Business Ethics



Business Ethics recognizes members who demonstrate the ability to present solutions to ethical situations encountered in the business world and the workplace. This competitive event consists of an individual objective test, report and presentation.

Event Overview

Division: High School

Event Type: Team of 1, 2 or 3 members

Event Category: Presentation

Event Elements: Objective Test, Pre-judged Report and a Presentation (with a Topic)

Objective Test Time: 50 minutes

Pre-judged Component: Three-page report submitted by RLC/SLC due date and May 13, 2025, for NLC

Presentation Time: 3-minute set-up, 7-minute presentation, 3-minute Question & Answer

NACE Connections: Career & Self-Development, Communication, Critical Thinking, Equity & Inclusion,

Leadership, Professionalism, Teamwork, Technology

The Daniels Fund, in conjunction with a grant provided to MBA Research, is the sponsor of this event. The Daniels Fund Ethics Initiative provides principles-based ethics education to students and focuses on practical, real-world application of ethical principles as a basis for decision-making. Click <u>HERE</u> to learn about the Daniels Fund ethical principles.

2024-25 Topic

Honesty and Integrity in School and Business—Why It Matters See page 7-8 for the full background and scenario.

Objective Test Competencies

- Business Law
- Communication Skills
- Emotional Intelligence
- Professional Development

Note: There is no test composition available for this objective test.

Region

Each chapter may enter two teams in this event. Testing is school-site and proctored with careful monitoring to ensure the integrity of the test.

Stat<u>e</u>

Top three (3) qualifiers of each region are eligible to compete at the State Leadership Conference. Competitors will take the objective test and submit prejudged materials to determine top ten (10) finalists for SLC. Finalists will be announced at the opening session and will present to judges on Saturday of the SLC.

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National

Required Competition Items

	Items Competitor Must Provide	Items FBLA Provides
Objective Test	Sharpened pencil	 One piece of scratch
	Fully powered <u>device for online</u>	paper per competitor
	testing	 Internet access
	 Conference-provided nametag 	 Test login information
	 <u>Photo identification</u> 	(link & password)
	Attire that meets the <u>FBLA Dress Code</u>	
Presentation	Conference-provided nametag	• Table
	 Photo identification 	
	Attire that meets the FBLA Dress Code	

Important FBLA Documents

• Competitors should be familiar with the Competitive Events <u>Policy & Procedures Manual</u>, <u>Honor Code</u>, <u>Code of Conduct</u>, and <u>Dress Code</u>.

Eligibility

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current school year or prior to regional competition, whichever comes first.
- Members may compete in an event at the National Leadership Conference (NLC) more than
 once if they have not previously placed in the top 10 of that event at the NLC. If a member
 places in the top 10 of an event at the NLC, they are no longer eligible to compete in that event.
- Members must be registered for the RLC/SLC/NLC and pay the conference registration fee to participate in competitive events.
- Members must stay in an official FBLA hotel block to compete.
- Each chapter may submit two entries; each region may submit three entries; each state may submit four entries.
- Each competitor can only compete in one individual/team event and one chapter event (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, Partnership with Business Project) at the national level. RLC/SLC competitors may compete in one objective test/one performance event/ and one chapter event.
- Only competitors are allowed to plan, research, and prepare their pre-judged component. They must also set up their presentation by themselves.
- Each competitor must compete in all parts of an event for award eligibility.
- All members of a team must consist of individuals from the same chapter.
- Picture identification (physical or digital: driver's license, passport, state-issued identification, or school-issued identification) matching the conference nametag is required when checking in for competitive events.
- If competitors are late for their assigned objective test and/or presentation time, they will be allowed to compete with a five-point penalty until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event.



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 Some competitive events start before the Opening Session of SLC/NLC. The schedules for competitive events are displayed in the local time of the NLC location. Competitive event schedules cannot be changed.

Recognition

• The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10/NLC; 5/SLC; 3/RLC.

