

# [Standard business conduct](https://assignbuster.com/standard-business-conduct/)

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In any enterprise, the implementation of a program that incorporates the practice of business ethics has proven to attract more investors and business partners. Investors are likely to spend theirmoneyinvesting in a business enterprise with good reputation that values ethics in any business operation, thus ensuring that their money would be in good hands and capital, plus profits could be gained in a timely manner. Moreover, foreign investors look for dependable associates who exhibit integrity and function “ on a transparent basis” (US Department of Commerce, 2004, p. 27).

With regard to making loans, international and national lending institutions and banks countercheck whether an enterprise is managed well and whether it has good records. In addition, lending institutions ensure that the enterprise has strong internal controls and financial supervision. Such enterprise is viewed by financial or lending institutions as worthy of credit risk and eventually grants the enterprise an access to capital at lower rates.

Increased Profits and Sustained Long-term Growth An enterprise that values standard business conducts is perceived to be reliable and stable overtime. This is made possible because ethical behavior is upheld and practiced by business executives and their employees in all of their business operations. Abiding with the law and the ethical standards of the community and business, the enterprise is able to establish good reputation within and outside the company premises.

Having good reputation, the enterprise is likely to attract more consumers, suppliers, investors, and other partners, thus increasing their profit and opening opportunities for expansion that would in turn sustain the enterprise’s long term growth. Increased InternationalRespectIntegration and continuous ethical business practices could aid companies in conducting business in the international arena. Standard business conduct motivates enterprises to abide by the society’s laws and regulations which furthermore require transparency.

Moreover, standard ethical business practices promote fair competition where bribery has no place. In business transactions, such fair competition encourages business partners to lessen trade barriers like tariffs and quotas. In addition, comprehensive and absolute business ethical practices help members of different enterprises and organization to manage and overcome cultural differences until they settle on common ground. These are only few of the many advantages that business enterprises could gain simply through practicing and employing ethics in their business operations and dealings.

It is also clear that being ethical in business does not only encourage financial gain but also better social, economic, environmental, and moral gains. Thus, companies are not complying into ethical standards only because they could get money from doing so; more than this, they are into business ethics because they want to do good deeds to benefit other people and to conform to the society’s norms and values and because they do not have a justifiable reason to be unethical.

Although, at first, one could draw the conclusion that business leaders are doing good acts and have gotten even far by engaging in different philanthropic and benefit-for-a-cause activities because of their financial rewards, one must also look at the costs and risks that the company is willing to sacrifice out of goodwill.

Instead of just investing the money, time, and resources in producing goods and services, these companies that adhere to ethical standards choose to share their capital with the people of the community to build trust and establish good business and social relationship. Thus, in answering the question why ethics pay and why it should pay in businessenvironment, one must not look only at the business side or interest of an enterprise.

A deeperobservationand analysis on the process and operating practices of any enterprise should also be done. The fact that these firms are offering the public a variety of products and services suggests that they want to do something good for them. Hence, ethics still pays in any business practice.

References

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