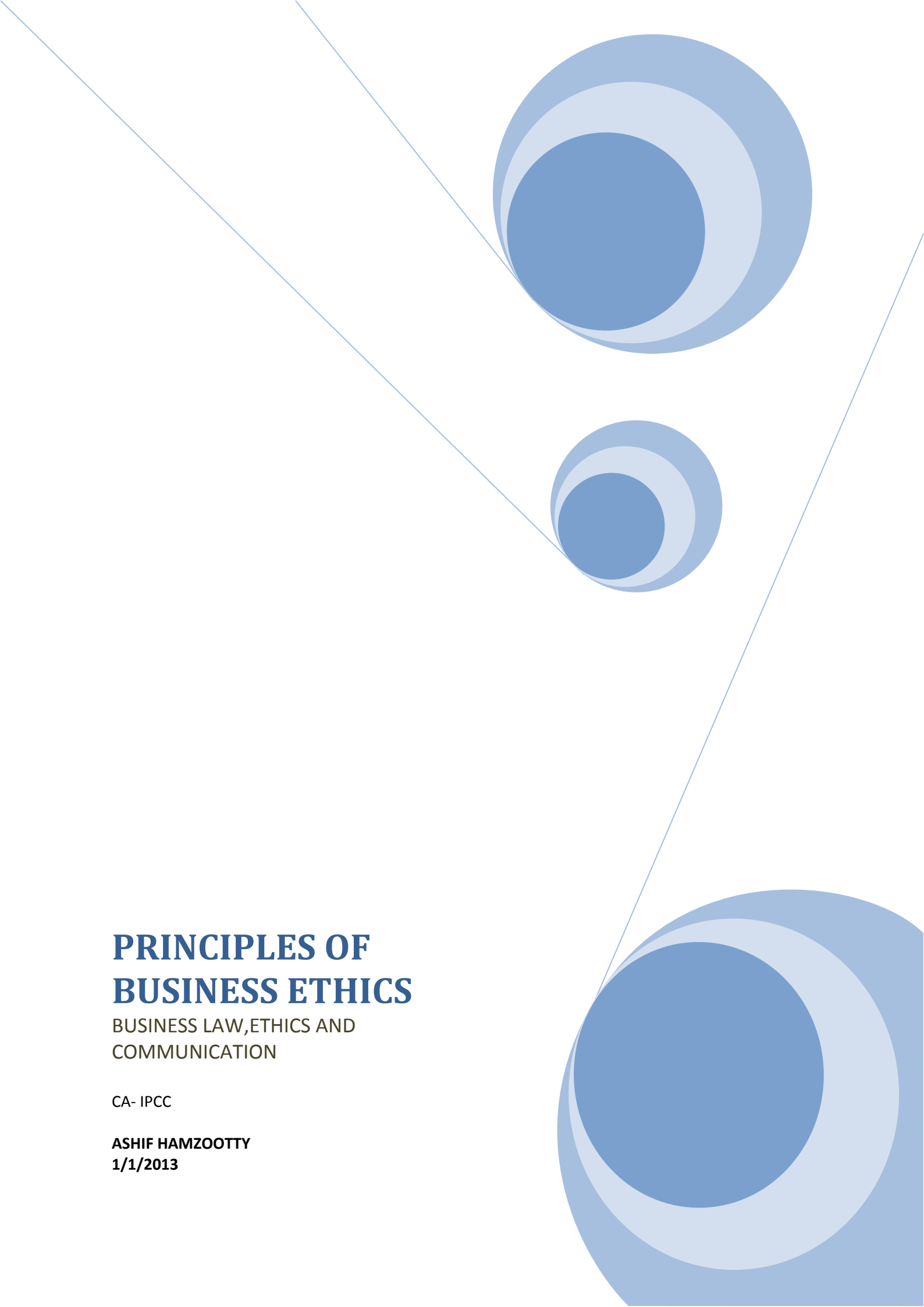




PRINCIPLES OF BUSINESS ETHICS

BUSINESS LAW, ETHICS AND
COMMUNICATION

CA- IPCC

ASHIF HAMZOOTTY
1/1/2013

1. PRINCIPLES OF BUSINESS ETHICS

SEVEN SOCIAL SINS ON THE PRINCIPLES OF MAHATMA GANDHI

- **POLITICS** WITHOUT **PRINCIPLES**
- **WEALTH** WITHOUT **WORK**
- **COMMERCE** WITHOUT **MORALITY**
- **KNOWLEDGE** WITHOUT **CHARACTER**
- **PLEASURE** WITHOUT **CONSCIENCE**
- **SCIENCE** WITHOUT **HUMANITY**
- **WORSHIP** WITHOUT **SACRIFICE**



Character (ethikos)

Greek

Personal attribute

People

Custom (mos)

Latin

Group overtime

Society

ETHICS

The Principles of conduct governing an individual or a group. Ethics are related to what is good or bad and having to do with moral duty and obligation.

