



BOTILMS

Module 9: Ethics in Business

TRUST
PRINCIPLE
MORALITY
RESPONSIBILITY
BUSINESS ETHICS

Ethics in business requires diligence and hard work. The entire organization needs to be on the same page in order for people to make ethical decisions. It is important to create codes and principles to guide people. The ethical principles and codes that the company uses, however, should directly reflect the needs of the business.

Click on the first lesson below—or the “*Start eLearning*” button above—when you’re ready to begin.



Organization Basics



Addressing the Needs



Ethical Principles



Making Ethics Part of Your Company Culture

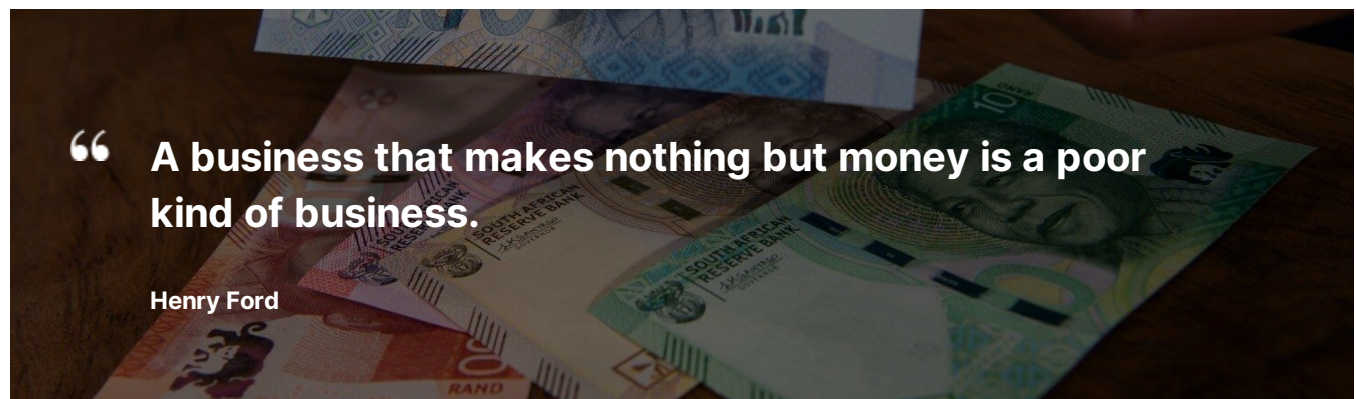


Knowledge Check



Module 9: Completed

Organization Basics



Ethics in business requires diligence and hard work. The entire organization needs to be on the same page in order for people to make ethical decisions. It is important to create codes and principles to guide people. The ethical principles and codes that the company uses, however, should directly reflect the needs of the business.

Watch this video clip...



To check your understanding of the lesson content, answer the question below...

Where does ethical business start?

