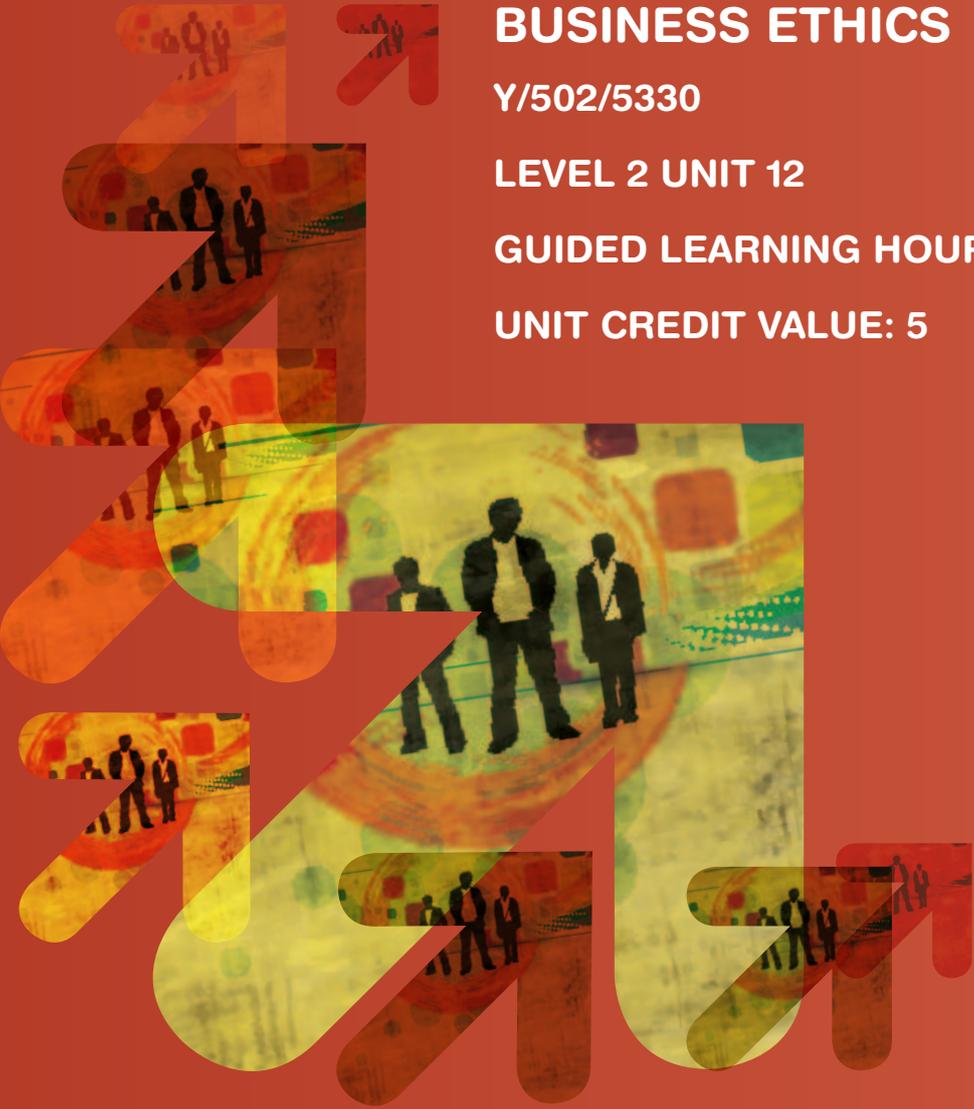




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# OCR LEVEL 2 CAMBRIDGE TECHNICAL CERTIFICATE/DIPLOMA IN BUSINESS



## BUSINESS ETHICS

Y/502/5330

LEVEL 2 UNIT 12

GUIDED LEARNING HOURS: 30

UNIT CREDIT VALUE: 5



# BUSINESS ETHICS

Y/502/5330

LEVEL 2 UNIT 12

## AIM OF THE UNIT

Events reported in the media such as oil spillages increase awareness about ethical issues in business and the impact that unethical business behaviours have on the environment, communities and individuals. Also, awareness has been raised that mere compliance with the law does not necessarily equate to good business ethics. There are increasingly more businesses that become very successful through the adoption of ethical policies and decisions so this makes it an interesting time to explore the issues surrounding ethics in business.

