**Your name:** Lomagugu Matsebula

**Student ID number:** UB76186BBU85370

**COURSE NAME**: BET 056

 BUSINESS ETHICS

**ATLANTIC INTERNATIONAL UNIVERSITY**

**AUG/2022**

**Table of Contents**

[1.0 Introduction……………………………………………………………………………………………3](#_Toc109213005)

[2.0 Description…………………………………………………………………………………………….4](#_Toc109213006)

[2.1 Introduction to business ethics……………………………………………………………….4](#_Toc109213007)

[2.2 Ethics of business culture…………………………………………………………………….5](#_Toc109213008)

[2.3 Ethics in a global economy…………………………………………………………………..5](#_Toc109213009)

[2.4 The morality of capitalism…………………………………………………………………...6](#_Toc109213010)

[2.5 Social responsibility of corporations…………………………………………………………7](#_Toc109213011)

[2.6 Advertising: Creating desire or informing the public………………………………………..8](#_Toc109213012)

[2.7 New trends in environmentalism…………………………………………………………….8](#_Toc109213013)

[2.8 The ethics of insider trading, mergers and acquisitions……………………………………...9](#_Toc109213014)

[2.9 Individual moral responsibility in organizations……………………………………………..9](#_Toc109213015)

[2.10 Creating and encouraging moral climate………………………………………………….10](#_Toc109213016)

[3.0 General Analysis……………………………………………………………………………………..11](#_Toc109213017)

[4.0 Actualization…………………………………………………………………………………………12](#_Toc109213018)

[5.0 Discussion…………………………………………………………………………………………...13](#_Toc109213019)

[5.1 Build Customer Loyal………………………………………………………………………14](#_Toc109213020)

[5.2 Provide a competitive advantage…………………………………………………………...14](#_Toc109213021)

[5.3 Positive Work Environment………………………………………………………………...15](#_Toc109213022)

[5.4 Retain Good Employees…………………………………………………………………….16](#_Toc109213023)

[5.5 Attract more investors………………………………………………………………………16](#_Toc109213024)

[5.6 Avoid legal Problems……………………………………………………………………….17](#_Toc109213025)

[5.7 Enhance a Company’s Reputation………………………………………………………….18](#_Toc109213026)

[5.8 Business ethics can reduce profits…………………………………………………………..18](#_Toc109213027)

[5.9 Time consuming to implement the practices……………………………………………….19](#_Toc109213028)

[6.0 General recommendations……………………………………………………………………………19](#_Toc109213029)

[7.0 Conclusion……………………………………………………………………………………………21](#_Toc109213030)

[8.0 References……………………………………………………………………………………………22](#_Toc109213031)

**1.0 Introduction**

Ethics are moral principles which governing an individual’s behavior or the conducting of an activity. Ethics are all the good principles and standards which ensure that everything is fair in an entity. Business ethics is a form of applied ethics or professional ethics that inspects ethical principles and moral or ethical problems that can arises in a business environment. Business ethics are ethical rules and regulations applies to an organization to ensure fairness and equality in all the business activities. Business ethics play a pivotal role even when it comes to the business culture of an organization. The business culture guides employees and other relevant stakeholders on how they should behave especially in an ethically manner in the organization. Business ethics plays a crucial even in the morality of capitalism. An economic and political system in which a county’s trade and industry are controlled by private owners who are profit motive but no the government should always maintain ethics to ensure fairness.

Corporations should be socially responsible to itself and its internal and external stakeholders and the public by being self-regulating to maintain ethics in the internal and external business environment. Business should create a desire or inform the public in an ethical manner which will be based on the social changes. Business ethics should also be maintained during environmentalism whereby the natural environment should be protected and maintained during the business operations and activities. During the process of insider trading, mergers and acquisitions business ethics should be implemented to ensure fairness and success of the process. Every individual should be morally responsible in the organization during all the day to day activities to ensure fair and efficient operations. The moral climate of an organization should be created and encouraged so that moral standards and principles can be collected into organizational structures, systems and processes that guide collective behaviors of employees.

**2.0 Description**

**2.1 Introduction to business ethics**

Sahoo (2017) stated that business ethics plays a crucial role if ever problems arises in the business environment since they are a very important aspect of applied ethics. Business ethics can be defined as the application of ethical rules and regulations and the business environment or at a workplace. Business should be followed in every part of a business since they are applied in all forms of the business. Employees should be guided by business ethics in every activity they carry out in the business especially towards all the internal and external stakeholders of the organization.

