

Modern day business is a survival of the fittest essay examples

[Business](#), [Company](#)



Business Ethics

Abstract

Modern day economy and economical market are not easy to survive in. Corporations and monopolists absorb small companies and there is no ethics involved. Ethics takes place in business communication, when it is important to get a contract signed or deal made. Other than that it is hardly common or considered as necessary. One will not be able to succeed unless he accepts it as due and undertakes actions that are right for his business. Today competitive market makes you cross the line of law and overstep the bounds of decency. Ethics, in terms of morality and social value, has vanished from the general view of business.

Each manager (owner) has to master at least the basics of business ethics and etiquette. The basis of business ethics is professional ethics, prescribing a certain type of professional and civilized business relationships with employees, partners, competitors, customers, eliminating the opposition of one another. Business ethics should be based on the general principles of risk management, innovative, honest, competent and legitimate businesses in a particular area of activity. Regardless of the type of business and its individual types, business ethics and etiquette must also take into account national and ethnic traditions and the resulting rules of management. Business ethics is inextricably linked to the nature of the manager, the composition of his soul, mind, motivation, the level of education and familiarity with the behavior of people in a collective society. Concepts such as authority, pride, honesty, ambition, generosity, and courtesy belong to

the "arsenal" of business ethics and positively characterize it.

Ethics, management and economics are the three fundamental characteristics of a society. The economy creates the material basis of human activity. Management ensures the effective functioning of micro-and macroeconomics. Ethics forms the universal forms and rules of civilized behavior of people involved in management and implementation of the management. Modern universal ethical principles of business ethics are based on the axioms of world philosophy and are proven by the age-old business practice. These business principles were formulated by an American sociologist L. Hosmer: 1. Never do what is not in your long-term interests or the interests of your company. The principle is based on the teachings of ancient Greek philosopher Protagoras.

2. Never do anything that would be considered dishonest, open or true. Never do anything unless you will be able to proudly announce about it to the whole country. The principle is based on the views of Aristotle and Plato on the personal virtues of honesty, openness and moderation. 3. Never undertake actions, which are not conducive to a sense of community and are not working for a common goal. The principle is based on the precepts of the world's religions (St. Augustine), calling for the kindness and understanding of the relationship and interdependence. 4. Never take actions that contradict the legislation, because the law represents the minimal moral standards of society. The principle is based on the doctrine of Hobbes and Locke, the state's role as the arbiter of competition between people for the greater good. 5. Do not ever do anything that does not lead to a greater good, or brings harm to the society in which you live. The principle is based

on an ethic of utilitarianism - the practical benefits of ethical behavior developed by Jeremy Bentham and John S. Mill. 6. Never do anything you wouldn't recommend doing to those who are in a similar situation. The principle is based on the imperative of Kant's universal rule, a universal norm. 7. Do not ever do anything that violates the established rights of others. The principle is based on the views of Rousseau and Jefferson on the rights of the individual. 8. Always act so as to maximize profits within the law, because maximum profit under the conditions of current market situation shows the high efficiency of the manufacture. The principle is based on the economic theory of Adam Smith and the teachings of the Pareto optimal deal. 9. Do not ever do anything that would hurt the weakest in society. The principle is based on the rule of distributive justice of Rawls. 10. Do not ever take any actions that would impede the rights of another person for self-development and self-realization. The principle is based on the Nozick's theory of the expansion of degree of personal freedom which is necessary for the development of society.

The Caux Declaration of Principles for Business adopted in 1994 in Switzerland, by the heads of major national and multinational corporations of the U. S., Western Europe and Japan in an effort to synthesize the moral and ethical business principles of Eastern and Western business cultures. The preamble of the Declaration Caux states: " The laws and market driving forces are necessary, but are not a sufficient guidance to action. The fundamental principles are responsibility for the policies and actions in the field of business, respect for human dignity and interests of the participants in the business." Declaration Caux is a concentrated set of ethical principles

for international business.

