Business Ethics Study Guide

Part 1: Core Philosophers & Ethical Theories

- **Aristotle & Virtue Ethics**

    - **Key Figure:** Aristotle is the ancient Greek philosopher known for "virtue ethics".

    - **Eudaimonia:** This concept is best translated as "happiness or flourishing through moral excellence".

    - **Emotional Maturity:** According to Virtue Ethics, emotional maturity is required for true moral understanding and applying virtues in real life.

    - **Character vs. Rules:** Unlike specific rules that dictate actions, Virtue Ethics focuses on character and moral maturity.

    - **Virtuous vs. Vicious:** These types of people differ in their behaviors, thoughts, and perceptions.

- **Theistic Realism**

    - **Thomism:** The belief that God exists and can be known through faith and reason (Theistic Realism) is often called Thomism.

- **Utilitarianism vs. Deontology**

    - **Utilitarianism:** This framework focuses on maximizing overall happiness (the result). A Utilitarian decides based on what results in the "greatest good for the greatest number".

    - **Deontology:** This approach follows strict moral rules regardless of the outcome.

    - **Conflict:** A Utilitarian is more likely to support a decision that harms a few to save many, whereas a rights-based theorist (Deontologist) might not.

Part 2: Business Concepts (CSR, Stakeholders, Sustainability)

- **Corporate Social Responsibility (CSR)**

    - **Definition:** CSR is a corporation's commitment to social and environmental well-being beyond legal requirements.

    - **Challenges:** Companies often struggle to implement CSR because it is difficult to measure impact and balance stakeholder needs.

    - **Business Role:** The idea that "the business of business is business" contradicts CSR, which argues business has a broader role in society.

- **Stakeholder vs. Shareholder Theory**

- o **Stakeholder Approach:** Considers the interests of *all* groups affected by the business (employees, community, environment), not just owners.

  - o **Shareholder Theory:** Often criticized because it ignores the well-being of other stakeholders like employees and the community.

  - o **Shareholders:** Focus only on those who own stock in the company.

  - o **Balance:** Managers should implement practices that benefit both shareholders and stakeholders.

- **Social Enterprise**

  - o **Difference:** Social enterprises combine economic, social, and environmental goals, whereas traditional businesses primarily focus on profit.

- **Environmental Ethics**

  - o **Sustainability:** Commitment is demonstrated by using renewable energy and minimizing waste.

  - o **Greenwashing:** Claiming to be "Green" or "Eco-friendly" while continuing to pollute is unethical and deceptive.

Part 3: Practical Scenarios & Decision Making

- **Transparency & Accountability**

  - o **Transparency:** Implies openness and the honest sharing of information.

  - o **Relationship:** Transparency allows stakeholders to hold the company accountable.

  - o **Data Privacy:** The core ethical issue regarding data is the lack of transparency and potential misuse of personal information.

- **Workplace Ethics (Safety & Fairness)**

  - o **Unsafe Conditions:** If a manager or employee finds unsafe chemicals, the ethical responsibility is to report the issue and demand immediate safety improvements.

  - o **Cutting Corners:** If a supervisor asks to compromise safety for money, you must refuse, as safety is a non-negotiable obligation.

  - o **Discrimination:** Managers must intervene to stop discrimination and ensure equal treatment (Fairness).

  - o **Whistleblowing:** Reporting your own company for pollution is considered the right action as it upholds a higher responsibility to the community.

- **Supply Chain Ethics**

- **Unethical Suppliers:** If a supplier has lower prices but uses questionable labor, the ethical choice is to investigate and only proceed if they meet standards, or terminate the relationship.
- **Critical Factor:** The most critical factor in supply chain ethics is the labor conditions and human rights of workers.

- **Leadership**
  - **Best Practice:** "Leading by example" is more effective than setting strict rules because it models desired behavior and builds culture.