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The Rule of Businesses Greed: Ethical Boundaries and Sustainable Tradeoffs

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Executive Summary

This paper discusses the relationship between greed and morality in modern enterprises, pointing out that moderate greed can be regarded as a driving force to promote business development, but excessive greed will lead to fraud, exploitation and other negative consequences. The article emphasizes the importance of corporate ethics and believes that following ethics can enhance corporate image, operational efficiency and long-term profitability, while promoting social equity and justice. In the face of challenges such as globalization, technological development, environmental protection and social responsibility, enterprises should integrate ethics into their culture and decision-making process, and achieve a balance between economic benefits and social responsibility by establishing ethical codes, strengthening training and fulfilling social responsibilities, so as to remain invincible in the market competition and achieve sustainable development.

1. Introduction

At present, more and more problems appear in the business field, including fake and shoddy products, pollution of the environment, damage to employees' interests, commercial bribery, data falsification and unfair competition. In this context, the discussion about whether greed is good and whether modern companies need to pay attention to ethical issues becomes particularly important. This series of problems will cause most researchers engaged in the field of business to question whether ethics is important in the field of business. Miller, Moore and Eden (2024) supported that ethic is important and it is also essential for international business area. Immorality in business can have a huge impact on human society as a whole.

First of all, (Kimura,2020) noted that when merchants sell fake and shoddy products, they will cause harm to consumers, which not only refers to the inequality in the exchange of equivalent value, but also may harm the physical safety of consumers. Mialon et al. (2024) claimed that one of the important factors affecting people's ill health is the use of cheap and inferior substances produced by businesses. Bad competition in business can greatly affect the sustainability of business development. One of the ways to eliminate bad competition in businesses is ethical participation. Moral constraints can maintain a more peaceful development environment, conducive to the sustainable development of business. Warner, Fortin and Melkonian (2024) proposed that every new scandal in businesses or politics reminds us that ethical decision-making is vital to society, but our understanding of it is still inadequate to help us achieve the desired moral progress. Therefore, morality is of vital importance in the whole society, especially in the business field (Tambunan, Sitanggang and Sintia, 2022, p15) .This essay aims to explore the nature of greed, the importance of corporate ethics and the relationship between the two, and then analyze how modern enterprises balance interests and ethics to achieve sustainable development.

2. The Nature and Effects of Greed

2.1 The Definition of Greed

In psychology, greed is seen as a driving force of human nature that pushes people to keep striving for a better life. However, when the greedy desire goes beyond a certain limit, he will become pathological, leading to a series of negative consequences. Greed manifests itself in the economic sphere as the excessive pursuit and possession of money, Seuntjens et al. (2020) demonstrated that greedy people value money more, they think it is more important to pursue wealth. In politics, greed manifests itself in the desire and abuse of power. In interpersonal relationships, greed manifests itself as indifference to the interests of others, even to the detriment of others for their own interests. In businesses, greed manifests itself in the unbridled pursuit of profit, even at the expense of other stakeholders. Tacke et al. (2023) mentioned that highly greedy managers in mature business organizations often engage in unethical behavior.

2.2 Positive Impact

Greed can stimulate people's initiative and creativity and promote social progress. (Soper,2021) revealed that moderate greed drives the constant pursuit of better living and working conditions, which drives technological progress and economic development. In the commercial market, moderate greed encourages enterprises to constantly seek new business opportunities, so that enterprises continue to improve products and services, develop new products, and improve competitiveness. This competition mechanism promotes the prosperity and development of the market.

2.3 Negative Impact

The condemnation of greed stems mainly from the belief that greed hurts others. As a case in point, greed has been defined “as a selfish motivation to acquire an unfairly

excessive amount of a resource, at the expense of others” (Zeelenberg and Breugelmans 2022). Excessive greed will destroy fair competition in the market, leading to monopoly and unfair competition behavior. Secondly, greed will cause people to break through the bottom line of morality and law, and enterprises may resort to fraud, exploitation of employees, environmental pollution and other immoral means to gain profits. To sum up, in the long run, greed will damage the reputation of enterprises, lead to the loss of customers, and even trigger legal proceedings, causing irreversible damage to enterprises.

