

PRACTICING BUSINESS ETHICS

WHAT IS BUSINESS ETHICS?

- PUBLIC'S INTEREST IN BUSINESS ETHICS INCREASED DURING THE LAST FOUR DECADES
- PUBLIC'S INTEREST IN BUSINESS ETHICS SPURRED BY THE MEDIA



WHAT IS ETHICS?

- ETHICS IS THE BRANCH OF PHILOSOPHY THAT FOCUSES ON MORALITY AND THE WAY IN WHICH MORAL PRINCIPLES ARE APPLIED TO EVERYDAY LIFE.

BUSINESS ETHICS

- PRINCIPLES AND STANDARDS THAT DETERMINE ACCEPTABLE CONDUCT IN BUSINESS ORGANIZATIONS





THE ROLE OF ETHICS IN BUSINESS



REASONS FOR A STRONG COMMITMENT TO ETHICAL VALUES:

1. ETHICAL COMPANIES HAVE BEEN SHOWN TO BE MORE PROFITABLE.
2. MAKING ETHICAL CHOICES RESULTS IN LOWER STRESS FOR CORPORATE MANAGERS AND OTHER EMPLOYEES.
3. OUR REPUTATION, GOOD OR BAD, ENDURES.
4. ETHICAL BEHAVIOUR ENHANCES LEADERSHIP.
5. THE ALTERNATIVE TO VOLUNTARY ETHICAL BEHAVIOUR IS DEMANDING AND COSTLY REGULATION.

THREE QUESTIONS

- HAS BUSINESS ETHICS REALLY DETERIORATED?
- ARE THE MEDIA REPORTING ETHICAL PROBLEMS MORE FREQUENTLY AND VIGOROUSLY?
- ARE PRACTICES THAT ONCE WERE SOCIALLY ACCEPTABLE NO LONGER SOCIALLY ACCEPTABLE?

- ETHICS ARE ALSO RELATED TO THE CULTURE IN WHICH A BUSINESS OPERATES.

ETHICAL ISSUE

- AN IDENTIFIABLE PROBLEM, SITUATION, OR OPPORTUNITY THAT REQUIRES A PERSON TO CHOOSE FROM AMONG SEVERAL ACTIONS THAT MAY BE EVALUATED AS RIGHT OR WRONG, ETHICAL OR UNETHICAL



LYING TO SUPERVISORS	45%
FALSIFYING RECORDS	36
ALCOHOL AND DRUG ABUSE	36
CONFLICT OF INTEREST	34
STEALING OR THEFT	27
GIFT RECEIPT/ENTERTAINMENT IN VIOLATION OF COMPANY POLICY	26

MANY ETHICAL ISSUES IN BUSINESS CAN BE CATEGORIZED IN THE CONTEXT OF THEIR RELATION TO

- CONFLICTS OF INTEREST,
- FAIRNESS AND HONESTY,
- COMMUNICATIONS,
- AND BUSINESS ASSOCIATIONS.



CONFLICT OF INTEREST.



FAIRNESS AND HONESTY



ONE ASPECT OF FAIRNESS RELATES TO COMPETITION

- ALTHOUGH NUMEROUS LAWS HAVE BEEN PASSED TO FOSTER COMPETITION AND MAKE MONOPOLISTIC PRACTICES ILLEGAL, COMPANIES SOMETIMES GAIN CONTROL OVER MARKETS BY USING QUESTIONABLE PRACTICES THAT HARM COMPETITION

- Another aspect of fairness and honesty relates to disclosure of potential harm caused by product use.



COMMUNICATIONS



BUSINESS RELATIONSHIPS



PLAGIARISM

- THE ACT OF TAKING SOMEONE ELSE'S WORK AND PRESENTING IT AS YOUR OWN WITHOUT MENTIONING THE SOURCE

MAKING DECISIONS ABOUT ETHICAL ISSUES



SOME QUESTIONS YOU MAY WANT TO ASK YOURSELF AND OTHERS
WHEN TRYING TO DETERMINE WHETHER AN ACTION IS ETHICAL

Are there any potential legal restrictions or violations that could result from the action

Does your company have a specific code of ethics or policy on the action

Is this activity customary in your industry?

Would this activity be accepted by your coworkers?

