

# BUSINESS ETHICS

*Presented by:*  
*Ann Gatonye*  
*Cert ERM*  
*Tuesday, 28<sup>th</sup> February 2017*

# Recap on Business Ethics



Study of proper business policies and practices  
regarding  
potentially controversial issues,  
such as

Corporate Governance, Insider Trading, Bribery,  
Discrimination, Corporate Social Responsibility

and

Fiduciary responsibilities.

# Break it down....



Business ethics  
ensures that  
a certain required level of trust exists  
between  
consumers and various forms  
of  
market participants with businesses.

# Who guides!!



Law often guides business ethics,  
while  
other times business ethics provides a  
basic framework  
that businesses may choose to follow to  
gain public acceptance.

# Who are the Market Participants?



- ✧ The organisation
- ✧ Shareholders
- ✧ Employees
- ✧ Customers
- ✧ Suppliers
- ✧ Community/Environment
- ✧ Government/Regulators
- ✧ Competitors

# What drives the Organisation?



Based on the Vision of the Organisation, there are key components that drives that Organisation;

- Is it Profitability, Customers base, Asset base, Product quality, Delivery – that is the core of the business  
This requires interactions with different stakeholders

An Organisation runs its business through interactions with its stakeholders with determine its existences or exit

# What are values!



- ✧ Beliefs embedded in the organisation systems
- ✧ The way we do things
- ✧ Customs
- ✧ How we Behaviour
- ✧ Unique to an organisation
- ✧ Becomes a life style
- ✧ Stakeholders get to associate with

Integrity, Honesty, Confidentiality, Accountability

# Code of Ethics



Organisation commitment to do business under high ethical standard;

Most organisations will develop policies and guidelines that will stipulate how the Organisation with interact with different stakeholders

- ✧ Reputation Risk – this is the key asset in an Organisation
- ✧ Conflict of interest/Outside interests
- ✧ Confidentiality of customers information



# What does a code of Ethics Cover



## Employees

- Equal opportunities for development and growth
- Appropriate environment to the staff to thrive in whatever they do – realise their full potential

## Customers

- High quality products or service
- Integrity with dealing with customers
- Develop a long term relationship with the customers

# What does a code of Ethics Cover



## Shareholders

- They are the one reason you exist so protect them and keep them informed
- Reports should be true and fair per legislative or market requirements
- Communication on policies, strategy, achievement and even non compliance

## Community & Environment

- Provide equal employment opportunities
- Support community development initiatives
- Encourage staff to play a positive role

# What does a code of Ethics Cover



## Regulators

- Respect law, traditions, customs
- Contribute to economic/social/environmental developments
- Meet the compliance obligations

## Competitors

- Seek competitive advantages through superior performance
- Do not attempt to acquire information through illegal/Unethical business practices
- Restrict from abusive trade practices

# EXERCISE 1



Who are the key stake holders?

What would have been done better?

# Ethic statements



There should be a statement at all levels of the Organisation structure

- Board
- Executive management
- Management
- Staff

Adherence and Non-adherence to the ethics statement should be recognised and rewarded or punished as appropriate

# Business policies - code of Ethics



- Governance policies and guidelines
- General conditions of employment – code of conduct
- Employee relations
- Employee wellbeing
- Facilities use
- Fraud & Corrupt activities
- Occupational, Health and Safety
- Remuneration
- Reputation
- Compliance
- Corporate social responsibility
- IT security, Data reliability and Credibility
- Gift policy
- Rumour policy
- Whistle blowing

# Ethics office



- Design, Review, interpretation and training of code of ethics
- Review and update the code of ethics
- Conduction training and awareness
- Supporting the grievance processes
- Monitoring and reporting of the reports
- Implementation and awareness training of “People” or stakeholders’ rights

# Ethical behaviours & Values



- ✧ Professional conduct
- ✧ Behavior
- ✧ Communication
- ✧ Sexual harassment
- ✧ Dress code
- ✧ Body language
- ✧ Meeting/function/telephone/email Etiquette
- ✧ Time management
- ✧ Respect and dignity
- ✧ Value for money
- ✧ Social media postings



# Case study



Lets analyse the case based on  
the code of ethics

# Governance structure



- ✧ All incidents must be reported;
  - Give telephone number, email address, contact name
- ✧ Anonymous tipoffs
- ✧ Toll Free numbers
  
- ✧ Grievance procedure must be followed and full documentation and evidence being available where necessary

**Ask yourself “would we like  
it brought to public  
attention”?**

**Would we like to see it  
reported in the press?**



***ASANTE SANA !!!***