

Business Ethics and Social Responsibility

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Introduction

Nowadays, businesses hold a lot of responsibility when developing and selling products/service ethically. Business ethic is the discussion that numerous researchers are talking about in securing a business's reputation and success. It is known as corporate ethics which is a form of applied or professional ethics that evaluates ethical and moral principles and problems that thrive in a business environment. It applies to all perspectives of business conduct and is significant to the attitude of people and business organizations as a whole.

Most individuals concur that high ethical measures require both businesses and individuals to comply to sound ethical standards. However, when applying ethics and morals to business some special aspects must be considered. For a business, the balance between the desire for profit, needs and desires of society should be maintained and protected. This maintaining will be hard for any organization, that's why society has developed rules to help with this, to guide businesses to focus their efforts to earn profit in various ways that will have neither harm on individuals nor the society.

The idea of ethics in business focuses on the ethical or moral activities of people. It is in this sense that individuals, when examining business ethics, instantly raise illustrations of corrupt or deceptive movement by people. Numerous businesspeople are strongly impacted by their religious beliefs and the ethical standards that they have been instructed as portion of their religion and apply these standards in their business activities.

In this essay, I will talk about Historical Dimension of Business Ethics, its principles, and its relationship with social responsibility. Also, the theories that are based around business ethics and social responsibility. In addition, I will handle the surrounding ideals when it comes to business ethics and how a business should be run in order to have social responsibility.

Business Ethics' Historical Dimension

The appearance of business ethics has neither exact time nor place in which it was created. It has been evolved through many years and kept changing rapidly as the majority of organizations recognize the advantages of improved ethical conduct in business and there has been an enlarged understanding between business ethics and financial performance.

The issues that were defined as business ethics issues up until 1960 were theological. Individual moral issues related to business ethics were discussed and looked at through churches, mosques and synagogues. Religious pioneers and thinkers raised questions about reasonable compensation, labor practices and the morality of capitalism. During 1970s scholars, theologians, and philosophers were all investigating the world of business suggesting certain religious principles that could be applied to business activities. Thus, business ethics began to be developed as a field of study. Because of this, professors started to teach and write about corporate social responsibility. In late 1970, a number of ethical issues had emerged, and business ethics became a common expression. In 1980s business academics and specialists acknowledged business ethics as a field of study. Within time, business ethics organizations expanded and grew to include thousands of members. The lack of regulations stimulates to create and implement Many rules of business at a phenomenal rate. Organizations had more freedom to make decisions, and the government created new obligatory government sentencing rules to control companies that were included in misconduct. Business ethics nowadays is still an evolving field of study. Business ethics issues can be looked at from the perspective of law, philosophy, theology, or social sciences; or they can be dealt with sensibly and realistically in a way that is based on practical rather than theoretical considerations, seeking solutions for specific managerial problems.

Ethical Principles:

Ethics and Ethical Principles expand to all circles of human life and activities. We are able to utilize ethical standards to scrutinize, assess, propose, or interpret decisions made by individuals or associations. There are eight ethical principles are fiduciary, property, reliability, transparency, dignity, fairness, citizenship, and responsiveness. A company has a legal fiduciary duty to act in the best interests of the stakeholders and other employees within the firm. The

priority principle is based on the belief that every employee should respect property and the rights of the owners of the property. The reliability principle is based on the belief that is the employee's responsibility to honor the commitments he or she has made to the firm. The transparency principle is based on the belief that every employee should conduct business in a truthful and open manner. Dignity principle is based on the belief that each employee needs to respect the dignity of all individuals. Fairness principle is based on the belief that stakeholders who have a vested interest in the company should be treated fairly for example they should be entitled to fair reciprocal. Citizenship Principle believes that every employee should act as responsible citizen in the community, for example they should abide and respect the laws of the community. Responsiveness Principle based on belief that employees have the responsibility to respond to requests for information about operations from various stakeholders. Being socially responsible will enable you to get greater profits, be more responsive to consumer demands and attract investment. An example of a socially responsible company is The Body Shop.

Approaching all business ethics aspects will lead us to get familiar with social responsibility and its relation business ethics.