When employees are carrying out the day to day operations of the business it is very important for them to be ethic so they can follow all the rules and regulation of the organization. Being ethical should start from the management as the driver of the whole organization since they are responsible for the whole operation of the organization. The management should also inject those ethics in all the forms of the business and ensure the business ethics are always maintained by every employee in the organization. Business ethics does not only pertain employees but it also pertains the society on how they should react towards an organization. For this reason, business ethics should be recognized both in the internal and external environment of the business.

**2.2 Ethics of business culture**

Sinclair (1993) identified that organizations have a potential of their organizational culture which can help in improving ethics in the organization as a whole. Organizational culture is basically how employees and other concerned stakeholders behave especially in an ethically manner in the organization. The management act as the leadership of the organization which means it is their duty to be influential improving organizational performance since a leader needs to act by example. When a problem arises in the organization the management tend to look sources of the problem based on their culture which enables them to come up with a solution.

There are two models of the organizational culture and ethical behavior which are evaluated. The models are being determined by the different understandings of organizational culture and the processes by which ethics are enhanced. The first model which is the prevailing approach states that an ethical behavior can be improved by creating a unified consistent culture around fundamental moral values. The second model questions on why the organizational culture exists at all since it believes that organizations focus on shifting the alliances of subcultures. The capability of the subcultures provides a substance for the inspection and assessment of standards and practices in the second model.

**2.3 Ethics in a global economy**

According to Svitacova and Kovacikova (2016) business ethics are the moral principles and values which are usually applied in an organization or a certain environment. The main aim of ethics in a global economy is to decently regulate activities of economic subjects in the global economic and social environments. The global economy is the sum of activities that usually takes place both within a country and between countries. Business activities occurring within the global economy environment usually leads towards global inequalities, global social thunders, and conflicts since they are connected with many corrupt practices.

Business ethics usually concentrate in trying to thrive in the market and global competition and for that reason the economic subjects tend to forget about the essential aim of economics which is to satisfy the needs of wants of citizens in the world and take part in development and improvement the quality of their lives in order to improve their living standards. Business ethics simplifies the need to scrutinize business activities in an ethical manner. Business ethics will also ensure that business activities are ethically carried out so that the activities in a global environment consider all the stakeholders of the business as well as the nature. In addition, the main role of business ethics is to advise modern and future entrepreneurs so that ethical behavior of entrepreneurial can lead into increasing competitiveness of the global economy.

**2.4 The morality of capitalism**

Billings and Asmus (1985) mentioned that historical facts state that systems other than capitalism trample freedoms, spawn totalitarian political regimes, reduce opportunity, and make a mockery of economic efficiency. Capitalism is the economic and political system in which a county’s trade and industry are controlled by private owners who are profit motive but no the government. Countries which have a mixed economy or economic democracy are developing from a social closet as they express their preferences of being an institutional mix than being free markets. Such countries believe that capitalism is naturally unfair.

The morality of capitalism can be ensured through comparisons to the real-world alternatives or on the basis of principle to ensure survival and morality in the market. Economic freedom is not determined by vaunted economic efficiency or its dramatic success in promoting economic wealth and well- being. For that reason, capitalism should be consistent with certain fundamental moral principles of life in order to ensure economic freedom. Competitive capitalism succeeds on the non-aggression principle of human freedom. A necessary condition of morality will ensure personal freedom which leads to economic and political freedom which is ethically

**2.5 Social responsibility of corporations**

According to Fernando et.al. Munichiello (2022) corporate social responsibility is a model that encourages corporations to be socially accountable to itself and its internal and external stakeholders and the public by being self-regulating. Social responsibility is also the practices and policies carried out by corporations with the intention of having a positive influence on the world. The main aim behind the social responsibility for corporation is for them to achieve pro-social objectives such as minimizing environmental externalities, promoting volunteerism among company employees, and donating to charity besides maximizing profits. When practicing social responsibility corporations will be mindful of the effect they have to the society including economic, social, and environmental. Once a corporation engage successfully in social responsibility it means its operations will enhance the society and the environment instead of affecting them negative. Corporations should implement social responsibility because it improves their brand image since consumers like to do business with brands that they find to be more ethical besides being a crucial component of corporate public relations.

