This unit will develop your understanding of managerial and organisational principles through considering the role of ethics in business operations, including corporate social responsibility, sustainability and responsible management. You will examine the origins, theory and practice of these closely interconnected issues.

Business ethics are now fundamental to all aspects of business, from finance to marketing, and can demonstrate accountability to the people and environments impacted by an organisation’s actions. No business is immune, and it is important that organisations are aware of the ethical issues surrounding business decisions and that employees at all levels of the organisation are familiar with the principles of ethical decision-making.

Throughout the three elements that make up this unit, you will consider the complexities facing international management when engaging with stakeholders from diverse cultural and ethical backgrounds, who differ in business or ethical norms. You will study ethics through the lens of a global business ethical agenda alongside local cultural insight.

By the end of the unit you will be confident to discuss both practical theoretical issues relating to ethics and the relationship between business and society in an international context.
What you’ll learn

The table below shows the learning outcomes of this unit (what you will be able to do or what you will know), along with the assessment criteria (what you will be able to do to demonstrate achievement of the learning outcome).

<table>
<thead>
<tr>
<th>Learning Outcomes</th>
<th>Assessment Criteria</th>
<th>Weighting</th>
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| **1. Critically evaluate differing approaches to business ethics** | 1.1 Evaluate teleological, deontological and mixed frameworks which influence western approaches to business ethics  
1.2 Evaluate how the core principles of Confucianism philosophy influence eastern approaches to business ethics | 20% |
| **2. Analyse the core principles of corporate social responsibility** | 2.1 Analyse the core principles of the economic model, the philanthropic model, and the stakeholder models of corporate social responsibility | 20% |
| **3. Critically evaluate the opportunities and challenges for a range of organisations to develop ethical business practice through corporate social responsibility policies and reporting** | 3.1 Critically evaluate how organisations of different types can effectively implement corporate social responsibility policies and reporting procedures on triple bottom line sustainability | 20% |
| **4. Analyse the core principles of sustainability in relation to businesses** | 4.1 Analyse the meaning and importance of sustainability in a business context  
4.2 Critically discuss the common elements of sustainability in a business context  
4.3 Critically assess the factors an organisation must consider when developing a sustainability strategy | 20% |
| **5. Analyse the influence of organisational culture and leadership on business ethics with a focus on marketing and human resource management** | 5.1 Critically evaluate how organisations’ culture and leadership can influence approaches to ethical decision-making  
5.2 Assess the opportunities and challenges for differing types of organisation to effectively integrate ethical decision-making into the marketing mix and human resource management functions | 20% |
Capabilities

Alongside academic learning and development, ABE qualifications have been designed to develop your practical skills and capabilities. These capabilities are highlighted as certain values, knowledge, skills and behaviours that will help you in your professional development.

Below is an overview of the behaviours, skills and attitudes that you will develop through this unit:

<table>
<thead>
<tr>
<th>Element of learning</th>
<th>Key capabilities developed</th>
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| **Element 1 - Theoretical perspectives on business ethics** | Ability to analyse theoretical concepts relating to business ethics  
   Ability to apply theoretical concepts relating to business ethics to practical industry examples  
   Ability to manage learning through systematic secondary research  
   *Analysis, application, research, critical thinking, application of theory* |
| **Element 2 - Corporate social responsibility and sustainability principles** | Ability to communicate personal points of view effectively through debates, presentations and written reports  
   Ability to analyse and debate ethical dilemmas  
   Ability to synthesise complex information to develop reasoned recommendations  
   *Communication, ethical practice, synthesis of complex information, making reasoned arguments* |
| **Element 3 - Implementing CSR policies**                | Awareness of CSR and its importance  
   Ability to identify and evaluate the opportunities to develop ethical business practice through CSR  
   Ability to identify and evaluate the challenges to developing ethical business practice through CSR  
   Ability to understand the implementation of CSR policies and reporting procedures for triple bottom line approaches  
   *Corporate social responsibility, evaluation and analysis, policy implementation, ethical business practice* |
| **Element 4 - Sustainability**                          | Ability to understand the concept of sustainability in relation to the business context  
   Ability to identify the drivers for sustainability, and the arguments for and against it  
   Ability to identify and discuss the common elements of sustainability that impact business organisations  
   Ability to assess the factors that an organisation must consider when developing a sustainability strategy  
   *Planning, analysis, strategy, sustainability considerations, impact of business behaviour* |
| **Element 5 - Business ethics in responsible management practice** | Ability to evaluate and discuss different approaches to solving ethical dilemmas  
   Ability to reflect on ethical business considerations in making responsible management decisions |
Development of investigative understanding through real life case studies
Working independently and in teams
*Analysis of alternative arguments and approaches, problem solving, decision-making, investigation, team working, independent working*
Localisation

