

ENTREPRENEURIAL INNOVATION

BMBM4011

BUSINESS ETHICS & CSR



SESSION OBJECTIVES

- Define what Ethics & CSR is.
- Appreciate Ethical Standards
- Link Ethics & CSR
- Consider how to act Ethically
- UTILITARIANISM



WHAT IS ETHICS?



Ethics are moral guidelines which govern good behaviour.

So behaving ethically is doing what is morally right - the principal of right and wrong.

Behaving ethically in business is widely regarded as good business practice.

ETHICAL QUOTES

**“Being good
is good
business”**



Dame Anita Roddick
(1942-2007)



Wynton Marsalis

**“Ethics Are More
Important than
Laws”**

ETHICAL STANDARDS

Some might say that Ethics is the difference between right and wrong ?

Ethical principles and standards in business:

- ***Define acceptable conduct in business***
- ***Should underpin how management make decisions***

An important distinction to remember is that behaving ethically is not quite the same thing as behaving lawfully:

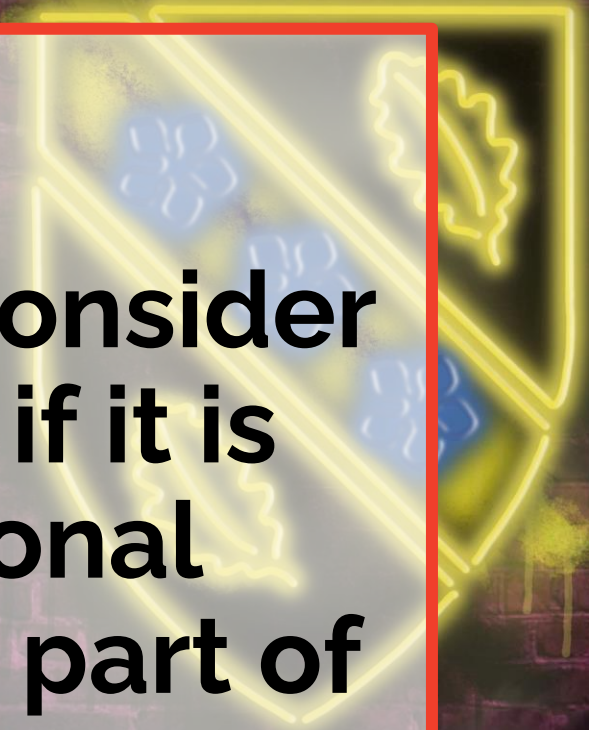
- ***Ethics are about what is right and what is wrong***
- ***Law is about what is lawful and what is unlawful***

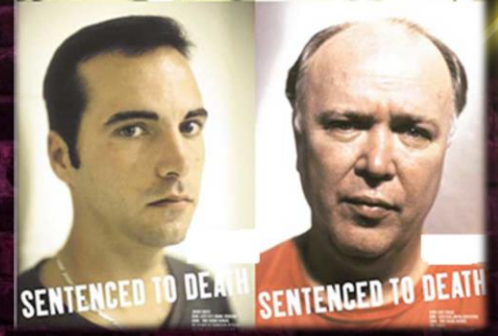
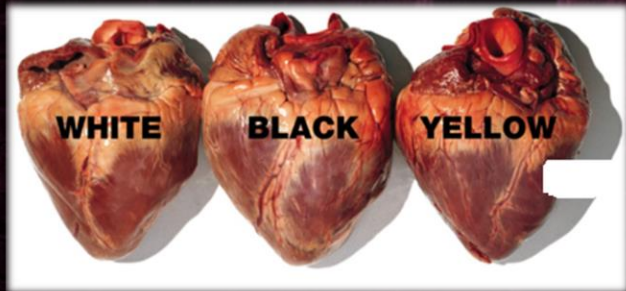
An ethical decision is one that is both legal and meets the shared ethical standards of the community.



ACTIVITY 1

Review the following images and consider (using your own moral standpoint) if it is “Right “ or “Wrong” for an international organisation to use such images as part of their marketing strategies?







UNITED COLORS
OF BENETTON.



UNITED COLORS OF BENETTON is an international retailer of fun, casual, brightly coloured clothes for women, men and children”.

[Benetton's Most Controversial Advertising Campaigns Through The Years | British Vogue | British Vogue](#)

ETHICAL ISSUES

Businesses face ethical issues and decisions almost every day – in some industries the issues are very significant. For example:

- ***Should businesses profit from problem gambling?***
- ***Should supermarkets sell lager cheaper than bottled water?***
- ***Is ethical shopping a luxury we can't afford?***
- ***Should fashion retailers use suppliers who don't pay a living wage?***
- ***Should supermarkets dispose of out-of-date groceries or give them to food banks?***

CORPORATE SOCIAL RESPONSIBILITY (CSR)

You will probably note the link between business ethics and corporate social responsibility (CSR). The two concepts are closely linked:

- A socially responsible firm should be an ethical firm
- An ethical firm should be socially responsible

However, there is also a distinction between the two:

- CSR is about responsibility to all stakeholders and not just shareholders
- Ethics is about morally correct behaviour



“BONUSES IN THE AGE OF LAYOFFS”

In 2025, several major corporations faced public criticism for awarding large executive bonuses while cutting jobs or facing public controversy.