**2.6 Advertising: Creating desire or informing the public**

Kalpathy (2017) stated that the world will live in today is full of constant and forceful changes. Most of these changes are caused by the business environment and majority of them are irreversible. Marketing is an old model of informing the public about the available goods and services which is influenced by the changing consumer’s tastes and preferences in a mode of rapid changes. Business need to adapt to the social changes because it is what the society wants. The marketing or advertising model started from personal to personal selling in which the consumer requirements have taken over on what to be produced rather than what producers want to produced. Companies will create a desire of consumers based on their tastes and preferences which are influenced by the societal developments. Producers and marketers have continued to sell their products and service in ways most appealing to consumers. The consumer approaches to products and services are always shaped by advertising and promotion while the consumer approaches are shaped by the social changes.

**2.7 New trends in environmentalism**

Environmentalism defines the movements and policies which have a concern with protecting and maintaining the natural environment. A huge impact to the natural and human systems has been cause by a rapid rise in greenhouse gas (GHG) releases on all continents and across the world’s oceans. The whole world is faced with the problem of scarcity and global economic uncertainty which makes it a problem in fulfilling increasing economic considering the projected increase of the global population. Such problem makes it difficult to converse the environment because it to cater for many people than it supposed to. For this reason, an environmentally-conscious policy agenda was created due to the problem global unsustainable production and consumption. The policy agenda has also ensured that the business activities or operations across various sectors, industries and countries support the adoption of environmentally responsibility in order to improve consumption and production practices. Adopting to environmental responsibility will help in tackling all the negative externalities such as waste in resources utilization, energy usage and pollution whilst maintaining economic prosperity and social well-being.

**2.8 The ethics of insider trading, mergers and acquisitions.**

Insider trading is the transaction of a company’s securities by an individual who has the right to access private or material non-public information about the company. Some insider trading is unethical since they are actually beneficial to the greater investment community. There are issues which determines the positive and negative characteristics of insider trading and the policy which should be created and implemented to guard insider trading (Robert, 2008). During the merger and acquisition process of companies it is very important to consider the ethics and compliance programs before the amalgamation of the companies. For that reason, it is very crucial for both companies to conduct attentive investigation on the ethics and compliance programs of both companies involved before signing the transaction agreement. Once the companies fail to perform such attentiveness the transaction might not be successful. Implementing a successful incorporation of two companies’ cultures will definitely take some time and patience after the transaction closes. The most important part of the amalgamation process is to ensure that both businesses are functioning in a submissive and ethical manner (Haney, 2017).

**2.9 Individual moral responsibility in organizations**

According to Woodman (2019) every individual in an organization has a number of moral responsibilities including legal ones such as paying taxes. Moral responsibilities can be individual which mean every individual in the organization is accountable for doing what is right and it can also be communal responsibilities which means a team is accountable for their ethical behavior. The moral responsibility of a company is usually expressed in the organizational culture in this modern world. Individual moral responsibilities in organizations are also expressed in the safe and healthy workplace, prompt payment of employees, treatment of co-workers, fair treatment of customers etc. It is every employer’s moral and legal responsibility to provide a safe and healthy workplace so that employee will carry out the business activities efficiently and effectively. Employers should also manage the company’s finances and payroll system efficiently in order to ensure employees are paid on time. Every individual in the organization is expected to treat each other with respect and dignity. The most crucial moral responsibility for every individual is the treatment of consumers. Consumer’s makes up the whole business because without a market share the company can shut down.

**2.10 Creating and encouraging moral climate**

MacCormick (2020) stated that organizational culture and moral climate of a company is built on the micro and macro interactions and processes which is influenced by the management of an organization. Organization’s priorities usually influence the decision making in an organization directly and indirectly based on the moral climate. Then the moral climate in organization is influenced by the employee’s collective perceptions. Moral climate is how the standards and principles become collected into organizational structures, systems and processes that guide collective behaviors. Moral clime is how the employees’ views the organizational reality which is based on the organizational culture that finally influence business performance and for that reason it is crucial to inspect the moral climate. The moral climate of an organization is influenced by the higher management through the purpose and values they set and what they model in their actual behaviors and decision making.

