Business Ethics and the Great Recession

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**Ethical Behavior in Business**

Ethical behavior in business refers to acting consistently in the ways which the community or society think that good values. Ethical behavior in business inclines to be fine and good for company or business and includes representing respect for the core and major moral principles or philosophies which involves fairness, honesty, dignity, equality, individual rights, and diversity.

Ethical behavior in business and its use helps business or organization in the long run. Beyond that, ethical behavior in leadership means to have passion for meanings. Human relationship, safety, and quality are the core and key things which should be provided by the business leaders o every single person or individual of the society or community where the business operates. Ethical behavior in business both simply and logically means the same. This means that it is the real obligation of the business or organization to develop and/or establish a moral world and keep it always on the peek (Noe, Rebello, 1994).

**Great Recession**

The great recession is the word or term which represent the huge and sharp decline in the economic activity during the late of the 2000s. This decline is considered as the most huge and significant decrease since the Great Recession. This economic fall occurs when the housing market of the United States gone to bust from the boom and huge amounts of MBS (Mortgage Backed Securities) and other derivatives lost their significant values.

At the time when the housing market of the United States was at the boom, all of the financial bodies in the market have started marketing mortgage-backed securities and other sophisticated derivatives commodities and products at the much-unparalleled level. So at the time, when the real estate market got down then all of these securities lost their significant values very badly. (Grusky, Western, & Wimer, 2011)

While the global economy was also in sense the huge grip of the credit crisis which had been unfolding since the end of 2007-08. A year later, the things came to the head of bankruptcy of Lehman Brothers, which was the number four largest bank investment bank in the region in September 2008. At the result, the United States of America cut more than 7.50 jobs in the country which further leads to double the unemployment rate of the United States.

Based on the findings of the Financial Crisis Inquiry Commission in the report of 2011, it has been stated that the Great Recession could be handled and even avoidable. The major causes of the Great Recession include some key factors because of them such a huge decline occurred. The first identified factor was the failure and inability of the Federal and government to handle and regulate the overall financial industry (Grusky, Western, & Wimer, 2011). Beyond this, another crucial cause of the Great Recession was the huge and continuous as well as excessive borrowing of corporations, consumers and all of the lawmakers which were unable to understand the collapse financial system completely and efficiently.

**Contribution of Ethical Behavior in Business to Great Recession**

There are plenty of researches and reports which states that ethical behavior in business and its practices have a huge contribution to the Great Recession. The contribution has been found highly positive and efficient in many terms. But in some ways, the contribution of ethical behavior in business to the Great Recession can be found in verse.

Based on the Survey of National Business Ethics in the year of 2011, the report stated that the reprisal against the employees who have reported and accounted the real misconduct has brought a slight increase since a same survey conduct couple of years ago, most of the measure of ethical behavior enhanced and improved.

Based on the information of the report;

* Very few numbers of professionals and employees witnessed and argued that they had misconduct in their roles and jobs. This quantity or rate has gone down from 64 percent in 2008 to 49 percent at the end of 2010.
* More than 63 percent of the workers and employees who have perceived this misconduct states that they had properly reported the misconduct. Which gone up from 50 plus percent couple of year later (Merrill, 2012).
* Another positive point is that the strength and power of ethical philosophy and culture in the workplace has increased from 52 percent in 2008 progressively to 63 at the end of 2010.
* All of the employees or workers who professed the tense and pressure to obligate the ethics of violation which has declined slightly to 8 percent in 2010 from 10 percent in 20018-09.
* Over the two years (from 20018 to 2010), the seeming reprisal as a result of the report of the actual misconduct to 15 percent in 2010 from 12 percent in 2008.
* Anyhow, the report of ERC was even a warning from some aspect. The great lesson for the companies or organizations was that “prosperous and good time comes back when we get settled more and better as well as the misconduct is likely to sneak skyward again” when the ethical behaviors in the business and operations remain fine.

Beyond above, ethical behavior in business played a vital role in the Great Recession in many other ways. The patterns of ethical behavior in business are perceived to improve the business activities and operation in a difficult time and this has been reported by the ERC as well. Based on the most recent survey, the ethical behavior in business has contributed to the Great Recession in the way that businesses should not start excessive and huge borrowing if they see some potential but had not studied the economic condition and collapse of financial condition (Merrill, 2012). It is important for the business to adopt ethical behavior of business which means that the businesses and companies should not only focus on their earnings while they must be concerned towards empowering the economy and society or community and industry where they perform their business operations.

In addition, the contribution of ethical behavior in business was, it helped the companies and business to know that they are required to play their role in the economic stability and development. As well as they should prioritize it as one of the core practice of their business operations. Another contribution is businesses should be clear that when the economic or economic development get back or down then (based ethical concerns in business) businesses are required to put every possible effort to stop misconduct from the rise and strengthen the economy and economic development (Merrill, 2012).

**Contribution Ethical Behavior in Business in Economic Troubles**

Ethical behavior in business is an important thing to be considered when doing any business because it contributes a lot to the success of any business or company as well as helps the business or company in difficult times and huge troubles. Business ethics or ethical behavior in business enables the business and organization to come up when they get engaged in trouble(s) and help in several ways when businesses have a hard time to face (Strutton, Lewin, 2012).

So same is the case with the economic troubles. Ethical behavior in the business helps a lot or contributes a lot while an economy survives with economic troubles. In short, ethical behaviors in business contributes to economic troubles in many ways. Some of those are listed and explained in details below.

The main and huge contribution which could be made by the ethical behavior in business in the economic troubles is the attraction of investments and potential investors. Investment in the economy or economic development is the most crucial way which could help to overcome the economic troubles and come out of it. Ethical behavior in business is the concept which is taken into consideration when investors make any investment(s) in a particular stock or business. So when your economy and business entertains a good and social fine ethical behavior then investors would prefer to make investments either in hard times or trouble (Noe, Rebello, 1994). Additionally, investors consider other things like public image and customers’ point of view, etc., rather than simply looking at profits before finalizing the investments.

So, if the ethical behavior in business brings investments into the business, it indirectly contributes to the economy in both good time and trouble.

Acting ethically has always found good for businesses and economies. There is a strong argument which states that “ethics and ethical behavior is good for both, business and economy” and “ethics should not be kept away from business or economic development”. Another argument is that unethical or lack of ethical behavior in business leads to different legal troubles for the business or economy very promptly (Noe, Rebello, 1994). At the other hand, ethical behavior in business like fairness, honesty, dignity, equality, individual rights strengthen the business and improve its earnings level which further leads to a higher contribution to the GDP and economic development.

So the contribution of ethical behavior to the business growth means it contributes to the economy in both normal situations as well as in troubles like the Great recession.

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