University of El Tarf
Faculty of Economic, Commercial and Management Sciences
Department of Financial Sciences

Lecture 1: Introduction to Business Ethics

Course: Business Ethics
Level: Second Year (Undergraduate) – Commerce, Finance, and Economics

1. Definition of Business Ethics

Ethics refers to a system of values and standards adopted by members of society to distinguish between right and wrong, and good and bad behavior. Business ethics provide a framework that guides individuals toward what is socially acceptable or unacceptable. They are essential for social stability and organizational effectiveness.

Business ethics also form a foundation for management practices, as organizations operate within a broader social environment that influences decisions and actions.

Key Definitions:

1. Peter Drucker: Ethics in management involves rational evaluation of choices between means and ends.
2. Professional ethics: Performing tasks with integrity, honesty, and commitment while respecting confidentiality and professional conduct.
3. Business ethics: A set of values ensuring high-quality performance, positive workplace interactions, and stakeholder consideration.

2. Importance of Business Ethics

Commitment to ethical principles strengthens trust and improves organizational performance. It ensures that organizations do not focus only on short-term financial gains.

A. For the Organization:

1. Building trust with society
2. Enhancing credibility with employees
3. Improving decision-making
4. Strengthening integrity and transparency
5. Enhancing reputation locally and internationally

B. For Employees:

1. Regulating professional behavior
2. Understanding duties and avoiding misconduct
3. Maintaining balance between rights and responsibilities
4. Strengthening teamwork and cooperation

5 Increasing productivity