

Unit-1 Business Ethics :

- Introduction & meaning of ethics
- moral & ethics
- Types of Business ethical issues
- Why ethical problems occur in Business,
- Ethical dilemmas in business
 - Normative theories.
 - Egoism
 - Utilitarianism
 - Ethics of duty
 - Ethics of right
 - Ethics of justice
- Virtue ethics & ethics of care
 - Gandhian ethics
 - Its relationship with normative theories.

Introduction :

Ethics : The study of more principles and values that guide human behaviour, decision-making and conduct. It examines what is right or wrong & good or bad.

Business Ethics : The application of ethical principles and values to business decision-making and behavior. It encompasses how businesses should act towards their stakeholders, including employees, customers, shareholders and the broader community.

Moral vs Ethics :

Morals are personal beliefs or principles that guide individual behaviour. They are often rooted in personal experiences, cultural background & religious beliefs.

Ethics are a set of rules or principles that govern behaviour within a group or society. They are often codified in laws, professional codes of conduct, or

Organizational policies. Ethics are typically more objective and consistent than morals.

Key differences :

Moral

Ethics

Origin : Morals are often deeply personal and rooted in individual beliefs. Ethics are typically derived from societal norms, law or professional codes.

Scope : Morals often guide individual behaviour in personal situations. Ethics govern behaviour within a group or society.

Objectivity : Morals can be subjective and vary from person to person. Ethics are generally more objective and consistent.

Types of Business ethical issues :

1. Discrimination :

Discrimination occurs when employees are treated unfairly based on the characteristics such as age, gender, race

religion or disability. Discrimination is not only unethical but also illegal.

2) Harassment :

Harassment involves unwelcome behaviour, such as verbal abuse, sexual advances or bullying, that creates a intimidating work environment.

3) unethical Accounting :

unethical Accounting involves manipulating financial records to present a false or deceptive image of a company's financial health in order to deceive investors and damage the company's reputation.

4) Busi Health & safety :

Businesses have a moral and legal obligation to ensure the health and safety of their employees. Beyond physical safety, employers should also address psychosocial risks such as job insecurity & excessive workloads.

5) Nepotism and Favoritism :

Nepotism arises when individuals are hired or promoted over qualified candidates. Favoritism involves granting preferential to specific employees for personal reasons.

6) Privacy :

Invading employees' personal lives through excessive monitoring such as monitoring social media or reading private emails raises ethical concerns about privacy and autonomy.

Why ethical problems occur

• Pressure to Achieve Results :

When business prioritize profits or performance over ethical consideration, employees may engage in unethical behaviour to meet targets.

- Lack of Accountability :
Inadequate monitoring and enforcement of ethical standards can create an environment where unethical conduct goes unchecked.

- Conflicting Interests :
When the interests of different stakeholders come into conflict, businesses may face unethical issues in reconciling these competing demands.

- Complexity of Global Operations :
Expanding globally can lead to ethical challenges due to diverse cultural norms, legal frameworks and societal expectations.

Ethical Dilemmas in Business:

→ Conflicts of Interest :

When individuals or organizations having competing loyalties or interests.

→ Whistle blowing :

Deciding whether to expose unethical behaviour or not.

→ Fair Competition :

Balancing the market dominance with ethical competition and avoid anti-competitive practices.

→ Treatment of Employees :

Balancing cost-cutting with fair treatment and well being.

→ Corporate Social Responsibility :

Allocating resources to social initiatives while ensuring transparency & authenticity.

Normative theories :

* Utilitarianism :

Focus on the consequences of actions and aims to maximize overall happiness.

* Deontology:

Emphasizes moral duties and obligations regardless of consequences.

* Virtue Ethics:

Focuses on the character of individuals and the development of virtuous traits.

* Ethical Egoism:

Contends that individuals should prioritize their own self-interests.

* Ethics of Duty:

Deontological ethics or ethics of duty, is a moral philosophy that emphasizes the importance of following moral rules and obligations, regardless of the consequences. It is based on the idea that certain actions are inherently right or wrong. This approach contrasts with consequentialism, which focuses on the consequences of actions to determine their moral worth.

* Ethics of Rights and Justice:

The ethics of rights and justice is a normal framework that prioritizes the concepts of individual rights, fairness, and equitable distribution of resources.

This normative approach is often used to address societal issues such as poverty, discrimination & healthcare access by advocating for the protection of individual rights and the promotion of fairness and justice.

* Virtue Ethics is Ethics of Care:

→ virtue ethics is a philosophical approach that emphasizes the importance of developing good character traits and habits.

→ It focuses on cultivating virtues such as honesty, kindness, courage & compassion.

→ Virtue ethics is often associated with the idea that good intentions and actions are more important than following strict rules or achieving specific outcomes.

→ Gandhian Ethics :

• Non violence (Ahimsa) :

Abstain from causing harm or violence to others, both physically and mentally, and instead advocated for resolving conflicts through peaceful means.

• Truthfulness (Satya) :

Speaking the truth, stresses the importance of honesty and transparency and even in challenging circumstances, was vital for upholding moral integrity and fostering social justice.

• Self-discipline (Tapas) :

Tapas denotes self-discipline or self control which are crucial for moral and spiritual advancements.

Practicing various forms of self-discipline, such as fasting and meditation, fortify determination and moral character.

• Selfless Services (Seva):

Advocating for helping others without expecting anything in return. It encourages individuals to devote themselves to the betterment of society and to strive for collective welfare.

social justice and Equality:

Gandhian Ethics is deeply concerned with issues of social justice and equality. It seeks to eradicate social injustice and promote equality.

Spiritual Dimension:

Gandhian ethics is not just a set of moral principles, but also has a strong spiritual dimension. Gandhi's philosophy was deeply influenced by Hinduism, Jainism, Christianity and other religious traditions.

Relationship of Gandhian ethics with normative theories:

• Utilitarianism:

While both Gandhian ethics & utilitarianism share a concern for individual and societal well-being, they diverge in approach. However, Gandhian ethics prioritizes moral principles, even if they don't always lead to immediate happiness.

• Deontology:

Both emphasize following moral duties regardless of consequences. Gandhi's commitment to non-violence and truthfulness aligns with deontological principles.

• Virtue Ethics:

Gandhian ethics promotes the cultivation of virtues like non-violence, truthfulness and self-discipline, similar to virtue ethics. It also emphasizes the importance of personal transformation and human flourishing.

• Ethics of care:

Gandhi's focus on social justice and compassion for the marginalized aligns with the ethics of care, which emphasizes empathy and responsive action to others' needs.