Event Administration

- This event has three parts: Objective Test, Pre-judged Report, and Presentation based on a topic
- Objective Test
 - Objective Test Time: 50 minutes
 - Objective Test Questions: 100 questions
 - o This part is an objective test administered online at the RLC/SLC/NLC.
 - No reference or study materials may be brought to the testing site.
 - Unless a pre-approved accommodation is in place, all cell phones, smart watches, and headphones must be turned off and put away before competition begins. Any visibility of these devices will be considered a violation of the Honor Code.
 - Competitors on a team must test individually, starting within minutes of each other.
 Individual test scores will be averaged for a team score.
- Pre-Judged Report
 - Submission Deadline: A PDF of the report must be uploaded in the conference registration system by the RLC/SLC due date and by May 13, 2025, for NLC.
 - o **Number of Pages:** The report will be no more than three (3) pages.
 - Competitors must prepare reports. Advisers and others are not permitted to write reports. Reports must be original, current, and not submitted for a previous NLC.
 - Competitors must research the topic and prepare a one-page summary (called a report) prior to the conference.
 - Competitors must interview three local businesspeople as part of their research and explain how the interview findings factored into their recommendations. This information must be addressed in the report and the presentation.
 - The first page of the report must include only the title (Business Ethics Summary) on the first line, names of all competitors on the second line, the name of the school on the third line, the state on the fourth line and the year (2024-25) on the fifth line.
 - The second page of the report is a one-page summary of the topic and findings, with the following headings: Why the Ethical Issue Happened, How the Ethical Issue Should be Resolved, What Could Have Prevented the Ethical Issue. The one-page summary can be single spaced.
 - The third page is a works cited page.
 - o Restricted Items: QR codes and links cannot be included in the report.
 - Pages must be formatted to fit on 8 ½" x 11" paper.
 - The report is judged before the RLC/SLC/NLC.



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- Pre-judged materials will not be returned. Reports submitted for competition become the property of FBLA. These reports may be used for publication and/or reproduced for sale by FBLA.
- Presentation Information

Equipment Set-up Time: 3 minutes

Presentation Time: 7 minutes (one-minute warning)

Question & Answer Time: 3 minutes

Internet Access: Not provided

- Competitors must research the topic and be prepared to present their findings and solutions. The presentation must address why the ethical issues happened, how it should be resolved, and what could have prevented it.
- Top 10 pre-judged/objective test competitors will present. The presentation is judged at the RLC/SLC/NLC. Presentations are not open to conference attendees.
- Timing: The presentation time is exclusive to the allotted times. Once the set-up time
 has been reached, the presentation time automatically begins. The presentation time
 shall not exceed the stated time, meaning that the set-up and Q&A time cannot be used
 as presentation time.
- Technology
 - Competitors present directly from a device which includes a laptop, tablet, mobile phone, or external monitor (approximately the size of a laptop screen). Competitors can present with one or two devices. If presenting with two devices, one device must face the judges and one device must face the competitors.
 - Projectors and projector screens are not allowed for use, and competitors are not allowed to bring their own.
 - Wireless slide advancers (such as a presentation clicker or mouse) are allowed.
 - External speakers are not allowed. Only device audio can be used.
 - Power is not available.
- Non-technology Items: Pre-judged reports, materials, notecards, visual aids, and samples related to the project may be used during the presentation; however, no items may be left with the judges or audience.
- Restricted Items: Animals (except authorized service animals), Food (for display only; may not be consumed by judges during the presentation), Links and QR codes (for display only; cannot be clicked or scanned by judges before, during, or after the presentation)
- Teamwork: If performing as a team, all team members are expected to actively participate in the presentation.
- o Research: Facts and data must be cited and secured from quality sources.

Scoring

- The objective test score, pre-judge score and presentation score will be added together to determine the winners.
- Ties are broken by the objective test score.
- All announced results are final upon the conclusion of the RLC/SLC/NLC.

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Americans with Disabilities Act (ADA)

 FBLA meets the criteria specified in the Americans with Disabilities Act for all competitors with accommodations submitted through the conference registration system by the registration deadline.

Recording of Presentations

- No unauthorized audio or video recording devices will be allowed in any competitive event.
- Competitors in the events should be aware FBLA reserves the right to record any presentation for use in study or training materials.

