

Ethical and moral issues in business

Business



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Society depends on the moral conduct of its members to function properly. People often face ethical issues in their everyday lives as well as in the workplace. It is important not to confuse ethics and moral issues. These concepts may be interrelated, but they have important differences. “Morals define personal character, while ethics stress a social system in which those morals are applied” (Wisegeek, 2012). Morals are an introspective view of the morality of the person. The culture where a person is raised can affect the ethical behavior of its citizens. For instance in India a person that eats cows is considered immoral by the majority of society due to the fact that the cow is a sacred animal. In America eating cow meat is a moral act. Managers of corporations often face ethical dilemmas in their decision making process. The decision of closing down an American factory in order to open up an operation in a foreign country is an example of an ethical dilemma. Many people believe that American corporations should look out for the best interest of its home country. Patriotism is a moral view that is very popular in the United States. The other side of the coin is that the company can lower its operating costs and increase profitability by closing down the factory in the U. S. and moving to an emerging economy such as India, China, or South Africa. Either decision is justifiable depending on the moral view of the company and its managerial staff.

Personal ethics and business ethics are two distinct concepts that sometimes collide with each other. Characteristics associated with personal ethics include spirituality, virtue, morals, and altruism (Lichtman, 2010). A person's personal ethics can influence his buying behavior. A person that has strong beliefs in environmentalism is more likely to buy an electric or hybrid car. Personal ethics may also influence other decisions in a person's life such as <https://assignbuster.com/ethical-and-moral-issues-in-business/>

his nutrition, religions beliefs, and lifestyle. The personal ethics of an individual determine how much he cares about others. People that are socially conscious are more likely to donate money to non-profit organizations such as Feed The Children. “ Ethics is the activity of man directed to secure the inner perfection of his own personality” (Schweitzer). A critical success factor for companies in the 21st century is business ethics. Business ethics refers to moral principles concerning acceptable and unacceptable behavior by business people (Answers, 2012). Business ethics differs from personal ethics in that business ethics focuses on making decisions that are in the best interest of a business organization. A business is considered a separate legal entity from its owners. A hot topic in the business world associated with ethical conduct is corporate social responsibility. A lack of ethical conduct can be very costly for a business. In the late 1990’s Nike lost nearly half its customers due to a sweetshop scandal. Other companies have taken advantage of proper ethical conduct to establish a competitive advantage. Levis Strauss is an example of a company that has strong ethical values (Inc, 2012).

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