

# Ethics in management decision making research paper samples

[Business](#), [Management](#)



## **Abstract**

A business or organization will always need a management team that is ambitious, innovative and competitive. This will automatically spell success for the concerned company. However, if this management is unregulated by ethical principles, then the business is bound for failure and doom. In business, character is a key to sustainable success since most people (clientele) judge a person or organization through behavior. This is because it is the basis for credibility and trust. Consequently, business executives and management must be concerned with their reputation and character since it provides a basis for the success of the business. Before dwelling on different ethical practices that should be employed by business executives, definition of character and reputation must be considered. Abraham Lincoln said that character is the 'tree' whilst reputation is the 'shadow'. The character of a person is what the person is whilst reputation is what people think the person is. Following are some ethical principles used in management and decision making.

. When management is ethical, the business will definitely shine. However when the contrast happens, the opposite happens. The business will make loss. Examples of businesses whose management or business executives were unethical are given. Their downfall is for everyone to see. Therefore, each organization must have management that is ethical.

Ethics is defined as a code of behavior for individuals and institutions. This are deals with morality. That is to say that it deals with what is wrong or right. It can also be said to be an area of study which deals with the concept of what is good behavior or bad. Philosophically, it is interested in morality

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(Hosmer, 2011). Morality is an aspect of what is an accepted wrong or right in a society. Some scholars define ethics as a set of principles or rules which deal with the wrong behavioral aspect or the accepted right one in a society. Therefore, management ethics is concerned with the accepted norm or code of behavior in management. There is a thin line that exists between management and business ethics. Since management is not always about businesses, there comes a difference between the two. However, business management is the most popular. Though management can also exist in a sector completely unrelated to business, such as home management, the subject of concern for this paper is business management ethics.

Ethics in management decision making is a very important aspect of concern in the management world. This is because many scandals have left multinational organizations in ruins because they did not have ethics in practice. Theoretical ethics is not useful. This is a great sector of concern. If ethics are non-existent in management, then a profit making company can be brought to its financial ruins. Examples of companies that have been destroyed because of unethical practices are Freddie Mac, Fannie Mae and AIG. The management or executives of these organizations were people with massive intelligence and ambition but without a moral compass. With today's high tech, ultra-competitive and independent business world, conscience charisma devoid of conscience, and cleverness devoid of character spells out a recipe for personal and economic failure. President Roosevelt once said, ' To educate the mind without the morals is to educate a menace to society' (Menzel, 2012).

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ambitious, innovative and competitive. This will automatically spell success for the concerned company. However, if this management is unregulated by ethical principles, then the business is bound for failure and doom. In business, character is a key to sustainable success since most people (clientele) judge a person or organization through behavior. This is because it is the basis for credibility and trust (Menzel, 2012). Consequently, business executives and management must be concerned with their reputation and character since it provides a basis for the success of the business. Before dwelling on different ethical practices that should be employed by business executives, definition of character and reputation must be considered. Abraham Lincoln said that character is the 'tree' whilst reputation is the 'shadow'. The character of a person is what the person is whilst reputation is what people think the person is. Following are some ethical principles used in management and decision making (Hosmer, 2011).

The first ethical principle in management and decision making is honesty (Michael, 2012). Management should be honest in all its actions and communication. Ethical executives are not only truthful and candid, they are also forthright. This forms a cornerstone of trust both by employees and customers. A management that deliberately overstates, misrepresents or gives partial truths are untrustworthy. Consequently, when trust is required, it will not be there because it has already been destroyed. The second one, which is closely related to honesty, is integrity (Michael, 2012). Business executives must have personal integrity. Integrity can be defined as character wholeness which is shown by consistency in actions, words and thoughts. This will not only earn trust by employees, but also by the

customers. This ethic requires inner strength and moral courage which is unfortunately absent in most management today. Nevertheless, the few ethical business executives present are scrupulous, upright and honorable. The third ethical principle in management and decision making is promise-keeping. Though this is considered a minor ethical practice since it may come naturally to organizations, it must be considered nonetheless. Management is expected to keep its word and promise to fulfill its commitments. Agreements must be interpreted well and legally so that incidents of non-compliance do not arise. If these executives escape their commitments to both the employees and customers, then it becomes a major issue in profit making (Carrey, Robbins, 2013). The fourth ethical practice is loyalty. Trust can be justified by loyalty. If the management of an organization does not show loyalty to the people it works with (employees) and customers, then it becomes an issue unethical practices. Such cases can be rough and even play in courts. Many executives use loyalty as an excuse for unprincipled conduct or sometimes even put it above other necessary ethical principles. This should not be so. Loyalty is demonstrated when management safeguards its ability to make judgments that are professional and independent (Carrey, Robbins, 2013).