3. The importance of modern business ethics

3.1 The definition of modern business ethics

Business ethics refers to the integration of moral principles, moral norms and moral activities based on the evaluation of good and evil, which are maintained by social opinion, traditional habits and inner beliefs in a specific social economic organization. Stanković et al. (2021) stated that business ethics includes the codes of conduct and rules that operate within a company in the form of a code of ethics. Business ethics is not only a guiding principle for internal employees, but also a guideline for how companies interact with customers, partners and society. By implementing business ethics, companies can build a good reputation, win the trust of the public and promote sustainable development.

3.2 The role of modern business ethics

3.2.1 Enhance employee cohesion

Business ethics is the code of conduct of employees within the enterprise, which can promote employees to comply with the norms and enhance the cohesion and

teamwork spirit of employees. Business ethics help to establish a fair and transparent work environment, improve employee satisfaction and loyalty, reduce internal conflicts, and thus improve overall management efficiency. An enterprise has a highly cohesive and belonging team of employees, which can effectively stimulate employees' creativity and work enthusiasm, improve efficiency and stability. At the same time, employees' loyalty and sense of identity to the company will also be improved, laying the foundation for the long-term development of the company. However, the premise of ensuring high employee cohesion is that the company provides a relatively fair working environment. ÇELİKT (2022) investigated that in a fair work environment, organizational commitment increases to a certain extent, which can directly or indirectly affect employee performance. Enterprises should establish a good working atmosphere, provide employees with a proper working environment, humanized management system, and good employee relations. In short, improving the sense of belonging and cohesion of employees is crucial to the development of businesses.

3.2.2 Establish stable customer relationships

In the modern business competition, establishing a solid customer relationship is very important for the development of enterprises. Strong customer relationships can not only increase customer loyalty, but also increase the frequency of customer purchases and the reputation of the business, thus driving the growth of the business. Indeed, Khan et al. (2022) pointed that customer relationship management and company reputation have a positive and significant impact on customer loyalty. Listening to the needs of customers is the first step in building a strong customer relationship, and companies should always maintain close contact with customers to understand their problems, suggestions and opinions. At the same time, good communication is the key to building strong customer relationships. Businesses should establish multiple communication channels, such as phone, email and social media, to maintain regular contact with customers. Enterprises should also organize more

customers to participate in experiential activities, such as product trials, seminars, etc., so that customers can personally experience products or services, so as to more directly understand customer needs, and constantly optimize products and services according to the collected customer needs to meet customer needs.

3.2.3 Enhance business image and brand value

Under the condition of modern market economy, enterprises go to the market to participate in the competition, and some constantly open up the market in the competition; Some are gradually closed down and bankrupt in the market competition. And how do enterprises occupy the market? One depends on the brand, the other depends on the reputation, and a good brand is supported by a good reputation. Therefore, it can be said that reputation is the life of an enterprise and the way of development of an enterprise. Milne, Larkin and Eden (2024) pointed out that credibility issues become part of the corporate reputation and image of many companies. Enterprises abide by corporate ethics, abide by the concept of credibility first, is a virtue, but also a necessary condition for the survival and development of enterprises. It requires every department of the enterprise, a process, every employee, must maintain the reputation of the enterprise through all aspects of quality inspection, after-sales service, and so on, to maintain the reputation of the enterprise into conscious action. Because any part of the problem, will affect the credibility of the enterprise.

3.2.4 Promote sustainable development of business

Business ethics plays an important role in promoting sustainable development of enterprises. business ethics help foster a positive public image and enhance customer and investor trust. Good business ethics is directly related to the interaction with all parties, so as to win differentiated competitive advantages for the company in the market and achieve sustainable development. Second, business ethics have a significant

impact on employee morale and productivity, Dey et al. (2024) emphasized that the importance and necessity of an ethical business climate for achieving sustainable business performance in developing countries. Employees are more likely to feel proud when they believe their organization is committed to ethical practices and employee rights, and this sense of belonging can significantly improve productivity and teamwork. In addition, organizations that value business ethics will adopt environmentally friendly business practices and promote social responsibility in their operations. This helps to reduce resource waste, protect the environment and support sustainable development goals. In the long term, sustainable development is a powerful investment for companies, which not only helps to protect the earth's resources, but also leads to new business opportunities.

