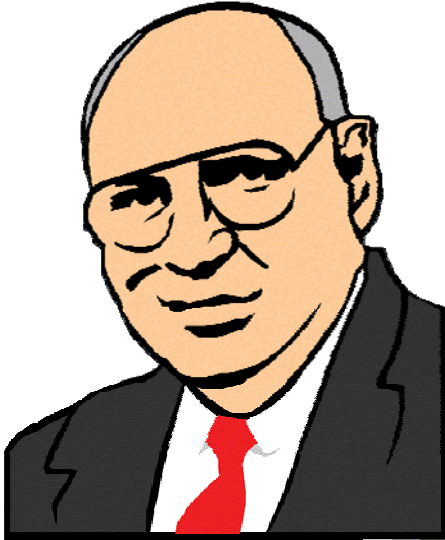


Applying interactive teaching to facilitate learning of business ethics and social responsibilities

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Activity 1 – Debate / Discussions

Worksheet

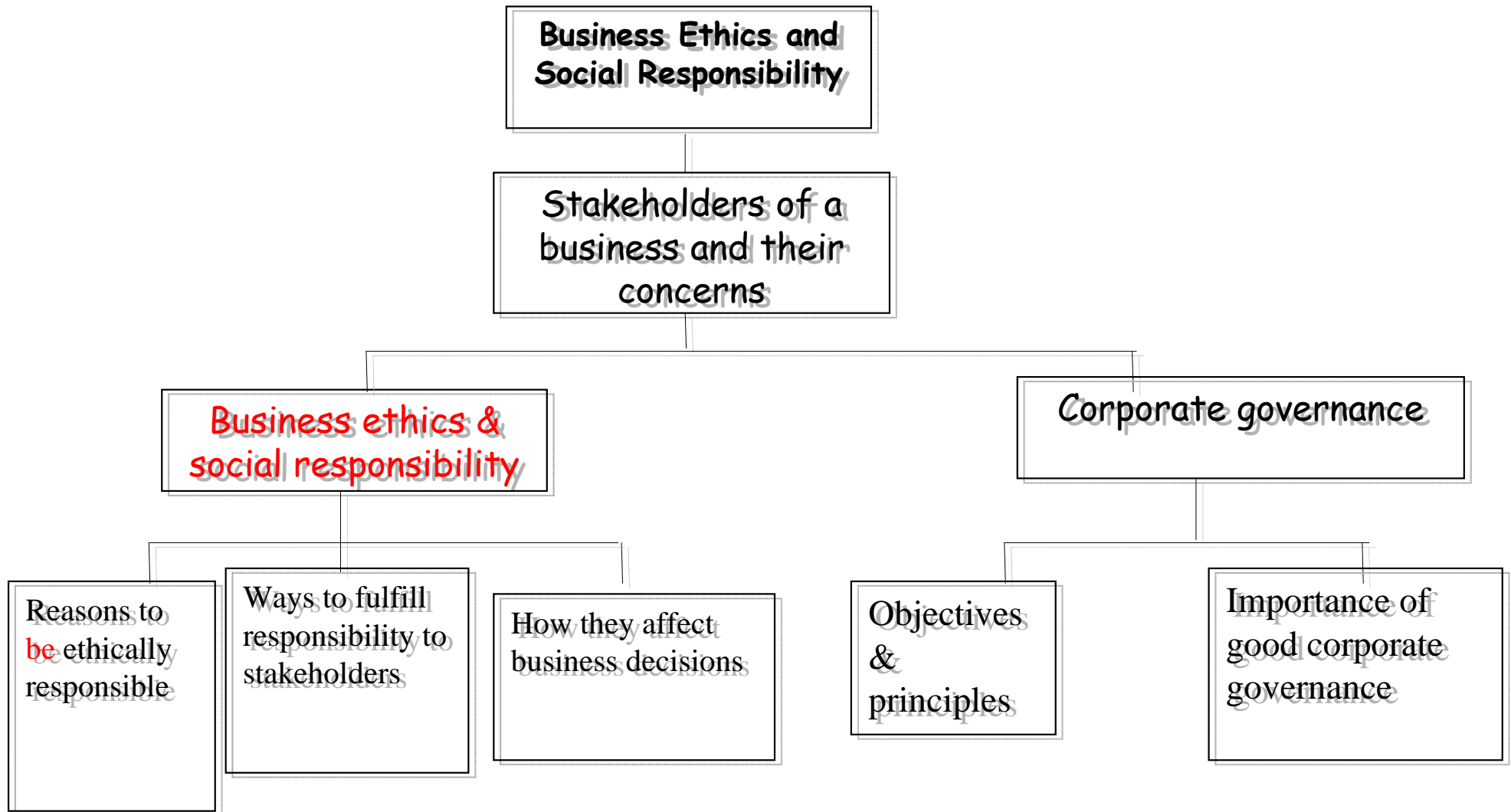


“Business people are moral people”

Do you agree? Why or Why not?

