

The logo of Galgotias University is a stylized 'G' composed of three curved, overlapping bands in shades of yellow, blue, and red, set against a light pink circular background.

Module 1(Session 2)

Introduction to Business Ethics

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CONCEPTS TO BE COVERED

- Relationship between law and ethics
- Ethical decisions in workplace
- Principles of Personal Ethics
- Motivation for being ethical
- Ethical decisions
- Ethical Dilemmas
- Why should Businesses act Ethically?
- How Corporations Observe Ethics in Their Organizations?

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The Relationship Between Law and Ethics

- The law is an expression of the ethical beliefs of our society.
- Law and ethics are not the same thing. The question, “Is an act legal?” is different from the question, “Is an act ethical?” The law cannot codify all ethical requirements. Therefore, an action might be unethical, yet not necessarily illegal. For example, it might be unethical to lie to your family, but it is not necessary illegal.

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The Relationship Between Law and Ethics

- Similarly, just because an act is illegal does not necessarily mean it is immoral. Rosa Parks was acting illegally when she refused to give up her seat on the bus to a white male, but that does not necessarily mean she was acting unethically. Should an individual obey the law even if it would be unethical to do so? Under the theory of civil disobedience espoused by Martin Luther King, Mahatma Gandhi and others, an immoral law deserves to be disobeyed. Can you think of any examples of acts that would be illegal, yet arguably ethical?

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Ethical Decisions in the Workplace

- Harassment
 - Physical
 - Emotional
 - Sexual
- Misrepresenting/ Fraud
- Theft
- Customer Relations
- Whistle Blowing

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Principles of Personal Ethics

- Concern and respect for the autonomy of others;
- Honesty and willingness to comply with the law;
- Fairness and ability not to take undue advantage of others;
- Benevolence and preventing harm to any creature.

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Motivation for being ethical

- Most people want to maintain a clear conscience and would like to act ethically under normal circumstances.
- It is natural for people to ensure that their actions do not cause any injury, whether physical or mental to others.
- People are obliged to obey the laws of land/countries' constitutional laws.
- Social and material well-being depends on one's ethical behaviour in society.

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Making an Ethical Decision

How do you deal with them?

- Address this issue first
- Determine who is effected
- What is the ethical concern of this issue
- What do others think?

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Ethical Decisions

Companies need to be trustworthy and honest

- Effects Stakeholders, customers, employees, and community
- Ethics and Business go together

Create the environment where people feel safe enough to speak up

Get Facts

- Which solution will be for the greater good of the company and create the least harm
- Which solution respects the rights of everyone

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Ethical Dilemmas

- Conflict of interest
 - Situation in which a business decision may be influenced for personal gain.
- Honesty and integrity
 - Telling the truth and adhering to deeply felt ethical principles in business decisions.
- Whistle blowing
 - Employee's disclosure of illegal, immoral, or unethical practices in the organization.
- Loyalty Vs truth
 - Businesspeople expect employees to be loyal and truthful, but ethical conflicts may arise.

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Why should Businesses act Ethically?

The reasons for an organization to be ethical include:

- To protect its own interest,
- To protect the interests of the business community as a whole so that the public will have trust in it,
- To keep its commitment to society to act ethically, and
- To meet stakeholder expectations.

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Why should Businesses act Ethically? (contd.)

The reasons for an organization to be ethical include:

- To prevent harm to the general public,
- To build trust with key stakeholder groups,
- To protect themselves from abuse from unethical employees and competitors,
- To protect their own reputations,
- To protect their own employees, and
- To create an environment in which workers can act in ways consistent with their values.

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Ethical Decision-making

Norman Vincent Peale's and Kenneth Blanchard's suggestions to conduct ethical business.

- Is your decision fair?
- Is it a win-win situation for all?
- Is your decision legal? If it is not legal, it is not ethical.

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How Corporations Observe Ethics in Their Organizations?

- Publish in-house codes of ethics to be strictly followed by all their associates.
- Employ people with a reputation for high standards of ethical behaviour at the top levels.
- Incorporate consideration of ethics into performance reviews.
- Give rewards for ethical behaviour.

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