

Research paper on legal and ethical environment of business

[Law](#), [Criminal Justice](#)



Ethics are the principles that guide one in distinguishing right from wrong. Ethics has three main branches that form its foundation namely applied ethics, meta-ethics and normative ethics. Meta-ethics is the branch deals with understanding the nature of statements, judgement and attitudes of ethics. Normative ethics is a branch that deals with the action to take when one encounters a situation that requires them to take action and the rightness or wrongness of the action. Applied ethics deals with the approaches to issues from a moral standpoint (Miller 70). Every business must consider both the legal and ethical environment.

In the United States of America, the office of government ethics stipulated conduct standards that regulate the conduct of the government employees in the USA. Every government employee expects to be familiar with responsibilities entrusted to them with regard to the standards of conduct. This paper discusses the fundamentals of ethics, how the American legal system affects ethics in business and government, effects of ethical decision making in Business and government, and the laws that relate to ethical decision making in Business. Ethics and law, as pertains to the business environment, has also been compared and contrasted. A conclusion has also been made.

Discussion

The fundamentals of ethics are intelligent observations, reciprocity and non-attachment (Bowman 526). Intelligent observation is the ability to distinguish right from wrong, good from bad and so on. Reciprocity is the act of putting yourself in other people shoes and treating them in the manner one would

like to be treated. Reciprocity requires one to respond to a situation with kindness. It requires people to view the results of their action and the intentions. Reciprocity can be negative or positive. Reciprocal that is cooperative is positive while on the other hand, revenge and reciprocation of harm is negative. Reciprocal actions help in maintenance of social norms that are necessary in promoting ethical behaviour. Reciprocity has its own demerits. A person to whom the favour is done may feel a larger emotional burden and end up reciprocating by more than what he initially acquired. Nonattachment is the practice of being neutral in actions and views such that one is not biased in judgement. On the other hand, unethical conduct bases on ignorance, aversion, and attachment. Attachment can cause one to be biased (Dunfee 318).

In the United States of America, the office of government ethics stipulated conduct standards that regulate the conduct of the government employees in the USA. Every government employee should familiarize himself or herself with responsibilities entrusted to them with regard to the standards of conduct. Employees must uphold the constitution and show loyalty to it. The employees should not engage in financial transactions that conflict with conscientious execution of duties. They should not use any property of the government to their advantage but obey the rule that promote equal opportunities for all citizens regardless of colour, gender or religion. All these rules stipulated by the office of government ethics are meant to eradicate unethical behaviour by government officials in their respective docket. They encourage democratic participation of citizens. If government officials

portrayed an image of being corrupt and unethical, the public would turn away from democratic participation in national issues. By creating accountability such that if rules are broken, the perpetrator is held accountable and appropriate actions taken, the citizens would have confidence in their government and participate in national matters such as general elections (Brownman 525).

Government ethics leads to commendable public administration. In the government's process of provision of social amenities, public services, and security, huge amounts of money and property are involved. Precautions and care should be taken to void enormous wastage of the public resources.

When government ethics are well enforced, chances of misappropriation of resources such as through theft and use of public property for personal gains are markedly reduced. Issues that see public officers' sideline public interest such as bribery are also minimized. Cases of theft and fraud are drastically reduced. In a super power nation like America, the government is entrusted with billions of dollars worth of property, or actual money. Property includes movable and immovable property.

Theft ranges from trivial theft, such as, moving office property from an office to one's home to mega theft scandals like theft of cash from the public purse and large portions of land. Fraud is another expensive form of embezzlement of public wealth. An individual deliberately deceives another individual or the government so as to acquire money or property unjustly (Miller 71). Public officers may be tempted to hand in fake reports of expenditures or inflated

job invoices. In other cases, individuals may create schemes meant to drain public wealth into their pockets.

Besides those vices, there is another unethical element of abuse of public wealth for personal gains. It includes use of office equipment such as telephones to make calls that are not related to the work of the office, or the use of government vehicles for one's transport activities. The equipment is meant to be used only for execution of duties of the government (Kurbjeweit 61). Government ethics also concentrate on issues of bribery and abuse of influence. Bribery is the act in which someone offers some unjustified payment to another in exchange for some service. For example, a politician may offer a bribe to potential voter so that voters votes in their favour, or offering some gift to a person so that he/she ignores an activity prohibited by law. Abuse of influence is when a senior person approaches his junior and gives instructions that bend law. Upholding ethics will help eliminate these vices (Dunfee 321).

Ethics in government help public officials not to engage in immoral conduct. Immoral conduct may be sexual harassment such as when potential employers demand sexual favours from a potential employee. A person entrusted with any public office is expected to be a person of upright moral character. An interviewer who upholds good ethics treats the interviewee in a dignified manner thus executing his duty in the manner in which he is expected. Dishonesty is enough to see a person get fired from job. A public official should not engage in acts of dishonesty such as cheating or lying (Bowman 522). Many political aspirants have failed to win elections when

they are mentioned or involved in immorality scandals like rape and extramarital affairs. From another perspective, a public official should be judged by the qualifications for the job rather than their private lives.

Enforced ethics help in the fight against conflict of interest. Conflict of interest is a vital issue in administration of governance. A public official prioritizes his interests at the expense of execution of government's interest. A public officer may sideline the duties that he is supposed to carry out, and instead focus on his personal activities such as taking care of his businesses while he is expected to be serving the public. Issues of nepotism also fall under conflict of interest. Nepotism is when a public official does favour of employment to his relatives rather than facilitating a level ground for employment. Another typical example of conflict of interest is when an officer allocates government tenders for his company or himself. This act sidelines the greatest public interest. Many countries, like America, rules have been introduced to curb this unethical practice (Miller 71).

