



Ethics of Business Entrepreneurship



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1. Introduction



Entrepreneurial ethics, put simply, is about conducting business in a morally upright manner. It involves making choices and taking steps that take into consideration how our decisions and actions may affect others and the environment. While entrepreneurship often focuses on innovation and financial success, ethical considerations ensure that entrepreneurs operate with integrity and take into account the needs of stakeholders beyond just profits.

1. Introduction



The significance of entrepreneurial ethics lies in its ability to establish trust and credibility. When entrepreneurs prioritize honesty, transparency, and fairness, they build strong relationships with their stakeholders.

1. Introduction



Long-term sustainability and growth are also facilitated by ethical entrepreneurship. Entrepreneurs may develop plans that benefit not only their bottom line but society as a whole by taking the social and environmental effects of their activities into consideration.

2. Definition of Entrepreneurial Ethics



Business ethics in entrepreneurship involves making ethical decisions and taking responsible actions that go beyond mere financial gains. It encompasses various aspects, including honesty, fairness, integrity, and social responsibility.

Imagine a scenario where an entrepreneur discovers that a competitor has developed a groundbreaking technology. The entrepreneur faces a dilemma: Should they try to obtain the technology through unethical means, such as corporate espionage or intellectual property theft, or should they compete fairly and ethically by investing in research and development? Business ethics would require the entrepreneur to choose the latter option, upholding principles of fairness and integrity.

2. Definition of Entrepreneurial Ethics



Business ethics in entrepreneurship is not limited to interactions with competitors. It extends to all stakeholders. Including employees, customers, suppliers, and the broader community. For instance, ethical entrepreneurs put their employees' welfare and fair treatment first. They provide chances for growth and development, a secure working environment, and fair pay. By doing this, they create a devoted and driven team that helps the business succeed.

3. The Importance of Ethics in Entrepreneurship

In entrepreneurship, ethics are crucial. It is transforming how firms run and engage with stakeholders. Let's examine the main Importance of ethics in entrepreneurship.

1. Building Trust and Reputation
2. Long-term Success
3. Safeguarding Stakeholder Interests
4. Mitigating Risks and Liabilities
5. Contributing to a Better Society





- 1) Integrity and Honesty in Business Dealings
- 2) Social Responsibility and Sustainable Practices
- 3) Fair Competition and Respect for Competitors

Ethics forms the foundation of responsible and sustainable entrepreneurship. Entrepreneurs may develop a strong moral compass that directs their behaviors and decision-making by upholding key principles of ethics. Let's delve deeper into these principles:



4. Key Principles of Ethics in Entrepreneurship





- 4) Stakeholder Management and Well-being
- 5) Ethical Leadership and Accountability
- 6) Privacy and Data Protection Considerations
- 7) Conflict of Interest Avoidance

4. Key Principles of Ethics in Entrepreneurship





5. Ethical Business Practices Examples

Ethical entrepreneurial practices play a crucial role in creating a positive and responsible business environment. They entail doing our business in a just, open, and ethically fair way. Let's see a few examples of ethical business practices in the real world.

1) Fair Trade: Supporting fair trade practices by ensuring that producers in developing countries receive fair compensation for their products. For instance, Divine Chocolate sources its cocoa from fair trade cooperatives, ensuring that farmers receive a fair price for their crops. This commitment to ethical sourcing demonstrates a dedication to supporting disadvantaged producers.



5. Ethical Business Practices Examples

2) Employee Well-being: Emphasizing the growth and well-being of workers by fostering a work-life balance and offering a secure workplace. Outdoor apparel retailer Patagonia is renowned for its employee-welcoming practices, which include flexible work schedules and on-site childcare facilities. These programs help create an environment at work where employees' well-being is valued.

3) Sustainable Manufacturing: Implementing sustainable manufacturing practices helps to minimize environmental impact. Tesla, a top producer of electric vehicles, places a priority on building environmentally friendly vehicles and makes investments in renewable energy sources. Tesla exemplifies its dedication to environmental care by lowering carbon emissions and encouraging sustainable practices.



5. Ethical Business Practices Examples

4) **Consumer Protection:** Respecting consumer rights and ensuring product safety.

Airbnb, for instance, enforces strict security measures and provides comprehensive insurance coverage to protect the interests of both guests and hosts. By prioritizing consumer protection, they establish trust and maintain a safe environment for their users.

5) Corporate Philanthropy: Philanthropy actions that encourage social concerns and community giving. The Bill & Melinda Gates Foundation, founded by Bill Gates and his wife Melinda, is a noteworthy example of business philanthropy. They fund global programs for reducing poverty and providing healthcare, and education through their foundation.



5. Ethical Business Practices Examples

6) Ethical Marketing: Engaging in honest and transparent marketing practices, avoiding misleading or false advertising. The Body Shop is renowned for its commitment to cruelty-free products and promoting natural beauty. Their marketing efforts align with their ethical values, ensuring that customers can make informed and responsible purchasing decisions.

7) Supplier Diversity: Encouraging supplier diversity by actively seeking to work with businesses owned by underrepresented groups. For instance, Google has implemented supplier diversity programs that aim to include minority-owned and women-owned businesses in their supply chain. By promoting supplier diversity, companies can foster a more inclusive and equitable business environment.

6. Ethical Challenges and Dilemmas in Entrepreneurship



Ethics is crucial to entrepreneurship. Because of the many challenges and ethical dilemmas that entrepreneurs constantly face. Let's look at some of the common ethical problems and options that entrepreneurs must make.

1) Ethical Dilemmas Related to Profit Maximization

2) Balancing the Needs of Stakeholders with Limited Resources

3) Navigating Cultural and Ethical Differences in International Entrepreneurship

4) Addressing Ethical Challenges in Emerging Technologies and Data-Driven Businesses



7. How to Build an Ethical Entrepreneurial Culture

To build of an ethical entrepreneurial culture is required to support a workplace that supports integrity, values, and ethical conduct. The following steps are necessary for creating and preserving such a culture:

Step 1: Creating a Mission and Values Statement

Step 2: Communicating and Promoting Ethical Expectations

Step 3: Training and Educating Employees on Ethical Practices

Step 4: Establishing Systems for Reporting Ethical Concerns

Step 5: Rewarding and Recognizing Ethical Behavior





8. Conclusion and Recommendations

Ethics in entrepreneurship is not just a moral obligation but a strategic advantage for businesses. Entrepreneurs may foster trust, improve their reputation, and have a good influence on society by respecting ethical principles and values. To direct decision-making, establish strong stakeholder connections, and promote sustainable growth, ethics are crucial in business.



8. Conclusion and Recommendations

We have seen how organizations may succeed while upholding moral and open behavior through instances of ethical business practices in the actual world. Adopting ethics as a basic pillar would help entrepreneurs succeed as they manage the difficult business landscape and advance a better, more moral business climate for everyone.

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