

Ethical Dilemmas in Business Ownership

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INTRODUCTION:

The profession that I plan on entering after I graduate is business ownership. I would like to open and manage my own coffee shop. In this paper, I will review the results of several case studies and interviews I have conducted from business owners and professionals in the same field as I hope to enter. I will show what I have learned from these studies and interviews, and discuss what I have learned from these interviews.

REVIEW OF THE CASE STUDIES:

- Case Study: Dealing With Staff Performance Issues, Ethical Dilemmas and Case Studies, (November 2011). CCAB. <https://www.icaew.com/-/media/corporate/files/technical/ethics/ethical-case-studies/ccabeg-case-studies-accountants-public-practice.ashx>
 - This case study looks at the ethical dilemmas faces by business owners when a staff member's personal life gets in the way of their work availability.
- Taylor, K. (2015, December 21). Making Ethics a Priority in Your Workplace. Retrieved November 30, 2016, from https://www.asaecenter.org/resources/articles/an_plus/2015/december/making-ethics-a-priority-in-your-workplace
 - This study shows how important it is to create an ethics code within your workplace.
- Aileron. (2013, January 21). How Small Business Owners Walk the Ethical Line. Retrieved November 30, 2016, from <http://www.forbes.com/sites/aileron/2013/01/21/how-small-business-owners-walk-the-ethical-line/>
 - This article talks about the ways that small business owners have skirted the line on ethical issues, and looks at whether this is punishable or not.
- Powerful Selling (Business Ethics: The Power of Doing the Right Thing). (n.d.). Retrieved December 29, 2012, from <http://jsmith.cis.byuh.edu/books/powerful-selling/s07-business-ethics-the-power-of-d.html>
 - This looks at what “the right thing” really means and what it means as a business owner to do the right thing. I thought it took a particularly interesting method and had an interesting voice throughout the piece.
- Oster, K. V. (n.d.). List of Ethical Issues in Business. Retrieved November 30, 2016, from <http://smallbusiness.chron.com/list-ethical-issues-business-55223.html>

- This is a list of potential ethical issues in business ownership that led me to search for other specific case studies based off these ideas.
- Family Business. Helms, Marilyn M., University of Tennessee at Chattanooga. Arthur Anderson & co. Sc.1992. <http://wpweb2.tepper.cmu.edu/ethics/AA/mgmt01-case.pdf>
 - In this case study, a new employee of a business run by brothers witnesses one of the management executives giving an easier workload to a family member, and has to decide what to do with that information.
- Safety? What Safety? Smith, G. S., Bonk, C. J., West Virginia University. Arthur Andersen & co. Sc. 1992. <http://wpweb2.tepper.cmu.edu/ethics/AA/mgmt02-case.pdf>
 - In this case study, an employee's ethics are called into question when a major environmental impact is overlooked in favor of more revenue and less care about the environment.
- Is Bob Special? David J. M., Smith, S. H., University of Detroit Mercy. Arthur Andersen & co. Sc. 1992. <http://wpweb2.tepper.cmu.edu/ethics/AA/mgmt18-case.pdf>
 - In this case study, A manager, a seasoned employee, and a newly hired man all have separate ideas about the work load that the new employee, who is in a wheelchair, can handle.
- A Good Team Player. Bowen, Michael C. University of Notre Dame. Arthur Anderson & co. Sc. 1992. <http://wpweb2.tepper.cmu.edu/ethics/AA/mgmt06-case.pdf>
 - An employee mentions a work problem to his new boss, and she takes it much more seriously than he thought she would. He struggles with how he should follow up.

METHOD:

I interviewed two working professionals.

The first one is Kimberlee Mitchell, who owned a babyproofing company in Southern California for 10+ years, and recently sold her business. The second is Shellie Massick, who ran a child care and preschool readiness program in her home for four years.

Interview Questions:

- How long have you/did you own your business?
- What type of business do you own and why?
- What is the most common ethical issue you run into while operating your business?
- What ethical dilemmas do you struggle with personally?

- How do you overcome these ethical problems?
- Do your competitors affect your ethics? If so, in what way?
- Do you have an ethical conduct plan for your business? Why/why not?
- Describe a time when your ethical code was called into question in a new way, and what was the outcome of the situation.
- How do you share your ethical code with your employees/customers?
- How do your customers respond to what you share?
- Any closing comments?

RESULTS: Here the student simply shares both the questions put forward and the responses given by each interviewee, one at a time. This does include new questions that may have been asked as the interview progressed.

- How long have you/did you own your business?
 - I owned my business for over ten years, we started off very small and grew larger, and eventually sold the business to a bigger corporation who liked what I had built!
- How many employees did you have?
 - We started off with just me and my husband, but over the years we hired several employees to help us out, we ended up having about eight employees over the years, we kept the business very small and manageable
- What type of business do you own and why?
 - It is a baby proofing business. We go to client's homes when they are preparing to have children and locate all of the spots that may potentially be dangerous for the baby, then we return to the home and "baby-proof" it, putting foam on sharp corners, baby-proof locks on drawers with potentially dangerous contents, installing fiberglass on open stairwells, binding heavy furniture to the wall, etc.
- What is the most common ethical issue you run into while operating your business?
 - One of the biggest ethical challenges I faced was financial. While running your own business it is tempting to use the funds for personal use and ignore the needs of the business, but if you do that then ultimately everyone suffers so you quickly learn it is not worth it.

- What ethical dilemmas do you struggle with personally?
 - An ethical challenge that I did not see coming was dealing with family and friends schedule. Being a small business, we hired several friends and family members and sometimes it was hard not to let emotions and family/friend loyalty get in the way of business plans.
- How do you overcome these ethical problems?
 - It takes a lot of discipline. You have to separate work from friends/family and make sure you communicate with your employees and they know that you have to do things for your business and you are not trying to offend them or give them a hard time.
- Do your competitors affect your ethics? If so, in what way?
 - We did not have a lot of competition, but I would say the biggest ethical challenge when it comes to competition is avoiding the urge to make my business seem better than the competition by exaggerating what we do.
- Do you have an ethical conduct plan for your business? Why/why not?
 - I do not have an ethical code per-say, but I do make sure to communicate with my employees and make sure that they are aware that any changes in the schedule is not me trying to make their life harder, or easier in any way, I am just trying to do what is best for my business.
- Describe a time when your ethical code was called into question in a new way, and what was the outcome of the situation.
 - We hired one of my good friends, we will call him Bill, and for a while he was doing a very good job at finding new clients and getting them excited about what we do, but after a while he started to slack off. He is one of my husband's best friends, so I was put in a difficult situation. I didn't want to play favorites and give him extra chances just because he was good friends with my husband, and I didn't want to damage the friendship by firing him. In the end, we talked with him and gave him a few months to improve his performance, making it clear that this was a work only issue and it did not affect our friendship either way. He did improve, and stayed with us for a few years until he moved on to bigger and better things.
- How do you share your ethical code with your employees/customers?
 - I think the answer to this one is simple, as long as your words and actions match up, your employees and customers will know what kind of person you are and the standards you hold yourself to.
- How do your customers respond to what you share?

- My customers remained loyal and often shared our business with their friends, so I would say that they reacted pretty well to the standard of ethics that I choose to live by!
- Any closing comments?
 - I think that it is very important to hold yourself to a high standard no matter what line of work you're in, but it's especially important when you are working in a small business or a family owned business. There often is no large corporation with lawyers to back you up, so you have to take the responsibility for your own actions, and I think it is very important to remember that when you have your own business.

- How long have you/did you own your business?
 - I owned my business for four years
- How many employees do you have?
 - Two employees, both within my family.
- What type of business do you own and why?
 - It was supplemental education service, it was a preschool education and readiness assessment, I started it to provide kindergarten readiness assessment service for my community and to give me job flexibility I needed at the time
- What is the most common ethical issue you run into while operating your business?
 - In the child care industry, there are often unqualified people running service centers. I always invited new parents to come in and make sure that they felt comfortable with me watching and teaching their children. I always made sure to have my qualifications on everything and had references ready if parents asked to see them. I feel like being very transparent is the key to fighting that ethical dilemma
- What ethical dilemmas do you struggle with personally?
 - The most common ethical issue I ran into was imposing on my family time. I didn't keep strict family hours and business hours. When you own your own business, you take the business everywhere with you, and sometimes it is hard to balance family life and work life, especially when you run a business out of your home.
- How do you overcome these ethical problems?

- See above
- Do your competitors affect your ethics? If so, in what way?
 - I had competitors that were bigger corporations. I would often look at their prices and the specials they were running and I would try to beat their prices when I could. I do not think I was acting unethically though because they were in a different city, and the level of care they provided was different than what I was offering.
- Do you have an ethical conduct plan for your business? Why/why not?
 - There was no difference between my personal code of ethics and the way I run my business.
- Describe a time when your ethical code was called into question in a new way, and what was the outcome of the situation.
 - I was only legally allowed to have so many kids, and during the holidays the slots filled up very fast and I had to turn families away. I tried to figure out a loophole where I could have more children at once, but there was no legal way to do that, so even though I considered it and looked into finding a way, in the end I stuck to the law and lost out on money because that was safer for the kids I was watching.
- How do you share your ethical code with your employees/customers?
 - I think I showed my ethical code through my mission statement. I put it on all of my pamphlets and business cards and advertisements. I also did write ups and reports on the different activities that the kids did every day, I guess this ties in to communication, I was very open and honest about what we did during the day, I communicated everything that happened, good and bad.
- How do your customers respond to what you share?
 - They were loyal and appreciative. I think that they showed that by coming back year after year and telling their friends to come as well!
- Any closing comments?
 - There are things that you take for granted before you own a small business. When you are a small business owner you realize what a big responsibility a business owner has to their customers and employees and it makes you look at business ownership differently.

DISCUSSION:

I learned a lot from the interviews I conducted. I think because both people I interviewed ran very small businesses with less than ten employees, the answers I received were similar, but they were also very different because of the nature of the businesses.

One thing I took away from both interviews was that when you run a small business, you need to be transparent and open about your code of ethics and the way you run your business, because people will judge you and the way you run your business based on your actions. I think that this is important to remember. When running a large corporation, the corporation is often seen as an entity in and of itself, but when running a small business, the business owner is the face of the business, and their actions represent the ethics of the business itself. This made me think of the Kony2012 movement. I don't know if that was necessarily considered a "business" or a nonprofit, or just a movement, but I know that they were getting a lot of donations and air time until the guy that was running it got too stressed, or took drugs, or something, and somehow ended up running around in the street in his underwear. Once he did that, the public interest in Kony2012 went down to almost nothing and it became more of a joke, almost overnight. Situations like this show why it is so important for the business owner of a small business to keep a good face in the public eye when representing their business.

I think that Kantian ethics really speaks to the small business owner. As a small business owner, you will have to deal with many issues and people who should be treated fairly and treated as people first and money making opportunities second. When customers interact with a small business, they usually expect it to have a "small business feel" and if it does not, they are not likely to give their continued support.

Because of these interviews, when I start my own business, I will look back on the advice given and I will make sure that when my ethics are called into question, I will stay my course and take the right way rather than the easy way.