Corporate Social Responsibility:

Corporate social responsibility (CSR) is a type of international private business self-regulation that aims to maximize shared value among organizations, employees, customers, shareholders, and community members. While the precise value looks different for each of these stakeholders, the mutually beneficial nature of CSR initiatives can still be sustained. Also, enhance economic performance and contribute to sustain development of the environment and the community in which a business operates. Corporate Social Responsibility is a decision for business and generally a company's CSR activity will fall under one of four priority headings: workplace, environment, community, or marketplace. Corporate Social Responsibility is getting more and more attention as the natural complement of social activities and business sustainability is gaining recognition. Contemporary developments, values and stakeholder expectations have shifted and to survive companies must develop new activities and processes that reflect the societal, demographic, economic and legislative changes. Better working relationships with stakeholders can result from the greater management of expectations, over the last decade or so it

has moved considerably from voluntary decisions at the level of individual organizations to mandatory schemes at regional, national, and international levels.

The relation Social Responsibility and Business Ethics:

Social Responsibility is the commitment a business expects to have for society. To be socially responsible is to maximize positive impacts and minimize negative effects on society. The economic duties of a business are to produce goods and services that meet the needs of society at a price that can keep the business profitable while satisfying the needs of the investors. The legal responsibilities of businesses are the laws that they must obey, respect, and follow. The civil laws are the rules and principles arranged to protect individuals and organizations. If there is a breach of those rules by any society member or organization, criminal law will act by imposing fine and/or imprisonment as punishment for breaking the law. In addition, companies are expected to be responsible for their employees obeying local, state, and federal laws. Ethical responsibilities are the behaviors or activities that are expected of the business by society but are not systematized in law. These are the principles, norms, or expectations that reflect the concern of major stakeholders. For example, the responsibility issues for many riverboat casinos that serve their patrons as many free drinks as they want. The result is that many of the drunken patrons may decide to drive after leaving their premises and then cause an accident. For example, one patron at the Players Casino in Louisiana, had twelve drinks in two hours, got into his vehicle and then crashed into a van carrying five people, causing three of them to lose their lives. Even though the casino administrators fulfilled their legal responsibility to provide alcoholic beverages to adults only, they sometimes fail to address the ethical issues presented by the spirit of law. The final obligation a business assumes towards society is philanthropic responsibilities. These are the acts and activities that society desire and business values dictate. Philanthropic responsibilities represent the company's desire to give back to charity. For example, the charitable donation of Mark Zuckerberg who donated nearly \$214 million through the Chan Zuckerberg Initiative Donor Advised Fund at the Silicon Valley Community Foundation.

The concept of social responsibility became primordial during the 1960s in response to changing social values. Numerous businesses have attempted to determine what connections, commitments and obligations are appropriate between the business organisation and society. In

this manner, Social Duty can be seen as a social contract with society, while ethics relates to carefully thought-out rules of ethical philosophy that direct person decision-making. Business morals relates to the impact of ethical rules and standards on individual's choices, social responsibility is concerned with the choices the organisation makes and their impact on society.

Actions have to be taken within the organization:

Business ethics strive to apply general ethical standards to business activities in order to resolve and clarify moral issues which usually arise in business. Moral philosophy refers to the rules that individuals use to decide what is right or wrong. For example, a production supervisor may be guided by a general philosophy of administration that emphasizes empowering laborers to know as much as possible around the items and products they are fabricating. It comes into practice when the supervisor must make choices such as whether to inform employees in advance of up-and-coming cutbacks. In spite of the fact that the workers might like advance caution.

An organization and each of its employees, wherever they are located, must conduct their issues with uncompromising trustworthiness and integrity. Business ethics are no different than individual ethics, and the same high standard applies to both. As a representative of their firm all workers are required to follow to the highest standard, in any case of local custom.

In this era, responsibility and accountability are minimized, everyone is responsible for their own behavior and no room for hiding under the label "victim". Everything should be clear, white is white, black is black. However, many individuals prefer to work in shade of gray and unclear situations as long as it is conformed with the society and legislations. Whereas certain activities may well be lawful, they may moreover be unethical and reflect ineffectively an organization as well as the individuals responsible for them. In case these activities are tolerated and permitted, an organizational culture is created that undermines the customer's confidence within the company, as well as its products and services and eventually destroys its reputation within the marketplace.

