

Absolute and relative ethics commerce essay



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There are many approaches to ethics. I will briefly outline two types of theoretical approach to ethics and their implications: principle-based approaches, and character and relationship-based approaches.

Principle-based approaches to ethics:

It is important to understand this concept. This approach has often been based on two different ethical traditions – Kantianism and utilitarianism. Immanuel Kant, was a German philosopher (1724-1804) in the eighteenth-century. He developed a theory of ethics.

This approach to ethics is known as ‘deontological’ or duty-based. It plays a vital role in moral philosophy and also in professional ethics. ‘Persons’ are considered to have rational and self-determination – it means they are capable of making choices and acting upon them. For deontological ethics, the important thing isn’t the result or consequence of the action, but the action itself. If the action is wrong, in and of itself, then don’t do it.

This approach mainly has its focus on respect of the service user and also that he can make his own decisions. The main principles in this approach are to maintain confidentiality, obtain informed consent, no discrimination or offering misleading or false information. For Kant, it would be morally wrong to perform any action which is based on false information even though the end result is beneficial. According to this approach, we must all respect individual’s choices.

Utilitarianism, on the contrary, is a teleological theory. It is particularly associated with two British philosophers, Jeremy Bentham (1748-1832) and

John Stuart Mill (1806-1873) (Mill 1863/1972). Also known as the consequentialist theory of ethics. The main difference lies in the concept and it is in striking contrast as compared to the Kantian ethics. The moral worth (rightness or wrongness) of an action is said to lie in its consequences; hence if we have to decide if an action is right or wrong, we have to weigh pros and cons and also anticipate. According to this concept, if lying leads to good results, it would probably be good to lie. This theory relies on the fact that whether something is right or wrong depends on the result or end of that action. Theories that are interested in ends are called teleological. The name has originated from the Greek word for 'end' - telos. For a teleological ethical thinker, the end justifies the means. The believers of this theory argue that the rightness of an action is judged by the end it produces.

In my opinion, people consider both types of ethical principles in making decisions. We have to make a judgment that ensures that we are looking at individual's best interest or the welfare of the society at a bigger scale.

Absolute and relative ethics

Absolute ethics holds that there is one universal moral code which is final and applies equally to all men of all ages, and that changing situations or changing views make no difference whatsoever to this absolute moral code.

Relative or relativistic ethics holds that the moral standard varies with different circumstances. There are so many cultural and religious differences and in some circumstances, it may be ethically correct to do certain things but in other situations it might be completely immoral. For example it is right for Muslim people to have four wives but for a Christian man this would be considered immoral.

Examples of ethical issues which can affect the operational activities of a business.

The advantages of ethical behaviour include:

Higher revenues – demand from positive consumer support. This will also lead to improved brand and business awareness and recognition. If the business is running in an ethical manner, it would also lead to better employee motivation and recruitment. And finally the business will grow because of new sources of finance.

But sometimes the situation is difficult and there are some ethical issues faced. It can be difficult to decide as to what is right and what is wrong.

Certain examples are:

Use of child labour and forced labour: It is against the law to use children for work or to employ someone to work for you against his or her will. They might need the money but it is unethical. Even if the child or his parents agree and provide their consent, it is unethical and illegal to use child labour and do forced labour.

Production in sweatshops is also unethical. Sweatshop is a factory or production place where the working environment is considered to be unacceptably difficult or dangerous.

Employee Working Conditions: employers must be aware of the safety of their work environment and must make sure that they pay their employees adequately. An employer should take ethics into consideration while giving a

very difficult task or asking an employee to stay for long hours outside the working times.

Violation of the basic rights of workers: All workers have the basic rights. Everyone is entitled to a break when they have worked continuously for long hours. Even if there is a deadline to meet or there is lot of work to be completed, we must ensure that the basic rights are provided to all the workers.

Ignoring health, safety and environmental standards: Sometimes due to financial restraints the employer is not able to cater for the health and safety and it doesn't meet the required standards. There is no excuse for this type of behaviour. This would be considered unethical.

Employee behavior: This can be a matter of debate. Should an employer allow his employees to read their personal emails at work? If the employee makes any complaint of harassment at work, how will the manager deal with it? These are few examples of ethical issues regarding employee behavior.

Supplier/Customer Relations: must consider whether it is ethical to do business with other business workers who have unethical practices.

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Ethical Issues in Business: Inquiries, Cases, and Readings, Peg Tittle, Broadview Press, 2000

Current Issues in Business Ethics, Peter W. F. Davies, Routledge, 1997

Task 2

An objective can be described as particular future state of things to be achieved by the business. This could be described as a desired destination or result. In business, it is usually expressed in terms of profit.

There can be business or long term objectives and functional or short term objectives.

Market standing, productivity, innovation, financial resources, profitability, manager or other worker's performance and also public and social responsibility will be the business or long term objectives.

While profit, customer orientation, survival and growth, increase in the sales, increase in the market share and efficiency are all functional or short term objectives.

How far the company or a business will go to achieve these objectives varies from one business to the other. There are so many legal and ethical issues to be aware of. For example, the company wants to grow and make more profits. They have found a defect in the product they are selling but people are buying it and have had no complaints so far. It is against the moral and ethics to keep selling that product.

