



BUSINESS ETHICS

What are Business Ethics?

Business Ethics are the moral principles that influence the behaviour of businesses.

This includes the way businesses act in relation to wider society or the environment in which they operate.

Morality

Ethics involve questions of morality.

Morals are principles, judgements or standards of behaviour determining what is considered right or wrong.

Ethics v Profits

Businesses exist and are deemed to be successful when they make a profit by selling goods or services.

As a result a business may therefore overlook any moral considerations and not act in an ethical manner for fear of increasing costs in its pursuit of profit.

Ethics and the Law

Many things that are morally wrong are also illegal for example theft, fraud and murder.

There are some things that are considered to be morally wrong but not are not illegal for example adultery.

Whilst some unethical business practices are illegal, many are not.

Potential Consequences of Poor Business Ethics

Failing to uphold ethical standards can result in:

- A scandal
- Damage to company brand or reputation
- Damage to personal reputation of individuals involved
- Loss of sales and customers
- Potential legal problems
- Sanctions & fines being imposed by the FCA

Potential Benefits of Good Business Ethics

Having good ethical standards can result in:

- Increases levels of trust and goodwill
- Positive impacts on brand and company reputation
- Marketing opportunities
- Increased sales
- Increased staff morale