers are subject to Sections 3, 4, 5 and 10 of POBO while employees of public bodies (e.g. power company, bus company, hospital, etc) are subject to Sections 4 and 5:

Section 3	No prescribed officer is allowed to solicit or accept any advantage without the general or special permission of the Chief Executive.
Section 4	Any public servant who solicits or accepts any advantage as an inducement to or reward for performing duties shall be guilty of an offence; the offeror of the advantage shall also be guilty of an offence.
Section 5	Any public servant who solicits or accepts any advantage as an inducement to or reward for giving assistance or using influence in matters relating to a contract shall be guilty of an offence; the offeror of the advantage shall also be guilty of an offence.
Section 10	Any prescribed officer who maintains a standard of living or has assets not commensurate with his official emoluments shall be guilty of an offence.

In the Ordinance:

- “*Advantage*” includes money, gifts, loans, commissions, offices, contracts, services, favours and discharge of liability in whole or in part, but does not include entertainment.
- “*Entertainment*” means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment provided at the same time, for example singing and dancing. Although the acceptance of entertainment does not breach the POBO, individual government departments/public bodies will still stipulate the conditions for staff’s acceptance of entertainment.

¹ For definition of “public servant”, please refer to Cap 201 s 2 of the Prevention of Bribery Ordinance
<http://www.legislation.gov.hk/blis_ind.nsf/WebView?OpenAgent&vwpg=CurAllEngDoc*201*64*201.1#201.1>

POBO - Private sector

- No agent (usually an employee) shall solicit or accept any advantage without the permission of his principal when conducting his principal's affairs or business; the offeror of the advantage is also guilty of an offence.
- "*Advantage*" includes money, gifts, loans, commissions, offices, contracts, services, favours and discharge of liability in whole or in part, but does not include entertainment.
- "*Entertainment*" means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment provided at the same time, for example singing and dancing.

Making Tough Choices

This exercise comprises a total of 10 items depicting scenarios in the daily lives of tertiary students which may present them with ethical challenges. You are asked to indicate the extent to which you agree or disagree on how the scenarios should be handled.

Scenarios		Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
1	Linda is a committee member of the Student Hostel Association. Her roommate Annie has asked a friend to stay overnight at the hostel, without paying the residence fee. The committee happened to make a snap decision to inspect the hostel that night. Annie asks Linda to help her avoid paying the penalty but Linda declines to do so. Do you agree with Linda's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Carrie manages to become a summer intern in a company, as arranged by the Student Affairs Office (SAO) and she accepts the offer. Before that, she had applied for another summer job in a listed company which offers better terms and she has received its offer of employment recently. Carrie, though feeling it is a pity, declines this offer as she does not want to break her promise and affect the credibility of the SAO. Do you agree with Carrie's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	David has worked overnight to prepare for his test and decides to skip a lecture next morning. However, class attendance is mandatory. He asks his friend Joe to sign his attendance for him. Though somewhat reluctant, Joe agrees to help David. Do you agree with Joe's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Wayne is a member of a university social service society whose major duties are to provide programme and administrative support to a community centre. While organizing a health promotion activity for the centre which requires the procurement of uniforms for its participants, Wayne recommends his uncle's company to be the sole provider since an attractive price has been offered. Wayne considers that the deal benefits both parties and does not bother to source other possible suppliers. He has not disclosed his relationship with his uncle to the centre. Do you agree with Wayne's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Scenarios		Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
5	June is the chair of a Students' Union (SU) and is seeking sponsorships from commercial companies to support the organization of SU activities. A company offers sponsorship of \$5,000, but asks June to solicit 50 valid credit card applications in return. Wishing to secure the funding as soon as possible, June accepts the offer without making reference to the university's guidelines on accepting sponsorships by student societies. She also asks committee members of the SU to submit applications for the credit card. Do you agree with June's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Joey is the vice-chair of a student society and is responsible for buying iPods as presents for various competitions to be held throughout the coming year. While negotiating the price, a shop offers a special discount to Joey for purchasing an iPod for her own use but no discount will be offered for other items. Considering that this is a matter of business promotion, Joey accepts the offer without reporting the matter to the chair of the society. Do you agree with Joey's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	The Mathematics Society has reserved \$1,000 from its annual budget for organizing social gatherings for members. Thomas, the chair, decides to spend the money on a celebration party which involves only committee members. Jack, the vice-chair, disagrees with Thomas' suggestion as the money comes largely from the membership fees. Do you agree with Thomas' handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Michael is going to submit his term paper but he is far behind schedule. One of his classmates tells him about the "thesis-writing services" available on the Internet and says he will get a quality paper which will avoid plagiarism detection if he pays a higher price. In view of the tight schedule, Michael plans to use the service. Do you agree with Michael's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Scenarios		Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
9	George, Elaine and David are members of a group project. George is responsible for collecting and analysing the data. Due to an unsatisfactory response-rate, George planned to manipulate some figures and present them in the report in order to fulfil the assignment requirements. He told Elaine his plan and asked her not to disclose it to anyone, including David. Elaine felt rather uneasy about this but did not stop George from doing it. Do you agree with Elaine's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Simon recently got a part-time job at a cinema and is entitled to two free tickets each month as employee benefits. As there are no regulations governing the identity of the beneficiary of the tickets, he thinks it is a "win-win" situation to sell the tickets to his classmates at a 50% discount. Do you agree with Simon's handling of the situation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Calculation of Scores