In governance, ethics are necessary for proper decision making. In the fight against corrupt practices, such as theft of public wealth, enforced ethics help the public official involved make sound decisions that put the citizens above personal greed. It helps also in prioritizing interests where a public official respects the greater public interest rather than his own. When formulating a code of ethics, proper guide lines should be taken into consideration. There is normally a controversy over what should be included and what should be left out during this process. Another controversy is whether, during the process of formulating a code of conduct, rules of moral character for public

officials should be included. The image of the government matters. The perception of government officials by the citizens is sometimes equitable to the actual conduct of the government (Bowman 520).

Business ethics are the principles that look into the conduct of people involved in business activities. They are the decisions that people make between right and wrong business choices. These ethics fall under the applied ethics category. In finance and accounting people are expected to uphold ethics. The activities that revolve around finance include tax payment, auditing (both internal and external), sales, and trade treaties among others. The government has put laws in place so safeguard ethics in a business environment. Also, business organizations have formulated rules internally that enforce ethics. They can be generalized policies or highly detailed policies meant to outline a business's expectations of its workers. A highly competitive market may lead to unethical conduct by business people (Kurbjewit 60). Because of continued cases of unethical scandals, the Sarbanes-Oxley act was enacted to control the trend. In business decision making, businesses require to follow an ethical framework. Wise decision making helps a business even spot the most appropriate opportunities in the business environment. The management team can avoid breaking of laws or acts that can spoil the reputation.

There exists a relationship between ethics and law. Sometimes the two overlap and an ethical deed as also legal deed and vice versa. In other cases, they do not overlap such that ethical issues are received differently from legal issues. It would be necessary for any individual to know that the two

maybe different before making incorrect decisions. Laws are the requirement while ethics are expectations. Law has its characteristics as consistent, universal, published, and accepted and are enforced. Ethics on the other hand, define what is right and wrong for a person the society. Mostly the decisions made on ethics have uncertain outcomes and have personal significance (dunfee 324).

Normally, the ethical obligations supersede legal obligations. The law usually outlines acts while ethics may take an exceptionally wide scope that is not specific. Some acts that are punishable according to law are not considered unethical. For example, speeding is illegal, but people do not consider it unethical. On the other hand, betrayal of a friend's privacy is unethical but not illegal. Purchasing of pirated software and music is illegal, but most people do not consider it unethical. This causes the manufactures of software and musicians to incur immense financial losses. Some companies promote their products using celebrities who are extremely expensive to hire while underpaying the individuals who take part in the production of the product. Most people consider it unethical, but under the law, it is not illegal (Kurbjeweit 58).

Various laws have been enacted to protect prevalence of unethical behaviour. This is when an issue happens to be both ethical and unethical. These laws normally represent what the larger majority refers to as ethical. Such a law is the Americans with Disabilities Act of 1990. This law protects people with disabilities from discrimination during employment. Most people found denying a disabled person employment unethical. Such an act is now

both illegal and unethical. A conflict would arise between ethics and law when it comes to definition disability according to law because the law must be extremely specific in the definition of disability (Dunfee 320).

The government of the United States has also enacted some statutes, commonly known as standards of ethics that publish rules meant to enforce ethical conduct. The sources of these standards are from the Administrative standard of ethical conduct and criminal conflict of interest. Some statutes such as, the Criminal conflict of interest, do not allow federal employees from taking part in some activities. This would see them place their interest before that of the government. Part 2635 of The Code of Federal Regulations stipulates principles to govern the conduct of executive employees of the federal government. In the private sector, businesses have created internal rules and regulations on ethics, and set up mechanisms to enforce them. In other organisations employees are required to sign an agreement of conduct before employment which is binding (Miller 70). Examples of these codes of conduct are The Jet Propulsion Laboratory Ethics Program and AMA Principles of Medical Ethics.

As clearly indicated above, there is a close relationship between ethics and law. This relationship is quite crucial in management in that the management team must evaluate what is legal and what is ethical. The different stakeholders in businesses have different views of what is ethical depending on their role in the business. The management must lead by example in the business's ethical and legal performance. The policies created by the government and business concerning ethics will not fully fulfil

everyone's desires, but will provide a platform for ethical conduct in government and businesses. The management must observe both law and ethics in their decisions.

During the formulation of the code of conduct, there are usually three options that the government can take. One of them is stipulating the ethical rules entirely as legal criminal rules, which are punishable if disobeyed. Another option is conducting legislation formally and stating the penalties for disobedience. The third one is the informal legislation of ethics. They are purely internal rules that only apply within the scope of the organization. The government can also combine several options to formulate a firm code of conduct (Miller 69).

Conclusion

This paper has discussed the fundamentals of ethics, how the American legal system affects ethics in business and government, effects of ethical decision making in Business and government, and the laws that relate to ethical decision making in Business. The basis of ethic is reciprocity, non-attachment and intelligent observations. The relationship between ethics and law is remarkably close. Some issues regarded as ethical may be legal, and, on the other hand, an issue may be ethical but not legal. Ethics help in government's decision making such that matters of public interest are given priority. In a business environment, ethics help in making decisions that are fair to the stake holders of the business. Laws have been enacted to enforce ethics in business as well as in public office practices. In business, internal

rules that govern ethical behaviour may be formulated, or business may rely on the government for the formulation of rules.

Works Cited

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