The fifth ethical practice in management and decision making is fairness. Management must be just and fair in all the dealings that it makes. Ethical executives are fair people. They exercise their power and authority well and avoid arbitrary actions. They also do not use indecent or overreaching means to gain advantage over other's mistakes and difficulties. A management that does this is unethical. The sixth ethical practice is care. This is concerned

more with decision making. A decision made by management affects the whole organization as well as the customers. Ethical executives are people that care, are kind, benevolent and compassionate. They cannot deliberately make a decision which they know will harm either their employees or customers. They care about both the emotional and financial consequence of their decisions. Unethical management is the complete opposite of the description above (Crane, 2009).

The seventh ethical practice in management and decision making is respect for others. This is also considered a minor ethical practice in many quarters but it is of utmost significance. The management of a business or organization must show respect for autonomy, interests, rights, privacy and human dignity (Crane, 2009). Business executives that do not demonstrate this lack decorum. They must know that people have the right to make individual decisions and show courtesy. The management must not judge employees or customers according to their race, national origin or sex. Ethical management that display respect in its decision making demonstrate the much accepted rule of treating others as it would like to be treated. The eighth ethical practice is of course law abiding. Business practices must adhere to the law. Unlawful decisions and practices always result to imprisonment. Only unethical management ends up in prison and destroying the company together with its image. Ethical business executives are law abiding. This means that they obey the law in accordance to the constitution of the land (Hosmer, 2011).

The ninth ethical practice in management and decision making is commitment. Management must be committed to excellence and to what

the motto is. Excellence must be pursued in everything. The organization must also commit itself to serving its purpose. If customers are not pleased and shareholders are also on the same boat, the business is likely to suffer unforeseen consequences (Menzel, 2012). Therefore, the management must commit itself. The tenth ethical issue is good leadership. Good leadership will lead to good decisions. Good decisions will result to the business making profits. Opportunities can only be exploited by a management that has skills and the good of the company at heart. Thus, ethical principles prescribe this virtue.

The second last ethical practice useful in management and decision making is morale and reputation. Employees must be encouraged (given the morale). The company must also have a good reputation. Ethical and good management give the company a good reputation as well as providing the correct morale boost to employees. Therefore, this kind of management avoids decisions and actions that can be of any harm to the organization's reputation and the employees' morale. Then, last but not least, the ethical practice that is of concern to management and its decision making authority is accountability. Each member of the management team must accept to be personally accountable not only to the rest of the management, but also to the shareholders and customers. The quality of decisions made by each executive member must be of ethical quality to the affected parties. If the management team lacks accountability, the nothing will ever be done right. The decisions made will be wrong and the company will suffer a great deal. In summary, ethical issues are very important in management and decision making. It gives the management team codes of behavior that can enable a

company grow and be profitable. Since ethics is defined as a code of behavior for individuals and institutions, that deals with morality. That is to say that it deals with what is wrong or right. It can also be said to be an area of study which deals with the concept of what is good behavior or bad. Philosophically, it is interested in morality. The relationship between ethics and morality is the fact that morality is an aspect of what is an accepted wrong or right in a society. Some scholars define ethics as a set of principles or rules which deal with the wrong behavioral aspect or the accepted right one in a society.

The different ethics are discussed above. These are such as honesty, accountability, respect, obedience to law and many more. When management is ethical, the business will definitely shine. However when the contrast happens, the opposite happens. The business will make loss. Examples of businesses whose management or business executives were unethical are given. Their downfall is for everyone to see. Therefore, each organization must have management that is ethical.

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