Scenarios	Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
1-2	5	4	3	2	1
3-10	1	2	3	4	5

Analysis

This activity is not a personality test and the analysis is for general reference only. The exercise aims to stimulate students' thinking about perspectives on ethical challenges related to personal integrity faced by them.

Score

- 41-50 *You are an upright and honest person who will not give up your principles for personal benefits. You can uphold your principles even when faced with temptations.*
- 21-40 *You are a prudent person but you may sometimes turn a blind eye to irregularities. You may not be able to always stick to your principles or follow regulations.*
- 10-20 *You are a person of loose principles. Being indecisive in making up your mind when encountering ethical dilemmas, you can only perceive the immediate consequences sometimes but fail to make proper judgment from long-term perspectives.*

Brief analysis of the scenarios

Scenarios	Perspectives				
	Is it an ethical issue?		Nature of concern		
	Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹	Moral temptations (Right vs. Wrong) ²
1. Scenarios involving “Right vs. Right” decisions (Ethical dilemmas)					
1	Linda is a committee member of the Student Hostel Association. Her roommate Annie has asked a friend to stay overnight at the hostel, without paying the residence fee. The committee happened to make a snap decision to inspect the hostel that night. Annie asks Linda to help her avoid paying the penalty but Linda declines to do so. Do you agree with Linda’s handling of the situation?	Violation of student hostel regulations and encouraging improper behaviour among residents if Linda offers help.	Compromising personal values such as honesty and being responsible if Linda offers help as she has a duty to maintain hostel regulations.	Sheltering a friend’s wrongdoing which involves lying as a cover-up.	From Linda’s point of view: (d) From Annie’s point of view: (c)– deviation from moral rectitude

1 Right vs. Right dilemmas (Kidder, 2003)

(a) Telling the truth vs. maintaining loyalty

(b) Considering the needs of the individual vs. considering the needs of the community

(c) Accounting for short-term vs. long term considerations

(d) Weighing the ideal of justice against the competing imperative of mercy.

2 Three ways to be wrong (Kidder, 2003)

(a) Violation of law

(b) Departure from truth

(c) Deviation from moral rectitude

		Perspectives			
		Is it an ethical issue?		Nature of concern	
Scenarios		Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
2	Carrie manages to become a summer intern in a company, as arranged by the Student Affairs Office (SAO) and she accepts the offer. Before that, she had applied for another summer job in a listed company which offers better terms and she has received its offer of employment recently. Carrie, though feeling it is a pity, declines this offer as she does not want to break her promise and affect the credibility of the SAO. Do you agree with Carrie's handling of the situation?	Administrative problems for the company if Carrie gives up the internship. SAO may have difficulties in liaising with companies for internship arrangements in future if their candidates are not reliable.	Sacrificing principles such as trustworthiness if the internship agreement is breached.	Breaking a promise which could be a form of deception. [Note: An insincere promise is a form of deception. (Howard and Korver, p. 20)]	From Annie's point of view: (c)– deviation from moral rectitude
	David has worked overnight to prepare for his test and decides to skip a lecture next morning. However, class attendance is mandatory. He asks his friend Joe to sign his attendance for him. Though somewhat reluctant, Joe agrees to help David. Do you agree with Joe's handling of the situation?	Violation of university regulations and promoting improper behaviour among students.	Compromising personal values such as honesty and being responsible as fraudulent signing is equivalent to cheating.	Fraudulent signing of attendance for another person is a type of academic dishonesty which involves deception.	From David's point of view: (c)– deviation from moral rectitude From Joe's point of view: (a)

