



BUSINESS ETHICS

Kathy Terdpaopong, Rangsit University, Thailand





INTRODUCTION

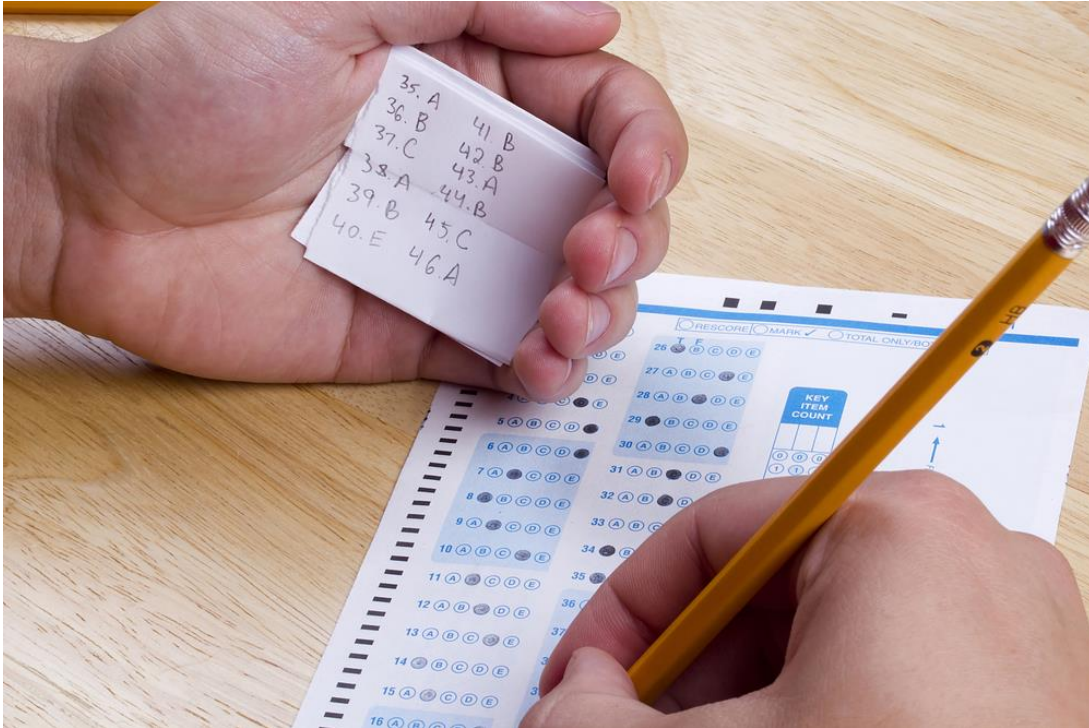


What is Ethics ?

A code of moral standards of conduct for what is “good” and “right” as opposed to what is “bad” or “wrong”.



Why discuss business ethics?



*Is cheating exam right, several people do it?
Plagiarism, Self-plagiarism?*

- Ethics set the standards for excellence in practice.
- It is the moral control that holds us steady to our course.
- Ethics are important to us as individuals because they shape our identities.
- Ethics define how we stand in relation to others and how we would like others to stand in relation to ourselves.
- Ethics affect everyone including consumers of our services.
- There is the need for public confidence.



Business Ethics and its importance

Business Ethics?

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.

In today's business environment, ethical behavior and practice have become an essential aspect of any organization.

Importance of Ethics in Business

The study of Ethics paves the way for common ground in our understanding of the fundamental idea of what is good and what is bad in our human conduct. Without Ethics, people, especially businessmen, will set their own moral standards, moral rules and moral principles.



Causes of unethical conduct:

- Lack of adequate knowledge of standard practice.
- Lack of established corporate culture.
- Inadequate mentoring
- Unguided competition
- Poor staff recruitment procedures
- Poor reward system
- Greed and pursuit of personal gains
- Inadequate enforcement of established rules
- Inadequate punishment for offenders
- Value system, societal influences and peer pressure





Ethics influence and contribute to:

- Employee commitment
- Investor and customer loyalty and confidence.
- Legal problems and penalties.
- Customer satisfaction.
- The ability to build relationships with stakeholders.
- Cost control.
- Performance, revenue, and profits.
- Reputation and image.





