

Business Ethics

Quick Reference Sheet



What is Business Ethics?

Benefits

Implementing ethics in the workplace will lead to increased profits and long-term growth. Unethical business practices can cause immediate financial gain, but, in the long-run, will cost companies. Customers, and employees. When unethical practices become public knowledge, it is difficult for a business to recover its reputation. Organizations with reputations for being ethical will also find it easier to earn credit, find investors, and expand into international markets. There are also benefits at the organizational level.

Organizational Benefits:

- ✓ Convinces employees that the company truly values ethical decision-making.
- ✓ Builds awareness of ethical issues.
- ✓ Creates an ethical guideline for employees to follow.

There are different types of responsibilities related to businesses. Ethical organizations will shoulder that responsibility and consider the social ramifications of their actions.

Types:

Identify Types of Responsibilities

- ✓ **Financial:** Financial responsibility is more than turning a profit. Financial ethics cover everything from fair salaries to fair payments for raw materials and services, and fair pricing for customers.
- ✓ **Philanthropic:** Many organizations are being recognized for their philanthropy. Philanthropy can come in the form of donations, community service, education, and environmental programs. Some companies consider the environment its own type of social responsibility.

Before making any final decisions, use the following steps to make sure that you are making ethical decisions.

- ✓ Determine the ethics of a situation: Does the decision affect a group, or have legal ramifications?
- ✓ Gather Information: **Making Ethical Decisions**, and get the point of view from all parties involved.
- ✓ Evaluate Actions: Make different decisions based on the different ethical standards.
- ✓ Test Decisions: Would you be proud of this decision if it were advertised?
- ✓ Implement: Implement the decision, and evaluate the results.