

### Unit 05

Influences of the Government to Business, the Importance of Business Ethics and Social Responsibility of a Business

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## **Intended Learning Outcomes**

- Explain the impact of the government and local bodies on business operations.
- Identify and explain the importance of business ethics.
- Recognize the need of CSR to achieve the business objectives.

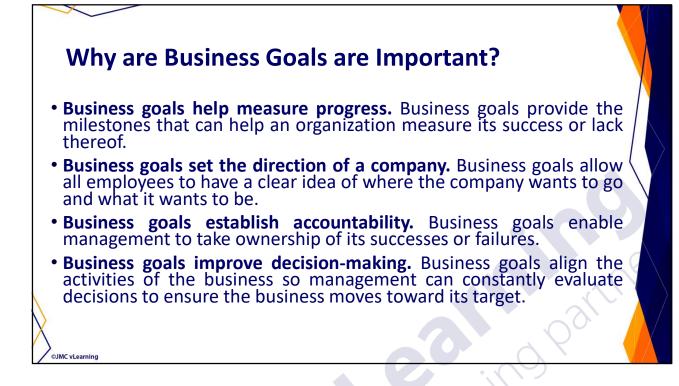
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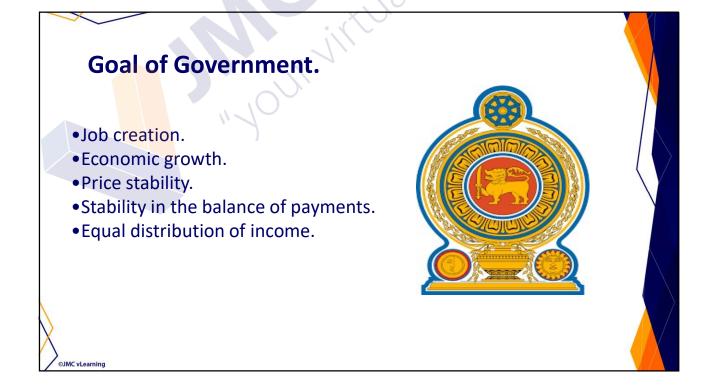
## **Goal of Business**

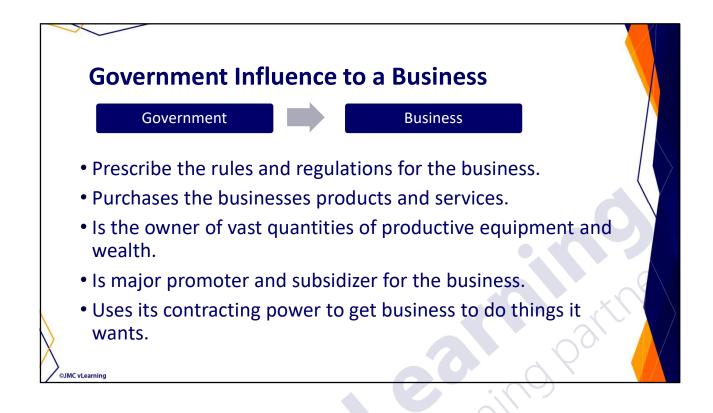
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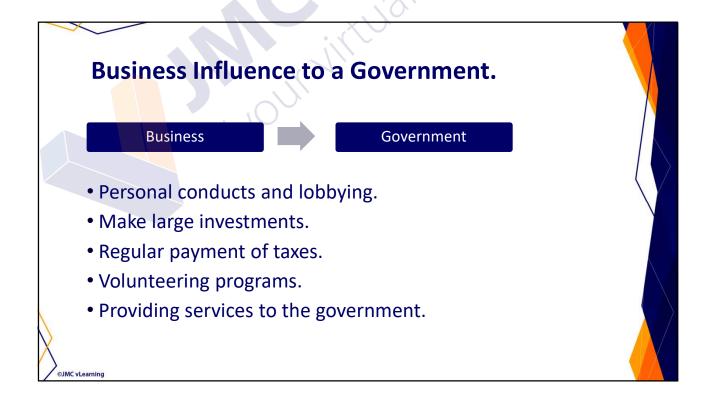
- A business goal is an endpoint, accomplishment or target an organization wants to achieve in the short term or long term.
- Business goals can take many different forms and be aspirational or motivational.
- You can set overall company business goals or you can set goals for specific departments and employees.











# Importance of Interrelationship between the Government and Business

- Government and business organizations in a country are interrelated and independent in many ways.
- Business organizations are the driving force of the economy. Main goal of business organizations is to maximize the profit.
- Government's goal is to ensure economic stability and growth.
- Government and business organizations always try to influence and persuade each other in many ways for various matters.
- In a planned economy or even in the market economy, government hold control of shaping the business activities of a country.

# Contribution of Businesses to the Development of a Country

- Creates large scale employment opportunities.
- Promotes balances regional development.
- Wealth creation and distribution.
- Improvement in standard of living.
- Increases gross national product and per capita income.
- Promotes capital formation.