Principles For Positive Business Ethics

INTEGRITY

- Integrity refers to whole-ness, reliability and consistency. Ethical businesses treat people with respect, honesty and integrity. They back up their promises, and they keep their commitments.

FAIRNESS

- Would a dis-interested observer agree that both sides are being treated fairly? Are both sides negotiating in good faith? If so, the basic principles of ethics are being met.

DEPENDABILITY

- If your company is new, unstable, about to be sold, or going out of business, ethics requires that you let clients and customers know this. Ethical businesses can be relied upon to be available to solve problems, answer questions and provide support.



Principles For Positive Business Ethics

BUILD ON PERSONAL ETHICS

- There is no real separation between doing what is right in business and playing fair, telling the truth and being ethical in your personal life.

REQUIRE BUSINESS PLAN

A company's ethics are built on its image of itself and its vision of the future and its role in the community. The clearer the company's plan for growth, stability, profits and service, the stronger its commitment to ethical business practices.

VALUE – BASED Ethics are about values, ideals and aspirations. Ethical businesses may not always live up to their ideals, but they are clear about their intent.



Ethical Issues Within Organization

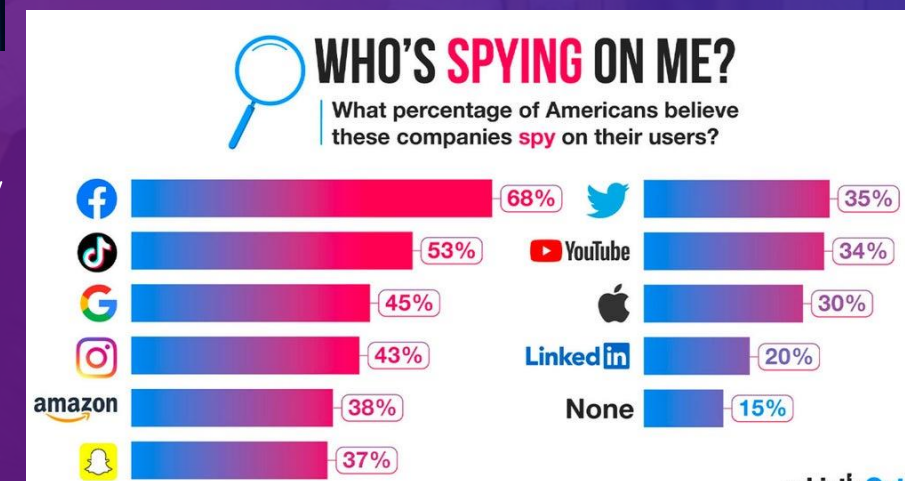
Health and safety

- Manufacturing plants and other workplaces where employees use dangerous equipment or engage in physically demanding work should have strong safety standards that not only meet federal requirements, but that also make eliminating accidents a priority.



Technology

- Advancements in technology and the growth of the Internet in the early 21st century have produced a slew of ethical dilemmas for companies. Company leaders have to **balance the privacy and freedom** of workers while also maintaining standards that require that company technology use is for legitimate business purposes





Ethical Issues Within Organization

Transparency

- Prominent business and accounting scandals have made it imperative that companies operate with openness and transparency. For public corporations, this includes honest, accurate and complete reporting on mandated financial accounting reports.

Fair Working Conditions

- Companies are generally expected to provide fair working conditions for their employees in the business environment, Fair pay and benefits for work are more obvious elements of a fair workplace. Another important element is provision of a nondiscriminatory work environment





