Writing Assignment 1

[Name of the Student]

[Name of the Institution]

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**A Recent Business Ethics Failure**

Among the recent business failures, Facebook is top of the list. This is because Facebook is the leading social media site that has the greatest number of users associated with it. People share their personal data on the site to be shared further with their friends or the friends of friends. Many accounts belong to group of relatives that comprise many families. All their data is present on the website with the confidence that the company strives the best to make their privacy intact. However, a major data breach occurred in 2016 that caused severe embarrassment to the users of this website. It happened to fulfill the political intentions of a particular group. It is said that a British firm was involved in this data breach. The firm was named Cambridge Analytica. It was a political intelligence firm. Personal data of more than eighty-seven million users was hacked by this firm (JaegerMon et al., n.d.). The firm had intentions to use this data for supporting a particular political party in the US elections of 2016. Consequently, the CEO of Facebook, Mark Zuckerberg, was summoned to account for the incident happened. Before this incident, in 2011, the Federal Trade Commission became involved in the issue, and it declared that Facebook and other social media sites should include an agreement on their websites and the user must read and sign the agreement that entails that the user will share the information by their consent. This implies that the social media sites should let their users make informed decisions before they became members of the website (Willis, 2019). Further, Facebook management revealed in a blog post that their system had some bug in the software which allowed the hackers access the private data present on the website. This also fall under violations by according to the regulations applied in this regard.

The company fails to protect users’ data and this is a clear violation of the data privacy policies of the industry. The users’ trust is also lost due to such violations. Being prone to data theft attempts by a third party is basically an operational issue, yet it falls under the ethical failures because people are ensured by the company at the time of registration that their privacy will be ensured by the company and that their personal data will be kept safe in future activities. However, when the company failed to protect consumers’ data, it implies that the company has not been true to the word. The ethical issue arising in this scenario is that the company, Facebook, failed to provide to the customers the promised value. People did not get what they expected and what the company promised to deliver.

**Applying the above-said Situation to a Small Business**

Since all businesses run on the same ethical practices, it is quite feasible to apply the above scenario to any small business. It has been established by research that businesses do not flourish until they win confidence of the customers. People want to make transactions with those businesses that allow them to remain careless once they start interacting with a particular business. No two business can claim that they are bound to be accounted for different types of ethical issues. Therefore, a small business can take insights from the success or failure of a large business.

As far as the occurrence of ethical issues in small businesses is concerned, it is to say that small businesses need to concern for ethical issues more than the larger firms. This is because small businesses usually cannot manage to overcome the losses occurred due to loss of reputation (Selinger & Hartzog, 2016). Many ethical failures are expected to happen due to lack of awareness or focus. The main thing is to stay true and honest with the customers and other stakeholders. The value promised to the customer should be delivered as well. Certain businesses need to make more arrangements to keep the privacy of its customers, such as the law firms, consulting agencies, and others. Further, many firms are liable to provide maintenance services after the sale of their products. If these companies fail to provide the required backup services, it would be their ethical failure and they are accountable for this situation. Ethical issues arise in small businesses when the management has conflicts with the employees. The management can become biased with employees, or indulge in unfair compensation policies. The employees will subsequently have a low morale for work, which will eventually disrupt company’s performances.

**Suggestions for Small Businesses’ Ethical Failures**

Small businesses can avoid ethical failures by developing their strategies with a focus on corporate social responsibility. This practice will help them to focus on the business ethics by utilizing increased efforts to this end. Like the large businesses, the small businesses are also responsible for what they contribute to the society and give back to the community. The resources used must be obtained as per the standards set by industry in this regard. The use of manpower should not demonstrate any kind of selfishness or exploitation. Each small business will acquire talents across the region in which it operates or recruits. To keep the promise of the deliverable value, it is essential to follow the specific industry standards and concentrate on the products as well as focus on the customers. Efficient operations promise efficient services or competent products. Therefore, the main point of focus of a company’s business must be to remain consistent in the value-delivery.

References

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