

BMTP4004

Managing Tourism, Leisure and Events Organisations

ETHICS, CSR & Utilitarianism



HOSPITALITY
AND
TOURISM
MANAGEMENT



*Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales*



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

SESSION OBJECTIVES

1. Define what Ethics & CSR is.
2. Appreciate Ethical Standards
3. Link Ethics & CSR
4. Consider how to act Ethically
5. 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***

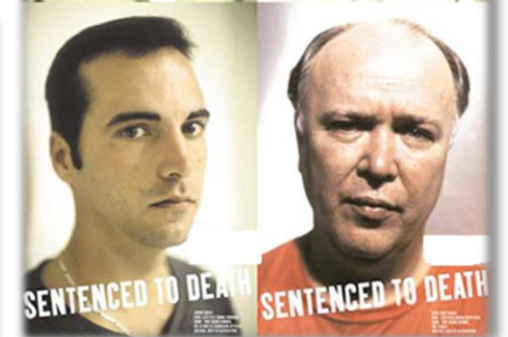
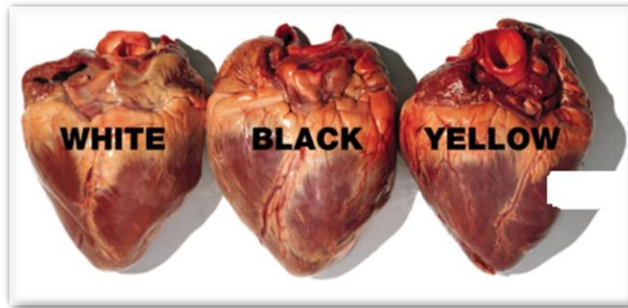
An important distinction to remember is that behaving ethically is not quite the same thing as behaving lawfully:

- ***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”.

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?***

ACTIVITY 2

"Fat Cats and Dirty Rats"

In 2010 The Guardian reported:

"Anger over plans by the Royal Bank of Scotland to pay its 22,000 investment bankers £1.3bn of bonuses as the Edinburgh-based bank prepared to report losses of at least £5bn tomorrow".

Is it right to pay big bonuses ?

Scenario

Your firm has been asked by BBC Radio Four to join a phone discussion to talk about the argument **around** big bonuses. You have 10 minutes before the phone rings to choose who will go on air, and with your colleagues, to work out the best arguments for and against big bonuses so you can present briefly and precisely.

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

UNDERSTANDING ETHICAL THEORIES = SUCCESS



MICHAEL
SCHUR





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 4

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?