



UNIT I INTRODUCTION

- Definition & nature of Business ethics,
- Characteristics,
- Ethical theories;
- Causes of unethical behavior;
- Ethical abuses;
- Work ethics;
- Code of conduct;
- Public good.

Ethics

- Ethics in business refer to a code of standard by which one can determine what is wrong and what is right for the business enterprise.
- It could be referred as set of principles a business man ought to follow. ” business ethics” means that the business should be conducted according to certain self recognized moral standards.
- Fairness, integrity, committing to agreements, broad mindedness, importance to self esteem and self respect and many such principles defines business ethics
- Few unethical elements in the present day business are cheating, stealing, lying, bribing, corrupting etc.

DEFINITION:

- The term “business” is commonly referred to the commercial activities achieved at making profit. But gradually there is a substantial change in the way in which people viewed the business.
- The study and examination of moral and social responsibility in relation to business practice and decision making in business is known as “Business Ethics”.

The nature of ethics :

- ◎ Ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues.

ELEMENTS OF BUSINESS ETHICS

- **Values**
- **Rights**
- **Duties**

“Good ethics promotes good business”

Characteristics of business ethics

- 1. A Discipline**
- 2. Dynamic philosophy**
- 3. Theology is the base of business ethics**
- 4. Study of goals and means**
- 5. Ethics is different from social morality**
- 6. Different from social responsibility**
- 7. Relating to human aspect**
- 8. Importance to personal dignity**
- 9. A universal philosophy**
- 10. Harmony between different roles**
- 11. Good intention**

Ethical dilemma

- happens in types of situation when one has to decide between right versus right.
- 1) Trust versus loyalty
 - 2) Individual versus community
 - 3) Short term versus long term
 - 4) Justice versus mercy



Approaches to resolve ethical dilemma

Utilitarian

- End based

Universalism

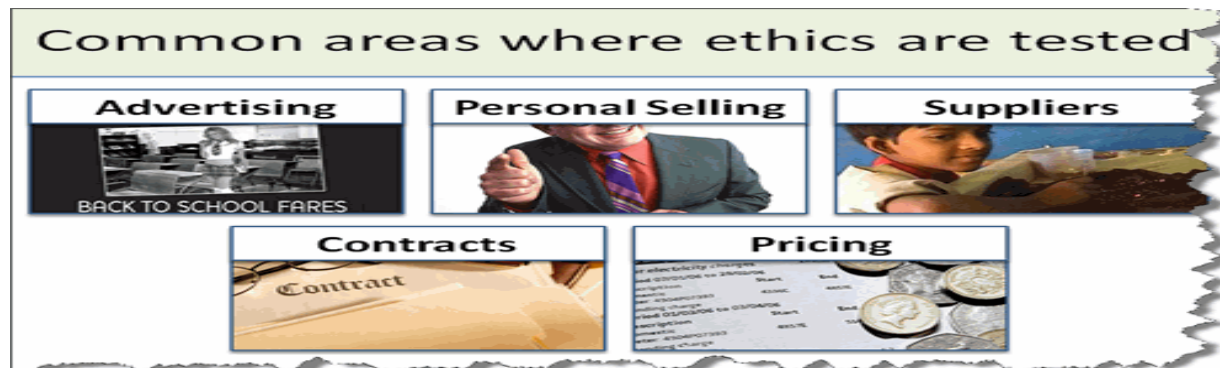
- Rule based

Care based

- Care based approach

Ethical issues in various functional areas

- Ethics in marketing
- Ethical aspects of a free market
- Ethical issues in finance
- Ethical issues in human resource development
- Ethical issues in IT
- Ethical issues in business strategy



Common areas where ethics are tested

Advertising



BACK TO SCHOOL FARES

Personal Selling



Suppliers



Contracts

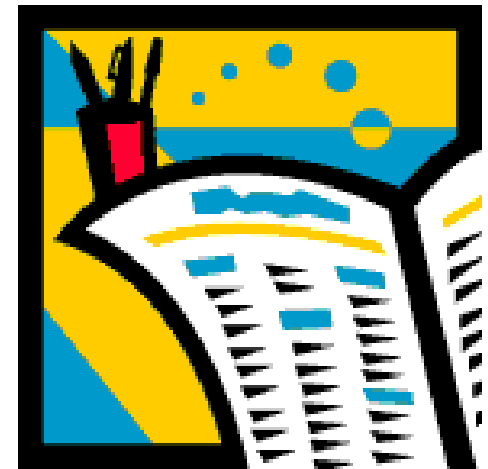


Pricing



Ethics in marketing

- Ethical product
- Ethical price
- Ethical promotion
- Advertising and behavioral control
- Controls in advertising: legal and voluntary



Ethical issues in human resource

- Selection
- Promotion
- Transfer
- Termination
- Sexual harassment
- Unfair labor practices
- Unsafe workplace and bad conditions and long working hours
- Non-implementation of ILO conventions



Ethical aspects of free market

- Market ethics
- The protestant ethics
- The liberty ethics



Ethical issues in finance

- Insider trading
- Social audit
- Investment in safe securities
- Deception



Ethical issues in IT

- contemplation the ethical issues connected to informational privacy, new environment and so on
- Look into problems arising from the origin of information, especially ownership and copy related to the field of the computer ethics
- Examine issues associated with ownership, access, privacy, security and community



Ethical issues in business

- Levels of strategy
- Types of strategy
 - 1) Growth strategy
 - 2) Dependency reduction strategy
 - 3) Vertical integration strategy
 - 4) General strategy
 - 5) Mergers and joint venture
 - 6) Turnaround strategy

Benefits of business ethics

- Helps in improving society.
- Helps an organization maintain ethical values during times of crisis.
- Helps employees to behave according to the ethical values that are preferred by the top management.
- Ethics support employee growth.
- It has become legal instruments..
- It helps to avoid criminal acts of omission & it also helps in lowering the fines.

Benefits ...

- Helps to identify and manage the values associated with quality management, strategic management and diversity management.
- Helps in building a strong & positive public image of the organization.
- Strengthens organizational culture.
- Make sure that right activities are performed in an organization.