For example:

- Meta approved executive bonuses of up to **200% of base salary** while cutting around **4,000 jobs** as part of efficiency measures. ([Business Insider](#))
- Microsoft's CEO reportedly received a bonus approaching **\$100 million** in the same year the company laid off around **15,000 employees**. ([TweakTown](#))
- Investment firm abrdn planned to continue paying bonuses while cutting **500 jobs** as part of cost-saving measures. ([The Guardian](#))
- Shareholders criticised large executive bonuses at Goldman Sachs, calling them “excessive” and poorly aligned with performance. ([New York Post](#))
- Across industries, boards have faced mounting scrutiny when **executive rewards rise while employees lose jobs**, with regulators and investors questioning the ethics and optics of such decisions. ([openclassactions.org](#))

ACTIVITY 2

“BONUSES OR REDUNDANCIES?”

SCENARIO

Your start-up has just secured Series B funding.

The company is growing, but cash flow is tight due to rising costs.

To extend your runway:

- You must cut 15% of staff, **OR**
- Freeze bonuses for the senior leadership team.

However:

- The leadership team accepted lower salaries earlier in the venture.
- Investors are pushing for performance bonuses to retain key executives.
- The press has caught wind of the situation and wants a live radio debate.



ACTIVITY 2

“BONUSES OR REDUNDANCIES?”

TASK (10-minute prep, then live discussion)

Your firm has been invited onto a live radio panel to discuss the ethics of executive bonuses during periods of layoffs.

You have 10 minutes to:

1. Choose one spokesperson.
2. Prepare the **strongest arguments FOR bonuses**.
3. Prepare the **strongest arguments AGAINST bonuses**.
4. Decide your final stance.

Your spokesperson must:

- Present both sides fairly.
- Conclude with a clear, justified position.



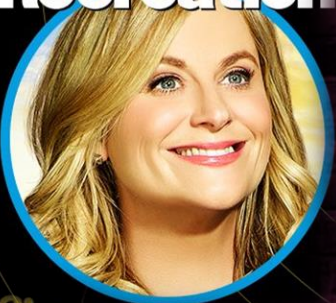
UNDERSTANDING ETHICAL THEORIES = SUCCESS

The
Good
Place

BROOKLYN
NINE-NINE



Parks
and
Recreation



the office



MICHAEL
SCHUR



DISCUSSION...

So... How do businesses ensure that its directors, managers and employees act ethically?



ACTING ETHICALLY

A common approach is to implement a code of practice.

Ethical codes are increasingly popular – particularly with larger businesses and cover areas such as:

- **Corporate social responsibility**
- **Dealings with customers and supply chain**
- **Environmental policy & actions**
- **Rules for personal and corporate integrity**



ACTIVITY 3

Working in small groups, undertake some research to create a **Top 5** list of companies with the best CSR.

Each group will present their findings, so remember to provide evidence to support your research and your findings.



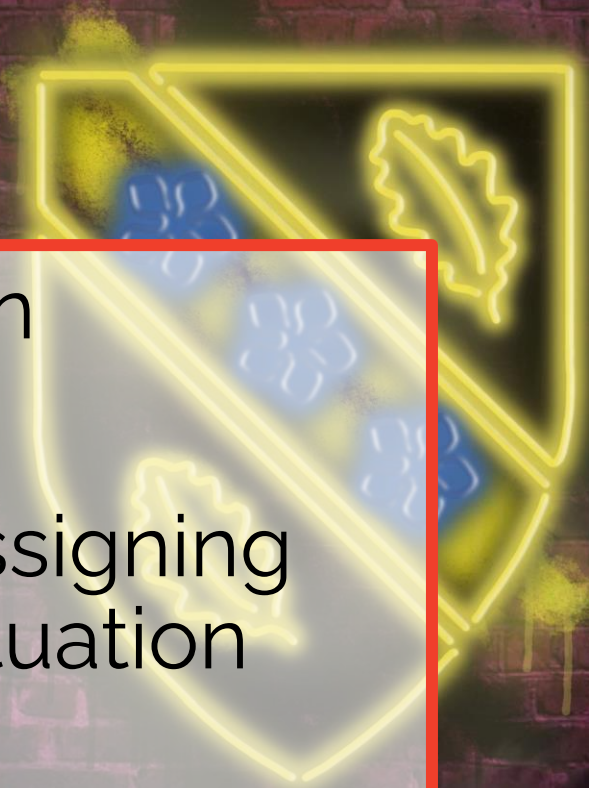
UTILITARIANISM

**WHAT IS
UTILITARIANISM?**



PROBLEMS WITH UTILITARIANISM?

- 1. Subjectivity** - in assessing pleasure and pain
- 2. Problems of quantification** – difficulty of assigning and quantifying costs and benefits to every situation
- 3. Distribution of utility** – by assessing the greatest good for the greatest number, the interests of minorities are overlooked



ANY
QUESTIONS?

