**DETAILED REPORT**

**(**Consequences of Ethical Behavior**)**

**Prepared by:**

Abarientos, Keene C.

**What is Ethical Behavior?**

The term "ethical" can be nebulous and open to interpretation. Many people say that it's one of those things that you know when you see it or the lack of it. Because it can be difficult to define, it's essential for leaders to be specific when they say that they expect ethical behavior from their employees. More defined guidelines can help everyone get on the same page.

Generally, ethical behavior is doing the right thing and adhering to professional standards. While this definition is a good start, it doesn't give specific guidance. That why it's essential to have a codified set of ethical standards for your business. This code can help to provide employees examples of moral quandaries they may face and ideas about how to handle these situations.

**Ethical Principles**

Ethical principles provide generalized frameworks that may be employed in the resolution of ethical dilemmas in our daily lives. These principles may be applied to our interpersonal relationships as well as to our professional lives.

1. **Truthfulness and Confidentiality**

Truthfulness is about telling the truth to someone who has the right to know the truth while the concept of confidentiality urges you to keep a secret by which we mean knowledge or information that a person has the right or obligation to conceal.

1. **Autonomy and Informed Consent**

Autonomy refers to every individual’s right of self-determination, independence and freedom to make their own choices. Informed consent means that each person who has any sort of procedure done to them in a healthcare context should give their approval for that procedure to be done to them.

1. **Beneficence**

Beneficence tells you about ‘doing good’ for your client.

1. **Nonmaleficence**

The concept of nonmaleficence tells you to ‘do no harm’ either intentionally or unintentionally to your clients.

1. **Justice**

Justice is a complex ethical principle and it entails fairness, equality and impartiality; in other words, it is the obligation to be fair to all people.

* **Distributive Justice**

Individuals have the right to be treated equally regardless of ethnic group, gender, culture, age, marital status, medical diagnosis, social standing, economic level, political or religious beliefs, or any other individual characteristics. Everyone should be treated in the same way.

* **Social Justice**

It is based on the application of equitable rights to access and participation in all aspects of goods and services provided in a society, regardless of their individual characteristics.

**Examples of Ethical Behavior**

1. **Honesty**

Ethical executives are honest and truthful in all their dealings and they do not deliberately mislead or deceive others by misrepresentations, overstatements, partial truths, selective omissions, or any other means.

1. **Integrity**

Ethical executives demonstrate personal integrity and the courage of their convictions by doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable and upright; they will fight for their beliefs. They will not sacrifice principle for

expediency be hypocritical, or unscrupulous.

1. **Promise-keeping & Trustworthiness.**

Ethical executives are worthy of trust. They are candid and forthcoming in supplying relevant information and correcting misapprehensions of fact, and they make every reasonable effort to fulfill the letter and spirit of their promises and commitments. They do not interpret agreements in an unreasonably technical or legalistic manner in order to rationalize non-compliance or create justifications for escaping their commitments.

1. **Loyalty**

Ethical executives are worthy of trust, demonstrate fidelity and loyalty to persons and institutions by friendship in adversity, support and devotion to duty; they do not use or disclose information learned in confidence for personal advantage. They safeguard the ability to make independent professional judgments by scrupulously avoiding undue influences and conflicts of interest. They are loyal to their companies and colleagues and if they decide to accept other employment, they provide reasonable notice, respect the proprietary information of their former employer, and refuse to engage in any activities that take undue advantage of their previous positions.

1. **Fairness**

Ethical executives and fair and just in all dealings; they do not exercise power arbitrarily, and do not use overreaching nor indecent means to gain or maintain any advantage nor take undue advantage of another’s mistakes or difficulties. Fair persons manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity, the they are open-minded; they are willing to admit they are wrong and, where appropriate, change their positions and beliefs.

1. **Concern for Others**

Ethical executives are caring, compassionate, benevolent and kind; they like the Golden Rule, help those in need, and seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good.

1. **Respect for Others**

Ethical executives demonstrate respect for the human dignity, autonomy, privacy, rights, and interests of all those who have a stake in their decisions; they are courteous and treat all people with equal respect and dignity regardless of sex, race or national origin.

1. **Law Abiding**

Ethical executives abide by laws, rules and regulations relating to their business activities.

1. **Commitment to Excellence**

Ethical executives pursue excellence in performing their duties, are well informed and prepared, and constantly endeavor to increase their proficiency in all areas of responsibility.