Here are seven simple principles of the Declaration: 1. Responsibility: from shareholders - the owners of the business. 2. Economic and social affect of business and its goals: progress, justice and the global community. 3. Business ethics: from the word of the law - to the spirit of trust. 4. Respect for the legislation. 5. Support for multilateral trade relations. 6. Respect for the environment. 7. Avoid illegal acts. Principles of International Business (Declaration Caux) are the global ethical standard in accordance with which you can build and evaluate the behavior in the field of international business. Business ethics in the broadest sense is a set of ethical principles and norms that should guide the activities of the organizations and their members. It includes the effects of different aspects of life: ethical evaluation of both internal and external policies of the organization as a whole, the moral principles of the members of the organization, i. e. professional ethics, a sense of morale in the organization, rules of business etiquette, etc. Another interesting fact is that understanding and consideration of labor as a moral value serves as a base to all business ethics. And labor is viewed as a moral value, if perceived not only as a source of income, but also as a way of building human dignity. In this case, the traditional ethical problems are being resolved: the problem of moral choice becomes an issue of choice of profession, the problem of meaning of life becomes an issue of the sense of professional activity; moral duty is regarded as a professional duty, moral responsibility is refracted through professional liability, professional qualities of the personal obtain moral judgment. As mentioned above, it is now common to distinguish classical ethics - the philosophical science, which

studies the morality and applied ethics, which is the subject of our study , in particular - the ethics of the business (which is a type of professional ethics), which still does not deny the integrity of ethics as a science. The basic principles of classical ethics are the basis for ethical analysis of specific business situations. Business ethics is the set of unwritten laws of the market. Ethical regulation doesn't only complements the legal mechanisms, but also serves as an effective mean of solving various economic, social and psychological problems. Due to business ethics a businessman becomes professionally recognizable, predictable in business communication, which leads to the security and stability of his business. Businessman's dishonorable behavior questions his reputation and liability and often enough it causes his partners to want to stop doing business with him. When counting options for business cooperation, entrepreneurs prefer a long-term, reliable and competent partner, and are willing to provide their partners with a number of advantages. Unethical behavior always causes a loss in profit, with modern rates of information spread it will take almost no time for the businessman to gain the reputation of an unworthy partner. That is why it is so important to every entrepreneur to be responsible for the results of their own business and to evaluate the risks and consequences of their actions. Therefore, business ethics is based on honesty, openness, fidelity to one's word, the ability to operate in the market in accordance with existing laws and traditions. Thus far business ethics has been discussed in terms of actions, but as well as in actions it takes place in one other important aspect of business, such as business communication. Business communication is different from a simple communication, as it carries the mission in its

process and the goal is the specific task or question that needs to be resolved. It is practically impossible to end a partner relationship in business communication without casualties on both sides. In this sense, ethics serves as a mediator, you can quickly find the optimal solution to smooth things over, come out with dignity out of difficult situations. In general, business communication can be direct (involving direct contact) and indirect (conference that does not involve presence of all members in the same place, at the same time). Business communication can take the following forms: 1. Business conversation - the transfer or exchange of information and views on certain issues and problems. Business conversation has a number of features: two-way communication workers from one business scope, the joint search, promotion or development of ideas and business plans, control and coordination of business activities. It can be direct or indirect, most often on the phone. This form of business communications may precede negotiations or be a part of the negotiating process. 2. Business negotiations - the main means of coherent decision-making in the process of communication of stakeholders. Business negotiations are always purposeful and involve transactions, the signing of agreements and contracts. 3. Interview - used for personnel matters: in hiring, dismissal. 4. The argument - the clash of opinions, disagreement on any issue, the struggle for defending their own positions. The dispute can be realized through the controversy, debates, discussions, etc. 5. Business meeting is a brainstorming by a team of specialists. 6. Presentation - The first official presentation of some yet unknown or little-known products, the company and its creators to the interested audience. Presentations are used to inform

