

# [Business ethics vs business responsibility assignment](https://assignbuster.com/business-ethics-vs-business-responsibility-assignment/)

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Peter Trucker, in his paper What is “ business ethics”? (1 981), makes the argument that ethics, as the “ in” subject, is defined as “ one set of rules of morality which governs individual behavior and that it applies to everyone alike”. The reason for the insistence on one set of rules is that, otherwise, only the powerful, the strong and the successful will gain exceptions. According to this paper, ‘ business ethics’ implies that acts that were done by an average person are not immoral or illegal but would be so if they were committed by a business.

By default then, this one set Of teeth CICS, would mean hat “ business ethics” is not ethics at all. Trucker believes that a Western philosopher would call it our culture’s business ethics, Casuistry – a term that means a ruler (company executive), because of his responsibilities, has to strike a balance between ethics (rules that apply to them as an individual) and their “ social responsibilities”, in this case, their company. Inevitably, Casuistry ends up becoming politicized because it considers social responsibility “ an ethical absolute” and that the responsibilities that the business and the businessman have, create a social impact.

Casuistry is doomed to failure because it has no choice but to become a tool for business executives to justify unethical behavior. Trucker’s paper goes on to state that whatever the approach to ethics in the future, it will have to incorporate the Confucian key concepts that have endured for so long. Milton Friedman wrote in an article in The New York Times Magazine in 1 970 that espoused his views on buss “ social responsibilities”. He asserted that a corporate executive, as a company employee, has the responsibility of making as much money as possible while irking within the framework of law and customs of the land.

He went on to state that in the case of a businessman, “ social responsibilities” might cause a person to make choices that are not in the best interest Of his employers, but rather, ideas that he endorsed. He might be spending money, or not charging properly, what is not his to spend or decide on. As the agent for a company, his primary responsibility is to make as much money as he can for the shareholders. Both papers assert that it is the actual individual, acting as the company’s agent, who is asserting his personal ethics or social responsibility aloes.

That individual conscience makes an impression on their society as a result of the decisions they make. The largest difference is in the final approach. Friedman’s paper clearly states that as long as a company is within the letter Of the law, anything goes. Trucker’s paper on ethics, however, makes the opposite declaration. He thinks that honesty, clearly defined boundaries, open communications, and focus on a mutually beneficial relationships are the way to go. As far as these conflicting ideas in the work place, there has to be a balance. Both of these concepts are valid, in my opinion.

Without a reasonable profit margin, a business will not last long. Bills have to paid, salaries met and a profit made to the shareholder. However, every choice has to have consequences. By sending employees to clean the streets during company hours (taking away from time they could be making products), a message is being broadcast to the local community officials that the company is concerned with the environment. By decreasing the idea that it might by polluting somewhere else, it lowers the likelihood that the occasional inspector will be more suspicious and extra vigilant while looking or infractions.

There is less money spent by keeping a reputation than in trying to fix a damaged one. A person would only need look at BP Oil to see that. In applying the concept of quality to this paper, it occurred to me that the money that may be saved in the short term by making unethical choices, whether shipping a faulty product, putting employees in harm’s way, cheating on taxes or any other imprudent choice, is small when compared to the amount Of money spent on lawyers, medical bills, warranty claims, shipping, climbing insurance premiums, and very importantly, reputation loss.

By aging ethical decisions, a company executive can clearly explain to shareholders and to the public at large, what is going on internally. In building a strong reputation for addressing social responsibilities, it creates a reputation for doing it’s best for the customers it serves. By promoting the environment, how hard (and often) would the EPA look at them? A company that has low record of injuries and has an active safety training program would not have a lot Of time and money spent fixing things right before OSHA arrived. Money spent making a product kick and work as advertised, makes peat customers a likelihood.

If the company ever sent a single product that was defective, the customer is more apt to bear in mind that this is just a fluke and would more than certainly give them a chance to make things right (and order from them again). Who in their right mind would pay an inflated price for a product that may or may not work, looks poorly made, and is not warranties? Or even a cheap price, why bother buying it when the product cannot be counted on to work when needed. By not having to spend millions of dollars in legal fees, or put into super funds that cannot be touched, the enormous monthly insurance premiums would decrease and be a huge savings.

My definition of ethics is this – using my own morals to make decisions that I can justify to myself and to others. Would I have something to hide or would it bother me if someone else knew the whole truth behind my decisions? I would define social responsibility as my Obligation to leave the world and all it’s people, better by limiting the destruction of the planet, and helping others rise up to their full potential as best as can by making smart, long term choices.