

Business Ethics

Wednesday 19

(050 - 316) Wk 08

V<sup>th</sup> SemesterDr. Vineet Kumar

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Business Ethics :- It is branch of social science which deals with moral principle and social value. It is the study of human relationship which classify The good & bad, ~~wrong~~ or right or wrong.

① Ethics involve not ~~not~~ only in business but in all human activities.

2) It contain principle of personal and professional conduct.

③ Ethics does not rest on feeling of approval and disapproval but in careful examination of reality around us.

④ Ethical behaviour in one society may be unethical in other. eg. Artificial birth control is mandatory in Russia & China but taboo in catholic Christian society.

⑤ Ethics is normative science that seek to determine from ideal, standards or value. (thinking, feeling and willing)

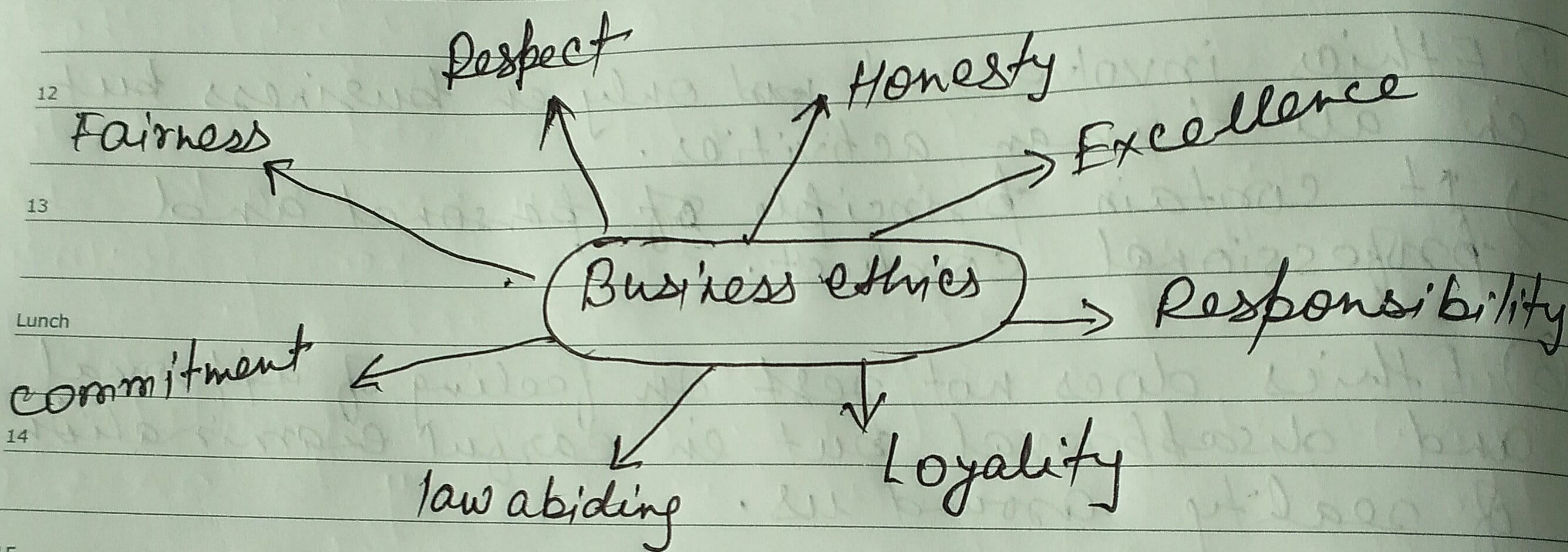
6) Business ethics is a moral principles or rules of behaviour which should govern the conducting business environment. ie how business operate, how decisions are made and how people are treated ie customers, clients, suppliers and shareholders.

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⑦ There is no any universal law or rule for ethics exist to decide what is right or wrong often depend on circumstances.



### Need of Ethics in organisation

Due to

① Social pressure :- Trade union, consumer forums, shareholders and other social groups are putting pressure on business to abandon unethical practice.

② Legal requirements

If business disobey the law and government regulation they are surely be loose the power and prestige. Low respect businessman must follow them.

• Education is a progressive discovery of our own ignorance •

March

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various guide line like

- (a) Environment (Pollution control)
- (b) Safety within organisation
- (c) Health related instruction
- (d) Employee welfare
- (e) Societal change & providing basic infrastructure

(3) Moral consciousness majority  
 Due to moral ground ~~most~~ of businessmen avoid  
 adulteration, imitation, spurious goods, blackmarketing,  
 false claim in advertisement. Low declared  
 such practices illegal.

(4) Self Interest

If a business enterprises serve its customers  
 with good quality, fair price, treat its employee  
 with respect, rewards its shareholders and pay  
 the taxes honestly and intime. As a result  
 their goodwill, sales and profit will increase  
 considerably.

Business ethics ultimately result in  
 customer satisfaction, sound industrial relation,  
 healthy competition, social justice and peace.

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Subj: Business Ethics.  
Sem: V  
Name: Dr. Vineet Kumar

February

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## Ethics in organisational, individuals consciousness.

B. Ethics examines the ethical & moral principles and problems that arise in a business environment. It applies to all aspects of business conduct on behalf of both individuals and organisations.

Followings are some organisational

Ethics.

1) Profit in the terms of goodwill and credibility is much more valuable than profit merely in terms of money or return of investment.

2) Money oriented balance sheet is secondary where as people oriented balance, such can give better and reliable picture of progress and prosperity of the organisation.