Penalty Points

- Competitors may be disqualified if they violate the Code of Conduct or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the assigned testing or presentation time.

Business Ethics Background and Topic

Background Info

In 2022, FTX, one of the biggest cryptocurrency exchanges in the world, declared bankruptcy after extensive financial mismanagement and dishonesty were discovered throughout the company. FTX had been hiding billions of dollars in liabilities from the public and allowed sister companies to borrow nearly unlimited funds in customer deposits. FTX's customers lost billions, and the worldwide crypto market collapsed.

At the center of what became one of the biggest financial scandals in American history was the young, talented inner circle of FTX executives who went from rising stars to fraudsters. FTX founder Sam Bankman-



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Fried—who was 30 years old at the time of the scandal and once dubbed the "crypto king"— was sentenced to 25 years in prison. FTX's former chief executive officer (age 28), chief technology officer (29), and director of engineering (27) all pleaded guilty to fraud as well.

As extreme as they were, the actions of these prodigious professionals present a learning opportunity for younger generations entering the workforce. Young professionals need more than just technical skills in the workplace. They need a strong ethical framework to help them distinguish right from wrong and make difficult decisions. Without it, they run the risk of making the same mistakes as the once-promising leadership at FTX. Not every employee can defraud millions like them, but any employee can demonstrate dishonesty, greed, or a lack of integrity if they don't uphold their own ethical principles.

But what are ethics? Ethics are the basic principles that govern your behavior. Although people often have different views on what ethics exactly means, following ethical principles means one's ethical beliefs remain unchanged no matter the circumstances, including—and especially—in professional settings like the workplace. Ethical principles can guide any employee through dilemmas with coworkers, superiors, and customers. Examples of ethical principles include honesty and integrity (adhering to a set of personal ethics).

And the need for greater integrity in the workplace has never been more relevant. According to a 2024 study from ethics education firm LRN, Gen Z employees are 2.5 times more likely than any other generation to agree that it's OK to break the rules to get the job done. In addition, 22% of Gen Zers admit to violating their company's code of conduct in the past year, a far higher number than Millennials, Gen Xers, or Baby Boomers.

What explains these statistics? Do Gen Zers inherently struggle to be as ethical as previous generations? Or does Gen Z's ethical culture simply differ from those of their predecessors? Whether the answer is one or the other—or both—does not change the underlying need for young professionals to develop a strong understanding of ethics in the workplace.

This development does not begin the first day on the job; it starts years before, in the classroom and at home. Every day, young adults encounter many situations in which they can demonstrate ethical principles such as integrity and honesty. They may not realize it in the moment, but these everyday actions can have a profound impact on their life and future.



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High School Scenario

Valerie works in the purchasing department for Longcloth Merchandising, a nationwide chain of clothing and department stores. As an associate procurement specialist, Valerie is responsible for building relationships with suppliers and securing the materials needed for Longcloth's products.

The company's fiscal year just finished, and Valerie has been given a special assignment by her manager, the purchasing director. They request that Valerie compose the purchasing department's annual report, to be submitted to Longcloth's executives for review. The report will review relationships with key suppliers, including the types of goods and services rendered, purchase order cycle times, delivery information, and sales data. This is an important assignment, especially because this is Valerie's first job out of college, so the purchasing director gives her three weeks to complete the report.

However, the weeks go by and Valerie still hasn't started the report. At first, she didn't see this as a big deal, especially amidst all the other projects she's working on. After all, she kept telling herself, in school, I always waited until the last minute to start an assignment—and I always got a good grade. I can always get started on it tomorrow. But too many tomorrows have passed, and now the report's deadline is only a few days away. To make matters worse, her manager wants to check in with her today to discuss her progress on the report.

Valerie must now decide what to do next. One option is to proceed as normal and tell the purchasing director that the report is going well and will be submitted on time. Her manager would obviously be thrilled to hear this, but now Valerie must deliver on that theoretical promise. She knows she probably can't create a quality report in just a few days, so whatever she submits to leadership will be unsatisfactory.

