

# Business paper- ethics



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Ethics refers to the branch of philosophy which establishes rules of conduct and a moral system of values (Webster's II 239). In the business world ethics are an integral part of the corporate culture of an enterprise which leads guides firms towards successful endeavors. A company that totally and complete disregards ethics is doomed for failure. An example of a firm whose actions were extremely unethical which led the company to file bankruptcy due to its low moral values is Enron. Enron Corporation was one of the biggest Energy players at the turn of century. The executives got greedy and started an unethical and illegal accounting scam that cook up the numbers of overstating assets by capitalizing expenses while at the same time recognizing revenue that did not exist. The unethical behavior of this firm caught up to it and by 2002 the company filed bankruptcy and liquidated the little assets that were left leaving thousands of people out of work and out of a pension plan (Time). This paper discusses ethical behavior in the business world by providing related principles, theories and by providing real life examples of ethical behavior in the business environment.

The ethical actions of a company and its collective efforts involved all the company's stakeholders including customers, employees, vendors, suppliers, governmental agencies, shareholders, lenders among other stakeholders. A company must establish a formal code of ethics to ensure consistency and to establish a clear set of guidelines concerning acceptable and unacceptable behavior. An example of an organization that established a code of ethics for its enrolled membership is the Society of Professional Journalist. This organization set standards in its code of ethics regarding the work task and behavior of its members such as:

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(Spj).

A corporate strategy that has gained a lot of popularity which is related to correct ethical behavior is social responsibility. Social responsibility is a business's obligation to maximize its positive impact and minimize its negative impact on society (Ferrell, et. al. 39). Firms with corporate responsibility philosophies care about the environment, its customers, the community around the company and the economic well being of its employees and shareholders. A company that has very respectful and effective social responsibility strategy is the world largest retail coffee chain retail store, Starbucks. Starbucks believes that strengthening its relationship with external stakeholders by utilizing communication and effective cooperation leads to better satisfaction between all parties involved and helps in the process of establishing long term business commitments (Corporate Social Responsibility 1).

Employees of companies faced at times situations in which the worker has to internally apply the person's own ethical standards to a situation. A person may be faced with a situation at work in which the employee has to decide if the job task required of the worker is ethical or unethical and if the person will go ahead and follow the instructions. For example a person may be asked to spy on a coworker and let the administration know information of someone else's work. This is a conflict of interest scenario which creates an ethical dilemma for the person being asked to perform such a task. Ethics

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are very important in the business world because strong ethical standards lead to higher profitability, greater customer retention and corporate longevity.

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