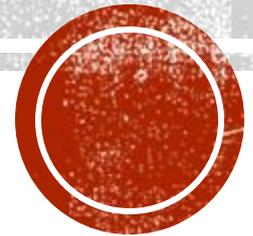


INTRODUCTION TO BUSINESS ETHICS

**Semester 4
(Part1)**



Ethics

The word "Ethics" which is coined from the Latin word 'Ethics' and Greek word 'Ethikos' pertains the character.



What are Business Ethics?

Ethics is a branch of social science. It deals with moral principles and social values. It helps us to classify, what is good and what is bad? It tells us to do good things and avoid doing bad things.



Features

- 1 • Code of Conduct
- 2 • Based on Moral and Social Values
- 3 • Gives Protection to Social Groups
- 4 • Provides Basic Framework
- 5 • Voluntary
- 6 • Requires Education and Guidance
- 7 • Relative Term
- 8 • New concept



• **Code of conduct** : Business ethics is a code of conduct. It tells what to do and what not to do for the welfare of the society. All businessmen must follow this code of conduct.

• **Based on moral and social values** : Business ethics is based on moral and social values. It contains moral and social principles (rules) for doing business. This includes self-control, consumer protection and welfare, service to society, fair treatment to social groups, not to exploit others, etc.

• **Gives protection to social groups** : Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.

• **Provides basic framework** : Business ethics provide a basic framework for doing business. It gives the social cultural, economic, legal and other limits of business. Business must be conducted within these limits.



• **Voluntary** : Business ethics must be voluntary. The businessmen must accept business ethics on their own. Business ethics must be like self-discipline. It must not be enforced by law.

• **Requires education and guidance** : Businessmen must be given proper education and guidance before introducing business ethics. The businessmen must be motivated to use business ethics. They must be informed about the advantages of using business ethics. Trade Associations and Chambers of Commerce must also play an active role in this matter.

• **Relative Term** : Business ethics is a relative term. That is, it changes from one business to another. It also changes from one country to another. What is considered as good in one country may be taboo in another country

• **New concept** : Business ethics is a newer concept. It is strictly followed only in developed countries. It is not followed properly in poor and developing countries.

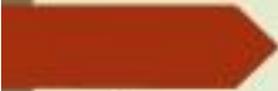


Importance of Business Ethics

Ethics influence and contribute to :

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





Importance of Business Ethics (ctd)

- 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.



SCOPE OF BUSINESS ETHICS

1. Ethical issues in accounting

- Window dressing**
- Insider trading**
- Security frauds**
- Hostile takeovers**
- Bribery and kickback**



ETHICS IN HUMAN RESOURCE MANAGEMENT

- **Employees employers relationship**
- **Discrimination issues**
- **Suppression of democratization**
- **Privacy issues**
- **Occupational safety**
- **Pressure from political and economic and social groups**



ETHICS IN MARKETING

- Price fixing
- Price discrimination
- Price skimming
- Predatory pricing
- Selling product above MRP
- Use of deception
- Targeting the vulnerable



ETHICS IN PRODUCTION AND OPERATION MANAGEMENT

- Problem arising out of new technologies
- Defective, addictive and inherently dangerous products
- Relationship between company and environment



THANK YOU

- By madhurima Banerjee
- (To be continued.....)