**3.0 General Analysis**

According to Vaidya (2022) business ethics is simply defined as the businesses arranged and approved code of conduct. Business ethics is all about a set of rules and procedures which guides individuals when dealing with various procedures which will ensure they deal with them ethically. The main aim behind business ethics is to prevent the unethical practices which can occur in the organization intentionally and unintentionally. Such unethical practices can avoid the law enforcement and the business or individuals will find themselves having to face certain penalties or damages and a loss of good reputation. Business ethics include corporate responsibility, personal responsibility, and social responsibility, loyalty, fairness, respect, trustworthiness and technology ethics in the organization.

Businesses should have all the knowledge on the ethical procedures and the penalties for non-compliance. Business ethics also plays a crucial role in ascertaining social, cultural, legal and other economic limitation and safeguarding the interests of parties involved. They also emphasize sustainability, consumer loyalty and protection, brand image, employee welfare and retention, fair businesses practices and fair services to the society. It is the business’s responsibility to ensure that all their dealings are fair and honest. Businesses are often governing the statutory laws and regulations such as law tax and environmental regulations. Such ethics and laws go beyond enforcement which means they are to be self-imposed and followed diligently. Businesses can uphold those ethics by conducting internal audits and quality controls checks at regular intervals as much as ethics vary from company to company.

Ethics are formulated and applied depending on the personal values of the business owners in most companies. For example, multinational companies operate in different countries and the ethics will be applied not only based on that host countries’ laws and regulations but also based on the personal values of the owners. It is very crucial that ethics are applied during the recruitment and promotion process to ensure fairness in the organization. The essential principles of Business Ethics involve accountability, care and respect, avoiding conflicts, compliance, relevant in formation, law abiding and fulfillment commitments.

**4.0 Actualization**

Ethics are the moral principles and standards which governs a human behavior. Ethics are not only applied to business but they exist everywhere. Individuals are involved in different activities and in different places in which their behavior is govern by the ethics. In nowadays every place and environment has its own rules, regulations and policies. It is believed ethics only involves in business whereas they involve everywhere in the daily life. Churches are mostly about teaching ethics since they teach about doing well and treating others fairly. Most churches have its own moral values and standards which guides individuals when they carry out the day to day activities. Most churches have even gone all out into creating programs which teaches about ethics and treating each other fair to the outside world.

Ethics are all about ensuring effectiveness and efficient in the activities carried out in an institution. Many communities have peace because of churches. Churches has played a crucial role of going out to communities to teach them about ethics. For that reason, communities were able to formulate values and polies which will govern every citizen on how they should behave themselves. The society is governed by the policies and rules which were laid down by the government. It is very crucial that those rules and policies are followed ethically to avoid penalties which comes with a huge price. The government set many rules and regulations in a country to maintain order and fairness of everything which needs to be followed ethically. Failure to adhere to those rules and policies may cost one to ends up spending life in jail paying for their unethical behavior. Ethics are usually costly and time consuming to follow which is many people ignore them and behave unethical which tends to costs them more than what it would cost them to follow and maintain those ethics at the first place.

There are too many crimes committed by many societies due to failure to adhere to all the rules and policies laid down by the government. For that reason, once a policy is laid down there is usually a penalty which will also be laid down for those who will fail to follow them. The government has rules and policies laid down for all the activities in the countries which is why the relevant individuals needs to abide them especially in businesses. Besides ethics has many stronger positive effects to individuals than the negative effects. The business ethics which are applied to business usually has a concern to the public which is why the public needs to abide with those that concerns them.

**5.0 Discussion**

It is believed business ethics bring mainly benefits to an organization which can be at a local, national and international level. Business ethic also have drawbacks which can cost an organization a lot. The advantages and disadvantages of business ethics are discussed below.

**5.1 Build Customer Loyalty**

According to Hill (2019) business ethics can help in enhancing business relationships an organization has with consumers. Treating consumers fairly by charging them the right prices and giving them the best services will ensures they come back again and stay loyal to the organization. In that way consumers will let the company take advantage of them but if they believe they have been treated unfairly, such as by being overcharged, they will not come back and trade with the company. An organization can ensure its profitability and expansion by having loyal customers because having an existing market does not involve more marketing and advertising costs while acquiring a new market. Commerce Mates (n.d.) added that business ethics can help in enhancing customer satisfaction from the business and its products. Organizations that follow the ethical principles usually make a reasonable profit while fulfilling all the needs of their customers at a lower cost. Consumers will be happy and loyal to the organization when they are treated fairly, when they get proper help support and when all their complaints are redressed timely. An organization can ensure this via good ethical principles.

