



## **BUSINESS ETHICS, CORPORATE SOCIAL RESPONSIBILITY AND 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 CSR 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 CSR to a stakeholder- participation based model. Furthermore, CSR is gradually getting fused into companies' Corporate Governance practices. Both Corporate Governance and CSR 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 CSR results into better image of an organisation and directly affects the performance of an organisation.

The OECD principles on Corporate Governance, ISO 26000 and UN Global Compact Participation throw light on CSR scheme. It is pertinent to mention here that transparency, disclosure, sustainability and ethical behaviour is central theme in both CSR and Corporate Governance. Further, it is worthwhile to mention that CSR is 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 CSR and Corporate Governance are similar in nature – creating shared stakeholder value, some of them are stated herein below:

- 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 maintaining a strong market position.
- Increase market share and profit
- Increase oversight and compliance

### **Objectives**



At the end of the training, you should be able to understand clearly:

The meaning of ethics and business ethics.

The importance of business ethics.

The various types of ethics, code of conduct etc.

The concept of CSR in line with global best practices

The practice of CSR in Africa

The intersection between CSR and Sustainable Development

CSR in the public sector

Global CSR concepts and initiatives

CSR implementation strategy

Case studies

## **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]
- Ethical dilemma
- Ethics in practice
- Ethics for managers
- 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
- Business and ecological / environmental issues in the African context and case studies

### **Section III ENVIRONMENTAL ETHICS**

- 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.

### **Section IV CORPORATE SOCIAL RESPONSIBILITY**

- CSR in Africa
- Definition- Evolution- Need for CSR
- Theoretical perspectives
- International CSR Standards – UN Global Compact, ISO 26000, GRI, Etc.
- Corporate citizenship
- Business practices
- Strategies for CSR
- Challenges and implementation

### **Section VI Corporate Governance**

- Evolution of corporate governance
- Governance practices and regulation
- Structure and development of boards
- Role of capital market and government
- Governance ratings
- Future of governance - innovative practices
- Case studies with lessons learnt



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*International Network for Corporate Social Responsibility (IN-CSR),*

*4 Sule Abuka Street, Opebi, Lagos, Nigeria*

*Plot 105, Kunle Akinosi Street, Off Oshodi – Apapa Expressway, Lagos, Nigeria*

*Tel: +234 (0) 81 086 10473; Email: [admin@incsr.org](mailto:admin@incsr.org); Web: [www.incsr.org](http://www.incsr.org)*