

Managerial Ethics

Business Ethics and Corporate
Governance

Values

Values are fundamental belief of an individual .

They are standards/ parameters.

They are what an individual believes to be having worth and important in their life.

Moral

Moral are the values, a system of beliefs which gets its authority from something outside the individual- a higher being (society).

Ethics

The principle of conduct governing an individual or group.

Ethics of individual decisions and actions are defined socially not individually.

Business Ethics

Business ethics refers to the moral principles which should govern business activities.

Purpose of Business Ethics is to

- Regulate objectives (ends) of business
- The means to achieve the objective

A set of moral principles which should play a significant role in guiding the conduct of managers and employees in the operation of enterprise.

Levels of Business Ethics



Need & Relevance

Environmental Pressure

Enlightened Self Interest

Moral Consciousness

Legal Requirements

Principles of Business Ethics

Be trustful

Keep an open mind

Meet Obligations

Have clear documents

Become community involved

Maintain accounts

Be respectful

Utilitarianism/ Teleological Theory

An action is judged as good or right on the basis of its consequences. Ends of an action justify the means taken to reach those ends.

Given by Jeremy Bentham & John Stuart Mill

- Example Bhakhra Nangal Dam was (capturing lands and roads did harm to a few farmers but the entire state of Punjab was benefitted)

