

# How business ethics can help to companies

[Business](#), [Business Ethics](#)



Business ethics can be defined as “ written and unwritten codes of principles and values that govern decisions and actions within a company. ” (Love to Know, n. d. ) Behaving ethically is extremely important for businesses in order to cultivate an image of responsibility and grow a loyal customer base. Companies have a moral obligation to help the communities from which they profit to grow and prosper. Company Q, a small local grocery store chain, has recently closed two stores. These stores were located in a high-crime area and the company reported that they consistently lost money.

The area's foodbank requested that Company Q donate day-old merchandise, which management denied. The decision was made to throw away the unused food and the reasoning was that revenue might be lost due to stealing or fraud. Customers of Company Q began requesting more health-conscious and organic products years ago. The company decided to offer a limited amount of these high-margin items. Company Q is not acting in a socially responsible way by closing the stores in the high-crime areas. They had created a local brand and employed members of the community.

By closing these two stores, Company Q would only be furthering the the decay of the community by creating more empty store fronts. Once the stores close, its employees would be without work. This will also contribute to the decline of the community. The loss of the local stores would be a hardship to residents, because they would have to spend more time and money to travel further to get the essential items they need. This added hardship would most likely have an effect on the community since there would be fewer resources available to help improve the community

Company Q could help contribute to the revitalization of the local areas by increasing their presence in the community and expanding programs designed to engage and include community members. One way to help the company deal with the loss of money from these stores would be to create a more visible security presence. The visual deterrent of security guards, cameras and perhaps even increased police presence could help create a safer environment in which the residents could shop. The area food bank's request for day-old product donations would be an excellent way for Company Q to prove their commitment to the community. By helping the local food bank, Company Q would simultaneously help the community's less fortunate citizens and it help improve their own corporate image. Community interaction and support should be intimately associated with the corporate well-being of the company, as good community stewardship is a very important factor in evaluating the value and social "worth" of the company. Throwing away food instead of donating it to needy food banks conveys the image that the company does not have a commitment to the community and its people.

Neighborhood residents see food being thrown away that could help improve their lives and the lives of those around them and have no real incentive to help make sure that Company Q's stores prosper in their area. The decision by management to not donate food due to fears of employee theft and fraud shows that the company has no faith in the employees that they have hired. By partnering with their employees and leading by example, Company Q could increase employee loyalty and help show the community that the company does care about them.

Employees that are loyal to the company could go above and beyond in their pursuit to have their stores thrive. Offering a more robust organic foods and products selection would certainly benefit the community. Since these items are higher-margin items, the company would prosper even more. Acting in a more socially responsible and ethical manner could help Company Q keep the stores open that they are planning to close. It may also allow them to expand. References Love to Know Business (n. d) Retrieved from:

[http://business.lovetoknow.com/wiki/A\\_Definition\\_for\\_Business\\_Ethics](http://business.lovetoknow.com/wiki/A_Definition_for_Business_Ethics), on December 8, 2011