Ethical Dilemmas In Business

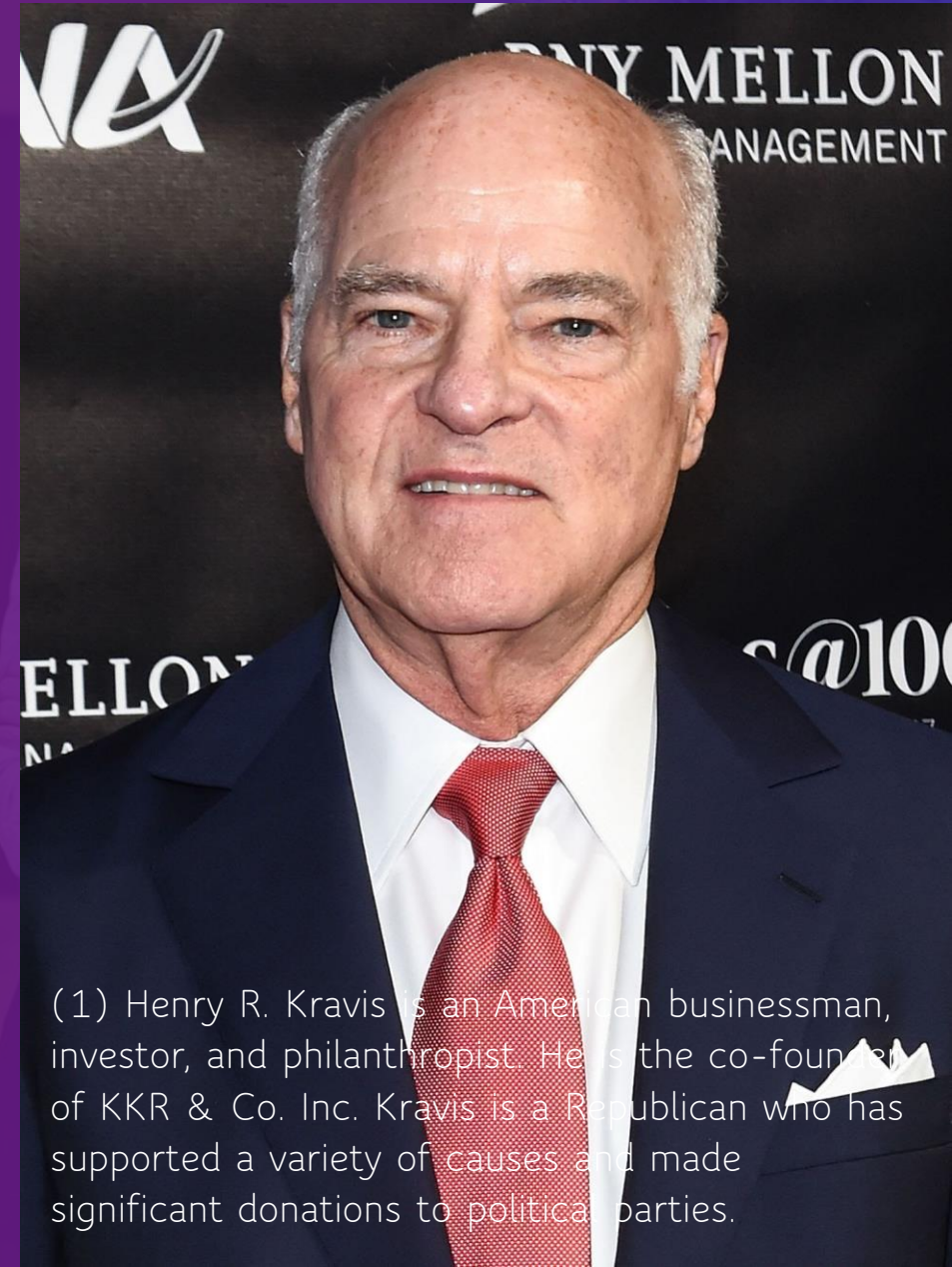
- Like unexploded bombs, must be defused before they blow up in our faces
- Company expectations for employee commitment
- Pressure from managers and co-workers
- Opportunities for unethical behavior
Internal pressure in the form of personal ambitions
- External forces such as family needs
- Personal reputations, legal standing, company's public name are at risk
- Much is at stake for companies and individuals in facing ethical dilemmas





Conclusion

- Ethics are important not only in business but in all aspects of life because it is an essential part of the foundation on which of a civilized society is build. A business or society that lacks ethical principles is bound to fail sooner or later.
- Henry Kravis(1) states, “If you build that foundation, both the moral and the ethical foundation, as well as the business foundation...then the building won't crumble.”



(1) Henry R. Kravis is an American businessman, investor, and philanthropist. He is the co-founder of KKR & Co. Inc. Kravis is a Republican who has supported a variety of causes and made significant donations to political parties.



what
WE LEARN
becomes a part of **who**
WE ARE



THANK YOU!

Email: Q&A to Kanitsorn@rsu.ac.th