By the end of this unit learners will be able to differentiate between business values and ethical values and how ethics can go above and beyond legal requirements. Learners will also be able to discuss current ethical issues that impact on businesses. Finally, learners will be able to create an ethical policy as well as testing a business decision to ensure it is ethical.

## ASSESSMENT AND GRADING CRITERIA

| <b>Learning Outcome (LO)</b><br><br>The learner will:                  | <b>Pass</b><br>The assessment criteria are the pass requirements for this unit.<br><br>The learner can: | <b>Merit</b><br>To achieve a merit the evidence must show that, in addition to the pass criteria, the learner is able to: | <b>Distinction</b><br>To achieve a distinction the evidence must show that, in addition to the pass and merit criteria, the learner is able to: |
|--|---|---|---|
| 1 Understand the difference between business values and ethical values | P1 Explain the meaning of 'business values'   | M1 Explain how ethical values can both conflict with and support an organisation's business values                        | D1 Evaluate the benefit to a business of having ethical values  |
|  | P2 Explain the meaning of 'ethical values'  |   |   |
| 2 Understand current ethical issues in business                        | P3 Describe how ethics go beyond the requirements of the law  | M2 Analyse the responses of a specified business to a current ethical issue   | D2 Recommend with justifications how a specified business could improve its response to a current ethical issue                                 |
|  | P4 Discuss the current ethical issues affecting specified businesses                                    |   |   |
| 3 Be able to design an ethical policy for a chosen business            | P5 Apply a test to make sure a business decision is ethical   |   |   |
|  | P6 Create an ethical policy for a chosen business   |   |   |

## TEACHING CONTENT

The unit content describes what has to be taught to ensure that learners are able to access the highest grade.

Anything which follows an i.e. details what must be taught as part of that area of content.

Anything which follows an e.g. is illustrative, it should be noted that where e.g. is used, learners must know and be able to apply relevant examples to their work though these do not need to be the same ones specified in the unit content.

### Learning Outcome 1 Understand the difference between business values and ethical values

Business values:

Business values are the core principles or standards that guide the way an organisation does business. They sum up what the business stands for and what makes it special. While business plans and strategies may change the core values of the business remain the same.

For example - some businesses say that innovation is one of their core values - they are constantly developing new products or services and this shapes their whole approach to business. Other businesses may say that they are agile - they are constantly responding to change and creating new opportunities for customers.

Examples of business values could be:

- customer focused
- quality
- positive image
- efficiency
- collaboration
- openness
- innovation
- responsibility
- Integrity.

Ethical values:

Ethical values vary from business to business. In general, ethical values are a set of guiding principles that encourage individuals in an organisation to make decisions based on the company's stated beliefs and attitudes toward business practices within its industry. Businesses can define ethical values by outlining clear examples of right and wrong behavior as it applies to them.

Learners should understand why it is important to have ethics.

Examples of ethical values could be:

- honesty
- care for the environment (e.g. reduce pollution, recycling)
- equality and fairness
- ethical trading
- staff welfare
- social responsibility

### Learning Outcome 2 Understand current ethical issues in business

- legislation to protect consumers and suppliers (e.g. Consumer Protection Act 1987, Sale of Goods Act 1979, Data Protection Act 1984),
- legislation to protect employees (e.g. Equality Act 2010, Equal Pay Act 1970, Employment Rights Act 1996).
- legislation to protect the environment.
- how ethics go beyond legal requirements.
- how business decisions could be legal but not ethical.
- community ethical issues (e.g. "green" issues, sustainability, privacy),
- employment issues (e.g. child labour, whistleblowing, equality),
- supplier issues (e.g. bribes and gifts, conflicts of interest, Fairtrade products),
- customer issues: (e.g. duty of care, misleading information, marketing to children).

### Learning Outcome 3 Be able to design an ethical policy for a chosen business

- The use a decision making frameworks to ensure business decisions are ethical. For example the Institute for Business Ethics TEF (Transparency: Effect: Fairness), Trevino and Nelson etc.
- How ethical policy (code of practice) for a business is created: (e.g. purpose of the policy, audience, specific issues, implementation, monitoring)

It is important to maintain focus on the current law and practice in this area. The list given above is neither prescriptive nor exhaustive. Where legislation has been revised learners will consider the most up to date version as that will reflect current industry practice.