The other option is to admit to her boss that she procrastinated doing the report and she won't be able to get it done on time. In response, her manager would likely enlist others in the department to help get the report done on time, which would throw off their schedules and might even cause them to work overtime. However, admitting this would damage the trust between them. Valerie worries that in the future, the purchasing director won't select her for special assignments—or maybe even promotions—because they think she can't handle increased responsibility.

What do you think Valerie should do? Should she hide her procrastination from her manager and proceed as planned, even if there's a high risk that the report will be lousy? Or should she admit her mistake so that the report can get finished—even if doing so leads to her manager not trusting her in the future?

Suggested Questions to Cover in the Event

- What ethical principles (e.g., respect, transparency, integrity, trust, fairness, accountability) play a role in this dilemma? Does one play a larger role than others? Which one—and why is that the case?
- Who are the parties that stand to be impacted by Valerie's actions (or lack thereof) in this dilemma? Is one stakeholder more important than another?
- Is Valerie's work on other projects a legitimate reason for her procrastination on the report? Would this scenario be different if Valerie had not been working on other projects? Why or why not?
- Do you consider Valerie's work habits to be unethical? Why or why not?
- What are the short- and long-term consequences of Valerie's actions? How will these consequences shift depending on how Valerie chooses to proceed?
- Is there a course of action not described in the scenario that Valerie should pursue? What is it, and why?

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Objective Test Study Guide: Competencies and Tasks

Sample test questions are provided in the yearlong Ethical Leadership course guide from MBA Research's online store at www.mbaresearch.org.

A. Business Law

- 1. Comply with the spirit and intent of laws and regulations.
- B. Communication Skills
 - 1. Demonstrate active listening skills.
- C. Emotional Intelligence
 - 1. Describe the nature of emotional intelligence.
 - 2. Recognize and overcome personal biases and stereotypes.
 - 3. Assess personal strengths and weaknesses.
 - 4. Assess personal behavior and values.
 - 5. Demonstrate honesty and integrity.
 - 6. Demonstrate responsible behavior.
 - 7. Demonstrate fairness.
 - 8. Assess risks of personal decisions.
 - 9. Take responsibility for decisions and actions.
 - 10. Build trust in relationships.
 - 11. Describe the nature of ethics.
 - 12. Explain reasons for ethical dilemmas.
 - 13. Recognize and respond to ethical dilemmas.
 - 14. Explain the use of feedback for personal growth.
 - 15. Show empathy for others.
 - 16. Exhibit cultural sensitivity.
 - 17. Explain the nature of effective communications.
 - 18. Foster open, honest communication.
 - 19. Participate as a team member.
 - 20. Explain the concept of leadership.
 - 21. Explain the nature of ethical leadership.
 - 22. Model ethical behavior.
 - 23. Determine personal vision.
 - 24. Inspire others.
 - 25. Develop an achievement orientation.
 - 26. Enlist others in working toward a shared vision.
 - 27. Treat others with dignity and respect.
 - 28. Foster positive working relationships.
 - 29. Assess long-term value and impact of actions on others.
- D. Professional Development
 - 1. Set personal goals.
 - 2. Follow rules of conduct.
 - 3. Make decisions.
 - 4. Demonstrate problem-solving skills.





