Module 2-Case Ethical Decision Making in Difficult Situations

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**Introduction**

Today, ethics is characterized as one of the major benchmarks set for the success of business organizations. It is established as the critical practice for the higher management of the organizations to ensure the consideration of ethical practices and ethical decisions in their organizational setting to respect the concerns of all the shareholders. Ethical leadership is defined as the practical measure to achieve the objective of ethical business activities effectively and efficiently. The responsibility of the leaders to ensure the objective of ethical business can never take for granted because they are recognized as the driving force for the companies. Leaders are the ones who provide a direction to meet personal and organizational objectives of higher performance. It is interesting to mention that the current developed form of business ethics is the result of a long history of improvising and implementing basic ethical standards for the business entities functioning in the country. Here the particular focus is to critically discuss the crucial role of top leadership in a large organization in case of creating a balance between profits and concerns of all the stakeholders.

**Discussion**

Top leaders in any business organizations established as the real face of the ethical standard of the company. The basic standards of the concept of ethics demand leaders understand and respect the difference of opinion and adopt the policies that provide benefits to all the concerned parties. The theoretical concept of ethical leadership is considered to illustrate the active role of leaders in the organizational setting to create the desired balance between the objective of profit maximization and concerns of the shareholders.

**Consideration of Business Ethics**

At the first step of assessment of the role of ethical leadership, it is critical to understand the actual prospect of business ethics. It is vital to figure out what is the actual application when it comes to the objective of meeting business ethics. The approach of business ethics is established as the applied form of ethics that primarily focus on different ethical principles and policies in the context of operations of the business. In other words, it can be defined as the benchmark for the top organizational leaders to utilize specific ethical principle to handle different ethical concerns in an organizational setting. The concerns in case of governance and discrimination are defined as the major issues that involve the scenario of business ethics.

Another interesting aspect of the idea of business ethics is that it is the outcome of different transitional phases in the history of the business sector. Different practical measures are adopted in different time periods to achieve the approach of business ethics that will be acceptable for all the shareholders. The 20th century is the time period in the history of the business organization when people vigorously focused to implement better forms of ethics in their organizational context. In the earlier years of market expansion in the country, it was difficult for individuals to define clear restrictions in case of business operations. The concept of Laissez-faire free market makes it critical for the business leaders to draw a limit when it comes to profit maximization (Terris, 2005). The perspective of free business eventually developed different ethical concerns that appeared in different forms. This particular problem eventually made it essential for the business leader to draw a line of restriction and operate a business under some basic principles. Undoubtedly, the business structure of the organizations in the country dramatically change over the years. Business leaders work hard to set the ethical grounds to set a balance between the goal of profitability and ethical concerns of all shareholders.

**The Approach of Evolution of Business Ethics in America**

The economy of the country is gone through with different forms of transition to attain the better prospect of business for everyone. The contribution of the era of early 1900 can never be ignored when the business sector experienced different forms of changes. These particular changes eventually impact the leadership domain for the business entities. It was the time when large industries involved in the entire procedure of industrial evolution in the United States of America. The first phase of the evolution never immensely focus the concerns of the working class as profit enhancement is the basic agenda set by the business organizations. Different rules and regulations set for the workers in the factories to influence their approach of working.

The economy of the county gained a sustained position of growth after World War II (Terris, 2005). It was the time period when the concept of ethics starts gaining its position in the context of business organizations. It was a particular time of dramatic alterations in the overall set up of business functioning. The working environment was not the same for the employees as there were better chances for them to directly communicate with the representatives of corporations. The theoretical idea of business ethics got immense popularity considering the paradigms of technological advancements and changing social prospects. Industrial evolution also provides a chance for the workers to experience a flexible form of organizational experience as compared to the former time period. It is also essential to indicate that the changing face of business ethics in the context of large organizations also impacts the job roles of corporate leadership. It turned as an essential practice for the business leaders to focus on the approach of shareholder framework and develop business rules and policies accordingly. Business leaders were observed more focused to create balance when it comes to achieving the targets of business growth and overall profitability level. On the other hand, the growing emphasis on the approach of shareholders ultimately turned as the increasing form of competition in the business world. It became essential for business leaders to take steps to achieve a better position in the market in the form of competitive advantage. It is noteworthy to mention that this increasing trend due to industrialization ultimately make it difficult for the leaders to attain and sustain a balance between the objective of profit and the concerns of all the shareholders. This specific form of growing gap made it complex to maintain better forms of business ethics in an organizational context.