Scenarios	Perspectives			
	Is it an ethical issue?		Nature of concern	
	Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
2. Scenarios involving “Right vs. Wrong” decisions (moral temptations)				
2.1 Scenarios where a potential conflict of interest exists				
4	Wayne is a member of a university social service society whose major duties are to provide programme and administrative support to a community centre. While organizing a health promotion activity for the centre which requires the procurement of uniforms for its participants, Wayne recommends his uncle's company to be the sole provider since an attractive price has been offered. Wayne considers that the deal benefits both parties and does not bother to source other possible suppliers. He has not disclosed his relationship with his uncle to the centre. Do you agree with Wayne's handling of the situation?	Unfair to other companies supplying uniforms as they have not been invited to give a quotation for this exercise.	Compromising personal values such as honesty, trustworthiness, responsibility and fairness. Wayne has been entrusted with sourcing the best supplier in terms of quality and price, but he has not performed his duty.	A conflict of interest may exist as awarding the contract to Wayne's uncle may not provide the best benefits to the centre (Note: Wayne should declare the relationship with his relative in order to avoid the potential conflict of interest.)
				From Wayne's point of view: (a) violation of law (rules) Non-observance of the procurement regulations though Wayne may be ignorant of them.

	Perspectives			
	Is it an ethical issue?	Nature of concern		
Scenarios	Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
5 June is the chair of a Students' Union (SU) and is seeking sponsorships from commercial companies to support the organization of SU activities. A company offers sponsorship of \$5,000, but asks June to solicit 50 valid credit card applications in return. Wishing to secure the funding as soon as possible, June accepts the offer without making reference to the guidelines of the university and SU on accepting sponsorships by student societies. She also asks committee members of the SU to submit applications for the credit card. Do you agree with June's handling of the situation?	Improper handling of sponsorship (from the commercial sector), which may affect the image of the SU/University. Some committee members may feel group pressure to fill in the application forms which they would not have done otherwise.	Compromising personal values such as honesty, integrity and trustworthiness.	Potential risk of deception/lying since June needs to cover up the sponsorship received without going through the proper procedure.	From June's point of view: (a) violation of law (rules) Non-compliance with the guidelines on accepting sponsorships by student societies of the university.

	Perspectives			
	Is it an ethical issue?		Nature of concern	
Scenarios	Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
6 Joey is the vice-chair of a student society and is responsible for buying iPods as presents for various competitions to be held throughout the coming year. While negotiating the price, a shop offers a special discount to Joey for purchasing an iPod for her own use but no discount will be offered for other items. Considering that this is a matter of business promotion, Joey accepts the offer without reporting the matter to the chair of the society. Do you agree with Joey's handling of the situation?	Joey has made a personal gain at the expense of the society since a better deal for purchasing iPods (as presents) may have been achieved through further negotiation.	Compromising personal values such as honesty, being responsible and trustworthiness.	A conflict of interest may exist as Joey benefits from the 'special' discount owing to her official duty for procurement .	From Joey's point of view: (c) deviation from moral rectitude
7 The Mathematics Society has reserved \$1,000 from its annual budget for organizing social gatherings for members. Thomas, the chair, decides to spend the money on a celebration party which involves only committee members. Jack, the vice-chair, disagrees with Thomas' suggestion as the money comes largely from the membership fees. Do you agree with Thomas' handling of the situation?	Members of the society who have paid the membership fees will be deprived of the right to join the gathering.	Compromising personal values such as fairness, integrity and responsibility. As the chair of the Society, Thomas should ensure the proper use of its funding.	A conflict of interest may exist. Thomas as the chair and his committee members enjoy the privilege of participating in the celebration activity at the expense of the general members.	From Thomas' point of view: (c) deviation from moral rectitude

Scenarios	Perspectives			
	Is it an ethical issue?		Nature of concern	
	Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
2.2 Scenarios which involve deception				
8	Michael is going to submit his term paper but he is far behind schedule. One of his classmates tells him about the “thesis-writing services” available on the Internet and says he will get a quality paper which will avoid plagiarism detection if he pays a higher price. In view of the tight schedule, Michael plans to use the service. Do you agree with Michael’s handling of the situation?	Abusing the trust between teachers and students. Breaking the rules of fair play in the assessment system which causes injustice to other students.	Foregoing principles such as honesty, trustworthiness and fairness. Purchasing papers from the Internet is cheating and plagiarizing, a type of academic dishonesty which involves deception.	(c)