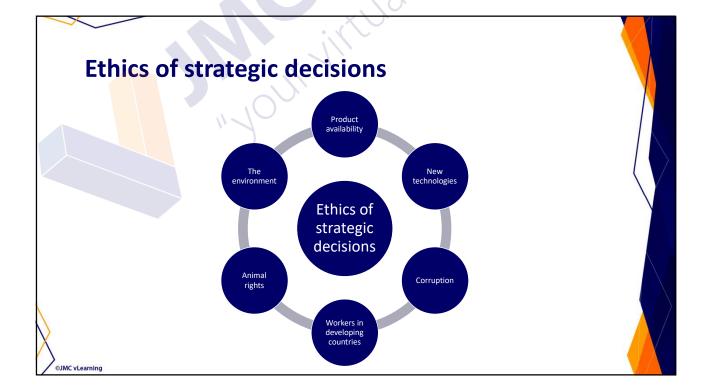
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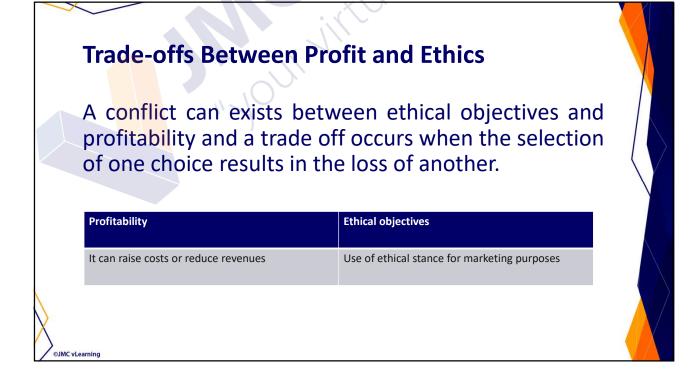
## **Business Ethics.**

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- Business ethics is the moral principles, policies, and values that govern the way companies and individuals engage in business activity.
- It goes beyond legal requirements to establish a code of conduct that drives employee behavior at all levels and helps build trust between a business and its customers.



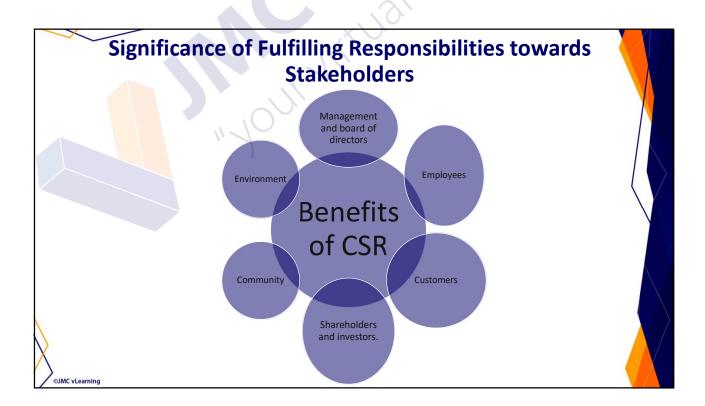
# <section-header><list-item><list-item><list-item> Importance of Business Ethics for a Business Brand recognition and growth Increased ability to negotiate Increased trust in products and services Customer retention and growth Attracting talent Attracting investors





It involves a business ensuring that its activities consider the interests of all stakeholders.

https://www.youtube.com/watch?v=UsfOpwA6W1k&pp=ygUNYnJhbmRpeCArIENTUg%3D%3D



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### Management and board of directors

- ✓ Enhanced reputation and brand value.
- ✓ Improved risk management.
- $\checkmark$  Attraction of top talent

#### Employees

- ✓ Greater job satisfaction.
- ✓ Improved retention rates.
- ✓ Opportunities for personal development.
- Customers

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- ✓ Enhanced trust and loyalty
- $\checkmark$  Accessed to sustainable products
- ✓ Improved customer satisfaction

Shareholders and investors

- ✓ Improved financial performance
- ✓ Access to capital
- Community
- ✓ Positive social impact
- ✓ Economic development
- ✓ Collaboration and partnerships
- Environment
- ✓ Conservation and protection
- ✓ Innovation for sustainability

# Classification of CSR 1. Environmental social responsibility Environmental responsibility refers to the organization's commitment to sustainability and environmentally friendly operations. 2. Ethical/human rights social responsibility Ethical responsibility refers to a company's commitment to operate their business in an ethical manner that upholds human rights principles, such as fair treatment of all stakeholders, fair trade practices and equal pay.



3. Philanthropic corporate responsibility

Philanthropic responsibility refers to a corporation's aims, goals and objectives for actively bettering society as a whole. One huge aspect of corporate philanthropy is donating money from company earnings to worthy causes within the local community often in the form of a trust or foundation.

4. Economic corporate responsibility

Economic responsibility refers to the practice of making financial decisions based on a commitment to doing good.

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# **Sustainable Environment**

Environmental sustainability is the responsibility to conserve natural resources and protect global ecosystems to support health and wellbeing, now and in the future.





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# 2024 January

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- Protection of equality of work is an action taken by a business for Corporate Social Responsibility (CSR) towards employees. (T/F)
- List two(02) benefits of establishing and implementing a code of business ethics.
- State three(03) reasons as to why an organization needs to fulfill its responsibilities towards stakeholders.
- State three(03) ways in which the government influences businesses (03 marks)





