Contents

PART- I: Bu	siness Ethics	
Chapter 1	Business Ethics – An Overview	3
Chapter 2	Importance of Ethics in Business	15
Chapter 3	The Ethical Organization and its Corporate Code	27
Chapter 4	Ethics and Rule of Law	39
Chapter 5	Business Ethics and Environment	46
PART - II: M	Ianagement and Ethics	
Chapter 6	Ethical Issues in Strategic Management	61
Chapter 7	Ethical Issues in Marketing Management	70
Chapter 8	Ethical Issues in Operations Management	80
Chapter 9	Ethical Issues in Purchase Management	91
Chapter 10	Ethical Issues in Human Resources Management	99
Chapter 11	Ethical Issues in Finance	107
Chapter 12	Ethical Issues in Accounting and Other Functions	117
Chapter 13	Ethical Dilemmas at Workplace	128
Chapter 14	Ethical Issues in Global Business	134
PART - III: (Corporate Social Responsibility	
Chapter 15	Corporate Social Responsibility – A Historical	149
	Perspective	
Chapter 16	Corporate Responsibility – Stakeholders	158
Chapter 17	The Role of Business in Society	168
PART - IV: (Corporate Governance	
Chapter 18	Corporation – An overview	179
Chapter 19	Corporate Governance – An overview	187
Chapter 20	Corporate Governance – Board Structures and Styles	198
Chapter 21	Corporate Governance – Roles and Responsibility of	206
	Board of Directors	

Corporate Governance – Codes and Laws

216

Chapter 22

PART - V: Case Studies	
Corporate Governance at Infosys	235
The Case of Insider Trading (HLL – BBLIL Merger)	243
Bhopal Gas Tragedy	251
PART - VI: Annexure	
Kumara Mangalam Birla Committee Report	263
The Code of Best Practices	288
Glossary	290
Bibliography	296
Index	300

Detailed Contents

Part I: Business Ethics

- **Chapter 1: Business Ethics An overview:** Ethics Nature of ethics Objectives of ethics Business ethics Nature of business ethics Relationship between ethics and business The Unitarian view of ethics The Separatist view of ethics The Integration view of ethics Stages of ethical consciousness in business Need for business ethics.
- Chapter 2: Importance of Ethics in Business: Ethical theories: Metaethics, Normative theory Market system Impact of unethical behavior in the market system: Bribery, Coercion, Deception, Theft, Discrimination Trust and ethics: Supplier relations, Customers, Employees Integrative social contract theory: Hypernorms, Macro social contract, Micro social contract.
- **Chapter 3: The Ethical Organization and its Corporate Code:** The Ethical Organization An overview Characteristics of an ethical organization: Corporate moral excellence, Stakeholders Corporate governance Definition of corporate code Development of corporate code Implementation of corporate code.
- **Chapter 4: Ethics and Rule of Law:** The Rule of Law An overview Relationship between law and moral standards Formulation of law: Individual process, Group process, Social process, Political process Rule of law as the basis for moral choice.
- **Chapter 5: Business Ethics and Environment:** Environmental Ethics Environmental issues: Western Europe, India Greening Green initiatives India in 21st century.

Part II: Management and Ethics

- Chapter 6: Ethical Issues in Strategic Management: Strategic Management An overview Ethical issues in strategic management: Formulating the vision, mission and objectives, Implementing strategic change, Changes in organization ownership Ethical decision making model Principles underlying an ethical approach to strategic management: Stakeholder theory, strategy and ethics, Loyalty and psychological contract, Cultural relativism.
- **Chapter 7: Ethical Issues in Marketing Management:** Marketing Management An overview; Ethical issues in Marketing Strategy Ethical Issues in marketing Mix: Product, Price, Place, Promotion, Process, People and Physical evidence Marketing research.
- **Chapter 8: Ethical Issues in Operations Management:** Operation Management An overview; Role of operations manager: Production, Administrative or service, Quality control Ethical dilemmas; Ethical problems in operations management An analytical Framework for ethical issues in Operations Management.
- **Chapter 9: Ethical Issues in Purchase Management:** Purchasing function An overview Role of Purchase manager Ethical issues in purchasing Code of ethics Purchasing Empirical evidence for ethical issues in Global buyer supplier relationships.
- **Chapter 10: Ethical Issues in Human Resource Management:** Nature of Employment Contract Hiring The principal of ethical hiring Equality of opportunity Discrimination Ethics and remuneration Ethics in retrenchment.
- **Chapter 11: Ethical Issues in Finance:** Financial Management An overview Importance of financial Statements Ethical Issues in Mergers and acquisitions Hostile takeovers (Poison pill, Greenmail, Golden Parachute, People Pill, Sandbag, Management Buyouts) Insider trading Money laundering.
- Chapter 12: Ethical Issues in Accounting and Other Functions: Accounting Profession An overview The importance of financial statements (Fictitious revenues, Fraudulent timing differences, Concealed Liabilities and Expenses,

