Module 1(Session 3)

Introduction to Business Ethics

Topics to be covered

- Importance of Business Ethics
- Factors influencing Business Ethics
- Developing moral Judgement
- Ethical issues
- Six Steps to Improve Business Ethics

Recapitulation

☐ "The principles and standards that define acceptable conduct in business."

Introduction(ctd)

☐ Business ethics can be defined as written and unwritten codes of principles and values that govern decisions and actions within a company.

☐ In the business world, the organization's culture sets standards for determining the difference between good and bad decision making and behavior.

General Business Ethics

- Ethics of human resource management.

- Ethics of sales and marketing.

- Ethics of production.

- Ethics of intellectual property, knowledge

  and skills

Importance of Business Ethics

Ethics influence and contribute to :

☐ Employee Commitment

☐ Investor and customer loyality

☐ Customer satisfaction

☐ Ability to build relationship with stakholders

☐ Greater earning

Importance of Business Ethics

☐ Public expects business to exhibit high levels of ethical performance and social responsibility.

☐ Encouraging business firms and their employees to behave ethically is to prevent harm to society.

☐ Promoting ethical behavior is to protect business from abuse by unethical employees or unethical competitors.

☐ High ethical performance also protects the individuals who work in business.

Factors influencing Business Ethics

Factors influencing Business Ethics

- ➢ Formal and informal policies and rules

- ➢ Norms for acceptable behavior

- ➢ Financial reward system

- ➢ Hiring practices

- ➢ Applications of legal behavior
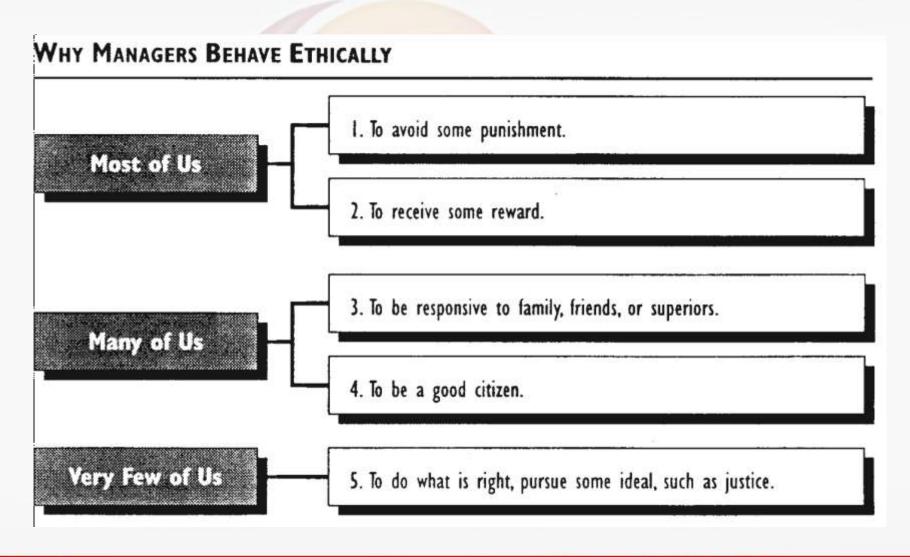
- ➢ Degree to which professionalism is emphasized

- ➢ The company's decision making processes

Developing Moral Judgment

WHY MANAGERS BEHAVE ETHICALLY

Most of Us	1. To avoid some punishment.
	2. To receive some reward.
Many of Us	3. To be responsive to family, friends, or superiors.
	4. To be a good citizen.
Very Few of Us	5. To do what is right, pursue some ideal, such as justice.

Quote

" Being Good is a Good Business "

> Ethical issues
> Not reporting misconduct
> Improve ethics

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Ethical Issues Categories

☐ Fairness and honesty

☐ Conflict of interest

☐ Communications

☐ Business relationships

Fairness and honesty

☐   The heart of business ethics

General values of decision makers

Continues…..

Conflict of interest

☐ Occurs when a person must choose

whether to advance their own personal

interest or those of others

Continues…..

Communication

☐ False and misleading advertising and
deceptive personal-selling tactics anger
customers and may cause a business to fail

Continues…..

Business relationships

☐ Business people must be ethical
toward their customers, suppliers, and
others in their workplace

Continues…..

Reasons for Not Reporting

Observed Misconduct

1.Didn't believe corrective action

2.Feared retribution from supervisor

3.Feared they wouldn't remain anonymous

4.Thought someone else would report the misconduct

5.Didn't know who to contact

Six Steps to Improve Business Ethics

1.Top management support

2.Expectations begin at the top

3.Ethics imbedded in training

4.Ethics office set up

5.External stakeholders informed

6.There must be enforcement

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Thank you