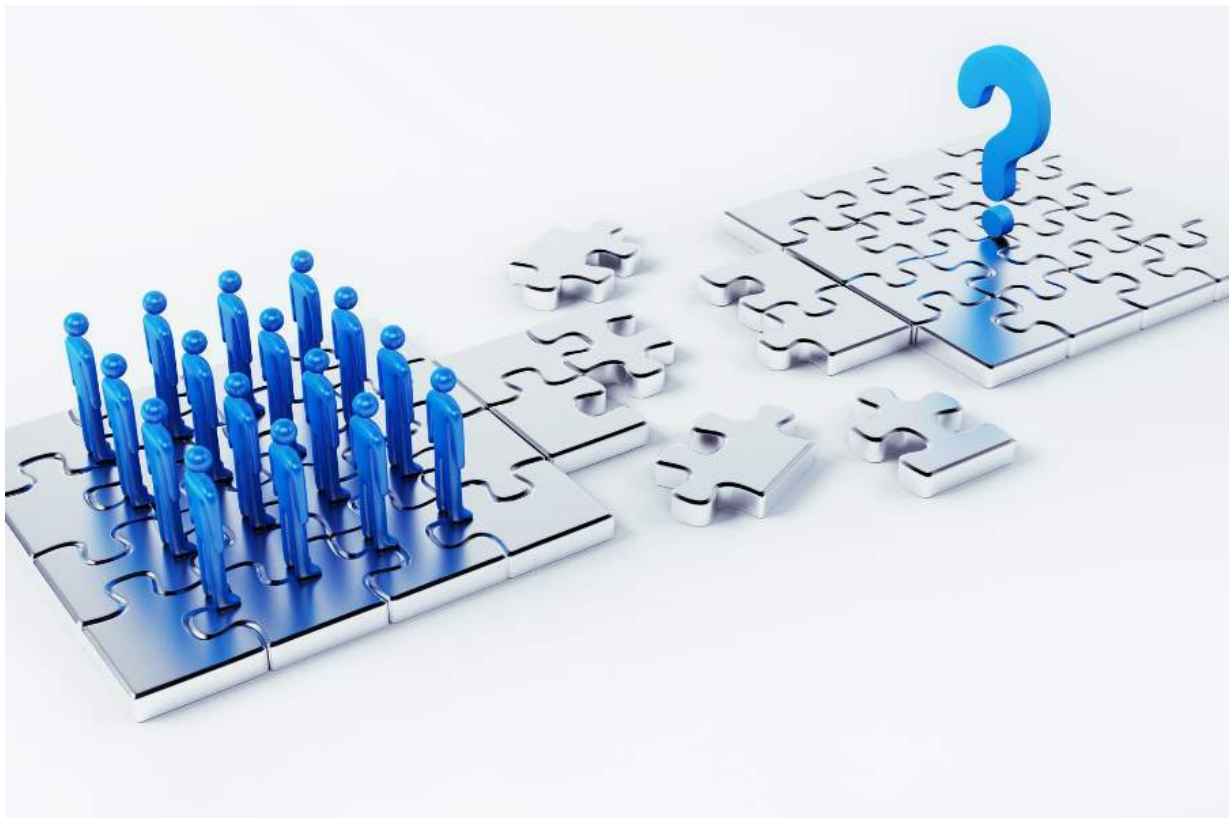
- ☐ On the left
- ☐ At the bottom
- ☐ On the right
- ☐ At the top

SUBMIT



Complete the content above before moving on.

Addressing the Needs



The needs of the organization should be determined by surveying both customers and employees. Most companies have a plan to gauge customer satisfaction. The company culture, however, is a clue to the ethics of the business. Anonymous surveys allow people to describe how the company runs and what it needs to increase ethical behaviour on every level of the workplace.

Needs to address include:

- Company values
- Personal responsibility
- Employee participation
- Conflicts
- Trust



To check your understanding of the lesson content, answer the question below...

_____ surveys allow people to describe how the company runs and what it needs to increase ethical behaviour on every level of the

workplace.

Type your answer here

SUBMIT



Complete the content above before moving on.

Ethical Principles



An organization's ethical principles should reflect its needs. For example, a company that ranks low in personal responsibility probably has a bullying problem and needs to create principles that address the issue.

There are a few basic business ethics principles that most companies can benefit from instituting:

Trust —

Customers and employees react better to a company they trust and they feel trusts them.

Clarity —

Make sure that all documents, codes, principles, etc. are clear and easy to understand.

Community

Support community involvement.

Accurate Records

Keep all records and accounting up-to-date and above suspicion.

Respect

Treat all people with respect, regardless of their position.

Watch this video clip...

 **YOUTUBE**



Importance of Core Values for your Company's Success

Your company, as do all companies that care about ethics, abide by a certain set of values in order to become successful. Of course, no organization is perfect. There are always be shortcomings. However, to be successful both you and your company need to be committed to the following core values.

[VIEW ON YOUTUBE >](#)



To check your understanding of the lesson content, answer the question below...

To be successful both you and your company need to be committed to the
____.

Type your answer here

SUBMIT



Complete the content above before moving on.

Making Ethics Part of Your Company Culture



When a company cares about more than just profits, we might call it a company with a heart, or a conscience. Maybe the company regularly gives back to the community or treats employees with special care. Whatever the behaviour, we hold up as role models companies that go beyond business as usual to act with compassion.

