



The Construction of Business Ethics Based on Enterprise's Strategy

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Abstract

Operating a company by means of breaking the business ethics will bring itself in trap, and even affect the society, so it is imperative under the situation to comprehensively enhance the level of the business ethics for enterprise. Some advices about how to construct the business ethics respectively from three views including enterprise, government and consumer were discussed, and the solution about the business ethics based on enterprise's strategy was first brought into the interior decision-making system of the enterprise.

Keywords: Enterprise strategy, Business ethics, Enterprise, Government, Consumer

1. Introduction

With the development of the social division, the development of the relationship between enterprise and consumer becomes more and more mature. On the one hand, to acquire their own needed benefits, enterprise and consumer will cooperate to some extent, and on the other hand, enterprise tries to realize "profit maximization", but consumer hopes to purchase better quality products at good values, and both sides will oppose each other because of the conflict of benefit. In the opposing process, the advantages of organization and information of enterprise make consumer be in a passive status, and the problem of business ethics occurs before us.

At present, the ethic problems between enterprise and consumer mainly include the ethic problem in products, the ethic problem of pricing, the ethic problem of sales promotion and the ethic problem in service. By the drive of actual benefit, many enterprises are willing to accept wrongdoings, and more criticize others' immoral managements, and attribute their immoral managements to the big environment, and refuse assuming the moral responsibility for their own behaviors.

For the existences of these business ethics problems, the inevitability of them should be admitted first. Especially in the stage that China is constructing the market economy and implementing the reform of economic system, it seems inevitable for many enterprises to pursue the capital accumulations and ignore the ethics and morality. At the same time, the neglect of enterprises to the ethics, the deficiency of the ethics construction in the macro control of the government, the deficiency of the consumers' self-protective and legal consciousness, and the lack of the ethics construction of the whole society all induce the prominence of the business ethics to some extent.

2. The establishment of the harmonious three-party model based on the relationship between enterprise and consumer

Based on the opposite and uniform relationship between enterprise and consumer, the main problems about business

ethics were analyzed, and the result indicated that the reasons of these problems were mainly from government, enterprise and consumer. Whether enterprise can follow the business ethics effectively is decided by the degree that the enterprise management layer assumes the social responsibility and the stakeholders' cognizance and acceptance degree. The most ideal situation is that the company managers balance the strategic decisions of the company from consumer's view, and if the benefit conflict occurs, the managers try to find out a rational, objective and fair solution between enterprise and consumer. According to this hypothesis, the enterprise strategic model is established (seen in Figure 1).

In the model, the enterprise brings consumer's benefits into the making process of the enterprise's strategy, and in this process, enterprise consciously seeks a balance and restriction between the economic benefit and the business ethics in the interior of the enterprise, and reduces the lowest degree of the conflict between enterprise and consumer as far as possible in the decision-making process. For some problems that the enterprise can not solve or the conflicts that the interior decision can not balance, the relative departments of the government are expected to change the government function and harmonize between both sides. Taking the steel enterprise as the example, the interior decision-making when enterprise considers consumer's benefit and government's control, and the consumer's protection about their own benefits and the construction of business ethics will be concretely described as follows.

2.1 Contents of the business ethics decision

The management of enterprise is decided by the decision-making mechanism to large extent. In modern enterprise system, except for digging the interior drive of enterprise, stimulating the vital force of the enterprise decision mechanism, strengthening the harmonizing function and enhancing the efficiency of the enterprise decision-making mechanism, the enterprise decision-making mechanism should clearly understand the social responsibility of the enterprise, and introduce the ethic factors to make decision based on the social responsibility. The enterprise should not only consider the economic benefits brought by the decision, but consider the ethic influences for the environment, consumers and other stakeholders.

2.2 Business ethics decision model

According to above hypotheses and thoughts, the decision-making model in the economics is used to balance the economic system and the benefit system for the enterprise.

First, the immaterial factors such as brand, reputation, consumer's support and social benefit because of the business ethics are evaluated aiming at their economic values, and the concrete evaluation is made by professional assets evaluation institution.

