

Glossary

A

affirmative action the practice of taking active measures to ensure equal opportunity in hiring and advancement decisions (p. 104)

authority a source of ethical beliefs holding that an action is right or wrong because someone important said so (p. 4)

B

bait and switch the practice of advertising a product at a low price while intentionally stocking only a limited number in hopes of luring shoppers to buy more expensive items (p. 71)

boycott a group agreement not to buy products or conduct business with a certain company to protest a perceived injustice (p. 105)

C

Civil Rights Act of 1964 the most important federal law that addresses discrimination (p. 103)

code of ethics a written set of principles and rules intended to serve as a guideline for ethical behavior for individuals under an organization's authority (p. 71)

commission a method of compensation in which salespeople are rewarded with a percentage of the money from the sales they make, in addition to a salary or hourly wage (p. 76)

consequences the effects or results of what people do (p. 17)

critical thinking the process of logical problem solving (p. 165)

culture a source of ethical beliefs holding that the morality of an action depends on the beliefs of one's culture or nation (p. 4)

D

deficiency judgment an action that a lender may take when a foreclosure does not generate enough money to pay off a mortgage loan (p. 136)

discrimination illegal treatment of a person or group based on prejudice (p. 103)

distributor a business that sells to retailers a product manufactured by others (p. 56)

diversity the inclusion in a company workforce of people who differ in culture, background, personality, and other ways (p. 103)

drug and alcohol abuse a major concern of employers, according to a recent survey (p. 92)

duty an ethical obligation that one individual has to others (p. 20)

E

egoism principle the idea that the right thing for a person to do in any situation is the action that best serves that person's long-term interests (p. 17)

either/or the fallacy of making it appear that there are only two possible sides to an issue, one good and one bad (p. 169)

Employee Polygraph Protection Act a law that sets ground rules for companies and workers when companies ask workers to take a certain kind of exam (p. 94)

environmental law a law that prohibits some actions that harm the environment (p. 154)

Environmental Protection Agency the part of the U.S. government in charge of enforcing environmental regulations (p. 154)

ethical character a group of qualities such as courage and self-discipline belonging to a person (p. 41)

ethical judgment the ability to determine the morally right or best course of action (p. 39)

ethical motivation the inner desire to do the right thing (p. 40)

ethical principles ideas that act as guides for behaving ethically (p. 3)

F

false advertising the practice of making statements about products that the advertiser knows are not true (p. 69)

false appeal to authority the fallacy of incorrectly relying on authority figures or experts to support an argument (p. 171)

false appeal to popularity the fallacy of assuming that an idea is right because many people believe it is right (p. 171)

false prizes a sales technique that seeks to trick potential customers into thinking they have won valuable items such as cash, cars, and cruises (p. 76)

fear of change the internal force that holds people back from ethical growth (p. 42)

foreclosure the process of repossessing a home from a homeowner (p. 136)

G

golden mean the method of defining virtues as perfect balances between opposite and undesirable extremes (p. 22)

green building the use of construction practices that seek to minimize environmental impact (p. 155)

H

hasty generalization the fallacy of assuming that most members of a group share a common characteristic, when this assumption is actually based on only a few observations (p. 170)

honesty the character trait of consistently telling the truth, the whole truth, and nothing but the truth (p. 120)

hostile work environment a type of harassment in which supervisors or coworkers use embarrassment, humiliation, or fear to create a negative climate that interferes with the ability of others to perform their jobs (p. 106)

I

inconsistency the fallacy of contradicting oneself in words or actions without being able to logically defend the contradictions (p. 169)

industriousness the character trait of consistently demonstrating perseverance and hard work (p. 122)

inner conflict the internal force that motivates people to move up toward higher levels of ethical thinking (p. 41)

integrity the character trait of maintaining adherence to a strict personal ethical code (p. 122)

intuition a source of ethical beliefs holding that principles of right and wrong have been built into a person's conscience (p. 4)

is/ought the fallacy of stating that because things are a certain way now, they should remain that way (p. 169)

J

judicial activism the liberal approach to interpreting laws that calls for considering their purpose (p. 90)

judicial restraint the conservative approach to interpreting laws that calls for applying laws literally (p. 90)

justice impartial fairness, or equity (p. 33)

L

labor union an organization that allows workers to bargain with their employers collectively (p. 157)

legalism the belief that because there are laws and policies to cover issues of right and wrong, ethics is irrelevant (p. 3)

logical fallacy an illogical or deceptive argument (p. 168)

loyalty the character trait of maintaining allegiance to a person, an organization, a cause, or an idea (p. 122)

M

moral development the process by which people develop an understanding of right and wrong (p. 33)

moral sensitivity the ability to recognize ethical issues, questions, and temptations and how your actions could affect the people involved (p. 39)

morality the part of human conduct that can be evaluated in terms of right and wrong (p. 4)

mortgage a loan made for the purpose of buying a home (p. 136)

