**BUSINESS ETHICS**

These accepted behaviors exhibited by businesses or ways in which businesses should conduct themselves towards their customers, employees, society, government and to fellow businesses.

***PRINCIPLES OF GOOD BUSINESS ETHICS***

*Examples of ethical principles include the following;*

1. **Honesty**. An entrepreneurship should not say things that are false, he / she should never deliberately mislead, he should be as candid as positive openly and friendly sharing information as appropriate to the relationship.
2. **Keeping promises**. An entrepreneur should go to great lengths to keep our commitments. He should not make promises that cannot be kept and we will not make promises on behalf of the company unless we have the authority to do so.
3. **Fairness**. An entrepreneur should create and follow a process and achieve out comes that a reasonable person would call just, even handed and non-arbitrary.
4. **Respect for others**. An entrepreneur should honour and value the abilities and contributions of others, embracing the responsibility and accountability for our actions in this regard. We will be open and direct in our communication, and receptive to influence.
5. **Compassion.** An entrepreneur should maintain an awareness of the needs to others and to meet those needs whenever possible. We will also minimize harm whenever possible. We will act in ways that are consistent with our commitment to social responsibility.
6. **Integrity.** An entrepreneur should live up to ethical principles, even when confronted by personal, professional and social risks, as well as economic pressures.

**Parties to business ethics**.

1. The clients or customers who deal with the business
2. Employees or workers of the business
3. Government of the country
4. Businesses which compete with the entrepreneur’s business
5. The society within which the business is located and operates.

**BUSINES ETHICS TOWARDS CUSTOMERS**

These are business ethics to be practiced by or business when dealing with customers.

1. Honesty. The entrepreneur should be honest to his or her clients as regards to the price charged, quantity and quality of goods produced and sold and also the delivery of the goods purchased to the customer in the right time.
2. Responsibility. This means that the entrepreneur should try to meet his or her obligations as agreed e.g. supplying goods at the right time.
3. Courtesy. The entrepreneur should be polite, patient and sincere when dealing with customers e.g. should not sell expired goods to his or her customers therefore he or she should be interested in giving goods to customers not only collecting money out of them.
4. Geniality. This means that an entrepreneur should be kind, cheerful and try to control his or her temper when dealing with customers.
5. Understanding peoples needs. The entrepreneur should understand and solve the problems of his clients
6. Providing sufficient information about the use of the product. The entrepreneur should teach his or her clients how to use the product, benefits of using that product and risks involved in using it.
7. Providing the required after sales services. Enterprises are required or expected to provide sufficient services after sales services most especially on products that require technical know how while handling e.g. computers, such services include; choice on how to use and handle the product, repair and maintenance of the product and installation of the products.

**BUSINESS ETHICS TOWARDS THE EMPLOYEES**

1. Giving employees a fair wage or remuneration. The payment to workers should be fair in terms of what the business can afford and compared to the work the employees are doing and the value of the income it is bringing to the business. The entrepreneur should consider the seniority, experience and responsibility.
2. Providing clear and fair terms of employment. This involves giving employees appointment letters stating whether they are employed on permanent or temporary basis or on contract and the salary should be specified and duties.
3. Providing good working environment. This involves improving the work place to improve the health standards of employees and after their stay at the business. Workers should therefore be provided with protective gargets, gloves, helmets etc.
4. Ensuring job security. The entrepreneur should assure the workers of job security. That is to say, continuous employment relationship with the enterprise without unjustifiable dismissal.
5. Respecting employees. The entrepreneur should treat his or her employees in all situations and also respect them for the contribution they make towards the business.
6. Listening to the employees’ personal problems and where necessary assist them to solve such problems.
7. Giving employees room for creativity. An entrepreneur should provide space for his or her employees to think, act and should give them a chance to exercise their thinking and creativity when carrying out the activities of the business.
8. Politeness. The entrepreneur should treat his or her workers politely in all situations even when employees are in wrong e.g. single mistake or accident should not over shadow past good record.
9. The entrepreneur should provide proper recognition, appreciation and encouragement of special skills or capabilities of workers to increase their morale.

**BUSINESS ETHICS TOWARDS THE SOCIETY**

1. Conserving the environment i.e., by not releasing effluents which pollute the society’s natural environment.
2. The business should not endanger people’s health and life through its activities e.g., carrying loads.
3. The business is expected to get involved and contribute to society needs e.g., constructing hospitals, supplying clean water.
4. A business is expected to get involved and contribute to society needs e.g., supplying clean water.
5. A business is expected to observe society norms, beliefs, customs etc an entrepreneur should do a business acceptable to the culture of the community where it is located.

**BUSINESS ETHICS TOWARDS GOVERNEMENT**

1. Complying with business laws and legal requirements such as registration, labour requirements, occupation hygiene etc.
2. Observing and settling tax obligations as required by law. Payment of tax is a must for all entrepreneurs and should be made in time and in full amounts as assessed by authorities.
3. The entrepreneur should comply with environmental policies or regulations set by NEMA.
4. The business is expected to follow government policies on business e.g. should produce what is legally acceptable in the society.

**BUSINESS ETHICS TOWARDS THE SHARE HOLDERS OR ENTREPRENUERS.**

1. The business should protect the interest of the share holders or entrepreneurs for the business survival.
2. Safe guarding the capital of the shareholders. The management should make sure that the capital of the business is safe from misappropriation and should avoid mishandling of business premises.
3. Providing a reasonable dividend or return on their investments because the main aim of investing in business is to earn profits.
4. Management should work to ensure that the business image is up lifted so that the entrepreneurs enjoy self esteem.

**BENEFITS OF PRACTICING BUSINESS ETHICS TO THE BUSINESS**

1. Expansion of the market. A business that practices business ethics maintains its customers and attracts new ones since they are satisfied with the business products.
2. It gives the business good image and reputation as well as future prospects.
3. It makes the society willing to provide human resources for its operations leading to low production costs, increased efficiency and productivity.
4. It enables the business to attract government support e.g. winning government tenders, local and foreign tenders, tax exemptions, rebates or compensation.
5. It enables businesses to access raw materials easily from the society at low costs since production activities of the business are carried out in acceptable manner
6. The business enjoys protection of its operations and assets as they are safe guarded by the society since it practices meet its ethical obligations to the society.
7. It enables the business to run its activities without fearing of being closed or prosecuted by the government since its compliant with the set policies.
8. It helps the business to reduce on the marketing and sales promotion expenses since members of the society will automatically advertise the business because of its good deeds.

Qn: Why is it necessary for an entrepreneur to practice business ethics.

**The following are reasons for practicing business ethics**

1. To expand the market. A business that practices business ethics maintains its customers and attracts new ones since they are satisfied with the business products.
2. To improve on the business good image and reputation as well as future prospects.
3. It makes the society willing to provide human resources for its operations leading to low production costs, increased efficiency and productivity.
4. To enable the business to attract government support e.g. winning government tenders, local and foreign tenders, tax exemptions, rebates or compensation.
5. To enable businesses to access raw materials easily from the society at low costs since production activities of the business are carried out in acceptable manner
6. To safeguard business property. The business enjoys protection of its operations and assets as they are safe guarded by the society since it practices meet its ethical obligations to the society.
7. To enable the business to run its activities without fearing of being closed or prosecuted by the government since it’s compliant with the set policies.
8. To reduce on the marketing and sales promotion expenses since members of the society will automatically advertise the business because of its good deeds.