

bizfluent.com

Examples of Ethical Dilemmas in Businesses

4 minutes

Questions arising from moral dilemmas and the proper course of action trouble everyone, from police officers to judges, firefighters and business owners. In business, in particular, ethics may prove a trouble barrier. The acquisition of money begets power and responsibilities that are not always clear-cut and definitive. However, sometimes those who are in power do not realize the ethical implications of their decisions and actions.

Ethical Issues from the Nature of Markets



The goal of every business owner is to dominate his market and stave off competition from his peers. But when a monopoly is achieved, is it right to exploit consumers? Is it always ethical to follow the demand of the market if yours is the only firm offering the required product? A CEO of a strong and controlling company, such as Microsoft, might have to decide what the fairest price of their product would be, despite the nature of their dominating control in the market.

The unequal global distribution of wealth also raises ethical issues. Is it all right to use child labor? Is it better for a child in Third World countries to have any sort of job, any source of income, even if it doesn't meet North American or European standards? Executives sometimes have to decide between low costs and high standards for their workers.

Ethical Issues Between Businesses and Society



Societies support business, allow it to grow and supply it with

consumers—but is the business required to give anything back to the community? Perhaps a business owner will have to decide what percentage of her revenue should return to the community to repay it for supporting the business.

Is it ethical to test potentially dangerous products on animals? What if the product could potentially save thousands of human lives? On these questions there are many answers, but every business is required to choose its own path within the guidelines of the law. Some businesses refuse to test their products on animals and make a point of stating so directly on their label, while other businesses believe that the benefit received from animal testing outweighs any ethical concerns to the contrary. Likewise, many fashion chains, such as American Apparel and the Gap, have instituted a strict no-fur policy.

Ethical Issues in Business Marketing



Clarity of price is a big concern for many business owners. Having

an unclear or misleading price might help move a product, but is it ethical? At what point should the consumer be informed of her total purchase obligation? Deceptive advertising is another concern for many businesses: at what point does “good marketing” turn into “blatant lying”? As consumers, we’ve all experienced the let down of buying a product that didn’t meet the expectations set by the commercials. The most prominent example is in online marketing, where the regulations for advertising are not as strict as on billboards or television.

Intracompany Ethics

A business must consider the ethics of itself. Should a company pay dividends to its investors or reinvest in the business? Is it ethical to retain profits instead of sharing them with investors? What should the salary of the CEO be? Should the business allow employees to unionize? Some companies, such as Walmart, have a strict no-union policy and may choose to resort to firing employees rather than allowing workers to form a union.