**5.2 Provide a competitive advantage**

Dominion (n.d.) stated that competitive advantage is an attribute which enables a company to outperform its competitors. If a company adopt business ethics and behaves ethically consumers will be attracted and start being loyal to that company. Once an organization does its business in an ethical manner it would have adopted a unique selling point no matter the industry it is operating in. This can boost its reputation and it public imagine will definitely boost its sales leading to profitability. Customers feel comfortable in spending their money where they know the goods will have been produced ethically and responsibly. For example, this is indicated by a Unilever survey which found a third of consumers (33 percent) choose to buy from brands that are making a positive social or environmental impact. Ansary (2021) added that can have a competitive by keeping its market. That is by behaving moral which will attract customers to their products and services and lead them to loyalty. Geeksforgeeks (n.d) further added that investors, customers are huge stakeholders of an organization as they contribute to the sales and revenue of the organization. Once an organization behaves ethically it will gain a competitive advantage from then gained customer loyalty which will helps the business in fulfilling its profit-earning motive.

**5.3 Positive Work Environment**

Dominion (n.d.) indicated that employees will only feel more comfortable working for a company that is behaving ethically. An ethically workplace will enhance strong business relationships amongst employees and ensure they become productive in the organization. The business ethics will not only give the employees the mentality of wanting to stay in the organization but it will also give the businesses a competitive edge towards employee recruitment. Employees will not want to be partially responsible for any unethical consequences, such as contributing to the deforestation of an area or poverty due to underpaying labor since the ethics of paying consumers fair will be followed. Ansary (2021) added that employees will only be productive in an ethical working environment. Employees are the ones who keeps in touch with consumers during the operation of the organization.

Once an employee is not happy it means a poor service will be delivered to a consumer. It is important that an organization follows business ethics to ensure that employees are always happy and stay productive in the organization. Commerce Mates (n.d) further added that business ethics helps in keeping a positive working environment for organizations. Ethics defines the policies and regulations which is the code of conduct for an organization and monitor the operations of the organization. Those ethics will ensure that employees work efficiently and develop better relationships with their co-workers during teamwork. The superiors will trust their subordinates and grant them proper autonomy for performing their roles effectively.

**5.4 Retain Good Employees**

Commerce Mates (n.d) stated that once an organization adopting ethical principles it will be able to keep employees for a long period of time. Employees will always want to work in an organization where they are treated fairly and their skills and talents are recognized. Employees expect to be motivated and compensated for their hard work as they expect to be motivated. Once a company treat its workers fairly and openly will easily be to retain them. Hill (2019) a talented workforce at all levels of an organization want to be compensated fairly for their work and dedication. That workforce expects career advancement from the organization to be assessed based on the quality of the work they do. They want to feel they are a part of the company by a two-way communication whereby they send information to the management and the management gives them information on the organization goals and strategies. Once a company provides such fair and open treatment to it employees it will be able to retain them.

**5.5 Attract more investors**

Dominion (n.d) stated that investors are important stakeholders of the business since they invest money into the business. Before investors invest into a company they start by assessing its operations and profitability. If investors find that their potential company is always prioritizing on having high morals and operate in an ethical way have knowledge on that their money will be used in a responsible way. This carries a competitive advantage to the business because investors will continue funding the business and they will also invite more investors. Commerce Mates (n.d) added that all investors want to be associated to a business that is adopting ethical principles for earning better return. For this reason, investors first asses the business based on its reputation, ethics, and social responsibility before choosing the one to invest their funds. For this reason, it is important for businesses to work on ethical values so that they are able to attract large number of investors.

**5.6 Avoid legal Problems**

According Commerce Mates (n.d) once an organization adhere to all the ethical principles it will gain an advantage of controlling legal issues. This is because the organization will be able to comply with all labor laws and environmental regulations such as providing employees with safe working environment and good quality materials for carrying out the business activities or operations. Once an organization implement and maintain all the ethical principles and standards it will avoids itself from any fine and penalties charges by government agencies. Hill (2019) added that many organizations are profit motive which is why they are usually tempted to cut corners by not fully complying with all the environmental regulations or labor laws and worse ignoring employee’s safety hazards in the workplace with the main aim of making a profit. Ansary (2021) further added that there is a growing number of lawsuits in the case of employees and stakeholders on the influence of services or products of an organization. Such lawsuit can result into negative publicity which can cause long-term damage to the company’s reputation and goodwill which will even cost more than legal fees or fines. It is better to tolerate the cost incurred during the implementation and maintaining of procedures in order to ensure ethical practice than to spend more money on the case or trying to clear a negative image.