## DELIVERY GUIDANCE

### Learning Outcome 1

To introduce the subject of business values and ethics the tutor could use a range of case studies or corporate DVDs to initiate the learners' thoughts. The tutor could then facilitate a group discussion on values and ethics to allow the group to gain an understanding of the two terms.

In small groups the learners could identify the business values from a variety of different types of organisation. They could then take some of the values and suggest how the organisation achieves them. This could involve the learner researching the organisations product, service, internal policies and communication, operations etc.

The tutor could show a variety of business ethical dilemmas in order for the learners to reflect on their perception of ethics. A group discussion could follow for the learners to voice their opinion. In small groups the learners could research a variety of ethical values and provide examples of when businesses have and have not demonstrated them.

### Learning Outcome 2

Learners must understand how business ethics go beyond the requirements of the law. In order to gain this knowledge learners could be introduced to the variety different laws (suggested in the teaching content) that protect consumers, employees, environment etc. They could then research a variety of ethical values and suggest why they think it goes beyond the law. The learners could research some legal business practices that may not necessarily be ethical. For example, the selling of tobacco and alcohol, free-trade and fair-trade issues, child labour in overseas factories. Current issues where laws have changed due to ethical considerations could also be research (e.g. what advertising is allowed during children's television programmes).

This learning outcome could be supported by a range of relevant and current TV or film documentary, ethics videos, case studies and current news. Resources can be found on Oxfam ([www.oxfam.org.uk](http://www.oxfam.org.uk)), Fairtrade Foundation ([www.fairtrade.org.uk](http://www.fairtrade.org.uk)) and Business Link ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)) websites amongst others.

### Learning Outcome 3

This learning outcome allows learners to put their knowledge about ethical issues into practice within a business context. The learner must be able to test a business decision to ensure it is ethical, and create an ethical business policy. The learners could be introduced to a variety of decision making frameworks (examples are available from the Institute of Business Ethics). The tutor could provide a range of business dilemmas for the learners to test in order to see if they are ethical or not; the learners could also suggest possible solutions. Learners could discover that there may be more than one possible ethical solution to a dilemma; they may also find that some solutions, although legal, may not be too ethical.

To introduce this subject a speaker from a local business could discuss their ethical policy, how it is communicated and how it is adhered to. In order to create an ethical policy for a business the learners could research a range of policies from different types of organisation. They should be able to identify what the policy contains, why, how it is communicated etc. Having gathered this information the learner should apply their knowledge and create a policy for a business.

## **GUIDANCE ON ASSESSMENT**

### **P1, P2**

You have been asked to create a magazine article that looks at ethical values in business today. The article should explain what “business values” and “ethical values” mean. You could include examples to illustrate your explanations.

### **M1**

Your article must explain how ethical values can support and conflict with an organisation’s business values.

### **D1**

You should research ethical values further and evaluate what the benefit of having ethical values is to a business. You could include a report on your evaluation within the magazine article.

### **P3, P4, P5**

You have been asked to carry out a research project into current ethical issues. You must identify how ethical issues go beyond minimum legal requirements. Plus you must discuss the ethical issues that affect a specific business and apply testing to ensure that their business decisions are ethical.

### **M2**

As part of your research project you must investigate a particular business and analyse how it has responded, positively or negatively, to the ethical issue.

### **D2**

Using your analysis you must make detailed and reasoned recommendations as to how the business could improve its responses to the ethical issue identified.

### **P6**

A local business has read your research project and asked you to help create an ethical policy for them.

You must create a policy that the business could use and apply across a range of ethical issues.

## LINKS TO NOS

**CfA M&LB8** Ensure compliance with legal, regulation, ethical and social requirements (Partial)

**CfA BAD323** Research information (Partial)

**CfA BAG1210** Work with other people in a business environment (Partial)



## **CONTACT US**

Staff at the OCR Customer Contact Centre are available to take your call between 8am and 5.30pm, Monday to Friday.

We're always delighted to answer questions and give advice.

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