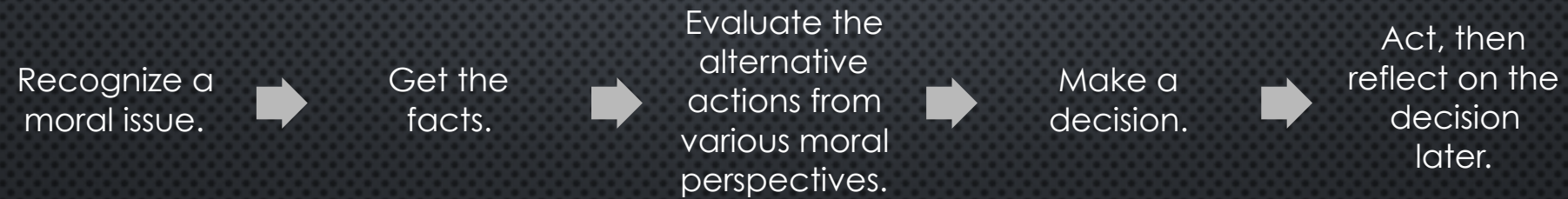
How does this activity fit with your own beliefs and value?

How would you feel if your actions were published in the newspaper

- ETHICAL DECISIONS INVOLVE QUESTIONS ABOUT HOW WE OUGHT TO BEHAVE.
- THE DECISION PROCESS MUST CONSIDER CULTURAL AND RELIGIOUS BACKGROUND.



FIVE-STEP FRAMEWORK FOR APPLIED ETHICS IS:



IMPROVING ETHICAL BEHAVIOUR IN BUSINESS

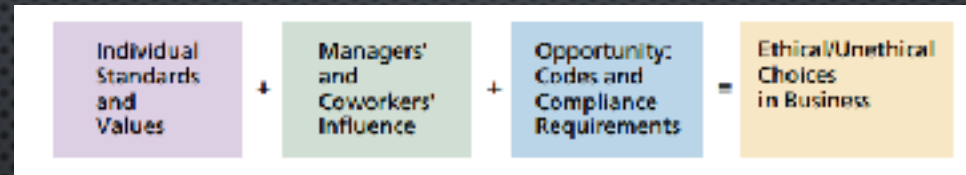


CODES OF ETHICS

- FORMALIZED RULES AND STANDARDS THAT DESCRIBE WHAT A COMPANY EXPECTS OF ITS EMPLOYEES



THREE FACTORS THAT INFLUENCE BUSINESS ETHICS



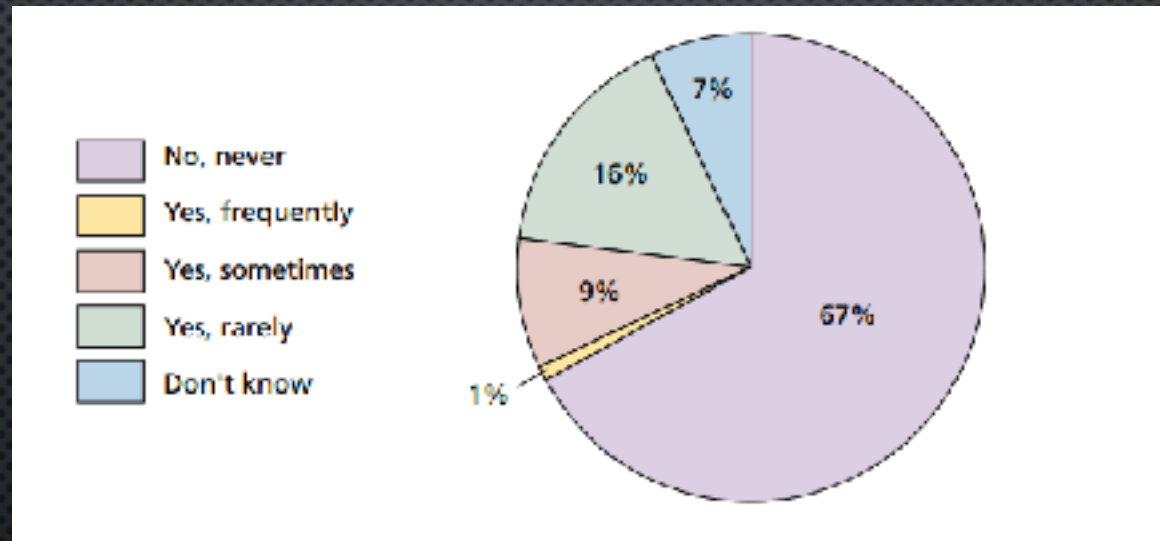
Source: Ethics Resource Center/Society for Human Resource Management, 1997 Business Ethics Survey Report, p. 19.

WHISTLEBLOWING

- THE ACT OF AN EMPLOYEE EXPOSING AN EMPLOYER'S WRONGDOING TO OUTSIDERS, SUCH AS THE MEDIA OR GOVERNMENT REGULATORY AGENCIES



PERCENTAGE OF EMPLOYEES WHO BELIEVE THAT THEIR COMPANY ENCOURAGES UNETHICAL CONDUCT



Source: Ethics Resource Center/Society for Human Resource Management, 1997 Business Ethics Survey Report, p. 19.

THANK YOU