Improper Fraudulent disclosures or Omissions, Fraudulent asset valuations) – Importance of transparency in disclosures – Role of accountants – Accountants employed within organizations (The management accountant, The financial accountant) – Accountants in professional practices (The auditor) – The rules governing the professional conduct of accountants – Ethical audits – Information Technology – An overview; - Ethical issues in Information Technology – Importance of software audits.

Chapter 13: Ethical Dilemmas at Workplace: Dilemmas at work – Ethical dilemmas: Power, authority and trust, Secrecy, confidentiality and loyalty – Resolving dilemmas: Manager, Employee.

Chapter 14: Ethical Issues in Global Business: Multinational organization – An overview – Why companies go global – Ethical issues in MNC's: Political activities, Sales Marketing and Advertising, Technology, Economic activities – Ethical issues in various countries: Japan, France and Germany, China – Regulatory actions in acquisitions of global business – Social obligations in global business.

Part III: Corporate Social Responsibility

Chapter 15: Corporate Social Responsibility – A Historical Perspective: A historical perspective: Dark satanic mills – Victorian philanthropy – The non – conformist challenge in Britain – Progressives in North America – Responses in the thirties – Post – war statism.

Chapter 16: Corporate Responsibility – Stakeholders: Stakeholders – An overview – Internal stakeholders: Shareholders, Employees, Management – External stakeholders: Consumers, Suppliers, Creditors, Competitors, Community.

Chapter 17: The Role of Business in Society: The role of Business in Society – An overview; - The Economic role – Tasks of business in society (Economic and production tasks, Maintenance tasks, Adaptive tasks) – Managerial or political tasks – The social challenge – Standards and values.

Part IV: Corporate Governance

Chapter 18: Corporation – An overview: Definitions – Evolution of the corporate structure – Characteristics of Corporation: limited liability, transferability, legal personality, centralized management; - Purpose of a corporation: Human satisfaction, Social structure, Efficiency and efficacy, Ubiquity and flexibility, Identity – Corporation as a 'person' – Corporation as a 'moral person' – Corporation expectations of society and market place.

Chapter 19: Corporate Governance – An Overview: Issues in Corporate Governance – Definition of Corporate Governance – Difference between Corporate Governance and Corporate Management – Theories Corporate governance – Models of corporate governance: Anglo – American model, German model, Japanese model, Indian model – Evolution of corporate governance.

Chapter 20: Corporate Governance – Board Structures and Styles: Types of Board of Directors – Types of Board structures: The all executive board, The majority board, The majority outside board, The two tier supervisory board, The advisory board; - Issues in designing a Board – Styles of functioning of Boards: Rubber stamp board, representative board, country club board and professional board.

Chapter 21: Corporate Governance – Roles and Responsibility of Board of Directors: The role of Board of Directors – Responsibility of directors – Duties of directors – Role of Chairman – The Functions of chairman – Role of CEO – The functions of CEO – Functions of the Board – Committees of the Board: Audit committee – Remuneration committee – Nomination committee.

Chapter 22: Corporate Governance – Codes and Laws: Self-regulatory codes – Committees on corporate governance: Cadbury Committee Report, Kumaramangalam Birla Report, CII Report, OECD Committee.

Part V: Case Studies

Corporate Governance at Infosys - The Case of Insider Trading (HLL - BLLIL Merger) - Bhopal Gas Tragedy.

Part VI: Annexure

Kumara Mangalam Birla Report – The Code of Best Practices.