

Ethical issues in business

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Introduction:

Ethics and Corporate social responsibility has gained immense importance in the last decade due to ethical dilemmas and increased awareness that has risen all over the world. Every business has an impact on the people not only directly associated with the business such as suppliers, employees, customers etc. but also on the environment and the society at large. It is very important for the businesses these days to analyze the impact on their stakeholders and ensure that its activities are not affecting anyone negatively. Recently, many companies has faced bad publicity due to their weak ethical stances which has not only caused the companies a reputational loss but has also affected companies overall profitability including revenues. (Miller, Eric)

Company Q:

The company Q seems to have three issues, first being the company's closure of a few stores in the high crime rate areas, secondly the company sells organic products at a very high margin and thirdly the company refuses to donate the day-old products which are ultimately thrown away.

Closure of stores in high-crime rate areas:

The company has recently ceased operations in the high-crime rate areas due to losing money in those stores. The company adopted the policy of leaving the area where problem aroused rather making an effort to improve the situation. If the company had chosen to continue its operations it would have increased the security to deal with the losing money which would have some what affected the areas security too and might have lowered the crime

rate. On the other hand by closing the store the company caused problems to the customers who might have relied on the store for easy shopping. The closure must have also impacted the overall revenues of the company. The company should have continued operating in those areas and spent a little more on the security issues which will not only benefit the customers and the people of the locality but will also be profitable for the company.

Selling of health conscious products at high margins:

The company has recently started selling the much demanded healthy products. The company seems to take the advantage of the demand of these products and has offered very limited amount of products at very high margins. The company seems to look at its own profits and is exploiting the customers by selling the products at a very high price. This attitude is unethical and the company should sell these healthy products at competitive prices so that everyone can afford the health conscious food. By lowering prices and offering more products the company can increase its revenue and have more satisfied customers.

Refusal of donation:

One of the most unethical practices that the company has adopted relates to the refusal of providing a day old food as the donation. This food is ultimately thrown away and is refused to be given to the charity just because of the threat of fraudulent activities. This practice of the company can cause bad reputation which can cause the loss of customers due to this cruel and selfish practice. The company should donate the food to the charity and instead can take other effective measures to ensure the fraudulent activities don't take place.

References

Miller, R. L. R., & Hollowell, W. E. (1999). *Business law: Text and exercises*.
St. Paul, Minn.: West Educational Pub.