

Module 1 (Session 3)

Introduction to Business Ethics

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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.

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General Business Ethics

- Ethics of human resource management.
- Ethics of sales and marketing.
- Ethics of production.
- Ethics of intellectual property, knowledge and skills

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Importance of Business Ethics

Ethics influence and contribute to :

- Employee Commitment
- Investor and customer loyalty
- Customer satisfaction
- Ability to build relationship with stakeholders
- Greater earning



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Importance of Business Ethics

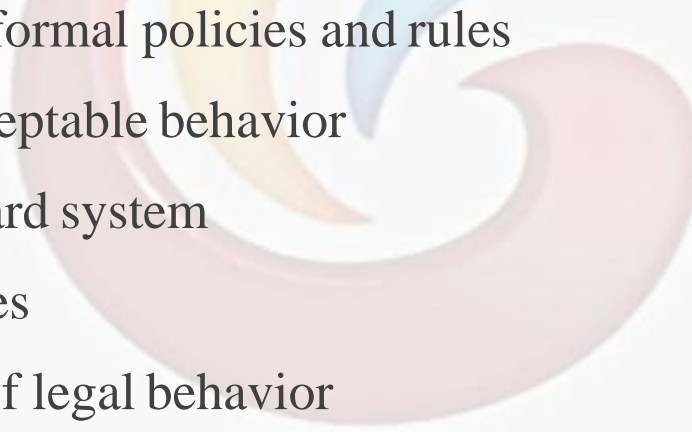
- Public expects business to exhibit high levels of ethical performance and social responsibility.
- Encouraging business firms and their employees to behave ethically is to prevent harm to society.
- Promoting ethical behavior is to protect business from abuse by unethical employees or unethical competitors.
- High ethical performance also protects the individuals who work in business.

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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

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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 “

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- 
- The logo of Galgotias University is a stylized circular emblem composed of several overlapping, curved segments in shades of yellow, orange, blue, and red, creating a sense of motion or a globe.
- > Ethical issues
 - > Not reporting misconduct
 - > Improve ethics

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Ethical Issues Categories

- Fairness and honesty
- Conflict of interest
- Communications
- Business relationships



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Fairness and honesty

- The heart of business ethics
General values of decision makers



Continues.....

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Conflict of interest

- Occurs when a person must choose whether to advance their own personal interest or those of others



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Continues.....

Communication

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



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Continues.....

Business relationships

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



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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

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