Another example can be if a business is providing expert help like consultation to the public. If the person is not adequately trained and not authorised to provide that help, this is also unethical. This may be bringing in the desired profits and also the company is booming with clients. But is the employer's responsibility to understand that this conduct is against the ethics.

Stakeholder groups vary both in terms of their interest in the business activities and also their power to influence business decisions.

Shareholders are important as their interests would be profit growth, share price growth, dividends. They have the power to elect the directors. It might be a practice to keep them happy with materialistic gifts and rewards but it is unethical and a good business should be staying away from such practices.

Banks & other lenders are important as stakeholders. They help the business by providing the money. We have to take into account the ethical consideration while dealing with the banks and other lenders. Their job is to see that interest and principal to be repaid, maintain credit rating. They can enforce loan covenants and withdraw banking facilities.

Directors and managers as stakeholders have important role to play. They deal with salary, share options and job satisfaction. They also make decisions, have detailed information about the company.

Employees are a big part of the group as stakeholders. To promote ethical behaviour, salaries & wages, job security, job satisfaction & motivation

should be appropriate. If it is ethical, the result would be good turnover, industrial action and better service quality.

Suppliers would be interested in long term contracts, prompt payment, and growth of purchasing. We should take ethics into consideration while deciding pricing, quality, product availability

Customers play indispensable part as stakeholders. They will always expect reliable quality, value for money, product availability and customer service. This is when ethics come into play. Many businesses will go to any limit to please their customers because they will generate revenue. If the customers are happy, they will spread word of mouth recommendation.

Community is also important as a stakeholder. Business people must ensure that the business is safe and is in accordance with health and safety rules and regulations. It is unethical to run a business which does not comply with these rules. Environment has to be safe. A business should generate local jobs which will help to provide employment to the people in the area.

Government is also a stakeholder as the higher authorities will make the laws and these must be followed at all times by the business people.

For establishing an ethical standard for business it is important that we have more than just a written policy. So that we can ensure that ethical standard is being met, we must comply with adherence to and enforcement of that standard by everyone. That includes who have written the policies and who run the business. More than long written documents and policies handed out

to every single employee, our behavior, practices, and deeds are the foundation for creating an ethical standard.

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Introduction to Travel and Tourism Marketing, J. Alf Bennett, J. W. Strydom, J. A. Bennett, Juta and Company Ltd, 2001

Task 3

A “moral agent” and is it true to say that a business is a moral agent?

A moral agent is a being that is capable of acting with reference to right and wrong. We can also describe moral agent as anything that can be held responsible for behavior or decisions. Moral agents have rights and responsibilities. If we do not believe that anything or anyone should ever be blamed or has the responsibility, then we are going against the concept of moral agency, and not accepting the concept of responsibilities and rights.

A moral agent must be a living creature, as they must be able to understand the basic moral principles and use them to make decisions. They must have self-consciousness, ability to memorize, moral principles, values and the ability for reasoning and making judgments.

In my opinion, increasingly, businesses are being seen not just as profit making entities but also as moral agents. They are accountable for their conduct to the employees, customers, investors and suppliers. Companies

are chartered as citizens of the state or the nation so they have the same responsibilities and rights as individuals. Society holds the companies accountable for the behavior of their employees. When certain business advertises about them, they refer to benefits, compensation or competitive practices; they earn a reputation as a moral agent. Companies are required to obey rules and regulations that define acceptable business conduct.

Though obviously not a person, a business can be considered as a societal moral agent. If a business is not run ethically, it could face huge penalties or fines from the regulatory bodies.

Businesses should endeavor to get their employees involved, especially in relation to the ethical performance of the business.

Employee involvement and participation are aimed at raising employee's performance and commitment. There should be nice policies outlined for each business and all the employees should be well aware of those policies and guidelines. Each individual in the company should have clear understanding of their roles and therefore be able to work ethically.

There should be frequent meetings and discussions between the employer and the employees. Any issues which are unclear or employees are in doubt about their role in ethical consideration; they should be able to get help at all times. Full training should be provided to people so that their role in the business is clear and they know what defines their job roles.

In order for the business to perform well and maintains high ethical standards, employees should be fully involved. This task should not be

limited to one or few individuals but it necessitates teamwork. Each employee should be the part of the team which is working towards the common goal of a profitable business but not at the cost of ethics.

Recent business scandals have drawn public attention toward the ethics of businesses. Although researchers have shown a small correlation between the ethical activities and firm financial performance, it's not clear how the process works. When individuals see their company is maintaining higher ethical standards, they become more committed to the company. This commitment in turns starts organizational citizenship behaviors toward other employees, and these behaviors in turn gradually lead to better financial performance.

The level of an individual's involvement with his or her employer is the strongest mechanism by which business ethics leads to financial rewards. When a company produces and adheres to strong ethical guidelines, this offers employees a clear idea of what's expected of them on the job. Less job ambiguity leads to greater productivity.

Employees should help each other. Employees going above and beyond their job descriptions to help each other, such as helping others who are behind on their work-is one of the main process that will lead to good productivity. This type of behaviour proves beneficial as it means key activities get done, regardless of who's doing them.