So, how can we create an ethical company culture that both employees and consumers can appreciate?

In this lesson, you'll learn what an ethical company culture is and the benefits it brings. You'll also learn five tips to create an ethical culture at your company.

Watch this video clip...





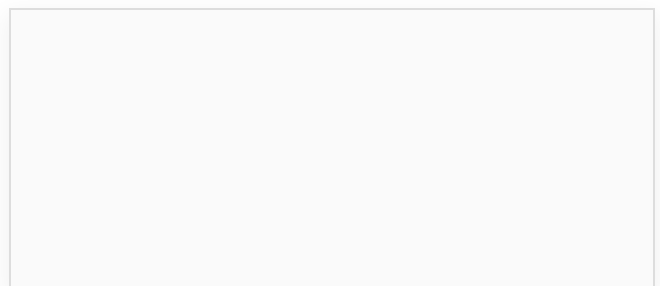
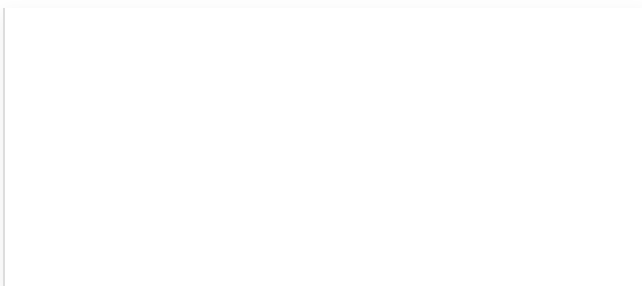
What are the benefits of investing in an ethical culture?

IBE's Simon Webley outlines some of the benefits to investing in an ethical culture. There are financial benefits, but ultimately, you do the right thing because it's the right thing to do.

[VIEW ON YOUTUBE >](#)

What Is an Ethical Company Culture?

Simply put, an ethical company makes ethics a core part of its organizational culture. Let's break down this idea by defining what we mean by "company culture" and "ethics." Flip the flashcards below to learn more:

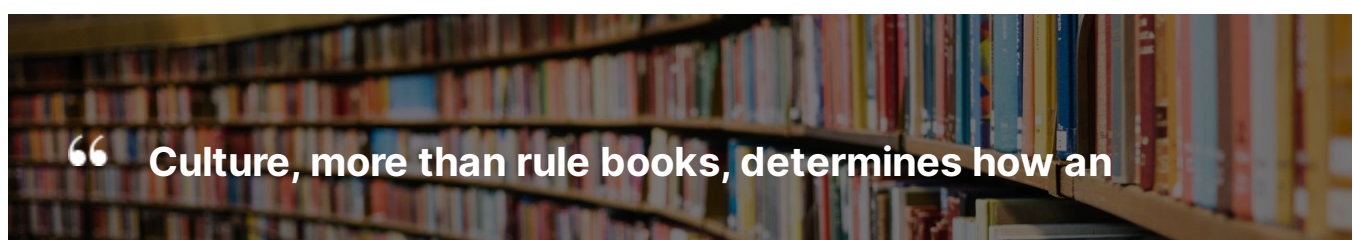


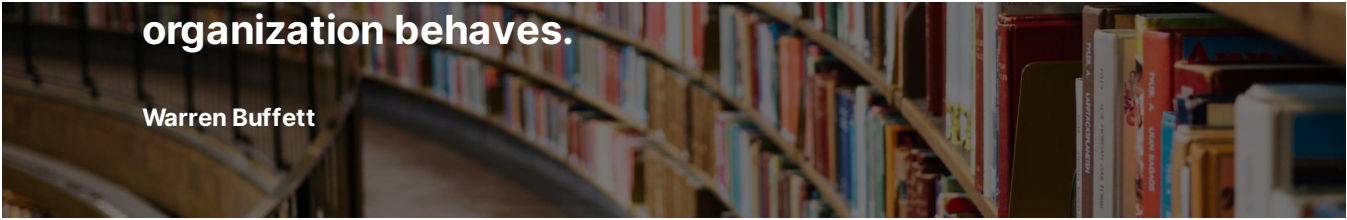
Company Culture	1 of 2 The values, beliefs, and goals that impact how
Ethics	A set of moral standards that help us determine what's right and wrong

2 of 2

When a company bases its business decisions on moral standards and values, it starts to create an ethical culture. For example, a company that wants to do right by its employees could extend benefits to both full-time and part-time workers. By contrast, a company laser-focused on the bottom line won't spend the extra cash to cover part-time employees.

