



# THE TIMES 100

## BUSINESS CASE STUDIES

### Ethics teacher guide (Primark)

#### GCSE activity – poster

Independent enquirers	Team workers	Effective participants	Self managers	Reflective learners	Creative thinkers
✓			✓		

#### A' Level activity – debate

Independent enquirers	Team workers	Effective participants	Self managers	Reflective learners	Creative thinkers
	✓				✓

E-D students are likely to identify and explain reasons for and against businesses behaving ethically, using examples where possible.

C-A students are likely to analyse the arguments for and against businesses behaving ethically.

#### Ethics worksheet

1. Business ethics are rules of conduct, principles and patterns of behaviour in business dealings that involve ~~do~~ doing the **right** thing
2. *There are numerous examples of ethical behaviour in the case study*
3. The code of conduct sets out Primark's policy on ethical practices and principles. The code of conduct applies to Primark itself and to the other businesses in its supply chain. It states, for example, that within its supply chain employment should be freely chosen and child labour must not be used.
4. On one hand businesses should behave ethically because:
  - a. Business behaviour should reflect the ethical values of the organisation and its directors
  - b. Ethical behaviour builds confidence in the brand
  - c. It enhances reputation
  - d. It reduces the risk of bad publicity



# **THE TIMES 100**

## **BUSINESS CASE STUDIES**

- e. Can help to attract customers, employees and investors
- f. Ethical practices can benefit sustainability so businesses can continue over the long term

However...

- a. Additional costs can be incurred for such things as training, managing external audits, helping suppliers put right issues raised by audits and higher wages.
- b. Some will argue that the main objective of firms is to make as much profit as possible for shareholders, therefore the additional costs outlined above should be avoided.
- c. Some customers may not value ethical practices so it might not be worth the extra cost
- d. Some other firms may only behave ethically to improve their public relations so it is difficult to know which firms do have ethical values

E-D students are likely identify and explain some reasons for AND/OR against ethical trading in the context of Primark

C-A students are likely to analyse the reasons for AND against ethical trading in the context of Primark. To reach AO4 they should give a justified conclusion.

### **Mind the gap**

Business ethics are the **moral** principles which direct us to do the right thing. When making decisions, businesses must decide how they should act. Managers may make decisions that are right for their shareholders or ones that are right for all of their stakeholders. Corporate **social** responsibility (CSR) refers to the responsibilities that firms have to all of their **stakeholders** and the environment. Ethical behaviour can benefit firms by attracting more customers, high quality **employees** and additional investors. However, behaving ethically can have its drawbacks. For instance, additional **costs** may be incurred. An ethical **audit** is a systematic check of the ethical behaviour of the organisation.