

Ethics and Social Responsibility

Ethics are talked about frequently and addressed in the news when unethical decisions are found. Sadly, people do not hear about ethics when others are engaging in ethical behavior on a daily basis. Keep in mind that things that are not illegal may be unethical. Ethics are an individual belief system that consists of knowing what is right and wrong. Ethics can vary person to person. Ethics is in part analyzing decisions, beliefs, and actions.

Within the business context, businesses are expected to have good ethical values and act socially responsible. The problem is that the ethics of a business is a mixture of individual sets of ethics. This is why it is important to have good individuals as employees. It is also equally important that when you go to work somewhere that you feel like you share the values of those you work with. Ethics is not just talking about the right thing. It is doing what is right in every decision that is made.

Social responsibility can be an example of ethical behavior. It is enhancing society in general. However, a business can't afford to go around doing good deeds if there is no potential pay off. If the business were to lose too much money, then it would cease to exist, hurt customers, and leave employees jobless. There are some that argue that social responsibility is shown only when companies go beyond what is optional, and really intend to create a benefit for others besides the company. Additionally, some companies may not benefit from some forms of social responsibility. These businesses should focus on what they do best as a business and give back what they can. Examples of socially responsible behavior range from projects that raise money for research on diseases, raising money for the needy, requiring workers to volunteer within the

community, recalling products that may be dangerous, promoting recycling, and offering free services to the disadvantaged.

There are innumerable ethical dilemmas that may arise in a business setting. Some of them are more obvious while some of them are more obscure. There is a simple basis that helps keep decisions in perspective. Businesses should operate in a manner that is legal, profitable, ethical, and within social norms. By being within social norms means that you need to use society to gauge if your decisions are appropriate. Some cultures would define what is ethical differently from other cultures. Due to the fact that all businesses need to be profitable, sometimes there is an over emphasis on making more money. Social norms should govern what is appropriate to compensate individuals as well as to charge customers. Profit expectations and goals should not require a business to cut corners in an unethical way or to misrepresent or twist facts.

Then where do ethics come from? People begin to develop their internal beliefs from the time they are small children. Factors such as the conditions that an individual grows up in affect the way that they see the world. For example if a child was raised in a household with a lot of violence, they might feel that fighting is okay. The beliefs of the peers around you may influence how you see things. It is human nature to want to belong and some are more apt to give into peer pressure. People have a lot in common with their peers due to similar values in the first place. However, it is hard to find two people that feel exactly the same about every situation. Some people would feel that if they found money that they should be able to stick it in their pocket and keep it. Others would feel as if they should take it to the lost and found area. Keeping money that you find on the ground in a public place is not illegal, but some people would not be able to benefit from

a situation while the person who lost it could be potentially found. Powerful situational factors may cause people to compromise their values and resort to measures that they would not normally take. If someone is having financial problems, then they are more likely to steal. An individual that is very angry with another person may have a hard time being objective and fair.

Then why do people engage in unethical behaviors? Many people feel that they won't be caught. An employee that steals a few dollars out of petty cash may eventually result to taking large amounts of cash if they are never caught. Someone with lots of authority may feel like they can cover their tracks by lying to subordinates. Some people are unethical because they can justify what they are doing. If an employee sees other people not being punished for unethical behavior, then they may feel like they should be able to do it to. Some individuals make a poor choice and instead of coming clean about it feel the need to make more choices to cover it up. Once bad decisions are made, they tend to get worse until they are eventually caught. The biggest reason people are unethical is because they feel that they can gain from it, or that they need to hide something that can hurt them.

There are many things that an organization can do to facilitate good ethical behaviors. One of the best things to do is to make sure that the underlying culture of an organization promotes strong values. People should not be punished for coming forward with problems. As a matter of fact, workers should be allowed to communicate problems anonymously. Some organizations have a phone number to call or a suggestion box. Always allow employees to share any ethical concerns with authority above them when there are ambiguities about the right thing to do. Include a code of ethics as a written

document for employees to read. Develop brochures, mission statements, and other media that express the company beliefs. Higher authorities within the organization should possess the beliefs and demonstrate the values that they want to see their employees have.

Another method for implementing ethical conduct is to make sure that unethical conduct can't occur. The ability to safeguard resources is an important function of internal controls. Examples of internal controls are to make sure that more than one employee works with cash and accounting related materials. This way there is more than one person who knows what is going on and can identify theft. Other methods are to require signatures, to lock up valuables, use security cameras, have employees rotate jobs, and randomly check employee work. The more secure your business is, the less likely that individuals within the organization will make unethical decisions.

References:

Griffin, Ricky W. (1993). *Management 4th Edition*. Geneva: Houghton Mifflin.