Unethical Practices in Marketing

10

Lack of Clarity in Pricing

Dumping

Price Fixing Cartels

“Bait and Switch” Selling

Planned Obsolescence

Viral and Guerilla Marketing

High Pressure Selling

Counterfeit goods and brand piracy

Copying the style of packaging in an attempt to mislead consumers

Deceptive advertising

Unethical practices in market research and competitor intelligence

Unethical practices Related to Products

Selling goods abroad which are banned at home

Omitting to provide the information on side effects

Unsafe products

Built in Obsolescence

Wasteful and unnecessary packaging

Deception of size and content

Treatment of animal in product testing

Unethical Pricing Practices

Price Discrimination

Dumping

Predatory pricing

Price fixing

Price Skimming

Price War

Ethical Issues in Advertising

Issues over truth and honesty

Issues with Violence sex and profanity

Taste and Controversy

Negative advertising techniques

Issues in Accounting and Finance

Misappropriation of Funds

Omission of Financial records

Pressure

Penalties

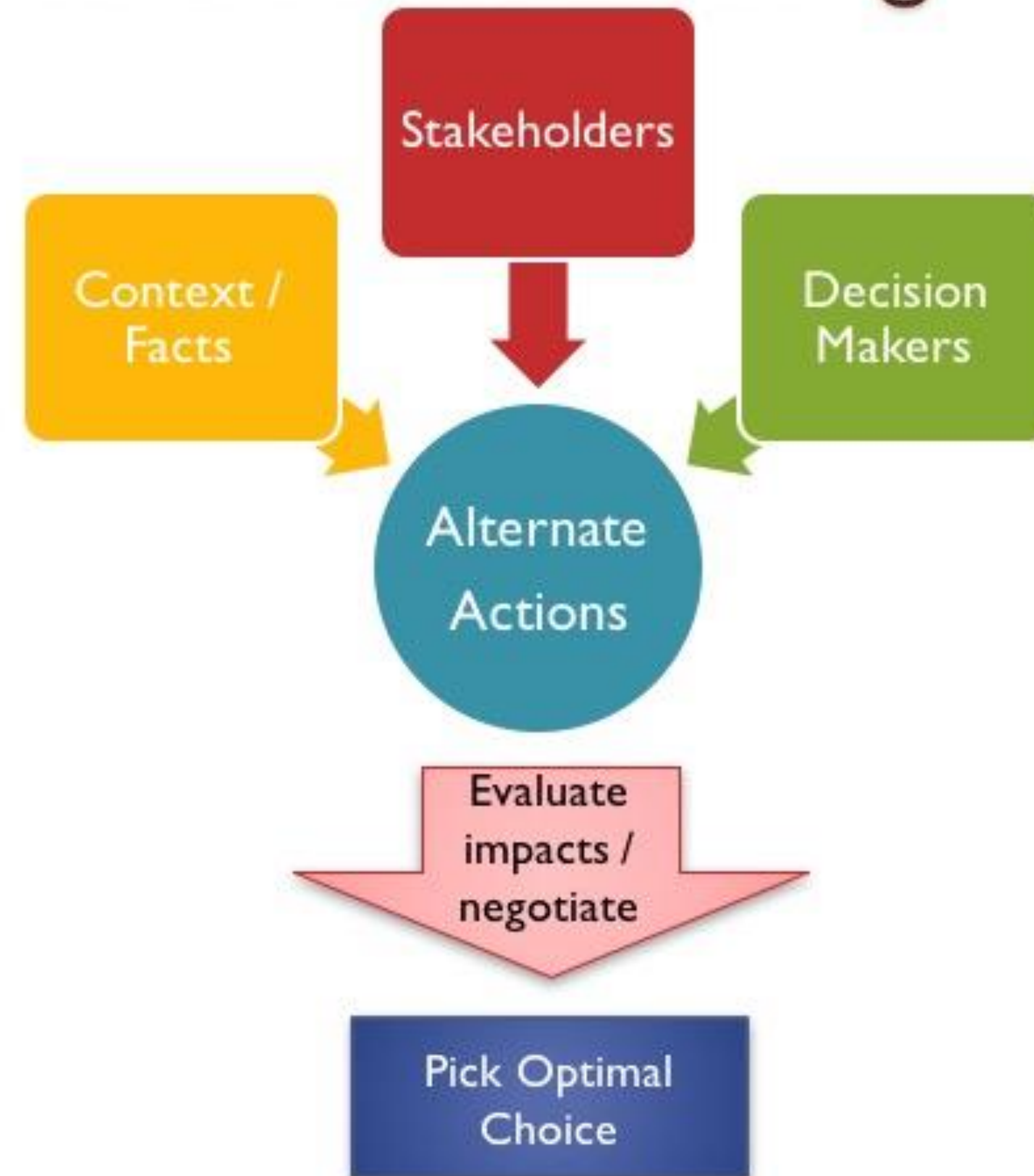
Disclosure

Effects of greed

The Whistleblower

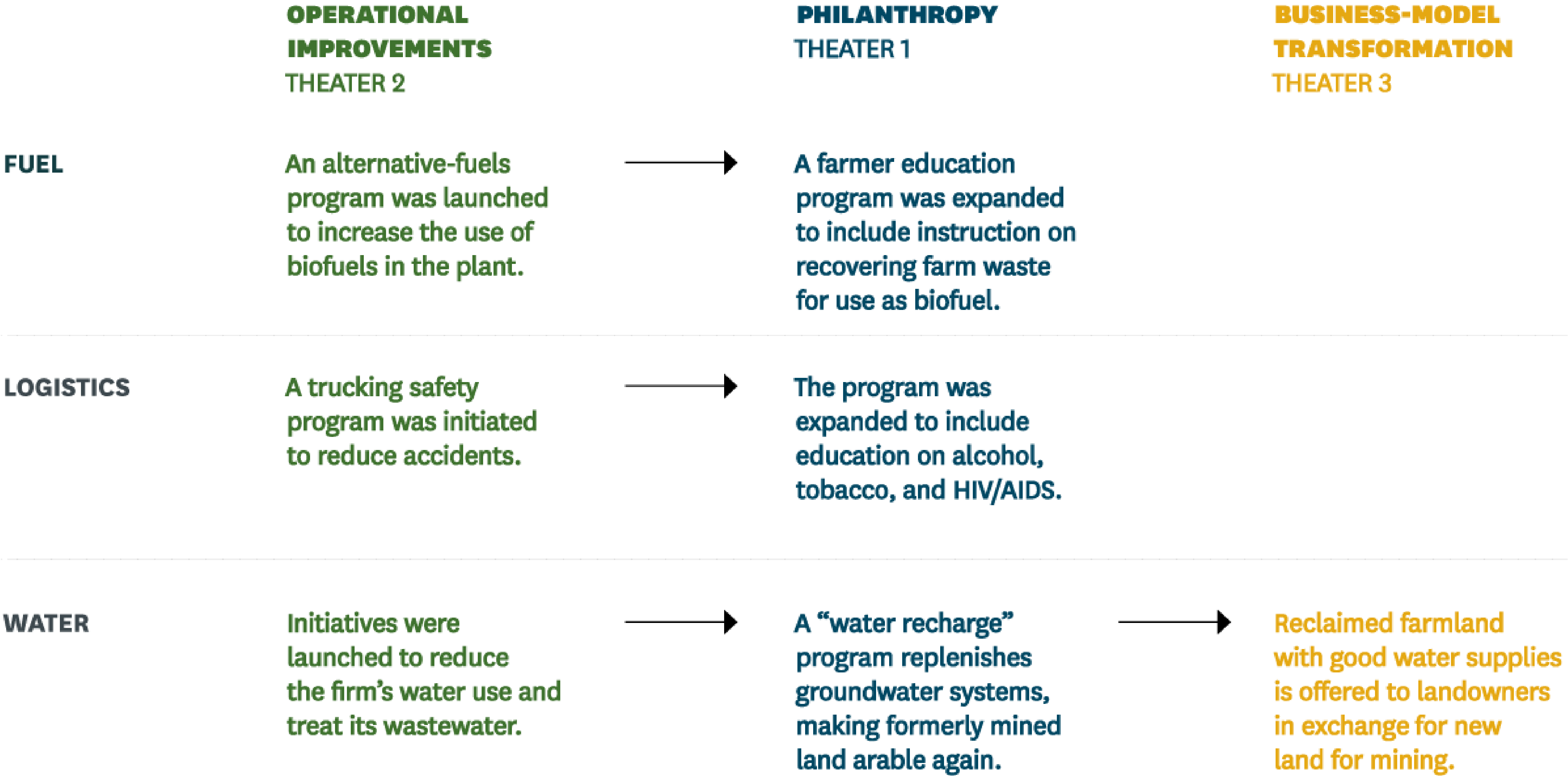
Fraudulent Financial Reporting

Ethical Decision Making Model



Harmonizing CSR at Ambuja

Ambuja Cements, an Indian subsidiary of Holcim, has built a coherent portfolio that coordinates activities across theaters. In the examples below, initiatives originating in theater two have led to activities in one or both of the other theaters.



SOURCE KASTURI RANGAN, LISA CHASE, AND SOHEL KARIM



Corporate Responsibility

Corporate Governance	Corporate Social Responsibility			Corporate Citizenship
	Economic Responsibility	Ecological Responsibility	Social Responsibility	
Legal Compliance	Financial Performance	Spill Prevention	Health & Safety	Youth Education
Fair Competition	Risk Management	Energy Saving	Education & Training	Volunteering
Fair Compensation	Resource Efficiency	Climate Protection	Labor Standards	Sponsorship
Anti-Corruption	Supplier Relations	Waste Management	Equal Opportunity	Culture & Sports
Transparency	Customer Satisfaction	Biodiversity	Work-life Balance	Research