



## Role of ethics in business

### Description

#### **Ethics in Business :-**

The system of moral and ethical beliefs that guides the values, behaviors, and decisions of a business organization and the individuals within that organization is known as business ethics. Some ethical requirements for businesses are codified into law; environmental regulations, the minimum wage, and restrictions against insider trading and collusion are all examples of the government setting forth minimum standards for business ethics.

#### **Role of ethics in business :-**

1. **Leadership and management of the company** : The leadership and management of a company set the atmosphere of operations in the company. Their philosophy is adopted by the employees of the company right to the very bottom rung. Creating an ethical and trustworthy environment helps in attracting and retaining valuable talent. It also keeps the working atmosphere healthy so that everyone can thrive in it. Employees get a sense of accomplishment from the work that they do.
2. **Employees and teams** : Ethical practices build more trust and cohesion amongst employees of the company. This greatly affects their productivity. And in turn, greatly improves the company's profits.
3. **Community and Investors** : Research shows that a company known for its good practices is always favored by consumers above other cheaper competitors. Consumers find business known for their good practices to be trustworthy. Investors, one of the key components in the running of a business, are greatly influenced by a company's image and their ethics. It is a common phenomenon that whenever a company comes in the limelight for mal-practices, market shares are the first to plummet.
4. **Corporate Social Responsibility** : A part of good business ethics, CSR has been found to greatly benefit a company's profits and shares. CSR is an exhaustive and effective business practice, a key feature of all sustainable and successful business models around the globe.

### Your Turn...

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