Second, the economic benefits and social benefits of different combinations are accounted aiming at their economic values, the non-difference curves are defined, i.e. the different decision combinations can bring same economic values for the enterprise, and these curves are seen in Figure 2.

Third, according to the financial state, the asset capability, and owners and shareholders' investments, the enterprise budget line is confirmed to embody the investments of the enterprise in the constructions of the economic system and the ethic system. The enterprise budget line is seen in Figure 3.

Last, the enterprise budget line and the non-difference curves are combined to find out the equilibrium point of the decision of the enterprise for realizing the unification of the economic benefit and the social benefit (seen in Figure 4). In this process, the enterprise can reduce the conflicts between it and consumer to the lowest level in the interior.

Through above analysis, the conflicts between enterprise and consumer are brought into the interior decision-making of the enterprise, which can make the enterprise fully consider consumer's rights and interests. Though in the initial stage, this method will increase the costs of enterprise, but for a long time, this method will further reduce the costs and acquire better economic benefits.

Of course, various measures should be adopted by the enterprise. First, the enterprise should carry out its legal responsibilities well and enhance the employees' ethic consciousness and quality. Second, the enterprise should criticize the anti-ethic behaviors by certain system and measures. Third, the enterprise should emphasize the construction of business ethics on the strategic level, and take it as the powerful support of the enterprise culture. Fourth, the enterprise should implement comprehensive and effective performance management, and take the ethic index as an important part in the employee's assessments, and combine the assessment results with salary and promotion to ensure the construction of business ethics.

3. Conclusions

Though the construction of the enterprise is very important for the development of the business ethics, but the functions of the government and consumers should not be ignored too. The government and consumers are exterior factors to force the enterprise develop the activities accruing with the ethics, and the enterprise is the interior factor to make it consciously restrain its own behavior by the ethic rules in a series of activities when the ethic quality of the enterprise is enhanced. The exterior factors function by the interior factor, and after the exterior rewards and punishment measures

are implemented, the effects for the enterprise are finally influenced by the interior moral quality of the enterprise. In the present society of China, the ethic environment of the whole society has changed, multiple moral concepts exist together. The consensus of the ethics in the past closed society has been lost, and the subject consciousness of the enterprise is strengthened obviously. For the enhancement of the business ethics, both the exterior construction and the interior construction should be strengthened, and the interior construction of the enterprise should be actively strengthened from the exterior construction, and the ethic concept should be solidified as a moral faith from the low-level state to the high-level state, and go to autonomic morality from heteronomous morality.

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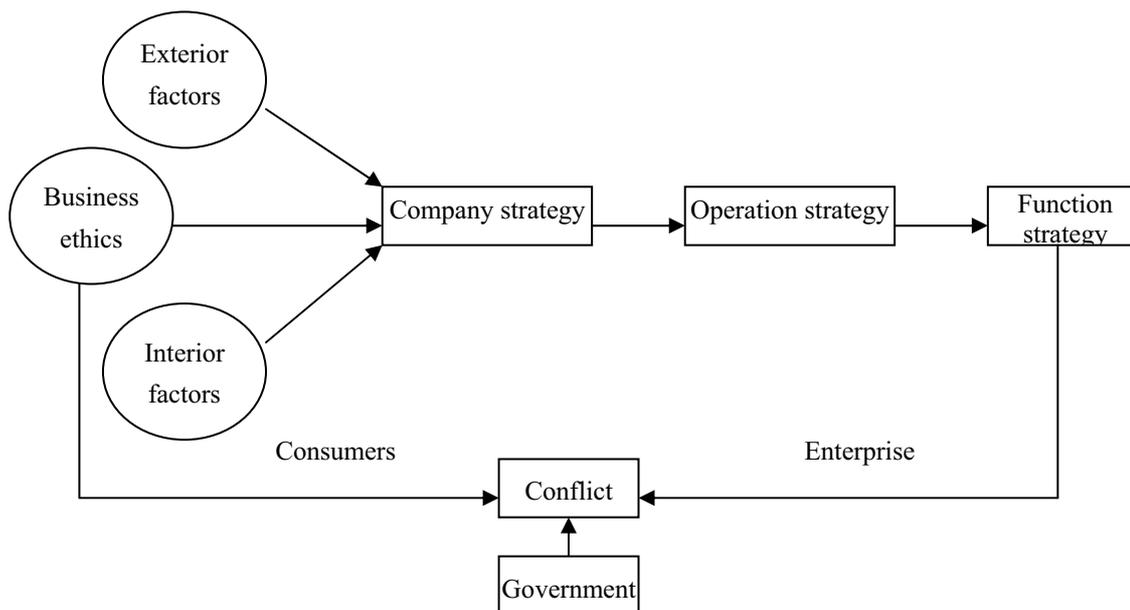


