

Business ethics and Issues:

Business ethics refers to proper conduct in organizational level and individual level. It is the art and discipline of applying ethical principal to examine and solve complex moral dilemmas. The organizations culture sets standards for determining the difference between good and bad decision making and behaviour.

Issues regarding business ethics are corporate governance, insider trading, bribery, discrimination, coercion, accumulation of profits my illegal means, political donations and gifts, corporate social responsibility and fiduciary responsibilities i.e. legal or ethical relationship of trust between one or more parties.

Though there are written and unwritten values and principles every individual is aware of in organizations, situations that arise challenges the choices and morale of an individual or an organization. To get desired results there are many instances witnessed in history where an individual or an organization used unethical ways and suffered the consequences.

There are other situations where two or more values and obligations contradict each other, gives rise to internal conflict and a choice should be made.

Four commonly discussed **approaches in business ethics:**

Friedman doctrine: Friedman takes a shareholder approach to social responsibility. This approach views shareholders as the economic engine of the organization and the only group to which the firm must be socially responsible. He says that a company does not have any social obligation toward public or society.

Friedman wrote in his book that "There is one and only one social responsibility of business – to use its resource and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."

Cultural relativism: it is the principle that an individual human's beliefs and activities should be understood in terms of his or her own culture and one should not be judged against the criteria of another.

Righteous Moralist: A righteous moralist claims that a multinational's home-country standards of ethics are the appropriate ones for companies to follow in foreign countries.

Naïve immoralist: A naïve immoralist asserts that if a manager of a multinational sees that firms from other nations are not following ethical norms in a host nation, that manager should not either.

Other approaches to ethics:

Utilitarian & Kantian approaches to ethics hold that the moral worth of actions or practices is determined by their consequences. Kantianism and utilitarianism have different ways for determining whether an act we do is right or wrong.