An ethical company culture also encourages employees to act in ways that are consistent with those moral standards and values. Everyone at the organization is expected to care about what's right and wrong.





organization behaves.

Warren Buffett

Characteristics of an Ethical Company Culture

So, what does an ethical company culture look like? To start, an ethical company practices explicit values from the top down. Common values expressed in companies known for their ethical company culture include integrity, empathy, and respect.

Ethical companies also show concern for these four elements:

1

Employees. The way a company treats its employees reveals a lot about its company culture. An ethical company views employees as people, not numbers. Implementing policies that support employees' well-being is one way to promote an ethical company culture.

2

Customers. Ethical companies also care about their customers. They build up great customer service teams who respond to customers' concerns with respect and understanding. They also put customer safety first by developing quality products and services. They're honest with customers; they don't try to deceive them to boost their bottom line.

3

Society. A company doesn't operate separately from society. Companies impact communities by providing jobs, services, and products. Some companies work on projects that fundamentally transform society. An ethical company cares how it impacts the world and the people who live in it.

4

Environment. Humans exert tremendous power over nature—from our oceans and skies to animals and plants. What we do at

work ripples through the environment. Ethical companies consider how their actions affect the planet.

Benefits of an Ethical Company Culture

Employees, customers, society, and the environment all benefit when companies behave ethically. Did you know that an ethical culture is good for business, too?

Expand the rows below to reveal five business benefits of cultivating an ethical company culture.

Employee Satisfaction —

Employees are more satisfied with their jobs when they work for a company they're proud to be part of—and greater job satisfaction increases productivity and decreases turnover. Shared values create a sense of belonging and purpose. Ethical companies also promote a safe and comfortable work environment.

Customer Loyalty —

Customers choose companies they trust. Ethical companies are more likely to show concern for customer well-being by using safe ingredients in their products, providing exceptional customer service, and giving back to communities. When companies do the right thing, they earn loyalty from their customer base.

Brand Reputation —

Companies' ethical actions can boost their brand reputation. Consumers who hear about a brand's ethical behaviour may favour that brand over others with similar products but poorer ethical behaviours. For example, a fashion brand mired in controversy over using child labour

might lose business to another brand known for providing fair wages and safe working conditions.

Good Leadership —

An ethical culture provides a moral compass for leaders. A company's core values set clear expectations on how to lead and inspire teams with integrity and compassion. It also enables employees to hold leaders accountable if they act against those values.

Legal Compliance —

Strong business ethics promote consistency and minimize the chances of unethical behaviour or illegal activities. In turn, this can help businesses avoid costly lawsuits or other legal actions due to negligence or corporate misconduct.

Creating an ethical company culture benefits the organization by promoting good conduct and improving morale.



To check your understanding of the lesson content, answer the question below...

There are _____, but ultimately, you do the right thing because it's the right thing to do.

Type your answer here

SUBMIT

How to Create an Ethical Company Culture

We've learned what an ethical company culture looks like and how it can benefit a business.

Still, creating that ethical company culture takes conscious effort and two key factors: cultivating values and implementing them. Click through the following cards to learn five tips to create an ethical company culture.

Tip 1

Make Your Values Explicit

First, make your values explicit. Even when values are clearly visible on websites, onboarding documents, or posters, they won't always be interpreted the same way. Something that seems obvious to you might not be to others. This is especially important because values can be practiced in different ways across cultures. Employees might not understand what a value like integrity looks like in practice.

When communicating your values, ask yourself:

- *Will everyone be on the same page about this, or could it be interpreted in different ways?*
- *Will other cultures understand this value the same way I do, and if not, how can I best explain it?*
- *What's an example of this value in action, and how can I communicate this to employees?*

Tip 2

Bake Them Into the Hiring Process

Next, integrate those values directly into the hiring process. This serves two purposes—finding people whose values align with your company's and setting clear expectations from the start.

