

# [Ethical behavior in business and life](https://assignbuster.com/ethical-behavior-in-business-and-life/)

## ETHICAL BEHAVIOR

According to Wikipedia. org (wikipedia. org)Ethics is a branch of philosophy that addresses questions about morality-that is, concepts such as good and bad, noble and ignoble, right and wrong, justice, and virtue. People are rewarded for their ethical performance at work places in the long run. I am agree with the statement that ethical behaviour will pay off inj the long run. Ethics are the values of the person about what is right or wrong. As it is also known as moral philosophy. Ethics include different branches depend on the behavior of the individual or organization. Ethics also has a lot of importance in the business field and in personal life both.

Accordance of rupal jain, (Rupal, 2008) Ethics is important not only in business but in all aspects of life because it is the vital part and the foundation on which the society is build. In my own knowledge, Ethics has a great importance in both the work life and personal life of a person. I am in favour of this statement because we all experience it in everyday’s life. Ethics involves all the suppliers and consumers within the market , what is fair or unfair with them while trading practices.

Every person in the business field of society may have different thinking about ethics at workplace and life. Because of it, many of the persons think that the use of ethical behaviour will pay off in the long run. As much knowledge I have about ethics, I think it all depends on the members of the organization or company that whether they respect everyone’s personal values or not. This happens at some places cause of ethics issues prevailing in business.

According to the website tutor2u. net (tutor2u. net), Problems arouses because of the ethics in some of the business and these all come from the nature of the market. It arises from internal and industry practices like pricing lack or clarity in pricing, etc. But in my own opinion, I am not fully satisfied with the statement because issues about ethics at any business or workplace occurs because of the carelessness of the organization’s leader. If they select the members that respect each other’s ethical values, then this cannot happen at any workplace. Ethical behaviour of a person depends on the him/her that how he/she treats with the values of other person in the business? How much he/she cares about their values.

Enron Corporation is a gas pipeline company that turned into a huge enterprise. In 2001, the company collapsed due to scandals and bad leadership. Basically, the reason why they failed was due to a set of values that employees had to agree to, but in fact executives were demonstrating a different set of values. Due to this miscommunication of values and other important facts, the company went bankrupt. This company collapsed because of ethical behaviours of the employers and they did not communicate effectively with each other.

Ethical behaviour is worthwhile. Here is a good, positive , negative types of relationship between ethical behaviour and leadership effectiveness. Unethical behaviour is damaging on some levels. According to books. google. co. nz, at the societal level, unethical behaviour costs more than $20 billion each year and causes 30 percent of all business failure. The unethical behaviour of employees at Enron corporation costs many organizations and people who invested money in that company because of its collapse. Values and ethics are vitally important to effective leadership. People trust in leaders that they respect everyone. A broken promise or a lie to employers results in the loss of trust in leaders who becomes unethical.

Also, people like us living in the society wants everyone to behave ethically because we all feel better when every individual behave ethically in the society. We all do this because to avoid the bad consequences that can happen if we behave unethically in the society. Person’s ethical behaviour depends on the situation as well. For example, if an unsupervised person experience the problem that he / she never faced may behave unethically. But people justify their unethical behaviour with the words, stories etc.

According to John Akers, the former chairman of IBM, a society without the ethical behaviour cannot be economically competitive. This statement is satisfactory because ethics and competitiveness are inseparable. A society cannot compete for a long time and successfully without it because if they have no trust or believe in each other’s ability, then they can’t do anything for the welfare of the society. The greater mutual trust and confidence people have the greater is their economic strength. On the other hand, unethical behaviour is a risky in business. This may lead to disaster in the business. Business cannot survive for the long run or finally collapsed like Enron Corporation. Unethical behaviour may not destroy the business every time but it can cause damage to other people. As we see in our daily life that may of the people witnessed the unethical behaviour of workers at many work places which further leads to decrease in the productivity, job stability and profits. Workforce becomes unproductive because of unethical behaviour. People feel more satisfied, happy and safe lives if the leader of their society is ethical and respecting them. So, I think there is no need to bother with the ethics. Leader need to think whether his/her decision hurts anyone before taking it. Therefore, leader of any organization has responsibilities to customers, employees, society etc. and employees also have responsibilities for their organization. So it is the duty of the leaders that what they can do to make an ethical environment in their organizations. Many of the US companies have ethics codes to make a clear sense of ethics at work place.

According to Don Hansen (Hanse), Attention to business ethics can also bring a significant benefits to a company. Companies with a strong code of ethics can create strong customer and employee loyalty. Also, companies like this who respect the people and see their benefit more than organization and value them are more competitive and more successful. As in today’s competitive world, a customer has a lot of choices to choose either to buy a single thing or lot because everyone tries to provide better environment to their employees and customers than any other companies selling the same product. It is just the “ CUSTOMERS” who rules over the market and those companies are successful who values them with their ethical behaviour. Also the 1997 US studies and 2007 UK studies concerning with ethics and financial performance supported this statement. Customers automatically attract or join with the business where they seem to be valued and respected. Their ethical behaviour also develops trust between them because of which they can produce better than other competitors. With the ethical behaviour a leader develops a particular kind of trust within an organization that is extremely powerful and successful in business world. We can also use the example of cricket teams of different countries. They have the team spirit which is the main cause of their winnings, they respect each other and other countries, behave ethically. If they have no trust among them, they can never WIN.

