

Chapter 16 Business ethics

Key terms

1. Audit: an official inspection of an organization's accounts, typically by an independent body.
2. Business ethics: the moral principles that guide the way in which a business behaves.
3. Corporate Social Responsibility(CSR): a business assessing and taking responsibility for its effects on the environment and its impact on social welfare. It involves the idea that businesses are responsible for more than their shareholders.
4. Ethical codes of practice: statements about how employees in a business should behave in particular circumstances where they experience ethical issues.
5. Ethical decision: a decision which considers what is morally right or wrong.
6. Ethics: moral rules or principles of behavior that should guide members of a profession or organization and make them deal honestly and fairly with each other and with their stakeholders.
7. National minimum wage: the minimum wage pay per hour all workers are entitled to by law.
8. Sustainable and ethical investment: where investments are made in companies with a strong ethical stance.

1. Ethics

- **Ethics**; moral rules or principles of behaviour that should guide members of profession or organisations and make them deal honestly and fairly with each other and with their stakeholders.
- **Ethical decision**; a decision which considers what is morally right or wrong.

2. Ethics of strategic decision

- **Strategic decisions**; are those that affect how a business operates in the long term.
 - A large number of issues that require strategic decisions based on ethics; including environment, animal right and corruption.

3. Codes of practice

- Ethical code of practice may contain statement about;
 - Environmental responsibility
 - Dealing with customers and suppliers.

4. Pay and rewards

- **Remuneration** is the reward for work, such as pay, wage, or salary.

5. Corporate Social Responsibility (CSR)

- CSR is a form of self regulation. A business assessing and taking responsibility for its effects on the environment and its impact on social welfare. It involves the idea that businesses are responsible for more than their shareholders.