Business ethics & Social Responsibility

An Overview:



“Stakeholders”?

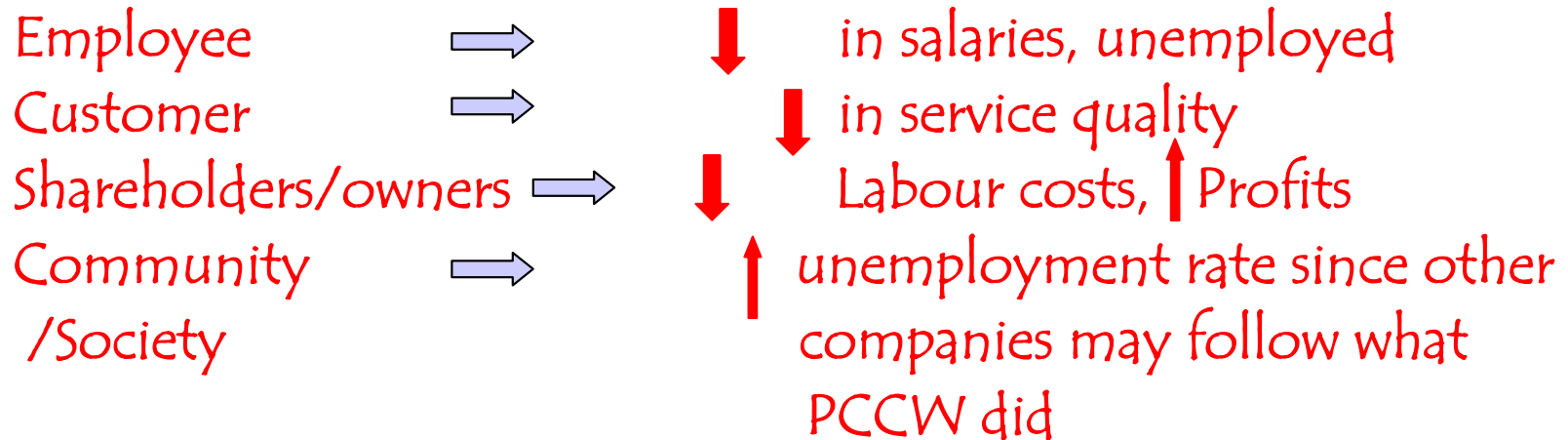
- After viewing the video clip, answer the following questions:
- *Questions:*
 1. Name the business organization mentioned in the video clip.
 2. Identify the business decision made by business organization in the video clip.
 3. Identify the people/groups who were affected by the business decision.

Who are “Stakeholders”?

1. The business organization mentioned in the video – PCCW

2. Business decision – Layoff (cut the number of staff)
– Force the staff to take no pay leave

3. People/groups being affected by the business decision:





Stakeholders of a business:

- The operation of a business also has an impact on many people in society, particularly the stakeholders.
- A stakeholder of a business is a person or a group who is **directly** affected by a business action/decision.

WHO ARE STAKEHOLDERS?

- Owners / Shareholders - they invest capital into a business.
- Managers / Directors – they are appointed by owners or shareholders to run and manage a business.

WHO ARE STAKEHOLDERS?

- Employees – They are employed to perform specific tasks for a business.
- Customers – They buy goods and services from a business.
- Suppliers – They supply raw materials, goods and services to a business.

WHO ARE STAKEHOLDERS?

- Society/Community – It provides labour force and a harmonies environment for a business.
- Trade union – They are the collective representatives of employees. They Strike to protect the rights of their members.

WHO are STAKEHOLDERS?

Article adapted from SCMP 2009-02-05

- ...**HK Disneyland** raises admission fees by 19%
HONG KONG Disneyland confirmed yesterday that it is **increasing its weekday admission prices** by 19 percent in a move to shore up its finances.
- Starting Monday, weekday prices will rise from HK\$295 (US\$38) to HK\$350 for adults and from HK\$210 to HK\$250 for children under 12.