Business Ethics Pre-Judged Report Rating Sheet

Expectation Item	Not Demonstrated	Below Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Content					
Identifies and defines ethical issues presented in the topic	No identification of ethical issues as it relates to the event guidelines	Identifies OR defines the ethical issues	Identifies and defines the ethical issues	Identifies and defines the ethical issues using industry terminology	
	0 points	1-2 points	3-4 points	5 points	
Explains why the ethical issues happened	No reasons cited for the ethical issues	Reasons for the ethical issues identified but were not on target	Several, but not all, reasons accurately identified	All reasons addressed and analyzed	
	0 points	1-6 points	7-8 points	9-10 points	
Provides logical solutions as to how the ethical issues should be resolved	No ethical solutions are identified	One ethical solution provided	Ethical solution provided with supporting evidence	Feasible, logical solutions recommended for all issues	
	0 points	1-2 points	3-4 points	5 points	
Recommends safeguards that should have been in place to prevent the ethical issues	No safeguards identified	One safeguard provided	Safeguards provided with supporting evidence	Feasible, logical safeguards recommended for all issues	
	0 points	1-6 points	7-8 points	9-10 points	
Substantiates and cites sources used while conducting research	Sources are not cited	Sources/References are seldom cited to support statements	Professionally legitimate sources & resources that support statements are generally present	Compelling evidence from professionally legitimate sources & resources is given to support statements	
	0 points	1-6 points	7-8 points	9-10 points	
Report Format					
Follows event guidelines	Does not follow event guidelines	Inconsistent with event guidelines	Consistent with event guidelines	All guidelines were followed, including businessperson interviews	
	0 points	1-2 points	3-4 points	5 points	
Includes correct grammar, punctuation, and spelling	More than 5 grammar, punctuation, or spelling errors	3-4 grammar, punctuation, or spelling errors	No spelling errors, and not more than 2 grammar or punctuation errors	No spelling errors, and not more than 1 grammar or punctuation error	
	0 points	1-2 points	3-4 points	5 points	
				Report Total (50 points)	
Name(s):					
School:					
Judge Signature:		<u>-</u>	<u> </u>		Date:

Comments:





Expectation Item	Not Demonstrated	Below Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Content					
Identifies and defines ethical issues presented in the topic	No identification of ethical issues as it relates to the event guidelines	Identifies OR defines the ethical issues	Identifies and defines the ethical issues	ldentifies and defines the ethical issues using industry terminology	
	0 points	1-6 points	7-8 points	9-10 points	
Explains why the ethical issues happened	No reasons cited for the ethical issues	One reason for the ethical issue(s) identified but were not on target	One reason identified for the ethical issue(s) identified and on target	Two or more reasons identified, on target, and analyzed	
	0 points	1-6 points	7-8 points	9-10 points	
Provides logical recommendations as to how the ethical issues should be	No recommendations are given	One recommendation provided but no supporting evidence	One recommendation provided with supporting evidence	Two or more recommendations provided with evidence	
resolved	0 points	1-6 points	7-8 points	9-10 points	
Recommends safeguards that should have been in place to prevent the ethical issues	No safeguards identified	One safeguard provided but no supporting evidence	One safeguard provided with supporting evidence	Two or more safeguards recommended with supporting evidence	
prevent the ethical issues	0 points	1-8 points	9-12 points	13-15 points	
Research shows quality and related information to the ethical issues and incorporates input of businesspeople interviewed	No research done with 3 or more inaccurate statements	Research is unrelated to the ethical topic and 1- 2 inaccurate statements	All research is accurate with no reference made to supporting evidence	Research is accurate with supporting evidence provided; incorporates input of businesspeople interviewed as part of presentation	
	0 points	1-8 points	9-12 points	13-15 points	
Substantiates and cites sources used while conducting research	Sources are not cited	Sources/References are seldom cited to support statements	Professionally legitimate sources & resources that support statements are generally present	Compelling evidence from professionally legitimate sources & resources is given to support statements	
	0 points	1-6 points	7-8 points	9-10 points	
Presentation Delivery					
Statements are well-organized and clearly stated	Competitor(s) did not appear prepared	Competitor(s) were prepared, but flow was not logical	Presentation flowed in logical sequence	Presentation flowed in a logical sequence; statements were well organized	
	0 points	1-6 points	7-8 points	9-10 points	
Demonstrates self-confidence, poise, assertiveness, and good voice projection	Competitor(s) did not demonstrate self- confidence	Competitor(s) demonstrated self- confidence and poise	Competitor(s) demonstrated self- confidence, poise, and good voice projection	Competitor(s) demonstrated self-confidence, poise, good voice projection, and assertiveness	
	0 points	1-6 points	7-8 points	9-10 points	
Demonstrates the ability to effectively answer questions	Unable to answer questions	Does not completely answer questions	Completely answers questions	Interacted with the judges in the process of completely answering questions	
	0 points	1-6 points	7-8 points	9-10 points	
	Staff Only: Per	nalty Points (5 points for d	ress code penalty and/or 5 p	oints for late arrival penalty)	
			Pre	sentation Total (100 points)	
Name(s):					

Comments:



