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MEMORANDUM

TO: Luke

FROM: Internal consultant

DATE: 7th 4, 2021

SUBJECT: BUSINESS ETHICS

**Business Ethics**

The case of ABC Company and Luke has got ethical issues that affect both the company and its stakeholders at large. Firstly, there a conflict between ABC company and Owen, brother of Luke. The contest is whether Luke, an employee of the ABC company in his decisions should stand for the benefit of the company for which he works or not. Secondly, there is a conflict of whether Luke should inform his brother about the ABC company's plan or not. In this case, Luke is in a dilemma of which side to stand because both the parties are intimate. To develop a solution for ethics, the following rules of ethics should be applied: utilitarianism, universal ethics, the golden rules, and virtue ethics.

**Utilitarianism ethics**

In the case of Luke and ABC Company, I would advise him to apply the Utilitarianism rule of ethics strictly. The utilitarianism rule states that <sup>1</sup> "the most ethical option is the one which produces the best balance of benefits over harm for the most stakeholders" (Msuya, N. H. (2019)). In this case, the ABC Company has its stakeholders similar to the Owen brother to Luke, an ABC Company-employee. However, since the two parties are dear to Luke, identifying the most ethical option in this situation is to analyze the two circumstances and choose <sup>1</sup> the one that

produces the best balance of benefits for the stakeholders. For instance, the ABC Company stakeholders include the employees who will work will work for the adult entertainments retail store, customers, and society, which will benefit from the services provided within the area of location, such as the infrastructure. On the other side, Owen's brother to Luke has also got his stakeholders, including his family and firms from which he would purchase items. Considering the number of stakeholders for every party, in this case, I would advise Luke to stand for the ABC Company and not inform his brother about the company's plans. This is because for him to apply ethics in his decisions, he should not disclose the company's goals to any other party, and he is expected to be confidential concerning the information relating to one of the parties.

Furthermore, considering the case of the ABC Company and that of Luke's brother, the ABC Company, has the most significant number of stakeholders. Thus, standing by the side of the ABC and being ethical to it will ensure maximum benefits of its stakeholders compared to being honest with his brother. Therefore, per the utilitarianism rule, I would advise Luke to be confidential to the ABC Company and be ethical to the company at the expense of his brother.

### **Universal Ethics**

Universal ethics of a business are based on the three significant considerations: the corporate, global, and business ethics of literature. Universal ethics are based on six different moral values: respect, responsibility, trustworthiness, caring, citizenship, and fairness. Kant proposed the universal rule of ethics and believed that everyone had a right and ability to differentiate between right or wrong (Nguyen, B., Crossan, M. (2021). According to Kant, whether to choose what is right or wrong argued that this could be reached by asking oneself what would benefit the action if everyone did the same thing or action the same way.

<sup>2</sup> In the case of ABC Company and Luke's brother, I would advise Luke not to disclose the ABC Company's plans to his brother. For instance, what could be the effects of all the ABC Company employees announced the company's plans to all their relatives? If all the people with properties near the land purchased by the ABC firms know about the firm's plan, they will sell their properties at a fair price before the firm's programs, which will benefit them. At the same time, the firm might find it difficult because bloggers can buy the assets surrounding the firm's land and hike the prices, making it costly for the company to acquire it. Thus, it is advisable to be ethical to both the brother to Luke and the ABC firm by not disclosing ABC's plans to his brother.

From my perspective, this action of being trustworthy to the ABC is a better decision for Luke. It will serve to minimize the cost of the firm in settling the entertainment retail while leaving people within the surrounding environment unaware of the firms plan hence protecting them from brokers and putting them at risk of selling their properties at a lower price than they would do before the firm announcing about its project.

### **The Golden Rule**

The golden rule states that people should morally act and make the same decisions they would like people to make if the action was done. The golden rule of ethics is both acceptable and unacceptable in the business field. This is evident from what an individual may like to be treated is not following the business's ethics (Marc Steen, Martin Sand, Ibo Van de Poel, (2021). Thus applying the golden rule of ethics in the case of ABC Company and Luke, I would advise him to inform his brother about the plan of the company so that he can take action to sell his piece of the land before the decrease in prices of the properties around the area where the ABC has purchased the land. The act of Luke informing his brother about the plan of the company will

be ethical to Owen and also Luke since it is by the religious and cultural morals which provide that you should do to somebody else what you can expect the similar person to do you in case he or she was the one in the situation you are.

Regarding the golden rule, Luke would expect his brother Owen to inform him about such a plan if he was once faced with such a circumstance. Thus, Luke's failure to tell his brother about the intent of ABC, which exposes his brother to a risk of financial loss as a result of reduced prices for assets, will be taken to be unethical about the golden rule of ethics. Furthermore, for Luke to be ethical in this case under the golden law of ethics, I would advise him to inform his brother about the possibility of the drastic decrease in prices of the properties around the area.

### **Virtue Ethics**

According to the virtue ethics of a business, there are specific qualities required to be possessed by all the employees and stakeholders so that they can help attain the common good and purpose of the business. Following these virtues helps and increases the likelihood of the company achieving its goals and values. These virtues include compassion, honesty, trustworthiness, and fairness, (Ciulla J.B. (2020)). Concerning virtue ethics, I would advise Luke to keep the plans of the ABC confidential and private to himself and the company stakeholders and not to disclose them to his brother. Moreover, I would advise Luke to practice the virtues of fairness, honesty, compassion, and trustworthiness to the ABC Company. By upholding these virtues, Luke being ethical to the ABC at the expense of his brother. Besides, Luke's failure to practice these virtues will be considered unethical according to the integrity of ethics.

Virtue ethics requires every employee of the firm to make valuable contributions to the business. Luke being one of the ABC company employees will be able to make a valuable contribution to the industry by considering the moral values that add value to the business.

In conclusion, each ethical rule advocates for different activities to take depending on what is believed to be honorable. For instance, virtue ethics, utilitarianism, and universal ethics advocate for ethical actions that favor the ABC Company. Utilitarianism provides that the rule of ethics should apply to where it serves many people with less harm. The universal rule offers that one can know what is wrong or correct. Lastly, ethics' virtues provide that ethics should apply towards ensuring value addition to the business's goal and aim.

Furthermore, the golden rule of ethics states that one should do what they would like to be done to them. Thus, the golden rule of ethics provides that ethics should be done to the Owen brother by informing him about the ABC Company's plans. Generally considering the provision of different traditions of ethics, I would advise Luke to keep the ABC confidential methods to himself, be ethical to the company to help in achieving the objectives and goals of the business and ensure that it applies to many of the stakeholders while harming the least.

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