WHO are STAKEHOLDERS?

- The higher prices previously only applied to visitors who went to the park on weekends and public holidays.
- Admission for people aged 65 or older will be set at the weekday price of HK\$170, even on peak days.
- Prices for annual passes are unchanged. However, **Hong Kong** visitors and group travelers will enjoy a five-month grace period.

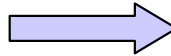
Discussions:

*Who are the stakeholders in Disneyland's case?
How would they be affected? +ve or -ve*

- Visitors - Customers



- Shareholders



- Suppliers



- Employees

- Community



- Government



○ Task – Newspaper Clipping

● Newspaper Presentation

What is business ethics and social responsibilities?

Learning Quiz --- True / False

- 1. The owners, shareholders and the employees are affected by the operation of a business. **T**
- 2. The creditors, customer and suppliers are affected by the operation of a business. **T**
- 3. The government and the community are affected by the operation of a business. **T**

What is business ethics and social responsibilities?

Learning Quiz --- True / False

- 4. Legal behaviour is always ethical. F
- 5. Illegal behaviour is always unethical. T
- 6. Social responsibility refers to what a business owes to society. T

What is business ethics and social responsibilities?

Learning Quiz --- True / False

- 7. Irresponsible and selfish behaviour by business would probably lead to more government intervention and legislation, leaving little flexibility and autonomy for business. **T**
- 8. Business ethics refers to the law of what should be done and what should not be done. **F**



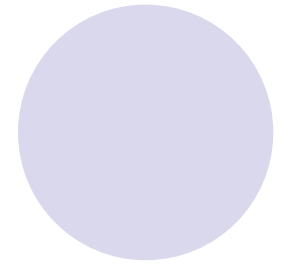
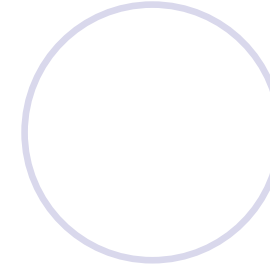
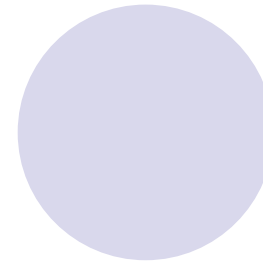
Business Ethics

- Ethics is a set of principles of right conduct according to moral values
- Business ethics is a set of moral values that govern / guide business activities and decisions.
- It emphasizes that business should care for the interests of all the stakeholders

Laws = Ethics???

	<u>Laws</u>	<u>Ethics</u>
<u>Differences</u>	<ul style="list-style-type: none">✧ Illegal activities are clearly specified✧ Sanctions and punishments are clearly specified✧ Legal standards do not vary among people	<ul style="list-style-type: none">✧ Unethical behaviour is not clearly specified✧ Sanctions and punishments are not clearly specified✧ Ethical standards vary among people
<u>Similarity</u>	<ul style="list-style-type: none">✧ Can be changed when values and beliefs changed	

Lawful? & Ethical?



- *A cake shop use*
- 1. cheap materials
- 2. materials that turned rot
- 3. poor quality materials
- *to make a cake*

Lawful?

Ethical?

Yes

Yes

No

No

Yes

No

If a business is **not ethically responsible** to its stakeholders, the business may **face various unpopular situations** which include:

- Loss of customers - customers may lose confidence in the business



- e.g. Tainted milk crisis.
- Melamine contaminated milk issue – Mengniu Dairy

If a business is **not ethically responsible** to its stakeholders, the business may **face various unpopular situations** which include:

- Conflicts with employees – employees may get help from trade unions and fight for their interests



e.g. PCCW –
industrial
actions

If a business is **not ethically responsible** to its stakeholders, the business may **face various unpopular situations** which include:

- Adverse business reputation – the unethical behaviour of the business may damage the image of the business