and convince potential customers and partners to purchase specific products or services. 7. Bidding - this way of sale and purchase of goods, placing orders for the contract works by attracting offers from several suppliers and contractors and then selecting the best one of them. As a result, trading is legal transaction with the business partner who offered the most favorable terms. 8. Business Writing - generic name for documents that differ in their content and the way of delivery. 9. Press conference - an event for the media, held in cases where there is significant public news. Takes place when the organization or particular famous person directly associated with this news has a wish to announce or comment on this news that would be interesting and important to the public. Any form of business communication is unique, has original character, as it involves different participants each time, new conditions and the subject. But, nevertheless, all forms should be designed in accordance with specific, universal principles of business ethics. As said before business ethics is an integral part of business and partner relationships, but severe conditions of modern world economy tend to push people to disobey these so-called moral rules. Money blinds. Modern day monopolists, the sharks of the business, see ethics as a way to settle problems, but not as a way to avoid them. It is funny how people like to talk about the business schools; call them unethical, unmoral and how people with MBA are heartless and always in seek of the profit. As an example you for sure can hear about the Enron case, said to be the perfect example of the unethical behavior of the leaders of the company. Enron Corporation founded in 1985 from the merger of two gas companies from Texas and Nebraska. It became the first company with an all-American network of gas pipelines.

Initially the company specialized only on gas, but eventually involved electricity in its business as well.

Enron Corporation being one of the biggest and most influential electrical power companies on the edge of the third millennium went bankrupt in 2001 having 22000 employees on board at that point of time. It happened due to the lack of proper management. If not proper, but at least it should have been directed in the right way. The main goal pursued by the higher management of the company was to maximize the income, nothing unusual, but it was done as some might say in an unethical way. The prime accusation against Enron was the falsification of the accountability of the company, which led to the delusion of the investors.

For all of this fraudulent activity to take place, thousands of juridical people have been created; many offshore daughter companies have been involved. For example, only one domicile (Georgetown, / I 1350) in the Cayman Islands had 692 subsidiaries registered of the energy giant that Enron has been. Fake companies, you would say. Not so simple. All of these offshore companies were set up perfectly legal to supply the relevant reports to the tax authorities of the United States. And, in addition, Enron's offshore activities have been approved by its board of directors, attorneys and outside auditors - by " Arthur Andersen". Although this set up scheme is extremely difficult, in fact, it is quite simple. On the one hand, transaction with electricity conducted through subsidiaries, gave the opportunity for the net cost to grow, accordingly the selling price of electricity has soared. On the other hand, Enron's debts which it did not want to advertise were being processed by the offshore companies,

United States legislation does not allow simply moving profits to offshore for tax evasion and stay clean, at least formally, in the terms of the law. But the crooks at Enron didn't need that. Offshore was used not for profit but, for losses. The question arises - why? This allowed them to significantly improve the financial performance of the corporation, and therefore the price of its shares grew up in. Corporation captures more and more of the market share. This allowed its management and employees to receive multi-million dollar bonuses. Thus, the CFO of Enron, Andrew Fastow, who developed this grandiose scheme, received over \$ 30 million from the activities of offshore companies. His aide Michael Copper - \$ 10 million. Thus, a conflict of interest the corporation and its employees appeared. Debts stored in the offshore had to come up eventually. It happened in 2001, when Enron's debt was about \$3 billion. In December of 2001 Enron Corporation has declared its bankruptcy, 22 thousand people have lost their jobs, and over \$1 billion invested in retirement insurance has been lost. This will later be called the greatest scandal of the XXI century. Do you think any kind of ethics has been involved here? Probably not!

John Maxwell a writer and an independent speaker wrote a book called "There's No Such Thing as " Business" Ethics: There's Only One Rule for Making Decisions" in which he explains how nowadays business works and that if the actions that you undertake are favorable for the company, personal and the consumers, then such actions can be considered ethical, regardless to what they are.

Let's not forget about the fact that business has always been about money and people are willing to do terrible thing for it. Therefore, objectively

speaking, conception of ethics as actions that would not cause harm to anybody is irrelevant to business in general and to modern ways of doing business in particular.

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