Tolerating any kind of unethical activity may have a serious consequence and pull a thread that ultimately harm the organization. Actions have consequences and unethical action's results can have a long-term rippling effect inside a company. Employees should understand and apply

that to their actions, also need to influence their colleagues to do the same, it will result in a stronger organization. Both the company and an employees' progressing business inside it require compliance to this philosophy.

Basically, ethical behavior cannot be deliberative. It is a combination of strong values and the impact of the example set by peers and superiors. To a better application of ethics, individuals must understand how some factors that interact to impact their actions, behaviors, and decisions such as values, which are as known the principles and standards of personal behaviors. Most values are formed early in life by parents, families, friends, teachers, and spiritual leaders. Because of life circumstances, experiences, and choices made by individuals those values are exposed to the change. Particular examples of sound values include honesty, integrity, trustworthiness, fairness, and a sense of justice. The first value possessed by most individuals is acknowledging the difference between what is right and what is wrong.

Consecutively come the norms which provide guidance for all organizations for behaving good and keeping away from bad behaviors promotes ethical behaviors in organizations, for example employee is responsible for all of his behaviors or employee is obliged to act ethically all the time...etc. After comes ethic of conviction which is a firmly held belief or opinion and can include one's values, beliefs, corporate values, and norms. A company's strong moral and ethical program depends upon employees' uncompromising belief or conviction in "continuously doing the right thing." This basic conviction is the foundation for success. Next practical application of ethics is integrity, means understanding, accepting, and choosing to live in accordance with one's principles, which will include honesty, fairness, and decency. A person of integrity will consistently demonstrate good character by being free of corruption and hypocrisy. Integrity is revealed when people act virtuously regardless of circumstance or consequences. This often requires moral courage. Indeed, integrity is the critical connection between ethics and moral action.

Ethics and morals are the combination of values, norms, standards, and principles that provides a framework and structure for action. Action needs individuals to make choices. Ethical choices frequently create personal dilemmas if chosen and made decisions result in conflict with one's personal values and beliefs. Individual choices one makes in their business dealings and in their personal lives determine the bottom line in ethical behavior is determined by the individual choices.

Ethical choices and decisions are definitely difficult to make. Some may affect profitability, employment, or even personal relationships. The dilemma usually depends in defining "the right thing," which is not always clear. This frequently includes deciding and weighing the different results specific decisions will have on the issue or circumstance. Ethical decision making is further complicated by all included parties emotionally arguing their positions. Emotional arguments are subjective and tend to charge the choice making environment. The right choice/decision will be an objective choice free of emotionalism. Once distinguished, the decision must be straightforward. It takes courage to be ethical within the current social environment. Ethical decisions can be disagreeable because of their impact on both the organization and other workers. The fear of the consequences that might our choices and decisions bring such as retribution or reprisals within the company and from others can be very stressful. Courage must come from the uncompromising feelings, values and beliefs supported by an organization's ethical philosophies and fortified by the belief in "always doing the right thing."

Work environment ethics are a dynamic set of values that vary with individuals and their definition of a workplace. It does not matter whether the work is in physical presence mode or from home. To build a successful career, workplace ethic is a requirement to achieve it. Organizations are known to encourage and embrace ethical practices and behaviors to increase productivity and improve integrity.

Conclusion

Ethics are not simply an honored intellectual game, of no practical relevance.

We become ethical people by practice; good at being honest by continually telling the truth; getting to be genuine by attempting continuously not to be untrustworthy.

It is basically another instrument to assist the practical businesspeople deal with the endlessly repeating ethical dilemmas of business life. There is a link between our perception of the world and the way in which we make decisions. In case directors believe that they are and need to be rational prideful people, concerned only with maximizing their profit, they will take decisions accordingly. If, on the other hand, they are aware of ethical theories and social Responsibility policies that affect their own societies specifically and the outer world generally, then they will tend to make rather different and more sophisticated judgements. studying ethics will improve our thinking, giving us a theoretical approach with practical implications. Thus, clarifying the questions and discovering what an appropriate and suitable answer will look like are the least we can expect from studying philosophy. At its best, it can provide us with new viewpoints and a richer understanding of the world and our place in it. As we go through life, we will face moral issues. We will necessarily need to make choices or take stands one way or another. We are all independently responsible for choices and decisions we make and for the results of our personal philosophical views and actions.

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