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Assignment :write on business ethics

Business ethics: This is an oxymoron (Collins 1994) this is simply means there are no ethics in business i.e business is unethical or amoral outside of our normal moral considerations. Business can be unethical in areas of despoiling of rivers with industrial pollutions, exploration of sweatshop workers, payment of bribes to government officials and the deception of unwary consumers. Even with all this unethical practices listed above we cannot deny the fact that there are still some ethical practices in business,the maintenances of the ethical practices for the daily running of the business such as honesty, trustworthiness and co-operation, business activity will be impossible if the consumers had no trust for the manufacturers.

Business ethics is the study of business situations, activities and decisions when issues of rights or wrong are addressed. Business ethics is the study of appropriate business policies and practices regarding potentially controversial subjects including corporate governance, insider trading bribery, discrimination, corporate social responsibility, and fiduciary responsibilities. The law often guides business ethics, but at other times business ethics provide a basic guideline that businesses can choose to follow to gain public approval.

• Business ethics refers to implementing appropriate business policies and practices with regard to arguably controversial subjects.

• Some issues that come up in a discussion of ethics include corporate governance, insider trading, bribery, discrimination, social responsibility, and fiduciary responsibilities.

• The law usually sets the tone for business ethics, providing a basic guideline that businesses can choose to follow to gain public approval.

BUSINESS ETHICS & LAW

There is a considerable overlap between ethics and law. In fact law is essentially an institutionalisation or codification of ethics into specific social rules, regulations and proscriptions but is very important to know that there is a great difference between them, law can be said to be the minimum acceptable standards of behaviour while ethics deals with the issue of morality right or morality wrong, that is, ethics deals with morals. It can be said that business ethics begins where the law ends.

Defining morality ethics & ethical theory; some of the controversy surrounding ethics is because there is no great understanding of ethics and that ethics differs from place to place . Morality and ethics are used interchangeably, though there has been debates by many business scholars that they are the same but the definition has clarified the fact . Morality is concerned with norms values which are embedded in a society and defines what is right and wrong in the society while ethics is concerned with the study of morality and application of reasons to elucidate specific rules and principles that determines rights and wrongs for a given situation.Below is a scenario that tries to differentiate between business ethics and morality

A good friend of yours, who studies at the same university, has been complaining for some time to you that he never has any money. He decides that he needs to go out and find a job, and after searching for a while, he is offered a job as a bartender in the student bar at your university. He gladly accepts and begins working three nights a week. You too are pleased, not only because it means that your friend will have more money, but also because the fact is that you often go to the student bar anyway and so will continue to see him quite frequently despite him having the new job. The extra money is indeed much welcomed by your friend (especially as he has less time to spend it now too), and initially he seems to enjoy the work. You are also rather pleased with developments since you notice that whenever you go up to the bar, your friend always serves you first regardless of how many people are waiting.

After a time though, it becomes apparent that your friend is enjoying the job rather less. Whenever you see him, he always seems to have a new story of mistreatment at the hands of the bar manager, such as getting the worst shifts, being repeatedly chosen to do the least popular jobs, and being reprimanded for minor blunders which go uncensored for the rest of the staff.

This goes on for a short while, and then one day, when you are in the bar having a drink with some of your other friends, your friend the bartender does something that you are not quite sure how to react to. When you go up to pay for a round of four beers for you and your other friends, he discretely only charges you for one. Whilst you are slightly uncomfortable with this, you certainly don’t want to get your friend into any kind of trouble by mentioning it. And when you tell your friends about it,they of course think it is very funny and congratulate you for the cheap round of drinks! In fact, when the next one of your friends goes up to pay for some drinks, he turns around and asks you to take his money, so that you can do the same trick for him. Although you tell him to get his own drinks, your friend the bartender continues to undercharge you whenever it is your turn to go to the bar. In fact this goes on for a number of visits, until you resolve to at least say something to him when no one else behind the bar is listening. However, when you do end up raising the subject he just laughs it off and says, ‘Yeah, it’s great isn’t it? They’ll never notice and you get a cheap night out. Besides, it’s only what this place deserves after the way I’ve been treated.’

Questions

1 Who is wrong in this situation – your friend for undercharging you, you for accepting it, both of you, or neither of you?

2 Confronted by this situation, how would you handle it? Do nothing or ask your friend to stop undercharging you? If you take the latter option, what would you do if he refused

3 To what extent do you think that being deliberately undercharged is different from other forms of preferential treatment, such as serving you in front of other waiting customers?