**5.7 Enhance a Company’s Reputation**

In addition, Hill (2019) specified that a company implementing and maintaining an ethical behavior and principles will gain a decent reputation which can help it create a more positive image in the marketplace which can extend its existing market share and bring in more customers through word-of-mouth referrals. Having unethical behaviors can be a barrier into chances of obtaining new consumers for the company because the world we live in today if consumers are dissatisfied with a service they can quickly distribute information about the negative experience they had.

5.8 Business ethics can reduce profits

Whereas, Smyth, D. (2019) argued that implementing and maintaining business ethics requires money, time and other valuable resources which reduce the company’s profits. The costs are incurred at different business stages such as training costs and HR resources which makes it difficult to compete with competitors who do not follow ethical practices. Dominion (n.d) added that the main drawback of business ethics is reduce a company’s ability to maximize profit no matter at what level they trading at. Companies trading a national or international level may be required to produce and have factories in developing countries which can reduce its profits since they follow all the environmental regulations and labor law. Commerce Mates (n.d) further added that companies adhering to all the ethical principles and standards will not be able to focus on profit maximization while exploiting others since they are expected to give equal attention to the interest of its internal and external stakeholders.

**5.9 Time consuming to implement the practices**

Dominion (n.d) further argued that emerging, applying and keeping business ethics can be time consuming especially if a company has not been following the business ethics before. Business ethical requires constant update every time the laws and regulations changes and if the size of the company changes. Companies can reorganize the process of applying new ethics by hiring an ethics officer or an ethics service provider but this adds to the costs which will be needed for business ethics. Commerce Mates (n.d) implementing business ethics is a long process that requires large efforts on the part of the organization. Organizations need to properly learn about business ethics and its application for their successful implementation.

**6.0 General recommendations**

Business ethics plays a pivotal role in the business operations. There are many stakeholders in the business which are internal and external. Stakeholders are people with an interest in the operations of an organization. Internal stakeholders involve employees, owners, shareholders and managers. External stakeholders involve suppliers, government, customers, trade unions and creditors. Employees are the individual’s employees in the organization which ensure the operations of an organization are running smoothly. Employees needs to be happy and motivated so they can be productive in the day to day activities. This can only be done by ensuring they treated fairly based on the moral principles and values which will ensure they feel a part of the organization for example being paid on time.

The owners are directly interested into making profits from their business activities. Employees should be ethical in those activities to ensure fair and enough profit are being made. Business owners are the ones who need to make employees are always ethically treated in the organization. A shareholder is an individual or institution that holds shares in a company’s stock. Unethical actions in a company can harm the stock price or hinder investor’s trust which will also negatively affect the shareholders. The management is the one responsible for formulating the moral principles and standards in the organization and ensure everyone adheres to them and ensure the organization adheres to all the laws and regulations set by the government.

Suppliers supply companies with the required goods and services or materials. Organization should also maintain ethics with suppliers by ensuring they are all fairly treated and the contract terms are not abused. Organizations should also ensure they follow all the rule, regulations and policies which is set by the government in an ethical manner during their day to day operations. Consumers are the one who keeps the business running since they make up the whole market. Businesses should ensure to satisfy the consumer’s needs and wants and by offering value. Businesses can successfully do that by adhering to all the business ethics when it comes to customer service. Once consumers are happy with the services and the product itself they will spread a good mouth about the company which will enhance its reputation while increasing its market share. Business ethics are very important in all the form of a company and to all the individual affected or having an influence to the company. It is very crucial that all companies and organization formulate and maintain business ethics in order to ensure effective and efficient running of the business operations.

**7.0 Conclusion**

Ethics were defined as moral principles and standards that governs the individual’s behavior or the conducting of an activity. Ethics are basically expressing all the good values and morals which ensure that everything is fair in an organization. Business ethics were defined as form of applied ethics or professional ethics that reviews ethical principles and moral or ethical problems that can arises in a business environment. Business ethics are ethical rules and regulations applies to an organization to ensure fairness and equality in all the business activities. Business ethics play a pivotal role even when it comes to the business culture of an organization. The business culture guides the behavior of employees and other relevant stakeholders during the business activities. Business ethics plays a crucial even in the morality of capitalism. An economic and political system in which a county’s trade and industry are controlled by private owners who are profit motive but no the government should always maintain ethics to ensure fairness.