It is very important when studying for your ABE qualification that you consider your local business environment and try to apply what you are learning to relevant scenarios in your local business context. Doing this will help you to put your learning into practice and use it in your professional day-to-day activities.

The content of this unit is applicable in various countries as it covers international business examples. Throughout your learning, you will be encouraged to consider global differences in how differing types of companies in differing cultural contexts approach ethics in business management. For example, American companies consider whistleblowing to be a natural part of business and many set up anonymous hotlines to enable reporting of practices, whereas the French are more likely to consider whistleblowing as undermining solidarity among colleagues. Employment regulations in terms of working hours, conditions of work and the legal working age vary greatly, and this needs to be considered by organisations operating in a global business environment. For example, large UK-based companies are legally obliged to report on working conditions in the supply chain, although any issues of concern might well be legal in the country of operation. Throughout the unit, you are therefore encouraged to take account of global and local contexts in your analysis of business ethics.

You should take into account the following when preparing for your assessment:

- Consider differing global contexts and how they may vary in terms of ethical outlooks and practices
- Consider differing types of business in terms of size and sector operated in
- Use academic referencing throughout; it is important to ensure that theoretical understanding is demonstrated
- Throughout the unit, you should try wherever possible to link your analysis back to theoretical perspectives set out in Element 1
- Throughout the unit, keep a consistent focus on both individual and organisational actions towards ethical business practice
- Develop an analytical approach to assessments through comparing theoretical viewpoints, and using real life case studies wherever possible to illustrate theoretical understanding
- Read and research widely; study at this level is about demonstrating your wide research and summarising your reading into analytical writing with your own insights and examples
Indicative Content

1. Critically evaluate differing approaches to business ethics (Weighting 20%)

1.1 Evaluate teleological, deontological and mixed frameworks which influence western approaches to business ethics

- Teleological frameworks: these focus on whether the results of individual action are favourable or not; ethical egoism, utilitarianism, dualism
- Deontological frameworks: these focus on duty/obligation in determining whether actions are right or wrong; existentialism, contractarianism, Kantianism
- Mixed frameworks: this draws on theories of ethical egoism, utilitarianism, existentialism and contractarianism

1.2 Evaluate how the core principles of Confucianism philosophy influence eastern approaches to business ethics

- Principles of Confucianism approach: in contrast to the western approach of an individual society, this approach is based on a collective and stable society through structured roles and responsibilities
- Hofstede’s Cultural Dimensions model applied to the principles of Confucianism (long-term vs short-term orientation, individualism vs collectivism, high vs low power distance, strong vs weak uncertainty avoidance, and masculinity and femininity).