4 Does the fact that your friend feels aggrieved at the treatment he receives from his boss condone his behaviour at all? Does it help to explain either his or your actions?

In the first question, I think they are both wrong,my friend for undercharging me and me accepting because I believe there is a way we could go round this issue where neither of us can be wrong

In the second question,confronted with this kind of issue,I believe that the right thing to do is that whether I come to the bar to drink I make sure my friend doesn’t serve me or whenever he does I make sure that I paid the money to someone else or make sure someone else pays for me.

In the third question,undercharging me is entirely different from preferential treatment because you can give me preferential treatment that is serving me before others and still charge me the correct amount

In the last question,I totally disagree,his behavior cannot be condoned because maybe the manager is the one maltreating and he is making the business suffer for another man’s sin.

Who is the key actor in business ethics?

The result of this is that in most European countries there is quite a dense network of regulation on most of the ethically important issues for business. Workers’ rights, social and medical care, and environmental issues are only a few examples where European companies could be said to have traditionally not had to consider so very much the moral values

that should guide their decisions. These questions have, at least in principle, been tackled by the government in setting up a tight institutional framework for businesses. Examples range from the Scandinavian welfare state, to the German cohabitation system, and the

strong position of trade unions and workers’ rights in France. In Europe, governments, trade unions, and corporate associations have therefore been

key actors in business ethics. A similar focus on government tends to be evident in the Asian perspective, although it is corporations rather than trade unions that have typically been involved with governments in this activity. For example, in Japan, firms are interconnected with one another and with the government through keiretsu arrangements, whilst South Korean exhibits a similar chaebol structure. In China, many large corporations are still state-owned. Hence, engagements with business ethics in Asia often look to both governments and corporations as key actors.

In the US, in most (but not all) areas, the institutional framework of business ethics has been significantly looser, and so the key actor has tended to be the corporation. This, at least partly explains the more practical approach to business ethics evident in the US approach (Enderle 1996). Similarly, given that business ethics is particularly important

when the law has not yet codified the ‘right’ or ‘wrong’ of a certain action, this would also seem to partially explain the longer legacy of the subject in the US. However, the identification of the corporation as the key actor in the US also means that corporate misconduct tends to face greater enforcement and harsher penalties (Vogel 1992).

Why is business ethics important

The system of moral and ethical beliefs that guides the values, behaviors, and decisions of a business organization and the individuals within that organization is known as  business ethics. Some ethical requirements for businesses are codified into law; environmental regulations, the minimum wage, and restrictions against insider trading  are all examples of the government setting forth minimum standards for business ethics. What qualifies as business ethics in history has changed over time.Here then are the

main reasons why we think that a good understanding of business ethics is important:

1 The power and influence of business in society is greater than ever before. Evidence suggests that many members of the public are uneasy with such developments (Bernstein 2000). Business ethics helps us to understand why this is happening, what its implications might be, and how we might address this situation.

2 Business has the potential to provide a major contribution to our societies, in terms of producing the products and services that we want, providing employment, paying taxes, and acting as an engine for economic development, to name just a few examples. How, or indeed whether, this contribution is made raises significant ethical issues that go to the heart of the social role in business in contemporary society.

3 Business malpractices have the potential to inflict enormous harm on individuals, on communities and on the environment. Through helping us understand more about the causes and consequences of these malpractice, business ethics seeks

4 The demands being placed on business to be ethical by its various stakeholders are constantly becoming more complex and more challenging. Business ethics provides the means to appreciate and understand these challenges more clearly, in order that firms can meet these ethical expectations more eaectively.

5 Few businesspeople in Europe and elsewhere have received formal business ethics education or training. Business ethics can help to improve ethical decision making by providing managers with the appropriate knowledge and tools that allow them to correctly identify, diagnose, analyse, and provide solutions to the ethical problems and dilemma they are confronted with.

6 Ethical infractions continue to occur in business. For example, in a recent UK survey of ethics at work, one in four employees said that they had felt pressure to compromise their own or their organization’s ethical standards, and one in five had noticed Behavior by their colleagues that violated the law or did not accord with expected ethical standards.

7 Business ethics can provide us with the ability to assess the benefits and problems associated with differents ways of managing ethics in organizations.

8 Finally, business ethics is also extremely interesting in that it provides us with knowledge that transcends the traditional framework of business studies and confronts us with some of the most important questions faced by society. The subject can therefore be richly rewarding to study because it provides us with knowledge and skills which are

not simply helpful for doing business, but rather, by helping us to understand modern societies in a more systematic way, can advance our ability to address life situations far beyond the classroom .