Université Badji-Mokhtar. Annaba
الكلية العلوم الاقتصادية و علوم التسيير.

جامعة باجي مختار – عنابة
قسم العلوم المالية والتجارية

2nd year of license- Commerce	3th Lesson	Dr. GOURI M

Business ethics

Definition:

Business ethics means both as written and unwritten codes of moral standards that are critical to the current activities and future aspirations of a business organization. They can differ from one company to another because of differences in cultural perspectives, operational structures and strategic orientations. The guiding framework of business ethics exists at all levels of the organization. It is all about having the wisdom to determine the difference between right actions and wrong decisions.

In simple terms, business ethics fundamentally denotes the organization's codes of corporate governance. It stipulates the morality standards and behavioral patterns expected of individuals and the business as a whole. These moral benchmarks can be perceived in terms of the microenvironment and macro environment of the business.

Importance of ethics in business:

It can be enumerated as follows:

1. Business is not entity in the society, totally jettisoned from the main stream of society. It is only part and parcel of the society and its activities. As a matter of fact, all activities in the society have ethical bearing and we cannot dissociate business from ethical conduct.
2. There are several stake holders in the business. They will be particularly interested in the behavior of the business organization. Naturally, they will expect a very high standard of morality and ethics in business.
3. Building the image of a business firm is an arduous task. This can be done only by upright and honest methods. An ethical organization commands not only trust, but also respect from all stakeholders.

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4. Lack of ethical standards will result in deterioration of relationship between employees and employers which will in the due course lead to decline in productivity and escalation of costs.

5. Ethical practices of the firms in the long – run bring enormous dividends, goodwill and appreciation of the public.