		Perspectives			
		Is it an ethical issue?		Nature of concern	
Scenarios		Effects on others	Compromise on personal values	Ethical concern (Lying/deception, personal gain, potential conflict of interest, etc.)	Ethical dilemmas (Right vs. Right) ¹ Moral temptations (Right vs. Wrong) ²
9	George, Elaine and David are members of a group project. George is responsible for collecting and analysing the data. Due to an unsatisfactory response-rate, George planned to manipulate some figures and present them in the report in order to fulfil the assignment requirements. He told Elaine his plan and asked her not to disclose it to anyone, including David. Elaine felt rather uneasy about this but did not stop George from doing it. Do you agree with Elaine's handling of the situation?	Abusing the trust between teacher/student and among project team members. Breaking the rules of fair play in the assessment system and undermining the credibility of academic work.	Sacrificing principles such as honesty, trustworthiness and fairness.	Covering up George's idea about manipulating the report data violates research ethics and is regarded as an act of academic dishonesty.	(c)
10	Simon recently got a part-time job at a cinema and is entitled to two free tickets each month as employee benefits. As there are no regulations governing the identity of the beneficiary of the tickets, he thinks it is a "win-win" situation to sell the tickets to his classmates at a 50% discount. Do you agree with Simon's handling of the situation?	The interests and reputation of the cinema will be harmed by the selling of complimentary tickets.	Sacrificing principles such as honesty and trustworthiness.	Abusing the employee benefits scheme which may involve deception.	(c)

Available in the Hong Kong Ethics Development Centre, ICAC.
<<http://www.icac.org.hk/hkedc/eng/library4.asp>.>

Case Ref: 147

Building a Problem

Peter is the Chief Engineer of a hotel. Recently, he takes up a renovation project for the hotel main lobby. The project costs five million dollars. Jackson, the proprietor of a construction and decoration company, is the contractor of the renovation work. Customary to the trade at the beginning of the project, a “God Worshipping” ceremony was held by Jackson in the hope that the project will be carried out smoothly and safely. Peter and his subordinates are invited to attend the ceremony. During the ceremony, Jackson offers Peter a red packet of \$30,000 as a token of thanks for Peter’s assistance in awarding him this big project. Peter accepts the offer gratefully.

Peter inspects the progress of the project one month later and notices that the quality of marble used for the lobby is substandard and deviates from the tender specifications. Due to the tight schedule and cost implications, Jackson is reluctant to replace the marble. To cover up the matter, Jackson agrees to rebate 2% of the project sum to Peter as his reward to turn a blind eye to the substandard work. Although bewildered, Peter instantly agrees to the deal verbally so as not to destroy the harmonious relationship with Jackson.

Case Analysis

If Peter does not have the permission from his hotel to accept the red packet, both Peter and Jackson are in breach of Section 9 of the POBO. Peter commits an offence of accepting a bribe for abusing his official capacity to award renovation projects to Jackson; and Jackson commits an offence of offering a bribe.

Although the red packet is accepted during the “God Worshipping” ceremony, Peter cannot excuse himself by claiming that the acceptance is justified under the common practice of the trade because trade custom will not be accepted as a defence under the POBO. According to Section 19 of the POBO, it is not a defence to claim that any advantage accepted or offered is customary in any profession, trade, vocation or calling. The court shall make the judgement based on whether permission has been given by the recipient’s principal.

The verbal agreement reached to cover up the substandard work is sufficient for a corruption case despite the fact that Peter has not actively solicited for and may eventually not be able to receive the commission from Jackson.

Case Ref: 150

A Rotten Bargain

John is the head chef of a Chinese restaurant in a hotel and responsible for the purchase of food to meet the restaurant's needs. In an alumni reunion, John meets his old classmate Nelson, who is a food supplier to various food stalls and restaurants. Before Christmas, Nelson sends John a big hamper and indicates that he would like to be one of the food suppliers of the hotel.

Shortly after their reunion, John's hotel launches a "Shanghai Food Festival" campaign to promote its business. John is busily engaged in contacting the suppliers to obtain the best possible prices and quality of foodstuff. As part of his enquiries he contacts Nelson who, keen to secure the business, asks his old friend to provide him with the costs submitted from other suppliers. John hesitates but is eventually convinced, by Nelson, that the reason for doing so is to simply ensure that the hotel receives the best possible price.