N

negative equity a loan balance that is larger than the value of the asset for which the loan was made (p. 137)

O

Occupational Safety and Health Act a U.S. law that requires companies to provide employees with a working environment free from unnecessary dangers (p. 157)

P

payday loan a short-term loan made at a high rate of interest (p. 135)

philanthropy efforts to improve the well-being of others through charitable donations (p. 57)

post hoc the fallacy of assuming that because two events happened in a short period of time, the first action must have caused the second action (p. 168)

post-offer drug testing drug testing of applicants who are offered jobs (p. 93)

pre-employment drug testing drug testing of job applicants (p. 93)

price gouging the practice of pricing a product far above the normal market value on the assumption that consumers have no other way to buy the product (p. 76)

principle of duties the idea that people should do what is ethically right purely because they have a moral obligation to do so (p. 21)

principle of rights the idea that an action is considered moral when it respects the rights of others and immoral when it violates another's rights (p. 20)

principle of virtues the idea that ethics is based on being a good person, on incorporating ideal character traits into one's life (p. 22)

profit maximization a business practice that favors increasing shareholder wealth over all other objectives (p. 53)

provincialism the fallacy of a person's looking at an issue or a question strictly from his or her point of view or from the point of view of people like him or her (p. 170)

puffery a term used to describe statements that are not outright lies, but merely exaggerations (p. 70)

Q

quid pro quo a type of harassment in which sexual demands are directly tied to a person's keeping his or her job or receiving a promotion or another job benefit (p. 106)

R

race to the bottom the practice of seeking the lowest possible labor costs worldwide (p. 157)

random drug testing drug testing that may be administered to any employee with little or no advance notice (p. 93)

reason a source of ethical beliefs holding that consistent, logical thinking should be the primary tool used in making ethical decisions (p. 4)

red herring the fallacy of using an unrelated idea in an argument to distract an opponent (p. 169)

relativism the belief that because ethical values vary widely, there can be no universal ethical principles that apply to everyone (p. 3)

respect the character trait of showing consideration and appreciation for others (p. 121)

respect for persons the idea that it is wrong to use other people in ways that harm them for one's own benefit (p. 21)

reverse discrimination the alleged practice of giving jobs and promotions to minority applicants at the expense of better-qualified members of majority groups (p. 104)

right a term used to describe how an individual is entitled to be treated by others (p. 19)

right to privacy a constitutional liberty first recognized in the cases *Griswold v. Connecticut* and *Roe v. Wade* (p. 90)

S

sexual harassment unwelcome physical or verbal behavior directed at employees because of their sex (p. 106)

shareholder model the theory that a company's only obligation is to try to make as much money as possible for its investors and owners (p. 54)

shareholders the owners of a corporation (p. 53)

slippery slope an attempt to frighten others into rejecting an idea by trying to show that accepting it would start a chain reaction of terrible events (p. 170)

social contract the deepest values and beliefs of a society (p. 36)

stakeholder model the theory that a company has ethical responsibilities to many people affected by the decisions and actions of the business (p. 55)

standard of ethics refers to social expectations of people's moral behavior (p. 7)

standard of etiquette refers to social expectations concerning manners or social graces (p. 6)

standard of law refers to rules of behavior imposed on people by governments (p. 7)

statute a law passed by Congress (p. 91)

stock a financial instrument the sale of which is used to raise capital for a corporation (p. 53)

straight commission a method of compensation in which income is based entirely on what a person sells (p. 76)

strategic default the consumer practice of paying credit card bills before making mortgage payments (p. 138)

substantiation the validation of advertising claims with objective data from independent research (p. 73)

supplier a business that provides a particular service or commodity that other businesses require (p. 56)

sustainability the concept of making wise long-term use of scarce natural resources (p. 155)

sweatshop labor workers who labor in difficult and perhaps unsafe conditions, often for long hours, while receiving unreasonably low wages (p. 156)

T

telemarketing the practice of selling directly to individuals through unsolicited phone calls, e-mails, or faxes (p. 71)

testimonial an endorsement of a product by someone claiming to have benefited from its use (p. 74)

turnover the number of employees a business is required to hire in order to replace workers who have left the company (p. 55)

two wrongs make a right the fallacy of defending a wrongful action by pointing out that someone else did it, too (p. 169)

U

universality the idea that people should act as they would want others to act in the same situation (p. 21)

usury the practice of charging excessively high interest rates (p. 134)

usury law a law that sets maximum acceptable rates of interest (p. 134)

utility principle the idea that the morally right action is the one that produces the best consequences for everyone involved, not just for one individual (p. 18)

V

value system a way of viewing ethical right and wrong, often unique to an individual, a culture, or a subculture (p. 17)

virtue an ideal character trait that people should try to incorporate into their lives (p. 21)

W

warranty a written promise to repair or replace a product if it breaks or becomes defective within a specified period of time (p. 74)

whistle-blowing the act of reporting unethical or illegal actions by one's superiors or peers to authorities or the media (p. 123)