The 20th century is also a crucial time period in the history of organizational development in the country. It was the time when organizational leaders give more importance to the profit maximization as compare to the ethical standards. On the other hand, there was a systematic process to ensure a suitable form of ethical considerations in an organizational context. The time period of the 21st century indicates experienced different events of the clear breaches of the ethical standards that indicate the overall complexity of the perspective of organizational ethics (Terris, 2005). It was the time when organizations are focused to adapt the training process to successfully meet ethical standards in a workplace setting. Leadership established as the primary prospect for the organizations to achieve the desired level of business ethics. The entity of top leaders recognized as the bridge to build consensus between the approach of profitability and all the concerns of the different shareholders. Different corporate organizations considered as the examples that established leadership as the domain of engaging successfully in the appropriate manner.

**Business Misconducts in the 1800s**

It is notable to mention that the functioning of businesses in the 1800s was facing serious malpractices. The basic reason this was lack of transparency, anti-competitive practices, seeking the unfair advantage, and failing to comply with regulations of the industrial system. During that time period, businesses found themselves stuck in the given market due to malpractices in various field. The ethical conundrum was becoming a serious challenge at that time due to which businesses tried to help improve their ethical aspects of society. Businesses found themselves stuck in anticompetitive practices due to which they began to improve a lot in ethics to comply with rules and regulations, which has been embraced by modern leaders.

**Howard Bowen and Social Responsibility in Business**

It is notable to mention that corporate social responsibility is highly considerate in the modern world. It provides a precise framework through which organizations interact and behave towards a society. Social corporate responsibility of the businessmen modifies over time to recognize the spirit of the regulatory and legal environment. Bowen presented the idea that social responsibility of businessmen is a set of obligations that assist the businessmen to follow lines of action, to make a decision, and to pursue the politics in an effective manner (Terris, 2005). Bowen illustrates that above-mentioned qualities are desirable values of modern society. It is notable to mention that Bowen’s demonstration of social corporate responsibility of businessmen is an authentic treasure that is highly beneficial for leaders to excel in the market in accordance with the expectations of society. The values of social corporate responsibilities are fruitfully exploited through Bowen’s demonstration which helped to establish future theory building in the CSR field. The analysis of Bowen provides better insight for leaders and modern businessmen to establish various norms to interact with society in an effective and ethical manner. In the American industrial market, the majority of organizations have developed their own CSR program to maintain ethical conundrum with society and its citizens. Apple Inc. has proven its value among citizens and consumers through its significant CSR program which helped it to motivate people. Apple Inc. has effectively promoted values towards its employees with the help of CSR.

**The Responsibility of the Top Leadership**

It is vital to examine how top leadership in an organizational context can play their role to achieve better forms of ethical concerns. This specific prospect is illustrated as an important perspective to achieve the objective of creating a balance between the profits and the different concerns of stakeholders that appears in different forms. Currently, it is observed that every large business organization is committed to providing a better guidance approach and offer better domains of ethics in the organizational context. Maximization of profit is the ultimate goal of every corporate organization. The understanding level of the top leadership enhancing that the objective of the profit enhancement can never achieve without the consultation of all the shareholders. It is critical for the organization to show their support to develop the overall approach of the society. The role of a business leader is utmost critical when it comes to addressing the concerns of all the concerned parties. The domain of shareholders consists of the opinions and different concerns of employees, suppliers, clients, and even the overall community at a large scale. It is established as the mandatory condition for the business leader to ensure the application of the ethical standards in the firm of different business strategies.

**Conclusion**

In a nutshell, it is crucial to mention that creating a balance between organization’s profitability and the concerns of all the relevant individuals is established as the basic task for the organizational leaders to ensure better forms of ethical standards. It is one complex phenomenon for the leaders to maintain the desired balance between the profits level and the overall interest level of all the stakeholders. It is necessary approach to develop long term association with the shareholders and develop a large business organization that ensures the welfare of the society as well.

References

Terris, D. (2005). Ethics at work: Creating virtue in an American corporation. Waltham, Mass: Brandeis University Press.