

Unit 45: Business Ethics

Unit code: M/601/1024

QCF level: 5

Credit value: 15 credits

Aim

The aim of this unit is to introduce learners to the concept of business ethics and to examine its relevance when considering business objectives and responsibilities.

Unit abstract

Most businesses today are concerned about the impact of their activities on the business environment. Ethical concerns and greater consumer awareness have resulted in many businesses promoting their social values to ensure competitive advantage. Business ethics embraces corporate social responsibility and ethics relating to accounting practices, marketing, human resource management, and production.

In this unit learners will examine the theoretical roots to the background and growth of business ethics. They will look at the different types of ethical issues a business needs to consider and how the development of ethical values impacts on business behaviour. It is important for learners to appreciate how taking an ethical stance affects businesses both internally and externally, including the effects on stakeholders. Learners will explore the social implications of business ethics for a wide range of business activities that affect the organisation itself and the external environment. This will include the ethical stance behind topical issues such as whistle blowing, employment practices, advertising to children, environmental awareness and using new technologies such as genetic modification of food.

Learners will also examine how an individual's ethical stance impacts on the moral relationship between employer and employee, as well as considering the contractual responsibilities of both parties. This unit will give learners the opportunity to research how a business responds to ethical concerns and assess the extent to which its activities affect its behaviour, whilst ensuring business objectives are met.

Learning outcomes

On successful completion of this unit a learner will:

- 1 Understand different ethical perspectives in business
- 2 Understand business objectives from an ethical perspective
- 3 Understand ethics in workplace relationships
- 4 Be able to assess a current ethical issue in a business.

Unit content

1 Understand different ethical perspectives in business

Ethical perspectives: deontological and teleological ethical theory; developments from these early approaches eg utilitarianism and other consequential approaches; early contributions of Kant and Mill; absolute and relative ethics; Institute of Business Ethics

Operational activities: definitions of business ethics; ethical activities; values of businesses; professional ethics

Ethical issues: corporate governance; corporate social responsibility; environment; sustainability; human rights; corruption; trading fairly; legal and regulatory compliance; business practices; working conditions; individual ethical responsibilities

2 Understand business objectives from an ethical perspective

Objectives: corporate governance; corporate social responsibility; environment; sustainability; human rights; corruption; trading fairly; legal and regulatory compliance; business practices; communicating ethical code

Stakeholders: stakeholders (owners, employees, customers, suppliers, competitors, citizens); conflicts of interest between stakeholder groups eg shareholders versus environmentalists

Implications: adapting business behaviour; responding to ethical pressures; implementing ethical practices; influence of stakeholders and pressure groups; impact on competitiveness; reputation; public image; ethical trade; value-added; complying with relevant legislation and codes of practice eg UK law, EU law; UN Declaration on Human Rights; UN Global Compact; economic activity eg location

3 Understand ethics in workplace relationships

Working relationships: contractual responsibilities; moral obligations in employer/employee relationships; whistleblowing; the psychological contract; good practice in equal opportunities employment; organisational integrity; working conditions; individual ethical responsibilities; individual ethical behaviour

4 Be able to assess a current ethical issue in a business

Issues: corporate social responsibility; globalisation; cultural imperialism; ecology; environment; fair trade; corruption; animal testing; child labour; carbon footprint; sources of timber; outsourcing; personal attitudes; whistle blowing; contribution of business to the community; ethics in sales and marketing eg spamming, shills, product placement, green washing; ethics in intellectual property eg software piracy, counterfeiting, peer-to-peer file sharing

Implications: global eg environment; corporate eg legal and regulatory compliance, policies and practices; individual (employee, consumer)

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand different ethical perspectives in business	1.1 explain the background and development of theoretical ethical approaches 1.2 compare and contrast absolute and relative ethics 1.3 explain the ethical issues which can affect the operational activities of a business
LO2 Understand business objectives from an ethical perspective	2.1 explain how business objectives are affected by ethical considerations 2.2 evaluate the implications for a business and its stakeholders to operate ethically
LO3 Understand ethics in workplace relationships	3.1 assess the role of the company acting as moral agent 3.2 analyse the development of mechanisms for achieving employee involvement and empowerment
LO4 Be able to assess a current ethical issue in a business	4.1 research a current ethical issue affecting a selected business 4.2 report on how the business could improve the ethics of their operations whilst meeting objectives and ensuring good employer/employee relationships 4.3 design a suitable ethical code.

Guidance

Links

There are links between this unit and the management units within this specification.

The unit also links with the National Occupational Standards in Management and Leadership.

Essential requirements

For this unit learners must select an organisation and research its approach to ethical issues. They will require access to websites, newspaper articles and journals in order to conduct their research. Topical case studies will be needed to facilitate group work and discussions.

Employer engagement and vocational contexts

Centres should develop links with organisations such as local businesses, pressure groups and charities that can provide guest speakers to talk on various aspects of business ethics. The centre as an organisation can be a valuable resource both for guest speakers and as a vehicle for topical case studies related to ethical issues. Learners may be able to access information from their part-time jobs related to the organisation's ethical policies.