Figure 1. The Establishment of Three-Party Harmonious Model Based on the Relationship Between Enterprise and Consumer

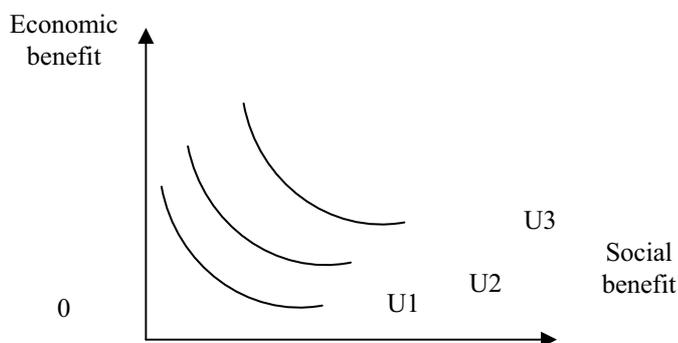


Figure 2. The Non-difference Curves of the Enterprise Economic Benefit and the Evaluated Social Benefit

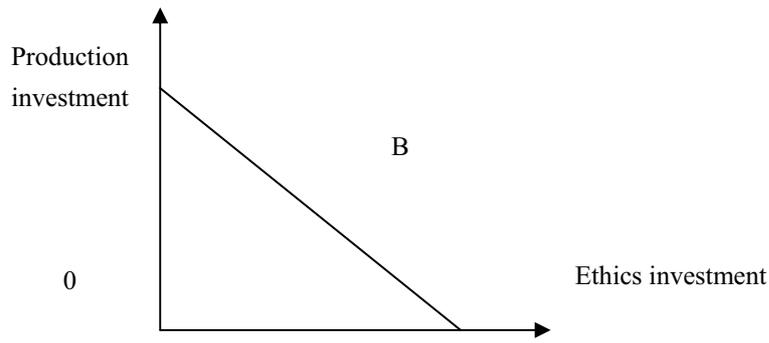


Figure 3. Budget Line of Enterprise

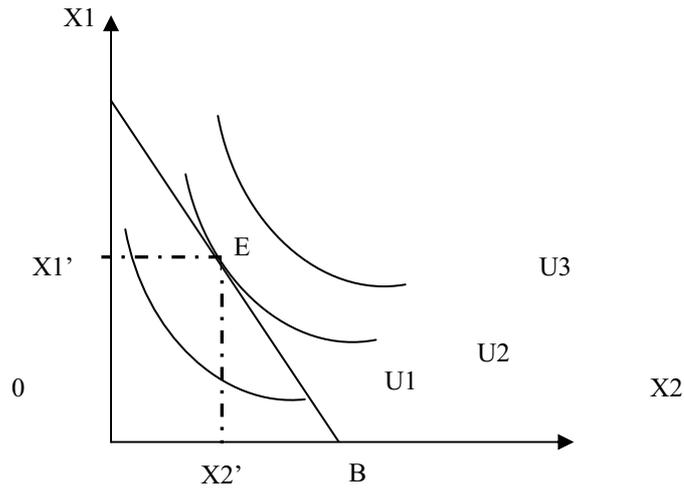


Figure 4. The equilibrium point of the enterprise economic benefit and social benefit