Here are some ways to incorporate company values into hiring:

- Talk about your values during the interview stages.
- Ask candidates about values that are important to them.
- Include value-related resources in the places candidates are likely to be visiting on your website, such as career pages.
- Include your values in onboarding materials and training courses.
- Schedule a time to talk about your values with new employees.

Tip 3

Give Value-Based Feedback

Third, give value-based feedback. Setting values alone won't create an ethical culture. Only with consistent practice do those values become second nature. So, create a space to talk about those values through one-on-ones or performance reviews. Encourage your team to think about how they're applying the company's values every day.

Here are some examples of questions you might ask:

- *How are you empowered in your position to demonstrate our company's values around customer service?*
- *What challenges do you face when trying to make ethical choices at work?*
- *Do you feel connected to the company's values? Why or why not?*
- *How can your team find ways to practice those values?*

Tip 4

Recognize and Reward Ethical Behaviour

Fourth, recognize and reward ethical behaviour. Focusing too much on wrong behaviour can create an atmosphere of punishment. Instead, recognize others when they demonstrate your company's values. Reward them with verbal encouragement or other incentives.

For example, a company in which empathy is a core value might reward a customer service representative who helps out a struggling customer. Their supervisor might celebrate the interaction publicly, provide private feedback, or even reward the employee with a perk.

Tip 5

Lead by Example

Finally, lead by example. The most effective way to encourage ethical behaviour is to show, not tell. People look to leaders for how to behave. If an employee sees their manager disrespecting a teammate or otherwise compromising their integrity, they may take it as a license to take the less ethical path. When we practice our values consistently, others follow suit.

Summary

An ethical company culture comes from being intentional about expectations at all levels—from potential hires to employees and managers. Sharing and practicing explicit values are essential to create and maintain an ethical culture.

Check Your Understanding

Now let's apply your understanding of an ethical company culture by considering the following activity.

Match each **company action** with the **element** for which it shows concern:

SUBMIT

Summary

An ethical company demonstrates heart and conscience when doing business. It practices values that emphasize concern for employees, customers, society, and the environment. Cultivating an ethical company culture can increase customer loyalty and employee satisfaction, improve brand reputation, encourage good leadership, and minimize legal risk.

To make ethics part of your company culture, make your values explicit, bake them into the hiring process, give value-based feedback, recognize and reward ethical behaviour, and lead by example. Following these tips sets clear expectations for everyone about how to behave and enforce ethical values across the board.



Details matter. Ethical behavior doesn't have to involve grand gestures. Helping out a customer or voicing concern about a policy that seems contrary to a company's values are small-scale ways to "do the right thing." We can all integrate ethics into our daily life by taking these kinds of actions.



Complete the content above before moving on.

Lesson 5 of 6

Knowledge Check



Module 9: Review Questions

Question

01/10

Business ethics begin where, on the organizational chart?

- ☐ Middle
- ☐ Bottom
- ☐ Employee level
- ☐ Top

Question

02/10

Who should be surveyed to determine the needs of an organization?

- ☐ Employees
- ☐ Employees and customers
- ☐ Customers
- ☐ Politicians

Question

03/10

What should an organization's ethical principles reflect?

- ☐ It's needs
- ☐ Profit margin
- ☐ Wages increases
- ☐ Production ability

Question

04/10

Ethics in business requires: Select ALL that apply.

☐

Diligence

☐

Hard work

☐

Money

Question

05/10

It is important when building an ethical business to:

- ☐ Outline roles and responsibilities
- ☐ Pinpoint the more ethical employees
- ☐ Pinpoint those employees who are less ethical
- ☐ None of the above

Question

06/10

Needs to address in a workplace survey include:

- ☐ Values
- ☐ Conflicts
- ☐ Trust
- ☐ All of the above

Question

07/10

Anonymous surveys allow people to:

- ☐ Describe how the company runs
- ☐ Complain about coworkers
- ☐ Complain about their jobs
- ☐ Complain about their boss

Question

08/10

A company that ranks low in personal responsibility probably:

- ☐ Has a bullying problem
- ☐ Has high employee turn-over
- ☐ Doesn't pay their employees well
- ☐ None of the above

Question

09/10

The entire organization needs to be on the same page in order for people to make ethical decisions.

