

# Professional Diploma In Corporate Administration (PDCA): Part 1

## BUSINESS ETHICS

### SYLLABUS

#### DESCRIPTION

The aim of this course is to highlight key concepts of ethics and ethical reasoning as they are applied in anticipating and solving complex ethical problems such as ethical dilemmas faced by the business organizations and their officers. It discusses issues of right and wrong actions or decisions from all levels of decision making. Integrity requires many pillars of support one of which is mindful analysis of facts, contexts and cultures when applying guidelines or principles for ethical judgement and decisions. The other important factor is leadership with its constituent constellation reasoning and stakeholder analysis. Keen awareness of the complexity of ethical decision making is important for the management of ethics and integrity within an organization.

#### LEARNING OUTCOME

- Understanding of concepts and ethical reasoning for ethical decision making.
- Strategies, shared values, leadership process, system, staffing and structure are among the key determinants of integrity and ethical climate of any organization.
- Evaluation or judgements of right and wrong actions or decisions are guided by principles or standards that emphasize consequence of the act, nature of the act and the character of decision maker.
- Ethical decision making process involves awareness, judgement and behavior. This process is also influenced by ethical environment and the cognitive development of decision maker.
- Ethics management systems are usually values based rather than compliance based, requiring continuous reinforcement and improvements.

#### LEARNING CONTENTS

##### Importance of ethics for managers:

- Stakeholders competing expectations and claims are making ethical decision making more complex.
- Corporate governance, compliance and regulatory requirements are increasingly enforced.
- Ethical competencies no longer optional to handle complexities in decision making.
- Development of character and integrity critical in performing roles and responsibilities.
- Globalization and cross cultural relationships in business require awareness of other values and norms.

##### Evolution of Business Ethics

- Adam Smith and moral sentiments in business.
- Cooperation and competition in business.
- Market success and market failures.
- Impact of business sector decisions on stakeholders and environment.
- Corporate social responsibility.
- The increasing role of regulations in business affairs.
- Corporate governance and long term shareholder value.

##### Business ethics and the law

- Overlap between ethics and law.
- Ethical concepts in Business Law.
- Why laws are inadequate for business ethics.
- The need for self governance over and above compliance.
- Importance of trust.

##### Ethical dimensions in Business Decisions

- Common ethical problems.
- Factors contributing to unethical conduct in organizations
- Ethical decision making process; awareness, judgement and behavior.
- Role of values and character.
- Importance of principles, facts and context.
- Ethics as organizational culture.

##### Moral guidelines for dealing with ethical dilemmas

- Clear cut ethical decisions versus ethical dilemmas.
- Moral guidelines for business in different religions and cultures.
- Application of moral guidelines for ethical dilemmas in business.
- Consequences, compliance and character as guiding principles.
- Practical guide to sound ethical decision making in business

##### Cognitive factors, cognitive barriers and environmental factors in ethical decision making

- Stages of moral awareness and development.
- Emotions reason in decision making.
- Cognitive barriers to sound ethical judgement.
- Organizational culture, core values, policies, systems and processes.
- Types of ethical climate.
- Stakeholders and peers.

##### Managing ethics and integrity in global environment

- Cross cultural ethics.
- Ethics / integrity management system.
- Managing ethics in global environment.
- Corporate guidelines and policies for global business ethics.
- Coax round table principles for business.

#### RECOMMENDED READING

1. **MAICSA STUDY MANUAL – Business Ethics**
2. **Weiss J.W.**, *Business Ethics, A Stakeholder and issues management approach*, Dryden Press, 2006
3. **Steiner and Steiner**, *Business Government and Society, Managerial Perspective*, 11th Edition, McGraw-Hill, 2006

#### ADDITIONAL REFERENCE

4. **Shaw and Barry**, *Moral Issues in Business*, 9th Edition, Wadsworth, 2004
5. **Mahboob Sulaiman, et al.** *Proceedings of the World Ethics and Integrity Forum 2005*, Malaysian Institute of Integrity, 2005
6. **Frederick R., ed.**, *A Companion to Business Ethics*, Malden, Mass.: Blackwell, 1999