

Essay on business ethics

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



Introduction

To illustrate the various aspects of business ethics and religious perspectives, a study was carried out in a CPA firm. This company is owned by Myron D. Solomon who is a CPA and he was interviewed for purposes of this study. This is a small firm located along Dundee Road, Buffalo Grove, Illinois. His firm provides accounting services for small and medium sized companies. It is estimated that his business revenue is less than \$ 500, 000 annually. Myron D Solomon does not employ full time employees. He shares office space and employ with two other CPA offices and a third entrepreneur in a different line of business. The business is typically busy in the Tax Season (peak) and slower during the rest of the year.

This firm was chosen for investigation because it is a CPA firm which is in line with my major which is in Accounting. It is therefore easier to relate to ethical considerations faced by an accounting firm as I understand the challenges unique to it. It is important to explore this organization because it provides a good basis for ethical practice as it employs people from diverse cultural and religious inclinations. It will be interesting to explore how this small firm handles its ethical issues. The process will focus on aspects of business ethics employer-employee relationship, the hiring and firing procedure and religious perspectives in handling business operations.

Summary of Interview

Myron D Solomon, who owns the CPA firm, was interviewed for this study. He was first questioned regarding how he hires and fires his employees. Mr. Solomon does not fire his employees during off seasons at the end of the

year. He believes that it is unfair to fire employees when you do not need them. When the off peak season is on, he advocates for part time employment. He does this by creating three part time schedules which are based on the employees' work schedules. In this system, one employee may work on a given task for a number of hours before another employee takes over and continues to work on the same job. Mr. Solomon then pays his employees by the hour. This system ensures that he retains his employees, which fosters company loyalty (Solomon, 2011).

The interview also explored Mr. Solomon's views on his relationship with his employees. Mr. Solomon felt that he enjoyed a good working relationship with his employees. He said that he based his relationships on mutual respect and understanding. He was also considerate of their work and family schedules. For example, he ensured that his employees fully understood the terms and conditions of the job including occasions when working extra hours would be necessary. He was also questioned on his religious perspectives and how religious considerations influenced his work practice. Mr. Solomon revealed that it was his company's policy to respect everyone's religion and religious practices. He exemplified this by saying that he was willing to grant a day off for religious obligations, as long as the employee was willing to make up for a lost day at work. For example, if a Muslim was unable to work on Friday then Mr. Solomon would be willing to work out an arrangement where the employee would compensate missed time on a Saturday or Sunday. He also said that his religious considerations would not allow him to carry out wrong practices as he knew that it would not escape the notice of God.

Ethics of Human Relations

Business ethics demands that human rights be respected. The basis of ethics regarding human relations is the Universal Declaration of Human Rights (Ferrell, 2009). This declaration advocates for peace, justice and freedom. This includes freedom of religion, conscience and association. In the business environment, ethical problems may occur in human resource management. It is imperative that all employees are treated equitably and justly. This refers not only to employees who are currently employed, but also potential employees. A company is said to promote unethical behavior by mistreating people on grounds of their sexuality, race, gender, ethnicity or religion (Ferrell, 2009).

Solomon seems to employ good ethical practices when dealing with his employees. He first believes in full disclosure regarding the work conditions. He says that he ensures that the employees understand the commitment that will be expected from them including provisions for extra hours during the busy seasons. The employees also arrange their work schedules in such a way that is comfortable for each of them. He is also open to discussion with his employees about issues which will affect their work and is ready to reach compromises whenever required.

In this regard, Solomon's CPA firm adheres to the rules of ethics in human resource. This is because he acts in consideration of employees and is concerned about their welfare by offering work options especially during the off season where there is a reduced flow of work. It could be said that this

firm is a leader in business ethics because many other CPA firms usually fire their employees when the season slows down.

Gender Issues

Myron is very considerate of the gender obligations that may affect work relations. For example, he says that once he employs a woman, he is aware that she has obligations not only at work, but more importantly at home. He therefore ensures that his female employees are able to work for him comfortably.

Religious Considerations

Mr Myron also does not practice any discrimination on the grounds of religion. He also makes it possible for his employees to negotiate with him regarding their religious obligations. He is willing to give his employees a day off to attend to their religious obligations as long as they work out a way in which the time misses can be recompensed. In a review of how religion and business are related to each other, it is emerges that religion and business ethics have always been interconnected (O'Brien, 2006). This is evident even when conduct was limited to hard work and personal values. Studies also indicate that businesspeople were more influenced in their ethical attitudes and conduct by their religious inclinations than it may appear (O'Brien, 2006).

Religion may have a very powerful impact on how businesspeople conduct themselves. It appears that for those wishing to improve business ethical performance it would be worthwhile to explore the integration of religious practices into analyses of business issues. Mr. Myron admits that when

making business decisions, he is often faced with challenges depending on the situation. He states that all religions more or less advocate for the same thing: honesty; integrity; consideration of others; and trust. He says that he applies this when carrying out transactions with clients and his employees (Solomon, 2011).

Business ethics demands that managers do not impose their religious views on their employees. While this is the case, the managers usually use their traditional religious resources when making decisions. They are often prepared to justify these decisions on business grounds, but they cannot deny the influence that religion played in their decision making. Mr. Myron attests to this because from the interview it is clear that he does not take religious considerations primarily in his decisions, but it is definitely an influential factor when making decisions.

