

# [Good ethics in the workplace research paper example](https://assignbuster.com/good-ethics-in-the-workplace-research-paper-example/)

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## Abstract

Research finds that non-unionized employees discern stronger ethical cultures within their organizations and companies than their fellow unionized counterparts. Other reports also depict that young workers are more probable to recognize weak ethical cultures within their organizations than older ones. On the other hand, managers also tend to esteem stronger ethical cultures within their organizations than employees that are not in management positions. The onus is on the manager to manage and incorporate a strong ethical culture in their business. However, it is not solely their responsibility since the employees are in a position of helping out in the assessment of ethical violations. Workplace ethics are distinctive to one’s business and they offer numerous benefits. It is vital to note that unethical behavior within an organization either among the employees or management results into very serious ramifications especially towards the specific business. This paper will evaluate the ethical workplace culture and highlight on the fundamental areas of essentiality.

## Introduction

Ethics describe the organizational values that a company demonstrates in its practices, policies and goals. The aim of ethics is to establish the heart of a workplace’s culture. The quality of experience that an organization holds relies wholly on its culture’s quality. Whether it is an employee or client, a positive culture enriches and enlivens a firm’s experience whereas a negative culture disparages it. Each year, approximately half of all American employees report the witnessing of illegal or unethical conduct in their workplaces. The majority of such events end up unaddressed and unreported. The costs incurred due to unethical behavior within the workplace environment can be staggering. Over half of the ten largest corporate bankruptcies since the year 1980 including Lehman Brothers, WorldCom and Enron, were ramifications of unethical business practices. The cost to the economy and owners in general was almost ten percent of the American gross domestic product in the year 2011 (Bredeson, D., & Goree, 2012).
In 2012, corporations paid over eight billion dollars in the form of fines due to defrauding the American taxpayers and government. Financial records have attested to the primary cause of the 2008 crisis to be the chronological breakdown in ethical department (Bredeson, D., & Goree, 2012). This has led many into regarding the financial and banking services with great distrust. Currently, it is unfortunate that only fifty percent of American citizens trust banks in whatever they undertake in terms of services. On the other hand, organization that record and maintain ethical workplace cultures have resulted into higher profits because of the gain of integrity from the public society. In addition, such organizations have their leaders to thank since the management in general earn trust that runs high within the workplace. Businesses with ethical workplace cultures are able to outperform their peers and competitors in all categories and particularly in the stock price growth.

## Foreign Corrupt Practices Act

The FCPA or Foreign Corrupt Practices Act of the year 1977 underwent enactment for the aim of making it illegal for specific classes of entities and persons to make payments to some foreign government officials to help in the retainance of businesses. The FCPA’s anti-bribery provision prohibit the use of mails and any other instrumental means of interstate commerce in a corrupt manner promoting any payment or offer to any individual (Larmer, 2002). This is so when one knows that the money will be given directly or indirectly, to a specific foreign official to alter their official capacity. In addition, it may also influence the foreign official by inducing them to carry out a violation deed of their lawful duty or even secure an improper advantage to help in the retainance of business to any individual. The FCPA applies to all Americans and specific foreign securities’ issuers. With the current amendments, it also applies to foreign individuals and firms that make corruption payments.

## Ethical Theories

Ethical theories offer a framework that enable the judgment of the wrong or right decisions in a specific environment. There are two primary categories of ethical theories, which are consequentialist and non-consequentialist theories. Consequentialist theories define if the ramifications are positive, then it means the action is right and vice versa. However, the category further classifies into the egoism and utilitarianism theories. Egoism is the view that equates self interest and morality. An egoistic individual claims that a deed is right morally only if it is in their best interests. On the other hand, utilitarianism contends that people should bring about positive attitude for all those affected by others actions. The utilitarianism theory best works in the formulation of organizational policies. In addition, it offers an objective manner of resolving conflicts regarding self interest (Johnson, 2007). The theory also provides a result oriented and flexible approach towards moral decision making. This is mainly because the theory evaluates actions in accordance to their ramifications.

## Employees’ Role in Workplace Ethics

The human resource department should never underestimate their role in the implementation of an ethical workplace culture. Surprisingly, employees are in a position of taking up the responsibility of policing ethics within the workplace environment. This brings out the implication that employees should be informed and educated on their employer’s code of conduct and ethics policy. In addition, they should also be vigilant in detecting and pointing out any possible ethical violations in an organization. This should be part of the job that they have been employed to because if any unethical practices take place in the organization, the human resource department will be among those affected greatly. Much of the burden for evading ethical violations falls on the employees since they are in a strong position of noticing the occurrence of ethical breach. Moreover, they work together as co-workers hence they are able to witness their ethical breaches and dilemmas during the absence of the supervisors. This does not mean that an employee should assume the role of a judge or police officer (Nish, 2005). It simply implies that the onus is on them to assist in the creation and maintenance of an ethical culture within the workplace.

## International Ethics

International business growth motivated the multinational corporations to establish universal ethical standards. One of the fundamental reasons that underlie this fact is the perpetual search for other competitive advantages by companies. It is not surprising that ethical workplace culture has a strong link to a lucrative business. Researchers’ records depict that an organization’s culture is the most firm predictor of the amount of market value that an organization will generate for every single dollar invested by shareholders. Between the years 1993 and 1998, the stock market returns in publicly traded firms that had very strong cultures evidently outperformed the stock market by an average estimation of twenty percent (Nish, 2005). This brings out the implication that investors that in the year put a thousand dollars into the average stock market portfolio in the year 1993, with reinvesting interest gaining annually, would have earned triple by the year 1998. If those investors had invested that equivalent amount of money with firms holding the most congruent and strongest workplace cultures, they would have earned a total of five thousand dollars instead of only three thousand dollars (Nish, 2005). This portends that a positive workplace culture predicts an organization’s shareholder value through the enabling of a superior value creation. The ethics of an organization’s culture plays a distinctive and active role in the sustenance and creation of value.

## Ramifications of Unethical Behavior

The existing relationships between the employees and the management assume a negative connotation, thus damaging the trust and integrity that had been establishes previously. When the employees take after their unethically behaving leaders, their productivity and performance reduces with great value. This in turn, plays a major role in the profit deterioration of the organization since low profits serve as a repellant source for investors. The legal issues incurrence such as federal or state investigations and suits occur due to the suspicion of unethical and illegal deeds in the organization (Roth, 2004). This attributes to the tainting of the business’ image making clients and other potential customers to be questionable in their involvement with the certain organization. The available and most harmful ramification of unethical behavior is the lowering and disavowing of an organization’s credibility with its partners. This is because for the organization to revive and rejuvenate again it will prove to be extremely difficult to repair the damaged relationship with its society.

## Conclusion

The building of an ethical workplace culture needs equal skills in relationship building, policy-making and equal reiteration on values and procedures. Structural concerns such as clear criteria, training and codes matter, but also mentoring, storytelling and presiding over the organization’s ceremonies and routines are essential too. In an ideal working environment, relationships and structures will work hand in hand around core values that surpass self interest. Core values inspire the efforts required in the creation of value since the employees will receive inspiration to do the right things, even in times of difficulties and challenges. Ethical workplace cultures are very essential to a business because the work itself matters and it needs the cooperation that only virtuous, positive ethics can sustain. Compliance bars a business from trouble, but virtuous ethics establish value for an organization together with its co-workers.

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