FIVE SOURCES OF ETHICAL STANDARDS

- *The Utilitarian Approach*

Deals with consequences. It tries both to increase the good done and to reduce the harm done.

- *The Right Approach (Deontological)*
- *The Fairness or Justice Approach*
- *The Common Good Approach*
- *The Virtue Approach*

NEED FOR BUSINESS ETHICS

- Need for complying with **rules**; law, custom and expectation of community.
- How the *products & services* of an *organisation and the actions of its members* can **affect** its employees, the community and society as a whole.

ETHICAL DILEMMA (Tackling from two *goods*)

Situation where facing on not able to take **decision on conditions.**

BENEFITS OF BUSINESS ETHICS

5*

1. **Improved Society**
2. **Easier change management**
3. **Strong teamwork & greater productivity**
4. Enhanced employee **growth**
5. Ethics programs help guarantee that personal policies are **legal**
6. Ethics programs help to *avoid* **criminal acts** of "omission" and can **lower fines**.
7. Ethics programs help to manage values associated with **quality management**, **strategic planning** and **diversity management**.
8. Ethics help to promote a strong **public image**.

2. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Corporate governance is about promoting corporate ***fairness, transparency and accountability***

OBJECTIVE OF CSR

5*

- **Focus**
- **Predictability**
- **Transparency**
- **Participation**
- **Accountability**
- **Efficiency & Effectiveness**
- **Stake holders Satisfaction**

FPT PAES

STAKE HOLDER

- Employees
- Trade Union
- Customers
- Share Holders
- Suppliers
- Local Communities
- Government
- Competitors

BENEFITS OF GOOD CORPORATE GOVERNANCE

5*

- Protection of Investors interest and strong capital markets.
- Studies show clear evidence that good governance is rewarded with a higher market valuation
- Ensures commitment of the board in managing the company in a transparent manner.

CORPORATE SOCIAL RESPONSIBILITY

Business has social obligation beyond making profit and follows from a decision by management to expand traditional governance arrangements to include accountability to the full range of stakeholders

SCOPE OF CORPORATE SOCIAL RESPONSIBILITY

Integrating economic, social, and environmental imperatives of business activities

NEED FOR SOCIAL RESPONSIBILITY OF A BUSINESS ENTERPRISE

- **I**ron law of Responsibility
- **C**onversion of resistances into resources
- **W**ealth Creation
- **E**ffective use of resources
- **L**ong term business interest
- Better **P**ublic image
- Avoiding **G**ovt intervention
- **M**inimising environmental damage

CPIM GOVT WEL

KEY STRATEGIES IN IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY

- **M**ission, Vision and Value statements
- **P**lans Vs performance
- **M**anagement Structure
- **L**ong term strategic planning
- General **A**ccountability
- **E**mployee **R**ecognition & Reward
- **E**mployee **E**ducation & **T**raining
- **C**SR **R**eporting
- **L**eadership/ pioneering role

MPMLAERTRL

BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY

- **I**mproved financial performance
- **O**perating cost reduction
- **B**rand Image & Reputation
- **I**ncreased sale & Customer loyalty
- **P**roductivity & Quality
- **A**bility to attract & retain employees
- **R**educed Regulatory Supervision
- **A**ccess to Capital

IOBIPARA

WORKPLACE ETHICS

How one applies value to work in actual decision making a set of right & wrong actions that directly impact the workplace

FACTORS INFLUENCING ETHICAL BEHAVIOUR IN THE WORKPLACE

- Individual Moral standards
- Influence of managers & co-workers
- Opportunity to engage in misconduct

FEW GUIDELINES FOR MANAGING ETHICS IN WORKPLACE

- Integrated Ethics management
- Pro-active Role
- Open Communication
- Atmosphere of Trust
- Code of conduct & Ethics
- Policies / Procedures
- Group Decision making
- Cross-Factual Teams
- OM buds person
- Grievance policy

IPO AC PG COG

SUSTAINABLE DEVELOPMENT

Development that meets the need of the present without compromising the ability of future generations to meet their own needs.

Main forms of Pollution & Resource Depletion

- Depletion of fossil fuels
- Water Pollution
- Land Pollution
 - Solid Wastes
 - Hazardous or Toxic substances
- Air Pollution

Ethical Behaviour in Marketing

- Consumer Well being
- Positive Role of Marketing
- Image Boost to the organisation
- Matching power & Responsibility
- Reduced Govt Regulation

CPIM GOVT

Main Ingredients/ Governing provisions of the Competition Act

- Prohibition of **Anti- Competitive** Agreements.
- Prohibition of abuse of **dominant position**.
- Regulation of **Combinations**.

PACDPRC

Consumer Interest

VS

Public Interest