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A Snap Shot on Business Ethic and Ethic in Business

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Abstract: An ethical issue in business is increasing and it is being focused on by the business markets, customers and communities. It was important from the beginning and is important also now as well. And every company or organization for being survival and comparative should pay much more attention to this important. This paper aims to study the ethic and some of related issues around it.

Keywords: ethic; opportunities; challenges; business

1. Introduction

Multi National Companies, MNEs and local countries are commonly thought to share four universal ethical values viz. integrity, justice, competence and utility -values described elsewhere as international ethics standards for business, respect and trust in locals, environmental protection and respect, and observation of human and environmental protective legislation (C.-F. Wu, 2001, p. 222). Although in other countries and other nationalities there will be other factors added or omitted from the mentioned values for examples in Islamic countries because they have Islamic based values then Islam will effects their trade and management values.

This paper first discusses ethic and environment and then business ethic and different business approaches comes as well. At the end the some recommendations to improve the business ethic discusses in detail.

2. Ethic and Environment

One common view of ethics is the study of right and wrong conduct within a defined environment i.e. Environment defines the ethic and ethical roles.

“Environmental ethics” presents and defends a systematic and comprehensive account of the moral relations between human beings and their natural environment (Des Jardins, 2001, p. 13). It is the discipline that studies the moral relationship between human beings and nature and also the value and moral status of the environment.

Thus, the context in which ethics is applied serves to establish limitations, boundaries, definitions and points-of-view. As examples, the issue of Hallal and Haram is an ethical issue which should be considered and countries which trade with Iran should note and consider this. This is caused by environment because this is role in Islamic countries and not in other non-Islamic ones.

Business ethics is restricted by neo-classical economics within for-profit firms while feminist ethics helps us understand right and wrong within a feminine point of view. While the diversity of approaches to ethics can provide choices when professionals are faced with decisions about values, the choice of ethics can also limit the practical as well as (Hatcher, 2004, p. 357)

3. Business Ethic

Business ethics is the behavior that a business adheres to in its daily dealings with the world. The ethics of a particular business can be diverse. They apply not only to how the business interacts with the world at large, but also to their one-on-one dealings with a single customer.

Many businesses have gained a bad reputation just by being in business. To some people, businesses are interested in making money, and that is the bottom line. It could be called capitalism in its purest form. Making money is not wrong in itself. It is the manner in which some businesses conduct themselves that brings up the question of ethical behavior (Wise Geek, 2011). According to Fieser, (2010) when business people speak about “business ethics” they usually mean one of three things which can be called three (A) s:

- (1) Avoid breaking the criminal law in one’s work-related activity;
- (2) Avoid action that may result in civil law suits against the company;
- (3) Avoid actions that are bad for the company image.

Some companies translate the ethic to the benefit which mean that if they consider that doing things will bring them benefit then they do that and do not think that is it ethical or not then they balance ethic with benefit.

4. Different Business Ethic Approaches

According to Fiser (2010) there are mainly three business ethic approaches which can be considered workable among different public and private sectors:

1. Deriving Business Ethics from the Profit Motive, This states that there is a symbiotic relation between ethics and business in which ethics naturally emerges from a profit-oriented business. The weak version is often expressed in the dictum that *good ethics results in good business*, which simply means that moral businesses practices are profitable.

2. Business Ethics Restricted to Following the Law. This second approach states that business ethics is that moral obligations in business are restricted to what the law requires.

3. Deriving Business Ethics from General Moral Obligations. The third approach to business ethics is that morality must be introduced as a factor that is external from both the profit motive and the law. This is the approach taken by most philosophers who write on business ethics (Fiser, 2010).

Some Resources for Helping to be Ethical

There are some texts, videos and websites helps people, managers and employees to learn what is ethic and how they can improve it. Some are listed below:

Business Ethics Links Library

The Business Ethics Links Library (BELL) from the University of Colorado at Boulder is a comprehensive starting point for research in corporate ethics and social responsibility. The database provides access to codes of ethics for U.S. companies and trade and professional associations, ethics sites at college and university business programs, industry information resources, and company promotion of social responsibility (Enter web, 2005).

- **ECS2000**

The Ethics Compliance Management System Standard (ECS2000) is a guideline for corporations and other organizations which are endeavoring to conduct business in an equitable and responsible manner. This is Very useful document for any organization which aims to establish, apply, maintain and consistently improve an ethical-legal compliance management system (Enter web, 2005).

- **Complete Guide to Ethics Management**

This guide is a straightforward and highly practical tool designed to help leaders and managers implement comprehensive ethics management systems in their workplaces in order to deal with the complex, ethical issues that can occur in the day-to-day realities of leading and managing an organization. It provides guidelines for managing ethics, identifies key roles and responsibilities, and provides instructions for setting up a code of ethics and a code of conduct (Enter web, 2005).

- **EUROPA Corporate Social Responsibility**

This extremely rich site from the European Commission leads to all the works undertaken by the commission in the area of corporate social responsibility.

- ABC of CSR instruments
- CSR particularly the one from the DG Enterprise which includes a brochure on responsible entrepreneurship for SMEs (Enter web, 2005).

5. Improving Business Ethic

According to Michael R, (1991) survey conducted on Improving American business ethics. There are mainly three fold approach for improving business ethic and these results lead to the premise that long-term improvement of America's business ethics lies in a three-fold approach these can be find here:

First, in both public and private companies it is necessary for employees to understand that expectations for ethical behavior in an organization begin at the top and that senior management expects all employees to act accordingly.

Second, the best method of indicating this top-down attitude and the bureaucratic commanding system is adoption and explicit, unconditional support of a corporate code of conduct and the hierarchal systems.

Third, continuous learning is one of the inherent characteristic of an ethical company or organization so specific training sessions are necessary to prepare managers to consider ethical implications of all business decisions.

But the other step can be added here is creating the culture of ethic in the company or organization. Employees should believe themselves the behavior of ethic.

6. Discussion and Conclusion

There are a lot of factors which determine the ethical company or help the company to be ethical in the area of management and marketing. Especially in the area of international trade the ethical rolls will be internationally ones as well. Companies which work in the international area they should obey from the other globalized and international trade organizations which force companies to obey from them.

Also companies in their local or global trades should try to be ethical they should obey ad respect to the ethical issues because companies which do not obey and respect for the ethical rules will be fined and other companies try not to communicate and trade with them. And customers will not buy more things from them as well.

Business Ethic should be considered as one of the most important factor in every business a company which has 1 billion incomes per a month but does not have business ethic then will not have the ability to survive in this turbulent environment.

Other issue should be addressed here is that companies should be monitored about doing correct business ethic because some big companies may be proud themselves that they obey from the ethical issues and write some slogan on their colorful brands but they do not obey anything about the ethical issues. And it is just as a slogan on brands.

Also we should not think that just companies have ethic and should obey from that. Ethic and ethical issue is as a process for example in a paper company ethic is from the cutting tree until the company and the stationary who sell this paper.

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