

BUSINESS ETHICS THROUGH STUDENT LENSES

Yusof Ismail

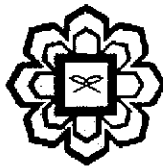


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CHAPTER 2

COMPREHENSION OF CORE TOPICS

Noerma Madjid Riyadi and Yusof Ismail

Introduction

Ethics means the standard of good or bad action. It sets the guidelines for people to follow. In their quest to make profits, pay more dividends can be distributed to stockholders, getting an advantage of being invested by some rich investors as well as getting costumers' loyalty some companies resort to unethical practices. They commit bribery, frauds, and all other criminal actions. *Business ethics* education plays a great role to overcome these unethical practices. The discipline defines which actions are acceptable, which unacceptable. Companies have to devise ways to treat these issues.

Business Ethics is a Management course that requires students to extract, analyze as well as understand the issues involved. The main references for the course contain some messages to be exposed to the students; they take the form of explanation, illustration pertaining to theories and concepts and practices. Organizational examples include issues that occurred in real-world context. Since the main textbook adopted for the course is published in the United States, plenty of examples originated from that country, but students can still benefit from the exposure. For example, Sarbanes-Oxley Act of 2002 which is applicable in the United States conveys to the students some general principles of good governance. The Act requires higher authority of a company such as CEO to certify accurately his financial statements since many of the unethical conducts happen in this area.

Besides, the textbook also provides us with several situations that might occur in an organization that requires us to act wisely, and including according to the law. Both in ethics and law, *code of ethics* plays as a crucial role in defining which actions are appropriate to be applied and which are not. Whistle blowing is both *ethics* and the law. Whistle blower receives legal protection. One who exposes a company's wrong doing is good for the society and has to be given protection.

The essentiality of being able to comprehend the concepts involved in *Business Ethics* can be explained with several reasons. Figure 1 sums up the overall steps in comprehending *Business Ethics* main topics. First of all, students should all be familiarized with the ethical conduct expected in certain situations. For example, the book introduces several unethical conducts as well as the consequences (punishments). This would give an idea to the students about right and wrong when they work later. Other than that, they should as well be introduced to the obligation that one (whether individual or company) has towards others. For instance, taking one of the chapters from business ethics text book would be *Corporate Social Responsibility*. A company has to have the objectives of not merely achieving a large amount of profits but also to fulfill the needs of societies, called *Corporate Social Responsibility*. This topic