Mr. Myron seems to employ virtue ethics in the running of his CPA firms. Virtue ethics is concerned mainly with the character traits which help humans to flourish and demonstrate ethical behavior. Virtue ethics do not place much emphasis on rules to be followed. They focus on assisting people to develop character traits which are good. It is believed that the development of these traits will help the person make good choices in life (Ferrell 2009).

Analysis

During the interview it emerged that on various ethical practices, Mr. Myron was very clear about what was ethical and what was not. For example, he did not fire his employees as he felt that this was grossly unfair to them. He

therefore found ways to work out part time schedules which would ensure that the employees had jobs throughout the year. He was also very considerate of his female employees as he was mindful of their family obligations. It emerged however, that religious issues were a bit tricky. He said that he respected the religious inclinations of his employees and would allow them a day off to attend their religious obligations if necessary. When asked about the role of religion in his business-making process, Mr. Myron, had difficulties answering that question. He added that religion did influence his decisions in a way because he did not wish to do wrong things as it would be against God (Solomon, 2011).

This response is hardly surprising and is in fact, expected. Business ethics and the law demands that managers do not impose religious rules in the decision making process unless it is a religious outfit. While this is so, it is difficult for the manager to ignore his religious inclinations when making decisions. Often, manager's religious beliefs influence his decisions. An important consideration on a practical level is that our society is pluralistic in nature; therefore there exists great religious diversity. Legal doctrine also dictates the separation of state and church therefore citizens freely express their religious beliefs. This means that in government institutions, officially exercising religion is wrong.

In private firms, managers and owners are allowed to make their religious inclinations clear and can even subordinate their business considerations into religious goals which are specific. They are however required to show respect for other stakeholders' religious inclinations. Ethical theories are

consists of two kinds. These are theories which are act-based and those which rule-based (O'Brien, 2006). Act based theories present ethics as being morality of specified acts performed by moral agents. Rule based theories require conformation to sets of moral rules. Once the validity of a rule has been established, it is binding in most circumstances. Both of these theories have variants which incorporate contrasting theories.

In the ethical review of Mr. Myron's firm, it was found that he applied normative theory. This theory includes virtue ethics, utilitarianism and deontological ethics. Normative ethics hopes to answer moral ethics which are specific, guiding people on what they should believe. It prescribes ' norms' for those exploring ethical solutions. Virtue ethics concerns itself with the pursuit of moral excellence intended to induce ' human flourishing' or ' happiness.' Virtue ethics strongly emphasizes certain character traits which are widely accepted. It postulates that the perfection of these virtues makes the individual wholly ethical. Virtue ethics also emphasizes the existence of a community which actively nurtures desired virtues. Virtue ethics clarifies that one cannot only rely on rules, it is important to be able to exercise moral judgment which is sound (Ferrell, 2009).

Mr. Myron employs virtue ethics because he practices what is good and morally upright after analyzing the situation. In addition to virtue ethics, he also includes elements of utilitarianism. Utilitarianism focuses on actions which promote the most value or good amongst a community. It advocates for limiting the harm caused to all concerned parties as much as possible. This theory basically aims to achieve a win-win scenario for all concerned

stakeholders. The combination of these two theories is tricky yet Myron has achieved a healthy balance. This is because utilitarianism focuses on consequences. This is where ethical behavior is regarded as that which minimizes harm and maximizes good. Virtue ethics postulates that ethical behavior is motivated by moral principles and duty. Virtue ethics does not put much weight on the consequences of actions.

Summary

Mr. Myron Solomon has been successful in implementing many ethical considerations into the running of his CPA firm. He is considerate of his employees by not firing them during off seasons. He works with them to create part time schedules which best fit their individual time schedules. This ensures that his employees still retain their jobs and also helps the firm by encouraging the employees to be loyal to the company. He is also considerate of the females in his employ because he is mindful of their family obligations. Mr. Myron also accords his employees the right to be able to practice their religious obligations by being open to giving them a day off to attend to their religious obligations. This is as long as they are willing to work out a time schedule to recompense the firm for time lost.

The firm employs a blend of both virtues ethics approach and the utilitarian approach regarding its business ethics. This ensures that he carries out what is generally considered moral while ensuring that all stakeholders are happy (Ferrell, 2009). Being a small firm, Myron has been able to manage ethical issues considerably well. He, however, needs to put into consideration that

he may not always be able to employ the personalized approach and therefore must consider a more solid approach.

Recommendations

Mr. Myron should put together in a document- the Code of Business Conduct and Ethics which will define how his firm will operate. This should include guidelines on the business environment, assets protection, human rights, cultural sensitivity and social responsibility. By compiling such a document, the employees and management of the CPA firm will be able to have clear guidelines on how to conduct themselves at work and when dealing with clients.

He must also put in place clear guidelines for dealing with ethical dilemmas that may arise for example how to handle any conflicts which may arise within the organization either amongst employees or between employees and management. Inclusive in this document should also be consequences for the violation of the set codes that will have been put in place in the operations of the firm.

Despite being a small firm, he should consider incorporating Corporate Social Responsibility (CSR) into the firm's ethical ideals. This will ensure that firm gives back to the society.

He should consider having a clear policy in the Code of Ethics concerning religious days of worship. For example, Christians have the Sunday off, Jews, Saturday and Muslims on Friday. Thus when a Muslim employee takes the Friday off, he should know for sure that he will be expected at work over the

weekends. This will be helpful in ensuring that there is a set system that they will have to adhere to.

References

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