TVB新聞提要(2009年2月19日) - 四間專利巴士公司取消即日回程優惠

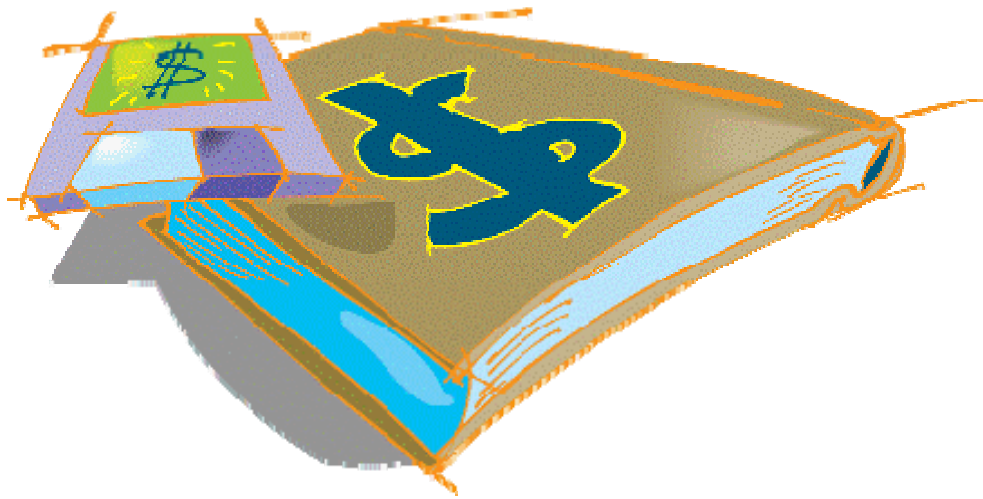
- 政黨及團體抗議電訊盈科及匯豐銀行獲嘉許良心企業 10/2/09
- 主播天下 2008-11-17 : 匯豐銀行裁員450人

If a business is not ethically responsible to its stakeholders, the business may face various unpopular situations which include:

- Legal punishment – if the business breaches the law, it will be punished by the government
- Lead to **government intervention** / more regulations --- *Trade Descriptions Ordinance* Amendment

If a business is **not ethically responsible** to its stakeholders, the business may **face various unpopular situations** which include:

- **Difficulty in raising capital** - investors and shareholders may not want to purchase **shares** of the business



If a business is **not ethically responsible** to its stakeholders, the business may **face various unpopular situations** which include:

- Conclusion:
- **Although being ethically responsible may sometimes increase the cost and reduce the efficiency of running a business, it can increase the reputation of the business and maintain a group of loyal customers.**

The following are some examples of business decisions that are made after considering business ethics and social responsibility:

- Set up a reasonable pricing system that is acceptable to customers
- 九巴回程優惠
- 長者用八達通逢周三及公眾假期乘港鐵只需2元
- e.g. public transport offer free trip to elderly people on Sunday/every Wed

The following are some examples of business decisions that are made after considering business ethics and social responsibility:

- Avoid exaggerating or misleading information in advertisements



Protect customers' privacy

Hong Kong Airport outburst pays off in the end
Cathay Pacific Airways, Hong Kong's flagship carrier, has apologized to a female passenger. The woman was the subject of a widely viewed YouTube clip showing her screaming and rolling on the floor of Hong Kong International Airport after she missed a *Cathay* Pacific flight.



Shoppers unprepared to go green on 'No Plastic Bag Day'



“unprepared to go green on '**No Plastic Bag Day**' “

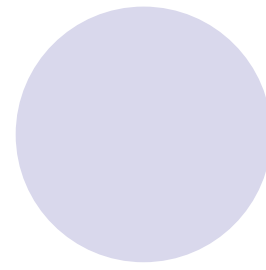
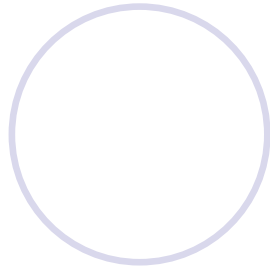
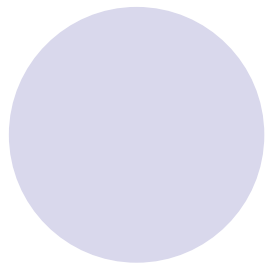
約2千間店舖下月3日起推行「日日無膠袋日」

The following are some examples of business decisions that are made after considering business ethics and social responsibility:

- Employ new staff without any form of discrimination
- e.g. McDonald's voluntarily employs disabled people

The following are some examples of business decisions that are made after considering business ethics and social responsibility:

- Use a more costly but environmental-friendly equipment to reduce pollution.
- e.g. Park'n shop use bio-degradable plastic bags
- e.g. Mcdonald's use paper instead of foam box to
- wrap burgers



- Worksheet 6 – Exercise
- Worksheet 7 – Company Search