3.3 Challenges to business ethics

3.3.1 Unethical business practices driven by greed

The Enron scandal is a classic example of greed leading to disaster (Rashid, 2021, p.62).

Enron executives engaged in accounting fraud to inflate the company's profits and stock price, allowing them to sell shares at inflated prices and amass huge personal fortunes while employees lost their jobs and pensions and investors lost billions of dollars. The same is true of the Volkswagen emissions scandal, in which the company installed software in diesel vehicles to cheat emissions tests in order to meet regulatory requirements and gain a competitive advantage in the market, regardless of the environmental and health effects of excessive emissions (Jacobs and Singhal, 2020, p.2235) . Unethical business practices have far-reaching negative consequences, and at the societal level, it leads to a loss of trust in businesses and institutions. When consumers are repeatedly duped by false advertising or buy defective products, they become cynical, and employee morale and loyalty plunge, leading to lower productivity.

In economic terms, unethical behavior can disrupt markets, and a financial crisis triggered by unethical lending and investment practices can lead to a recession, higher unemployment, reduced consumer spending, and slower economic growth.

3.3.2 The multicultural conflict brought about by globalization

With the increasing transnational operation of enterprises, cultural differences in different countries and regions may lead to inconsistent business ethics standards. Enterprises need to find a balance between respecting local culture and adhering to core values. Business ethics and ethics in different cultural contexts began to collide and blend, Brett, Behfar and Kern (2020) supposed that cultural differences can create significant barriers to teamwork, but these barriers can be subtle and difficult to detect until significant damage is done. Lomas et al. (2023) observed that Western culture emphasizes individualism, free expression, and protection of rights, while the East places more emphasis on collectivism, family values, and social harmony. This difference in values can lead to conflicts in business decisions, employee management, customer relations, etc.

Different countries and regions have different legal and regulatory systems, and some business practices that are considered legal in one country may be considered illegal in another. Chumachenko (2020) asserted that this conflict of laws and regulations brings great uncertainty to transnational business activities.

Religious belief is an important part of human spiritual life, and the communication and collision between different religious beliefs are increasingly frequent in commercial activities. Some religious teachings may contradict certain business ethics in modern society, causing conflicts.

In transnational business activities, some enterprises may take actions that violate local business ethics or ethical standards in order to reduce costs and improve competitiveness, such as in the financial industry, Jiang et al. (2022) mentioned that the subprime crisis partly stems from the greed of banks and mortgage lender.

4. The coping strategy of modern business ethics challenge

4.1 Establish a sound corporate ethics system

Companies should clarify their values and mission, develop a specific code of ethics, and integrate them into their corporate culture and daily operations. Azeem et al. (2021) pointed out that organizational culture is indispensable to the success of enterprise operation.

4.2 Strengthen ethics education and training

Cultivate the moral awareness of employees regularly to improve their decision-making ability when facing moral dilemmas. Halvorsen et al. (2023) claimed that an important part of ethical business practices is establishing an ethical and service climate in the organization. Therefore, it is particularly important for enterprises to increase professional ethics education, which can not only help employees establish the correct concept of professional ethics, but also improve the professional ethics of employees.

4.3 Actively fulfill social responsibilities

Companies should take the initiative to take social responsibility, because Al-Shammari et al. (2022) demonstrated that corporate social responsibility is positively correlated with corporate performance. Show the social responsibility of the company through practical actions, and win the trust and support of the public.

5. Conclusion

To sum up, moderate greed can stimulate innovation and economic growth, but

unrestrained greed will inevitably lead to the spread of unethical behavior, which will bring serious negative effects to society and enterprises themselves (Lim, 2020, p.95). Modern enterprises must deeply understand the importance of corporate ethics and integrate it into their strategic planning, daily operations and corporate culture. Nowadays, enterprises must pay attention to and practice moral principles while pursuing economic benefits. Only in the complex and changing market environment can enterprises win the trust of consumers, the loyalty of employees, the support of partners, and achieve long-term and stable development. Good corporate ethics can not only enhance corporate image, enhance brand value, promote internal management efficiency, but also attract outstanding talents, establish stable customer relationships, and achieve sustainable development (Ajayi, 2021, p.3). In the future business development process, enterprises should continue to explore and improve the balance between greed and morality in order to adapt to the increasing social moral standards and the changing market competition pattern.

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