

# Business ethics assignment

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Arguments For and Against Business Ethics Pros Ethics should be brought into a business for many reasons. Ethics govern most of our human activities and because business is a voluntary human activity, ethics should also govern businesses. Many businesses will collapse if ethics does not play a major role because many customers, employees and managers may come to think that it is acceptable for them to lie to, steal from or break arguments with the company. Studies have shown that ethical considerations are consistent with business profits and ethical companies provide higher returns.

For example, Timberland is a company by which ethics happened to correspond with profits for a period of time. A prisoner's dilemma occurs in a situation where two parties must choose to co-operate or not, and where both gain when the both co-operate, but if only one co-operates the other one gains even more, while if both do not co-operate; they both lose. It is best when both parties co-operate, for example, if everyone follows the ethical rules; everyone will be better off.

This argument claims to show that when businesses deal with customers repeatedly, later on the customers will reward the business on their business activities. The prisoner's dilemma also shows that if people were intrinsically motivated only by self-interest, they would have a reason to be ethical in business. The reality is that people are social and motivated by a concern for the welfare of others. Ethics play a major part for customers and employees. Evidence has shown that people who value ethical behaviour will reward those who are perceived to be ethical and punish those who behave unethically.

Many customers value an ethical organization with their loyalty, commitment and repeated sales to the business. If they perceive the company as unethical; they would turn against the company. Many employees who view their company's decision making processes as unethical, exhibit higher absenteeism, high turnover rates, lower productivity and demand higher wages. In contrast, if they perceive their company as ethical; they would show higher levels of trust and commitment, demand lower wages, and lower levels of turnover and absenteeism. Ethics is a major component of effective management.