In return Nelson also provides John with an added incentive for his, quite minimal, assistance. Nelson promises that he would rebate 10% of the total value of the order and deposit directly to John's personal account. Given John's own financial predicament, he duly agrees.

Case Analysis

Both John and Nelson are in breach of Section 9 of POBO. John commits an offence of accepting a bribe without the hotel's permission for abusing his official capacity to leak bidders' information to Nelson and Nelson also commits an offence of offering a bribe. Bidders' or clients' information is of value to the hotel and any staff should strictly follow the guidelines laid down by the hotel in protecting confidential information.

John should follow the hotel's code of conduct in accepting the Christmas hamper during festive occasion to avoid any conflict of interest. He should also heed the sweetening process initiated by Nelson's offer of the Christmas hamper at the onset. Accepting small gifts and favours will put the recipient in an obligatory position to reciprocate and thus compromise his objectivity in carrying out his duties.

Case Ref: 151

A Break of Trust

Nancy, a sales assistant of a jewellery shop, is going to marry her fiancé, Edward, next year. Edward, an adventurous person, likes trying his luck at the stock market. However, he has recently been out of luck and now owes a loan shark a large sum of money. The loan shark then introduces Edward to a member of a criminal syndicate involved in the production of counterfeit credit cards. In order to repay the loan, Edward agrees to assist the syndicate in collecting credit card holders' personal data from Nancy's jewellery shop.

Edward proposes to Nancy that if she agrees to capture the customers' credit card data at the shop by using a skimmer provided by the syndicate, they both will be offered a reward of \$500 for each set of data. Moreover, the syndicate promises that if Nancy further helps them use counterfeit credit cards at the shop to "buy" jewellery worth a million dollars, Nancy will be paid \$50,000.

Edward tells Nancy that this is the only way that he can "turn a new leaf", and Nancy finds it difficult to refuse.

Case Analysis

Although Edward needs money to pay the debts, Nancy should have declined his suggestion. It is an offence under Section 9 of POBO for an employee to accept an advantage in relation to his official duty without his employer's permission. If Nancy accepts the reward for assisting the syndicate to collect customers' credit card data or use counterfeit credit cards at the jewellery shop, she would have committed the offence. She may also commit another criminal offence of possessing a skimmer for manufacturing counterfeit credit cards.

Nancy should also be aware of the provisions of the Personal Data (Privacy) Ordinance which do not allow users to use the personal data in contravention of the purpose of collection without the consent of data subject.

Besides, occurrence of such leakage of customers' credit card data will definitely undermine the confidence of local customers and foreign visitors, ruining Hong Kong's reputation as a shoppers' paradise.

Case Ref: 152**Good Relations with Complications**

Given the increasing demand of the hotel guests for local tour services, the hotel's senior management has decided to set up a consignment corner for a travel agency to deal with these requests. Janice, the hotel's Marketing Manager, is assigned the task of approaching a number of travel agencies to discuss this exciting business opportunity.

It seems only natural, therefore, for Janice to call Tommy, her brother-in-law, to enquire as to whether the travel agency he works for would be interested.

For Tommy, the company's performance, in the midst of a recession, has been particularly poor. And as its Business Development Manager, the pressure for him to find a solution has, of late, intensified. The prospect of winning the consignment comes as a huge relief to Tommy and, having explained to Janice how much it means to the survival of his own career, urges her to grant the consignment contract to his travel agency. Believing Tommy's agency is as good as any other she has contacted and no one would discover her relationship with Tommy, the decision is an easy one for Janice to make.

A month later, as a token of gratitude, Tommy presents Janice a tour package to Hawaii as her birthday present.

Case Analysis

Janice should have observed her company's internal guidelines on declaration of conflict of interest and refrained from being involved in the granting of contract. Conflict of interest situations such as this, if not dealt with properly, may easily lead to bribery.

Under Section 2 of the POBO, a tour package is an advantage. Accepting the tour package for granting the contract will only be legal with the permission of her company. Given that Janice has already assisted her brother-in-law in securing the business deal, subsequent acceptance of the tour package leaves Janice and Tommy liable to a POBO Section 9 offence as the acceptor and offeror of an illegal advantage.

Case Ref: 154**A Happy Coincidence**

Cindy joined a garment retailing group as a trainee since graduating from secondary school several years ago. She has worked in various posts and has recently been promoted to the rank of personnel manager.

The company is planning to expand its number of boutiques throughout Hong Kong. Cindy and one of her subordinates have been entrusted with the task of handling the recruitment drive for shop managers and sales assistants.

