

Business Ethics: An overview

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Business ethics (also referred to as corporate ethics) may be a sort of applied ethics or professional ethics, that examines ethical principles and moral or ethical problems which will arise during a business environment. It applies to all or any aspects of business conduct and has relevancy to the conduct of people and full organizations. These ethics originate from individuals, organizational statements or the system. These norms, values, ethical, and unethical practices are the principles that guide a business.

Business ethics refers to contemporary organizational standards, principles, sets of values and norms that govern the actions and behavior of a private within the business. Business ethics have two dimensions, normative business ethics or descriptive business ethics. As a company practice and a career specialization, the sector is primarily normative. Academics attempting to know business behavior employ descriptive methods. The range and quantity of business ethical issues reflects the interaction of profit-maximizing behavior with non-economic concerns.

Interest in business ethics accelerated dramatically during the 1980s and 1990s, both within major corporations and within academia. For instance, most major corporations today promote their commitment to non-economic values under headings like ethics codes and social responsibility charters.

Overview

Business ethics reflects the philosophy of business, of which one aim is to work out the elemental purposes of a corporation. If a company's purpose is to maximize shareholder returns, then sacrificing profits for other concerns may be a violation of its fiduciary responsibility. Corporate entities are legal persons but this doesn't mean they're legally entitled to all or any of the rights and liabilities as natural persons.

Ethics are the principles or standards that govern our decisions on a day

to day. Many consider "ethics" with conscience or a simplistic sense of "right" and "wrong." Others would say that ethics is an indoor code that governs a person's conduct, ingrained into everyone by family, faith, tradition, community, laws, and private mores. Corporations and professional organizations, particularly licensing boards, generally will have a written code of ethics that governs standards of professional conduct expected of the sector. It's important to notice that "law" and "ethics" aren't synonymous, nor are the "legal" and "ethical" courses of action during a given situation necessarily an equivalent. Statutes and regulations gone by legislative bodies and administrative boards set forth the "law." Slavery once was legal within the US, but one certainly wouldn't say enslaving another was an "ethical" act.

Economist Friedman wrote that corporate executives "responsibility generally are going to be to form the maximum amount money as possible while conforming to their basic rules of the society, both those embodied in law and people embodied in ethical custom." Friedman also said. The only entities who can have responsibilities are individuals. A business cannot have responsibilities. Therefore the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities aside from to form the maximum amount money for his or her stockholders as possible? And my answer thereto is, no, they are doing not. This view is understood because the Friedman doctrine. A multi-country 2011 survey found support for this view among the "informed public" starting from 30 to 80%. Ronald Duska and Jacques Cory have described Friedman's argument as consequentialist or utilitarian instead of pragmatic: Friedman's argument implies that unrestrained corporate freedom would benefit the foremost people within the future. Duska argued that Friedman did not differentiate two very different aspects of business: (1) the motive of people, who are generally motivated by profit to participate in business, and (2) the socially sanctioned purpose of business, or the rationale why people allow businesses to exist, which is to supply goods and services to people.

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