

# [Free research paper on corporate ethos and business ethics](https://assignbuster.com/free-research-paper-on-corporate-ethos-and-business-ethics/)

[Technology](https://assignbuster.com/essay-subjects/technology/), [Development](https://assignbuster.com/essay-subjects/technology/development/)

- INTRODUCTION
Whether businesses should have good corporate ethos and business ethics in order to be successful is one would hope, no longer under question. This implies that no one is required to justify the significance of having ethical business organizations as argued by Milton Friedman (Friedman, Savage, & Becker, 2007)). However, it is still crucial to determine how good corporate ethos and business ethics influence the performance of a business.
Business ethics and corporate ethos have been used interchangeably over years to define the achievement of business success through ways which honor the ethical values and respect communities, people and the environment. Business ethics may also imply addressing commercial, ethical, legal and other expectation which the community has for the business, and arriving at decisions which equitably balance the assertions of all stakeholders. In that essence, business ethics and corporate ethos are seen as an all-inclusive set of practices, policies and programs which are assimilated into the operations of the business, supply chains, and the processes of making decisions across the organization; wherever the organization conducts business and involves responsibility for immediate and previous actions alongside future impacts. Over the recent past, more organizations have been engaged in serious exertions to define and incorporate corporate ethos and business ethics into each aspect of business as experiences are being augmented by an increasing body of substantiation that business ethics has a positive effect on business. This paper presents an argument for business ethics as a perquisite for each business to be successful.
- THE NEED TO HAVE CORPORATE ETHOS AND BUSINESS ETHICS
A growing body of both qualitative and quantitative research has demonstrated the threshold benefits of integrating corporate ethos and business ethics. Organizations are required to truly act in a manner which goes beyond virtuously profit based inspirations towards a prototype which work for each person; that is the triple upshot (people, planet, profit) for them to be successful (Daft, 2001). The ethical approach to business underpins the system and structures used to guarantee good governance and its absence results in failed governance. The significance of corporate ethos and business ethics may be highlighted under the following factors:
- Long term growth
Various organizations are realizing what most businesses managed by the owners have known for a while; that is, steady profits are well better in the long run than enormous profits with greater uncertainty. By concentrating on the future, business should focus to avoid recklessness which results in enormous organizational collapses, and balance sheet holes and enormous risks (Smith & Johnson, 1996). Each organization has been forced to acknowledge this and try to make their profit allocations more reliable on long term value than the performance of the current year. The only hope to this approach is having the leaders of business acknowledging the significance of corporate ethos and business ethics; leading to shift to a sustainable growth model. The only way to successfully change a huge clumsy vessel which is a global business organization is to concentrate on the benefits of the business. Although it seems hypocritical and contradictory to position at the heart of change self-interests, the only thing which offers hope is the conclusion. Basically the significance of corporate ethos and business ethics is motivated by the ethics and morality of individuals and majority of them are basically self-interested. However if it is in the best interest of the people to be ethical then there is a potential it will drive real change.
- Risk and cost reduction
One may argue that an entrepreneur can manage a business in a way he or she desires. At an initial glance, a case would seem to exist for this provided no other shareholders are engaged and only the entrepreneur’s money and the acquiescence of the trading partners and employees is at risk. Nevertheless, the observation of various behavior standards in various business situations leads one to realizing the relations between the discernment of ethics that permeates a business and the level of loyalty and trust which exists amongst employees and the management (Hirschland, 2006). The conclusion which an individual can draw from this is that trust and loyalty are essential in terms of effectiveness and efficiency with which an organization can be managed, and the related cost of control system required. That is, a business with good corporate ethos and business ethics will probably spend fewer funds securing itself from fraud, and also less on industrial relations to sustain common purpose and morale.
- Anti-capitalist sentiment
The attractive profits of business attract various negative sentiments form individuals outside the business arena. People often suspect that enormous profits are always achieved through unethical ways which often result in public failures. More so, businesses which continue to record high profits amidst the financial and economic crisis, this is a large scale generalization by the public. However, it cannot be ignored; business should ensure that they instill good corporate ethos and business ethics to cushion against the effects of this bad publicity as it adversely affects performance (Velasquez, 1998). The public sentiment may result in a crisis where the business may not seek capital to its investment plans as a result of it.
- Limited resources
Lastly, the world has limited resources. The biggest human error over years is failure to realize and attempt to reduce use and maximize recycling and re-use. Although global plans have been initiated to reverse this trend, there is still a long journey to go. Businesses are expected to realize this trend and effect specific ethical strategies to solve these environmental and sustainability issues as they impact on their performance (Velasquez, 1998).
- CONCLUSION
- REFERENCES
Barney, J. B. & Griffin, R. W. (1992). The Management of Organizations: Strategy, Structure, Behavior. Boston: Houghton Mifflin.
Daft, R. (2001). Organization Theory and Design. Cincinnati, Ohio: South Western.
Friedman, M., Savage, L. J., & Becker, G. S. (2007). Milton Friedman on economics: Selected papers. Chicago: University of Chicago Press.
Hirschland, M. (2006). Corporate Social Responsibility and the Shaping of Global Public Policy. New York, NY: Palgrave Macmillan.
Smith, K. & Johnson, P. (1996). Business Ethics and Business Behaviour. London: International Thomson Publishing Co.
Velasquez, M. G. (1998). Business Ethics. Upper Saddle River, N. J.: Prentice-Hall.