3) Profit maximisation objective should be achieved through service & satisfaction of people.

4) Profit maximisation objective should not result in exploitation of poor by rich. There should be equal distribution of income & wealth.

5) Not try to maximise profit by underisable means such as black marketing, exploitation of workers and consumers.

6) Organisation should not be overlook the interest of stakeholders (Internal & external).

7) The business firms must follow the various legal provision prevailing for price control.

• Education is not preparation for life; education is life itself •

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Monday 24

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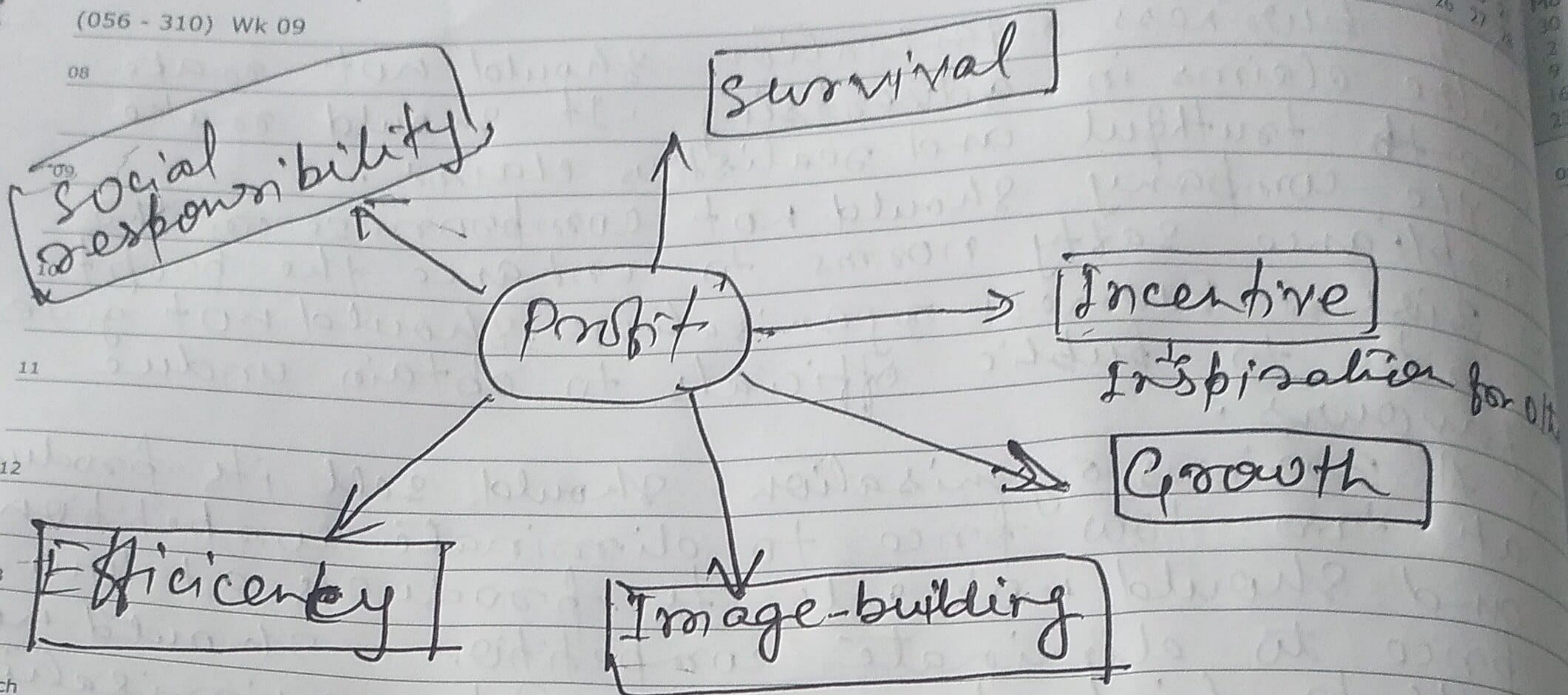
- A business organisation should not make false claims in advertising. It should make truthful and realistic claims.
- 9) The company should not compromise on the compliance safety norms to enhance the profit.
- (10) Business organisation should not give bribe to public officials to obtain undue favours.
- 11) A Business organisation should sell its product at too low price to eliminate competition and should not sell its products at low price to eliminate competition & should not sell to high price for profit maximisation.
- 12) The businessman should not raise profit through adulteration in goods & services.
- 13) Abnormal profit making through artificial scarcity of essential goods like baby food, kerosene, cement, etc. should be avoided.
- 14) Unethical investment decision should be avoided such as investment in gambling, pornography or other sexually explicit materials, tobacco products & their promotion etc.

Education is the ability to listen to almost anything without losing your temper.

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### Nature of Business Ethics

- 1) Code of conduct
- 2) Based on moral & social value
- 3) Give protection to social groups such as consumers, employee, businessman, Govt, Shareholders, creditors etc.
- 4) Provide basic framework i.e. social, cultural, economic, legal & other limit of business
- 5) It is relative term - It change from one business to another as well as country to country.
- 6) It is strictly used in developed countries not in poor or developing countries.
- 7) Safety - Provide good working condition to employees and secure their security & safe working environment.
- 8) Diverse and involved team.

The company must value the skills, strength

• Education is the chief defence of nations  
and prospective of diverse team for dynamic business environment (to remain, sustain & grow)