Corporations should be socially responsible for its internal and external stakeholders and the public by being self-regulating to maintain ethics in the internal and external business environment. Business should create a desire or inform the public in an ethical manner which will be based on the social changes. Business ethics should also be maintained during environmentalism whereby the natural environment should be protected and maintained during the business operations and activities. During the process of insider trading, mergers and acquisitions business ethics should be implemented to ensure fairness and success of the process. Every individual should be morally responsible in the organization during all the day to day activities to ensure fair and efficient operations. The moral climate of an organization should be created and encouraged so that moral standards and principles can be collected into organizational structures, systems and processes that guide collective behaviors of employees.

**References**

Ansary, A., S. (2021). *11 Advantages of Business Ethics in Professional Life*. Retrieved from https://www.careercliff.com/advantages-of-business-ethics/

Billings, D., & Asmus, E., B. (1985). *The Morality of Capitalism.* Retrieved from https://fee.org/articles/the-morality-of-capitalism/#:~:text=Competitive%20capitalism%20thrives%20on%20the,from%20violent%20attack%20by%20others.

Commerce Mates (n.d). *Advantages and Disadvantages of Business Ethics*. Retrieved from https://commercemates.com/advantages-disadvantages-business-ethics/

Dominion (n.d). *Advantages and disadvantages of business ethics in the real world.* Retrievd from https://www.dominionprint.com/advantages-and-disadvantages-of-business-ethics-in-the-real-world/

Fernando, J., Brock, T., & Munichiello, K. (2022). *Corporate Social Responsibility (CSR)* Retrieved from https://www.investopedia.com/terms/c/corp-social-responsibility.asp#:~:text=The%20key%20idea%20behind%20CSR,employees%2C%20and%20donating%20to%20charity.

Geeksforgeeks (n.d). *Business Ethics – Meaning, Benefits and Elements.* Retrieved from https://www.geeksforgeeks.org/business-ethics-meaning-benefits-and-elements/amp/

Haney, B., S. (2017). *Ethics Pitfalls in Mergers, Acquisitions.* Retrieved from https://www.nationaldefensemagazine.org/articles/2017/6/13/ethic-pitfalls-in-mergers-acquisitions#:~:text=In%20summary%2C%20a%20key%20element,merging%20ethics%20and%20compliance%20programs.

Hengky, S., Rory, P., Sune, H., Shaza, M., Ali, Y., Khadijah, S., Mun, T., & Effie, P (2018). *Global trends in environmental management system and ISO14001 research*. Journal of Cleaner Production. 170. 645-653. 10.1016/j.jclepro.2017.09.017.

Hill, B. (2019). *The Advantages of Ethical Behavior in Business.* Retrieved from https://smallbusiness.chron.com/advantages-ethical-behavior-business-21067.html

Kalpathy, S (2017). *Impact of Social Changes on the Role of Advertising.* International Journal of Trend in Research and Development.4. 2394-9333

MacCormick, J. (2020) *Moral climate matters: creating an ethical culture by influencing moral climate.* Retrieved from https://www.aicd.com.au/organisational-culture/business-ethics/change/creating-a-moral-culture-by-influencing-moral-climate.html

Robert, M. (2008). *Applying Ethics to Insider Trading*. Journal of Business Ethics. 77. 205-217. 10.1007/s10551-006-9344-6.

Sahoo, J. (2017). *Business ethics: An introduction*: Business ethics. New Delhi: Adhyayan Publisher & Distributors

Sinclair, A. (1993). *Approaches to Organizational Culture and Ethics*. Journal of Business Ethics. 12. 63-73. 10.1007/BF01845788

Smyth, D. (2019). *The Disadvantages of International Business Ethics.* Retrieved https://bizfluent.com/info-7736609-disadvantages-international-business-ethics.html

Svitacova, E., & Kovacikova, E. (2016). *Roles of business ethics in new global economic environment*. 714-721. 10.15414/isd2016.s8.20.

Vaidya, D. (2022). *Business ethics.* Retrieved from https://www.wallstreetmojo.com/business-ethics/change

Woodman, C. (2019). *What Is an Example of Moral Responsibility in the Workplace?* Retrieved from https://smallbusiness.chron.com/example-moral-responsibility-workplace-35716.html