



BUSINESS ETHICS, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Introduction

Ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues.

Ethics is a set of principles or standards of human conduct that govern the behaviour of individuals or organizations. Using these ethical standards, a person or a group of persons or an organization regulate their behaviour to distinguish between what is right and what is wrong as perceived by others. It is not a natural science but a creation of the human mind. For this reason, it is not absolute and is open to the influence of time, place and situation.

While the conceptualization of SR was, initially, purely in terms of philanthropy or charity. However, the post-liberalization phase has seen a fundamental shift from this philanthropy-based model of SR to a stakeholder- participation based model. Furthermore, SR is gradually getting fused into companies' Corporate Governance practices. Both Corporate Governance and SR focus on the ethical practices in the business and the responsiveness of an organisation to its stakeholders and the environment in which it operates. Corporate Governance and SR results into better image of an organisation and directly affects the performance of an organisation.

Corporate governance is understandably very high on the public sector agenda. This unique Corporate Governance training course utilises case studies and expert theory and seeks to:

- ensure that organisations are appropriately constituted, structured and operate the appropriate governance processes
- support good practice financial reporting as well as a system of internal controls
- exemplify standards of behaviour as a way of enabling good governance in organisations.
- You will learn:
- how to apply the corporate governance fundamentals in the public sector
- how to establish and maintain a strategically effective framework
- how to identify business risk with a potential impact on corporate governance
- the role of the Board and those with whom they interact
- management of internal and external relationships.

The OECD principles on Corporate Governance, ISO 26000 and UN Global Compact Participation throw light on the scheme. It is pertinent to mention here that transparency, disclosure, sustainability and ethical behaviour is central theme in both SR and Corporate Governance. Further, it is worthwhile to mention that SR is presently based on the concept of self-governance, which is related to external legal and regulatory mechanism, whereas Corporate Governance is a widest control mechanism within which



a company takes its management decisions. Furthermore, the objectives and benefits of SR and Corporate Governance are similar in nature – creating shared stakeholder value, including:

- Building of public trust and confidence by increased transparency in its financial as well as non-financial reporting and thereby increasing the shareholder value.
- Establishing strong brand reputation of the company.
- Making substantial improvement in its relationship with various stakeholders.
- Contributing to the development of the region and the society around its area of operation
- Addressing the concerns of its various stakeholders in a balanced way so as to maintain a strong market position.
- Increase market share and profit
- Increase oversight and compliance

Course Contents:

Section I. INTRODUCTION

- Definition & nature business ethics
- Characteristics, Ethical theories
- Causes of unethical behaviour
- Ethical abuses
- Work ethics
- Code of conduct
- Public good

Section II. ETHICS THEORY AND BEYOND

- Management of Ethics - Ethics analysis [Hosmer model]
- Ethics in practice
- Role and function of ethical managers- Comparative ethical behaviour of managers
- Code of ethics
- Competitiveness, organizational size, profitability and ethics
- Cost of ethics in Corporate ethics evaluation

Section III ENVIRONMENTAL ETHICS AND SOCIAL RESPONSIBILITY

- Economic Environment

- Philosophy of economic growth and its implications for business
- Main features of Economic Planning with respect to business
- Industrial policy and framework of government contract over Business
- Role of chamber of commerce and other similar organisations
- Social – cultural environment and their impact on business operations, Salient features of African culture and values.
- SR in Africa
- Definition - Evolution- Need for SR
- International SR Standards – UN Global Compact, ISO 26000, GRI, Etc.
- Corporate citizenship
- Challenges and implementation

Section IV Corporate Governance

- Evolution of corporate governance
- Governance practices and regulation
- Structure and development of boards
- Hallmarks of effective governance
- Effective governance frameworks
- Impact of risk
- Making accountability a reality
- Promoting corporate values and behaviours

Section V Corporate Governance Cont'd.

- Governance in practice – the Code
- Role of capital market and government
- Governance ratings
- Future of governance - innovative practices
- Case studies with lessons learnt



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