During a day of interviews, Cindy suddenly realizes, to her great surprise, that one of the applicants is her relative. She sees the situation as a happy coincidence and, without informing anyone within the company of their relationship, conducts the interview herself. She also comments favourably on her relative's performance at the interview.

Case Analysis

Cindy is responsible for conducting the interview but given that one of the applicants is her relative, there is a conflict of interest. Cindy should have declared to the company their relationship as early as possible and observe the company's code of conduct over the issue of conflict of interest.

Even though Cindy acts impartially and her relative turns out to be the best candidate in the selection exercise, Cindy is still involved in a perceived conflict of interest situation and may also be perceived to be exerting her influence over the interview. People may think that she is being unfair to the other applicants. Cindy should demonstrate her impartiality by avoiding and declaring the conflict of interest in accordance with the company's guidelines.

(Company Name) Code of Conduct

The Company believes that honesty, integrity and fair play are important company assets in business. All staff have to ensure that the Company's reputation is not tarnished by dishonesty or corruption. This Code sets out the basic standard of conduct expected of all staff and the company policies on acceptance of advantages and declaration of conflict of interest by staff in connection with their official duties.

2. Under Section 9(1) of the Prevention of Bribery Ordinance, an employee who solicits or accepts an advantage in connection with his work without the permission of his employer may commit an offence. The term "advantage" is defined in the Ordinance and includes money, gift, loan, fee, reward, employment, contract, service and favour. The person offering the advantage may also commit an offence under Section 9(2) of the Ordinance.
3. An employee who, with intent to deceive his employer, falsifies documents or furnishes false accounting records may be guilty of an offence under Section 9(3) of the Ordinance.
4. It is the company policy that staff should not solicit or accept any advantage from any persons having business dealings with the Company (e.g. clients, suppliers, contractors). However, staff are allowed to accept (but not solicit) the following gifts offered voluntarily:
 - (a) advertising or promotional gifts of a nominal value; or
 - (b) gifts given on festive or special occasions subject to a maximum limit of \$XXX in value.
5. Staff should decline an offer of a gift if the acceptance could affect their objectivity in conducting the company's business, or induce them to act against the interest of the company, or lead to allegations of impropriety. If a staff member wishes to accept a gift not covered in paragraph 4, he should seek permission in writing from (name and/or post of a senior staff).
6. As defined in Section 2 of the Prevention of Bribery Ordinance, "entertainment" refers to food or drink provided for immediate consumption on the occasion, and of any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour, staff must not accept lavish or frequent entertainment from persons with whom the company has business dealings (e.g. suppliers or contractors) to avoid placing themselves in a position of obligation to the offeror.
7. A conflict of interest situation arises when the private interest of a staff member competes or conflicts with the interest of the company. Private interest includes both the financial and personal interests of the staff member and those of his connections. Connections include family members, relatives, and close personal friends.

8. Staff should avoid situations which may lead to an actual or perceived conflict of interest situation, and should make a declaration in writing to (name and/or post of a senior staff) when such a situation arises. Failure in doing so may give rise to criticism of favouritism, abuse of authority or even allegation of corruption.
9. Some common examples of conflict of interest include:
 - (a) A staff member involved in the procurement process is closely related to or has beneficial interest in a company which is being considered by the Company in the selection of a supplier or service provider;
 - (b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member responsible for the recruitment or promotion;
 - (c) a staff member involved in the selection of a supplier for the Company engages in frequent or excessive gambling with one of the suppliers under consideration;
 - (d) a term contractor whose contract is about to be renewed grants a personal loan to the staff member responsible for contract negotiation; or
 - (e) a staff member responsible for evaluating tenders is a part-time consultant of one of the tenderers.
10. All staff are prohibited from disclosing any information classified by the company to anybody without authorization. Those who have access to or in control of such information should at all times ensure its security and prevent any abuse or misuse of the information. Examples of misuse include disclosure of information in return for monetary rewards, or use of information for personal gains.
11. It is the personal responsibility of every staff member to understand and comply with the Code. Managers should also ensure that their subordinates understand well and comply with the standards and requirements stated in the Code.
12. Any staff member who is in breach of the Code will be subject to disciplinary action, including termination of employment. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.
13. Any enquiries about the Code or reports of possible breaches of this Code should be channeled to (name and/or post of a senior staff) for advice and action.

(Name of Company)

Date :

Appendix 6 - References

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