Examples of making ethical decisions in business

Business ethics includes a wide range of moral or ethical principles that arise in a business environment. Business ethics include individuals’ actions in a company as well as the organization’s actions and positions on ethical matters. Some examples of making ethical decisions in business offer a glimpse of ways companies can put ethical business principles into action.

Going Green. Many companies have opted to play a part in helping the environment by making the decision to go green. Office recycling is common in businesses, so employees can help reduce environmental waste by recycling office paper, cans, bottles and other materials. Businesses make decisions to help the environment by creating policies to reduce company waste and consumption of resources.

Social responsibility. Some businesses make the decision to actively better social conditions by improving local economic conditions, offering opportunities to low-income people or serving people in need. Businesses sometimes have an ethical policy of serving people who are normally discriminated against, such as a bank giving business loans to women and minorities. A bank that refuses to loan money to the destructive business is taking an ethical stand.

Individual ethics. Individuals make decisions based on ethics in business settings all the time. An employee who refuses to spread or participate in workplace gossip, for instance, makes the decision not to spread potentially false information that is damaging to someone’s reputation. Other individual ethical decisions at work may involve being honest, not stealing money and keeping customer information confidential.

Considerations. Business ethics encompass a wide variety of circumstances and can vary from business to business, depending on the industry and the location and nature of the individual company. Small businesses can enact ethical codes and distribute the codes to employees to help ensure everyone in the organization is working toward the same goal of upholding principles and procedures that are important to the company.

What is ISO 26000?

ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. The seven principles of socially responsible behavior as outlined in the standard: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights.

Accountability. An organization is answerable to those affected by its decisions and activities, as well as to society in general, for the overall impact on society and its decisions and activities.

Transparency. An organization should disclose, in a clear, accurate manner and to a reasonable and sufficient degree, the policies, decisions, and activities for which it is responsible, including known and likely impacts.

7 Guidelines for making ethical decisions

The decisions leaders make are key in defining who they are and where they stand on critical issues. When tasked with making choices, many seek to make ethical ones, establishing themselves as individuals with values and morals. When individuals find themselves in the position to make decisions, they should first consider some of the guidelines associated with ethical decision-making, and keep these in mind throughout the entire decision-making process.

Integrity. When making decisions, the decision-maker must first consider the impact that her decision will have upon others. By considering the lasting impact of her decision, she can improve her chances please see con’t at the back...

Ethical behavior. An organization’s behavior should be based on the ethics of honesty, equity, and integrity.

Respect for stakeholder interests. In addition to owners, members, and customers or constituents, other individuals or groups may also have rights, claims, or specific interests that should be taken into account.

Respect for the rule of law. An organization is to comply with all applicable laws and regulations. It informs those within the organization of their obligation to observe and to implement measures.

Respect for international norms of behavior. An organization respects international norms of behavior while adhering to the principle of respect for the rule of law. An organization should not stay silent in response to or benefit from wrongful acts.

Respect for human rights. An organization respects and fosters rights set out in the International Bill of Human Rights. This includes situations where human rights are not protected.

For more details of ISO 26000: Social Responsibility, please follow this link: http://www.iso.org/iso/discovering_iso_26000.pdf

Source: www.triplepundit.com
9 trends in corporate disclosure

Corporations and other organizations have been gradually increasing their disclosure about their non-financial activities and behavior for years. A KPMG study recently found that 95 percent of the 250 largest companies in the world now report on their corporate responsibility. KMPG believes several trends are driving corporate transparency and disclosure towards a tipping point where disclosure will be normal and opaque behavior will be aberrant:

1. The power of crowds. There is no point trying to hide a secret that a lot of people know. Through social media (Facebook and Twitter), sustainability-oriented websites (such as TriplePundit, Greenbiz, JustMeans, and EnvironmentalLeader), and thousands of bloggers, activists, and non-governmental organizations, a company can no longer control disclosure. Companies must instead participate interactively via social media to help shape how their behavior is perceived.