In the end of this question, according to my knowledge and research about ethics, it is clear that ethics are the inseparable part of each individual’s life and this is the thing we need to use in our daily life. All the positive factors of the world increases with the ethics and this leads to the world worth to live. We can make the world a better place to live with our ethical behaviour. We all feel safe, happy, better with this thing then what is the need to bother with ethics? We all need to accept each other’s values, respect them to run our life smoothly in today’s world. In spite of all this, ethics also have a much importance in business world. All the successful businesses going in this world now a days have code of ethics which influence every worker to behave ethically. Leaders can make themselves as a good example for the whole society with their ethical behave. I am agree with all the above statement about ethics and I also put my own views to support their views.

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LEADERSHIP(question 2)

Ethics are equally important in personal life of a person and at a workplace. Ethical values is about what is right or wrong, fair or unfair etc. At the workplace, persons of different regions work like in New Zealand and every person has its own ethical values which might be wrong according to another person. Therefore, at workplaces each one has to respect the ethical values of each other because they have to work together to achieve a same goal. They need to share the values of each other and it is very important for the team leaders to organize them in a very fair way. According to me, good leader need to be aware from all the ways like in profit of individual or organization, ethical ways and managing them. Leader should be communicable, polite, honest and ethical with their followers.

According to the Wikipedia’s topic on leadership (wikipedia. org, 2010) Ethical leadership is leadership that is involved in leading in a manner that respects the rights and dignity of others. “ As leaders are by nature in a position of social power, ethical leadership focuses on how leaders use their social power in the decisions they make, actions they engage in and ways they influence others”. I am agree with this statement because leadership can be affective if the leader give respect and take respect from each other .

Ethical leaders have a great impact of their ethical behavior on the society. As the leader respect the ethics or beliefs of each individual in the society, society becomes more aware and respectful about the ethics of other people. Everyone wants to be the part under that leader who respect them. Also in real life example, the new American president Barack Obama spent his first minutes of presidency in the discussion of ethics of people while his rule over USA. Leader is responsible for individual’s ethical or non-ethical behavior in the society or workplace. CEO of any organization is also like a “ chief ethics officers” according to George Geistauts PhD Director, MBA program CBPP university of Alaska. Ethical leaders make a set of ethics within an organization which covers the ethics or beliefs of each individual working under him/her. With this, the workers working under him / her also has a great influence on them and they also set all other person’s values in their minds.

If the leadership is not ethical, the workers under him / her does not respect each other’s values which results in the collapse of organization. For example, according to wikipedia. org, Enron corporation collapsed, Enron Corporation is a gas pipeline company that turned into a huge enterprise. In 2001, the company collapsed due to scandals and bad leadership. Basically, the reason why they failed was due to a set of values that employees had to agree to, but in fact executives were demonstrating a different set of values. Due to this miscommunication of values and other important facts, the company went bankrupt. This is a great example of impact of the ethical behavior of leader on organization.

With ethical behavior of leader, employees give freely ideas to each other which further helps in organization and their own progress. Leaders also motivate people ethically and they tend to learn new things. The employees within the business also give their 100% commitment to the works assigned to them. They trust more in the leader if they get respect and dignity from their seniors. According to Robinson, the construct of trust has received considerable attention in the organizational sciences literature, in part due to the potential consequences it has for organizational effectiveness and performance. It is proposed that employee trust in leaders will enhance their compliance with organizational rules and laws, increase their zones of indifference, and facilitate the implementation of organizational change. Employee trust in leaders directly influences their contributions to the organization in terms of performance, intent to remain, and civic virtue behaviour. Because of this ethical behavior leaders can be trustful within their society of business.

Ethical leaders make a strong personal character in the society because they have focus on ethical reasoning instead of being a moral person. According to Mr. Thomas I White, teaching individual who wants to do the right thing regarding ethical values is the correct approach. This statement is 100% true and this is only the leader that can teach individuals in the society to do right things ethically which is a strong impact of leaders in business environment.

Ethical leaders are the role models for the society and also for organization’s values. If they do not act as a role models in the society then ethics does not have any meaning just more than talking of it. According to Scientist Brent Smith, as role models, leaders are the primary influence on the individual’s ethical behaviour. Also because of the influence of the ethical leaders in society, every person feels free to express ideas, the ability to question conduct and it also encourages them to know what actually a firm is doing. Individuals ethical behaviour turns in the environment of the workplace or office, how they are treated there by their leaders?

These are the impacts that ethical leaders can make in the society with their ethical behaviour.

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