

# The legal and ethical environment of business



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## The Legal and Ethical Environment of Business Ethical Violations

Discrimination means treating someone badly just because she or he is different from one (Middleton, 1999). Discrimination has been identified as the most frequent manifestation of the ethical violations. Discrimination based on gender, ethnicity, race, caste, and color have become major issues in a number of organizations. For example, the human resource manager may discriminate against the minority groups in hiring, training and development processes, compensation decisions, overtime, bonuses and other relevant incentives. Also, some relevant similar incidents have not become uncommon. The unfair dismissal, which has been defined as the termination of employment deemed to be ' unjust, harsh or unreasonable (Pizam, 2010), in another organization was appeared. In which, the employees were sacked; subsequently, the aggrieved party filed a petition against the unfair dismissal. And, the court gave its verdict in the favor of the victims. And, they re-joined the same organization on the court orders. In addition to that, after going through the different reports over the ethical issues, I came across with the news pertaining to the ethical violations in one of the renowned organizations; however, it would also be unethical to mention the name of that organization. But, the ethical violation in that organization was that the organization had frozen the overtime and other benefits of its own employees just because of the employees had carried out a Trade Union activity.

### Impacts

A number of impacts can be observable from the practices of ethical violations. First, the discrimination of any form would not help in entertaining the corporate objectives of the organization. This would create the

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environment of grouping or empire building within the organization. In which, one group would be working at the cost of other groups. And, the organizational objectives would not be compromised but also be neglected. In addition to that, discrimination would engender the environment of hostility within the organization. And, the hostility would only convince the staff to work to improve group's benefits. Also, if the corporate objectives of the organization would be compromised, the organization would not earn profit or sufficient revenue; and, in the long-run, the organization would need to fight for its own survival.

#### Justification

The unfair dismissal and the freezing of overtime and other benefits would hardly find any reasonable or legitimate justification as both actions on the side of the organization were carried out with the insincere intentions. However, certain circumstances may push organizations to adopt improper ways to reduce their costs. In the recent times, the cost of doing business has increased after the emergence of the global financial crisis. And, the number of businesses has either shut down or trying to find out ways to reduce such costs. For many organizations, the employees cannot be termed as a minimum portion of their aggregate cost of doing businesses; Rather, they consume a considerable portion of cost incurred by the organizations for their business. And, removing them through the use of unfair dismissal and not paying them may be those unfair ways that could attract the organizations to reduce their cost of doing business. However, under no circumstances, the organizations should involve in the practices of ethical violations as there exist no legitimate justification for the manifestation of the ethical violations.

## References

Middleton, D. (1999). *Dealing with Discrimination*. New York: Rosen Publishing.

Pizam, A. (2010). *International Encyclopedia of Hospitality Management* (2nd ed.). Oxford: Butterworth-Heinemann.