2. Mainstream media is starting to notice. Experts recently seen or heard from Bloomberg, Yahoo, and the Huffington Post that they are starting or expanding coverage of sustainability. These channels are both responding to market demands for this information and are helping to grow and define that demand.

3. Government regulation. Some companies have seen enough demands for social information that they have decided to integrate their CSR reporting with their financial reporting in an "Integrated Report." If this becomes the norm, there could be a significant increase in both the amount and quality of data companies disclose.

4. The power of employees. Increasingly, employees want to work for a company whose social performance is consistent with their values.

5. Supply chain management. Corporate supply chains are large, complex, fast-changing and critically important. In addition to a fast-growing suite of supply chain management tools to squeeze cost and performance advantage from their suppliers, companies are now starting to use these and other tools to generate social performance from them.

6. Competition. A company’s social responsibility posture reflects on its relationship with its customers, suppliers, and other stakeholders. As such, it is a component of any serious brand discussion and a component in corporate strategy. Companies who benchmark themselves will find places where they are doing well, but may be communicating their performance poorly. Stepped up communication of one company’s performance will drive a cycle of additional disclosures from its competitors.

7. CSR is a profession. A growing cadre of corporate managers have experience managing programs that improve corporate sustainability. Some of these professionals have benefited from formal training programs—some even hold a degree from one of the sustainability programs that have been established at schools such as Columbia, University of Michigan, Bainbridge Graduate Institute, and Stanford. These managers will seek to incorporate the skills they have learned in more programs and—as they rise up the chain of command in their companies—they will communicate these new skills to others.

8. A distinct and fast-growing market. According to a recent study by OgilvyEarth, at least 16 percent of U.S. consumers already strongly identify themselves as sustainability-oriented. This is double the 8 percent estimate from another source three years ago—and expect this market to keep growing rapidly.

9. Integration. Sustainability is being integrated into company business models. Vanguard companies such as Nike have already benefited from integrating sustainability principles into their innovation, employee engagement and marketing practices.

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**Effects of corruption in business**

Inefficiency. When resources are tampered with and used improperly, the efficiency of a business suffers.

Lost resources. In addition to the inefficient use of resources, corruption can have a number of other economic impacts on business.

Weakened development. Investors are skeptical of doing business with companies and municipalities that are known for corruption.

Increases crime. The results of corruption in business add to the burgeoning roles of crime-fighting government agencies, police departments and internal investigators.

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**Corruption is the enemy of development, and of good governance. It must be got rid of. Both the government and the people at large must come together to achieve this national objective.**

Pratibha Patil

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**7 guidelines...**

of making an ethical decision in which all affected individuals’ needs are met to the greatest extent possible.

Legalities. Often laws and regulations must play a part in the decision-making process. If an individual is making a decision with legal ramifications, he must first ensure that he understands the laws and other rules that should necessarily impact his choices, so that the choice he makes is in line with these laws.

Nonmaleficence. Some decisions have the ability to cause harm. If an individual is making a decision that could prove harmful to others, she must reconsider and choose the option that is least damaging to others.

Fidelity. If the decision-maker has made a commitment in the past, he must remain faithful to it. If he makes a decision that is contrary to this commitment, this will be likely be perceived as unethical, as he would have essentially gone back on his promise. For example, if he agreed to stick with one supplier for a set period of time, then switches to another before the stated time period has elapsed, the ethics of his decision may be called into question.

Fairness. Decision-makers should put effort into not allowing bias to influence their decisions. If, for instance, an individual allows her feelings for a particular person or group of people to influence her decisions, her decision may not be an ethical one.

Input receiving. Generally, ethics dictates that decision-makers should take the wants and needs of others into consideration when making decisions. For optimal ethical decision-making, decision-makers should give others a voice and consider the concerns or needs expressed before arriving at an ultimate decision.


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