

## Running the Right Line

### Keeping Good Ethics with Your Business

Over the last 20 years, business ethics has become both a hot button subject as well as something people have wanted to avoid discussing as much as possible.

There's one side that believes strongly in exploring the moral principles by which businesses can be evaluated in relation to their impact on people and their environment.



There's the other side that believe that anything goes, and business owners regardless of the size can do whatever they want and get away with it for all intensive purposes without consequences from the government.

It's commonplace to read a newspaper or an Internet feed and see something in regards to business ethics – especially with what's taken place with companies such as A.I.G. and Bear Stearns. Any day of the week we read about one business involved in some sort of corruption scandal, where generating a profit overrides any sort of ethical standard.

Increasingly it is the private sector that determines the quality of the air we breathe, the water we drink, our standard of living, and even where we live and how easily we can move around. Today, more businesses use different types of ethical codes to help keep themselves in line, combined with regulations from both federal and state fronts.

### **TYPES OF BUSINESS ETHICAL MATTERS**

There are four types of business ethics scenarios:

#### **Human Resourcing**

This area revolves around treating every employee equally in the workplace. Businesses run into ethical problems due to sexual or ethnic discrimination.

#### **Conflict of Interest**

In this situation, special treatment is given to certain people or groups because of a personal relationship with the business owner or management.

For example, a vendor might receive an exclusive contract to supply a business due to a bribe that was paid to the owner or management, instead of the merits of what the proposal had to offer.

#### **Customer Confidence**

This involves businesses showing a lack of concern and respect for both customers and public safety.

#### **Including:**

- **False advertising about specific goods and services; and**
- **Sale of unsafe products.**

#### **Corporate Resources by Employees**

The misuse of resources by employees of your workplace is the last major type of business ethical problems.

**This can constitute:**

- **Personal phone calls using office phones;**
- **Submitting claims for non-existent expenses;**
- **Taking business stationary home.**

## **AVOIDING UNETHICAL ACTIVITY**

To uphold a standard of ethics for an operating business, as an owner, you have to determine what factors can contribute to an unethical decision being made. Contrary to belief, factors simply don't revolve around bad business decisions that can affect your customer base or the market at large.

**There are three approaches to ensure that your business is performing ethically:**

- **Social responsibility – you have an agenda as a business owner to help improve the market;**
- **Social obligation – you perform only what you are legally obligated to;**
- **Social responsiveness – how you respond to pressure from other groups that may influence your business decisions.**

Remember, behaving ethically is supposed to help you long-term in regards to sustainable development and a strong reputation within the market and your customer base. There will be situations that arrive as a business owner that will determine whether you act properly.

**Therefore; there are three questions that you must ask yourself:**

- **What will happen if the action is discovered?**
- **Is the decision in the long-term interests of my business?**
- **Will I attract the wrong clientele and people if I act unethically?**

This can affect how you're perceived by customers, suppliers, employees, your competition, government regulators, environmental group and the public at large. At the end of the day, you must always put the best interests of the business at the forefront to where you will not only benefit financially, but also have peace of mind as well.