**10.Leadership.**

Ethical executives are conscious of the responsibilities and opportunities of their position of leadership and seek to be positive ethical role models by their own conduct and by helping to create an environment in which principled reasoning and ethical decision making are highly prized.

**11.Reputation and Morale.**

Ethical executives seek to protect and build the company’s good reputation and the morale of its employees by engaging in no conduct that might undermine respect and by taking whatever actions are necessary to correct or prevent inappropriate conduct of others.

**12.Accountability.**

Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies, and their communities.

**Consequences of Ethical Behavior**

1. **Goodwill and Publicity**

One of the major advantages of behaving in an ethical manner is the opportunity to foster a sense of goodwill among the general public toward your business. Customers are increasingly concerned with using products produced in an environmentally sustainable manner and where the producers are paid a fair wage for their work -- for example, fair trade coffee. Being seen as meeting your social and societal obligations will ingratiate your business to the public and attract socially responsible consumers.

1. **Shareholders and Investors**

In most cases, it will be important to shareholders that your business is managed in an ethical fashion. Transparent accounting practices and an engaging, consultative relationship with your shareholders will encourage confidence in your business. Investors will be more willing to put capital into a business that they can see is ethically managed, because there is less chance that the business will be founded on unsafe practices. Ethically minded investors may also be unwilling to invest in a business that they see as socially or environmentally irresponsible.

1. **Competitive Edge**

Ethical behavior can serve to differentiate your brand from those of your competitors if you operate in an oversubscribed market, offering you a competitive edge. Identifying your product and business practices as being founded on strong ethical principles makes your product or service more attractive to consumers -- a good example of this model would be the Body Shop, a cosmetics company whose products are not tested on animals.

1. **Moral Obligations**

A powerful argument in favor of running your business in an ethical manner, aside from the financial benefits that can be gained, are the moral obligations your business has toward the community. A successful business takes from the community in the form of profits, which are distributed among its employees, directors and shareholders in wages and dividends. As an integral part of society, the business has a moral obligation to behave in an ethical manner toward employees and third parties, and to be conscious of its environmental impact.

1. **Knock-On Effects**

The knock-on effects of adopting a strong ethical ethos will benefit a business. Honest, open accounting practices will help build a stronger financial base for the company and may help avoid lawsuits or sanctions for malfeasance. The knock-on effect of fairly compensating employees and meeting your tax liabilities will be a prosperous, more robust local economy, which will benefit everyone in the long run.

1. **Build Customer Loyalty**

Consumers may let a company take advantage of them once, but if they believe they have been treated unfairly, such as by being overcharged, they will not be repeat customers. Having a loyal customer base is one of the keys to long-range business success because serving an existing customer doesn’t involve marketing cost, as does acquiring a new one. A company’s reputation for ethical behavior can help it create a more positive image in the marketplace, which can bring in new customers through word-of-mouth referrals. Conversely, a reputation for unethical dealings hurts the company’s chances to obtain new customers, particularly in this age of social networking when dissatisfied customers can quickly disseminate information about the negative experience they had.

1. **Retain Good Employees**

Talented individuals at all levels of an organization want to be compensated fairly for their work and dedication. They want career advancement within the organization to be based on the quality of the work they do and not on favoritism. They want to be part of a company whose management team tells them the truth about what is going on, such as when layoffs or reorganizations are being contemplated. Companies who are fair and open in their dealings with employees have a better chance of retaining the most talented people. Employees who do not believe the compensation methodology is fair are often not as dedicated to their jobs as they could be.

1. **Positive Work Environment**

Employees have a responsibility to be ethical from the moment they have their first job interview. They must be honest about their capabilities and experience. Ethical employees are perceived as team players rather than as individuals just out for themselves. They develop positive relationships with coworkers. Their supervisors trust them with confidential information and they are often given more autonomy as a result. Employees who are caught in lies by their supervisors damage their chances of advancement within the organization and may risk being fired. An extreme case of poor ethics is employee theft. In some industries, this can cost the business a significant amount of money, such as restaurants whose employees steal food from the storage locker or freezer.

1. **Avoid Legal Problems**

At times, a company’s management may be tempted to cut corners in pursuit of profit, such as not fully complying with environmental regulations or labor laws, ignoring worker safety hazards or using substandard materials in their products. The penalties for being caught can be severe, including legal fees and fines or sanctions by governmental agencies. The resulting negative publicity can cause long-range damage to the company’s reputation that is even more costly than the legal fees or fines. Companies that maintain the highest ethical standards take the time to train every member of the organization about the conduct that is expected of them.

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