2. Analyse the core principles of corporate social responsibility (Weighting 20%)

2.1 Analyse the core principles of the economic model, the philanthropic model, and the stakeholder models of corporate social responsibility

- Economic model: this argues that society is best served by a variety of institutions, and the primary function of corporations should be economic rather than social
- Philanthropic model: this view notes that businesses should be encouraged to go beyond the law and economics, in order to contribute to the wider community
- Stakeholder model: the premise of this model is that every business decision affects a wide variety of people, and implies costs to some, and opportunities to others
- Contributions and limitations of these models

3. Critically evaluate the opportunities and challenges for a range of organisations to develop ethical business practice through corporate social responsibility policies and reporting (Weighting 20%)

3.1 Critically evaluate how organisations of different types can effectively implement corporate social responsibility policies and reporting procedures on triple bottom line sustainability

- Triple bottom line requirements: economic, social and environmental sustainability; this incorporates that financial goals need to be considered alongside environmental and social concerns
- Business case for triple bottom line approaches: this would include a consideration of the prudent use of resources, and adapted business practices to ensure long-term business success for all stakeholders
4. **Analyse the core principles of sustainability in relation to businesses (Weighting 20%)**

4.1 **Analyse the meaning and importance of sustainability in a business context**
- Definitions of sustainability and sustainable business
- Drivers for sustainability
- Arguments for and against sustainability

4.2 **Critically discuss the common elements of sustainability in a business context**
- Key sustainability issues, including:
  - Consumerism
  - Urbanisation
  - Pollution (water, air)
  - Deforestation
  - Energy consumption and waste (emergence of solar/wind/hydro power), emissions (greenhouse gases, carbon footprint)
  - Responsible procurement (fair trade)

4.3 **Critically assess the factors an organisation must consider when developing a sustainability strategy**
- Objectives, market forces, stakeholder needs, legal and regulatory drivers, voluntary codes of practice, supply chain, cost vs benefit, implications of not developing a strategy, sustainability as a USP
- Performance metrics, auditing and reporting for sustainable business (site visits in supply chain, environmental accounts)
5. Analyse the influence of organisational culture and leadership on business ethics with focus on marketing and human resource management (Weighting 20%)

5.1 Critically evaluate how organisations’ culture and leadership can influence approaches to ethical decision-making

- **Enabling factors:**
  - Organisational behaviours that encourage ethical decision-making: this is linked to the attitudes and habits that have been developed over time through aspects such as organisational values expressed in policies, mission statements and reports and in organisational procedures
  - Leadership character qualities necessary to create an ethical decision-making culture: leaders should act as role models, and ensure sufficient allocation of resources to acting ethically; they need to be aware of their own values and morals in decision-making, and how to respond to ethical dilemmas through careful analysis of the correct course of action

- **Limiting factors:**
  - Organisational behaviours that discourage ethical decision-making
  - Leadership approaches/characteristics/behaviours that discourage an ethical decision-making culture

5.2 Assess the opportunities and challenges for differing types of organisation to effectively integrate ethical decision-making into the marketing mix and human resource management functions

- **Human resource management functions**
  - **Recruitment procedures:** Are assessment measures fair and just?
  - **Performance appraisal:** Is this regularly and fairly carried out?
  - **Rewards:** Are they allocated fairly?
  - **Diversity and equal opportunities policies:** Are they detailed and followed in company procedures?
  - **Training:** Are staff at all levels of the organisation familiar with ethical values, codes and practices and how to integrate these into day to day operations?
  - **Health and Safety:** Is a safe working environment provided for all employees?
  - **Job security:** Are contracts offered? Is offshoring a threat? Are redundancies fairly carried out?

- **Marketing functions**
  - **Product:** This includes consideration of fair trade issues in the supply chain back to raw materials and analysis of everything and everyone involved in the final product creation/service delivery
  - **Price:** This includes an analysis of how prices are negotiated and agreed with suppliers, and which pricing tactics are adopted such as price discrimination, predatory pricing, and misleading pricing
  - **Place:** This will include consideration of how products/services are distributed via the supply chain and if those suppliers are paid a fair price and work in an ethical environment
  - **Promotion:** This will include consideration of misleading information, ethical advertising (such as the exploitation of children in marketing) and legal requirements (such as unverified claims)