Ethics and Social Responsability

According to Lamb, Hair, & McDaniel (2011):

"Ethics refers to moral principles or values that generally regulate the behavior of an individual or group. We can also see ethics as the standard on which behavior is judged. As stated earlier, legal standards may not always be ethical, and vice versa. Laws are the values and standards that courts can put into practice. Ethics, then, consist on personal moral principles. For example, there is no statutory statute that "entering without forming in a line is a crime. If there is someone who does not want to line up and sneaks in front of many people, they will be angry. We complain about drivers leaving on the side of the road to avoid a row of cars while we wait our turn".

If someone has ever sneaked in front of you in a line then they understand ethics and have applied the rules of it in their life. Waiting your turn in a line is an expectation that society has. "Wait your turn" is not a rule, a statute or even a federal regulation. It is an ancient principle developed, because it was right to proceed on the basis that the first to arrive is the first to be attended. "Wait your turn" because when there are large groups ready to cross the same path, buy tickets to the cinema or fast food in an area with many people, we discover that the lines guarantee an order and that waiting for their turn is just a way to distribute the space and time available to buy tickets, move in transit or buy food. "Wait your turn" is an expected but unwritten behavior that plays a critical role in an orderly society.

The same goes for ethics. This consists of those unwritten rules that we have developed for interactions between us. These unwritten rules govern us when we share resources or comply with contracts. "Wait your turn" is a higher

standard than laws created to maintain order. These laws apply when using physical force or threats to get to the front of the line. Assault, extortion and

threats are forms of criminal conduct by which the aggressor can be prosecuted. But the law does not apply to the person who sneaks into a row, perhaps using a friend and a conversation as a strategy to get to the front. No law is violated, but the idea of justice is violated by an individual who stands in front of others and takes advantage of the time and position of others.

When he says to himself, "That's unfair!" defines ethics for itself. Ethics does not just refer to standards of behavior; it has to do with honesty, justice and impartiality. And it applies to both personal and business behavior.

Ethical issues range from well-defined practical issues, such as an entrepreneur's duty to be honest with his clients, to broader social and philosophical issues, such as a company's responsibility to conserve the environment and protect rights of its employees. Many ethical conflicts develop from the problems that arise due to the difference of interest between the owners of a company and its workers, customers and the surrounding community. Managers should balance the ideal with the practical; the need to produce reasonable utility for the company's shareholders with honesty in business practices, and the biggest environmental and social problems.

"Ethics is something everyone likes to talk

about but nobody knows exactly what it is"

Charles W. Lamb, Joseph F. Hair, Carl D. McDaniel (2010)

Ethical Behavior in Business

By relying on the ethical theory that an entrepreneur accepts and applies in his daily behavior, if it exists, the action taken may vary. For example, when faced with a situation where it is possible to bribe a foreign official to obtain a crucial contract or close a plant and lay off thousands of employees, a person following a deontology strategy would not pay the bribe. Why? A deontologist always sticks to the law. However, a moral relativist is likely to pay for it.

Although the boundaries between the legal and what is not are often quite clear, (for example, not passing the red light, not robbing a bank and not killing anyone), the limits in ethical decision-making depend on the ethical theory applied. Generally, the law relies on a jury to determine whether an action is legal or not. Society determines whether an action is ethical or not. Sometimes society decides that no illegal action was taken.

Sometimes society decides that a person acted unethically (remember the O.J. Simpson murder trial) but a jury may decide that no illegal act was committed. In a company-related case, the jury recently found Richard Scrushy, who had been charged with a $1.4 billion fraud against HealthSouth Corporation, not to be found innocent of all charges. On the other hand, Bernard Ebbers, former CEO of WorldCom, was found guilty of bond fraud and document forgery and sentenced to 25 years in prison.

Morality is formed by the rules that people develop as a result of cultural values and norms. Culture is a socializing force that establishes what is good and bad. Moral standards also reflect laws and regulations that affect social and

economic behavior. In this way, morality can be considered the basis of ethical behavior.

Morality is usually characterized by good or bad. "Good" and "bad" have different connotations, including "effective" and "deficient." A good seller covers or exceeds the allocated quota. If the seller sells a stereo or a new TV to a disadvantaged customer, knowing full well that the customer will not be able to cover monthly payments, is he still a good seller? What happens if such a sale allows you to exceed your quota? "Good" and "bad" also refer to "appropriate" and "deviant" behaviors. A doctor who runs large advertisements offering discounts on open-heart surgery would be considered bad, or unprofessional, in the sense that it does not meet the standards of the medical profession. The terms "bad" and "good" are also used to express a difference between criminal behavior and one attached to the law. And finally, different religions define what is "good" and "bad" very differently. A Muslim who eats pork is considered bad, as well as a fundamentalist Christian who drinks whiskey.

Corporate Social Responsibility

Corporate social responsibility is a company's concern for the well-being of society. This concern is demonstrated by managers who consider both the long-term interests of the company and its relationship with the company in which it operates. The most recent theory of social responsibility is known as sustainability. It refers to the idea that socially responsible companies outperform their competitors by focusing on the world's social problems and seeing them as opportunities to profit and help the world at the same time.

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It is also the idea that companies cannot remain for a long time (i.e. lack of sustainability) in a world where billions of people suffer and are extremely poor. Hence, for their sake, companies have to find ways to attack the evils of society. Only commercial organizations have the talent, creativity and executive ability to get the job done.

REFERENCE:

Lamb, C., Hair, J. and McDaniel, C. (2011). Marketing. Ohio: Cengage Learning