We must use a code of ethics and guidelines in accordance with legal and professional standards in addition to human resource practices such as ethics training. Employer should always be patient and calm. They must

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realise that some of the new employees will take some time to get adjusted to the new environment. After full training, they will all be working towards the common goal of financial success. So it is vital that employees get involved and empowered in relation to the ethical performance of the business.

References:

Business Ethics: Ethical Decision Making & Cases, O. C. Ferrell, John Fraedrich, Ferrell, Cengage Learning, 2012

Ethical Issues in Contemporary Human Resource Management, Diana Winstanley, Jean Woodall, Palgrave Macmillan, 2000

Task 4

The business I have chosen is a private learning centre or an academy. This academy offers many vocational courses to different students. The centre is not working ethically. They get to know the question papers well in advance and they offer help to the students during their final exams. Students are not complaining because they are getting excellent results because of the help being provided. One other main cause for ethical consideration is that the teachers are not fully qualified to be able to deliver the courses.

Business is running successfully and also making lot of money. It is easy to attract lots of students who want to pass their exam in an easy manner without any hard work involved.

Under qualified teachers are charging less money to the employer so in this situation, the employer, employee and the service users are all happy.

But let us discuss this by taking ethics into consideration. For example a student has done first aid course and now he is the proud owner of a certificate too. But the main question is that will be able to handle the situation in case of an emergency.

To improve the ethics of its operations and also ensure that the centre is meeting objectives and ensuring good employer/employee relationship, a lot needs to be done at the centre. Employer must realise that this is unethical. Exams should be held in strict conditions and no help should be offered to the students at all. It is unethical and against the law. If any inspection agency knows about it the whole business could face serious charges and risk closure. Then the students' future would also suffer.

This business could improve a lot by considering each aspect of their business ethically. Offering help to the students and employing under qualified teachers is against the law. This will not lead to brighter students. And this private company is not doing any good. These serious issues need to be considered and thought over and strict action needs to be taken against this company.

Teachers should be fully qualified and suitably trained. The exams should be held in a transparent manner with no help provided. Practice classes should be offered to the students, if needed. If the students can afford, they should be offered help with their syllabus and practice sessions.

What is a "code of ethics"? Design a suitable ethical code for an organization of your choice.

A business should set high standards of professionalism, ethical behavior should be promoted, attitudes and judgments.

Code of ethics should focus on multiple relationships - where the employer owes an allegiance to different stakeholders;

Personal relationships should be adequately emphasized in code of ethics.

Code of ethics should set adequate standards of practice.

Breaches of confidentiality should definitely be explained clearly and rules should be detailed accordingly.

Competence - where excessive or claims are made or people trying to mislead, this should form a clear part of code of ethics and how to deal with such situations in business.

I have designed a suitable code of ethics for a company called ABC Learning Academy. It is a private institute which provides vocational courses to the students. Mostly adult learners and the staff constitute of director, board members, managers, teachers, administrators, cleaners and helpers. This code of ethics would guide the staff members in times of difficulty and lays a strong foundation of ethics which need to be considered while making any decisions at workplace.

Conduct

Personal behaviour - it is expected that all staff members will:

Act ethically and integrity, in the best interests of ABC Learning Academy at all times;

Take individual responsibility to contribute actively to maintain adequate teaching and administrative standards.

Honesty is the best policy at all times,

Not to inappropriately to influence or discriminate amongst the employees.

Must comply with at least 75% attendance;

In case of any doubt, always ask for help from your colleagues or senior members of the staff,

Treat colleagues with respect and courtesy.

Not to discriminate against colleagues, members of the public or employees.

These matters would be dealt seriously;

professional workplace atmosphere to maintain harmonious, safe and productive environment;

Conflicts of interest - it is expected that staff members will:

Not disclose any personal or business interests at ABC Learning Academy;

To take ethical decision and not getting influenced by the conflicts of interests,

If there is any conflict, there should be right policies to take appropriate action.

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Public interest should be the priority if any such conflicts of interest do arise,.

Communication and official information – it is expected that staff members will:

Communicate amongst them so that there are no gaps in information available about students and their data.

Not disclose official information or documents like students records, assignments, individual learning plans, other than as required by law or where agreed by decision of the board;

the business of ABC Learning Academy should have all data dealt as confidential information;

All decisions of the ABC Learning Academy will be final decisions but people should have the right to appeal.

Respect the confidentiality and privacy of all information of students and staff.

Use of public resources – it is expected that board members will:

An financial material that comes before the ABC Learning Academy should be confidential and staff should act with responsibility and understand this concept; and

ABC Learning Academy credit cards, transport or miscellaneous expenses should be recorded with receipts to be produces and available at any point of time.

In addition, staff members must commit to:

If any staff member is aware of any misconduct, they should be able to report it to the right team,

Good management should be done at the centre and it should work towards enhancing the reputation of the board of ABC Learning Academy.

Data should not be copied and staff should not copy or distribute the data and understand the concept of copyright and plagiarism.

Health problems should be reported adequately because they can have significant impact on the work efficiency.