☐ True

☐ False

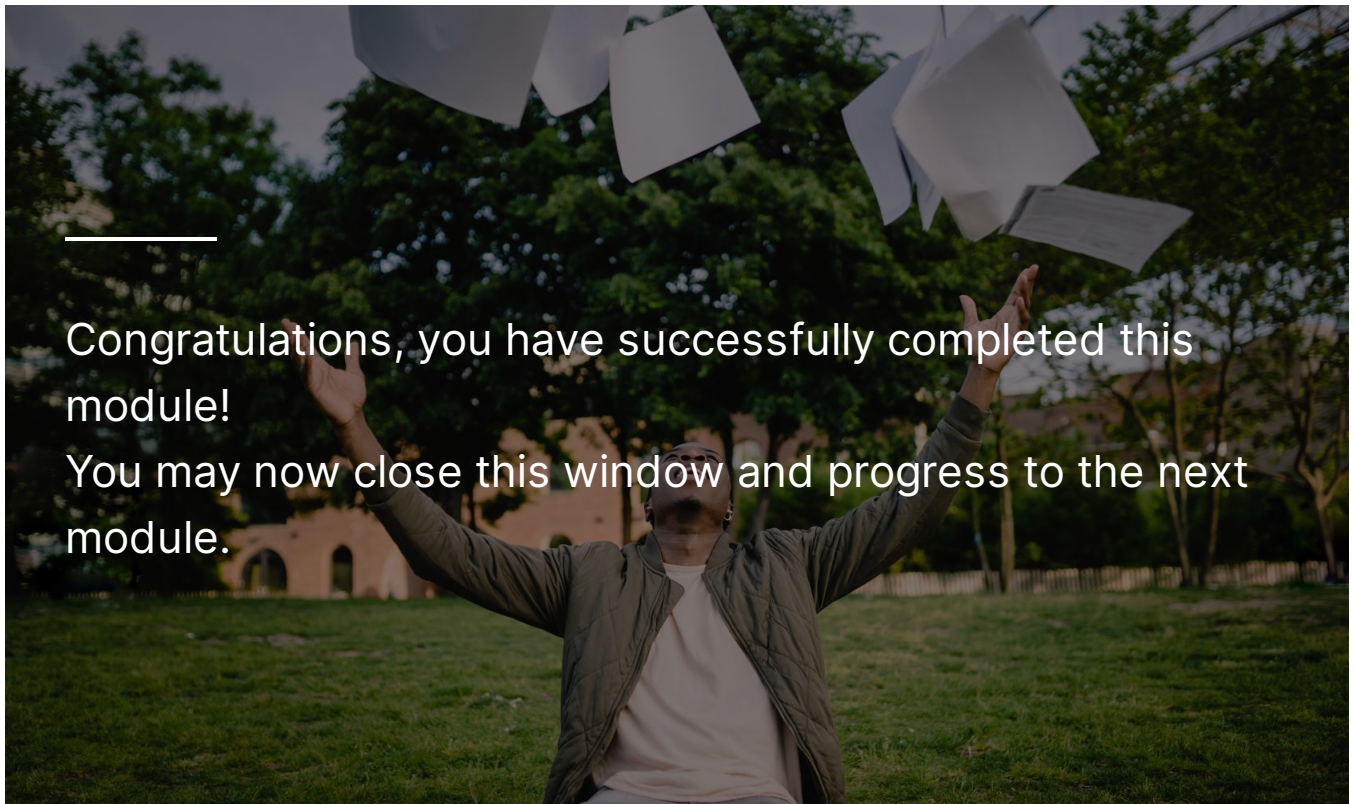
Question

10/10

A(n) _____ will help determine how an ethics program will run.

- ☐ Survey
- ☐ Organizational chart
- ☐ Discussion
- ☐ None of the above

Module 9: Completed



Congratulations, you have successfully completed this module!

You may now close this window and progress to the next module.