

Is Greed Good? Should Modern Businesses Be Concerned About Ethics?



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1. Executive Summary

This report explores whether greed can be seen as beneficial and how far modern businesses should factor ethics into their decisions. The discussion takes a fairly practical stance and does not try to label greed as entirely good or bad. Instead, it considers how self-interest might push firms to innovate and keep economic activity moving, while also acknowledging that things can go wrong when profit becomes the only priority. Profit-seeking has certainly helped to advance technology, increase competition and improve efficiency in many cases. Even so, when the pursuit of profit is allowed to go on without any real restraint, it can bring about reputational problems, greater inequality, and a degree of long-term instability.

To make sense of this tension, the report refers to three ethical traditions: utilitarianism, deontology and virtue ethics. Each offers a different way of understanding why some types of profit-seeking behaviour can be socially beneficial while others weaken trust and diminish long-term value. Examples from current business practice—including cases in the technology, finance and energy industries—suggest that much depends on how a company is governed and the values that shape its decisions. Organisations that treat ethical considerations as part of their routine decision-making often prove more resilient than those concerned only with short-term financial results. Taken together, the evidence indicates that greed alone cannot be regarded as wholly positive; yet, when ambition is tempered by ethical awareness and

responsible leadership, it can support stronger corporate performance and greater public confidence. In this sense, ethical conduct is increasingly becoming a practical asset within the modern business environment rather than a limitation.

Overall, the findings indicate that greed, on its own, cannot be considered a virtue. However, when aspirations for profit are guided by moral awareness and responsible governance, they can enhance organisational performance while strengthening public trust. In today's business environment, ethical behaviour is therefore less a constraint and more a practical advantage.

Contents

1. Executive Summary.....	2
Contents.....	4
2. Introduction	5
3. Ethical Analysis	5
3.1 Utilitarianism	5
3.2 Deontology.....	7
3.3 Virtue Ethics	8
4. Discussion: Greed, Ethics, and Modern Business.....	9
4.1 Arguments Supporting Greed	10
4.2 Risks and Ethical Failures	11
4.3 Balancing Profit and Ethics.....	13
5. Conclusion and Recommendations	14
5.1 Conclusion	14
5.2 Recommendations.....	16
6.References.....	18

2. Introduction

Modern businesses continue to face the long-standing question of whether greed—seen here as the pursuit of personal or corporate gain—acts as a driving force for progress or, alternatively, creates more harm than good. This tension is familiar in popular discussions; the well-known line “Greed is good” from *Wall Street* reflects the idea that ambition can fuel innovation and economic growth. Thinkers such as Adam Smith also recognised that self-interest might, through market mechanisms, bring about wider social benefits, even if that is not the intention (Smith, 1776, p.19).

However, both past events and recent corporate experience show that greed without meaningful limits can lead to significant ethical and practical difficulties. Ethical frameworks ranging from Aristotle’s virtue ethics to Kantian philosophy stress moderation, fairness and respect for others as central to moral conduct. Aristotle, for example, considered greed to be an excess that disrupts the balance required for virtue (Aristotle, trans. Ross, 2020, p.112). Similar patterns can be seen in modern business scandals, governance failures and declining public trust. Research also suggests that organisations with stronger ethical commitments are better equipped to maintain resilience and credibility over time (Gillan, Koch and Starks, 2021).

In contrast, companies that try to balance profit motives with some level of ethical responsibility often end up being more stable and able to operate over a longer time. The increasing attention given to corporate social responsibility and to environmental, social and governance standards suggests that people now expect businesses to do more than simply generate financial returns. So the question is not really whether profit is acceptable, but rather how it is pursued and justified. The sections that follow draw on a mix of theoretical ideas and practical examples to look at how modern organisations might bring ambition and responsibility together in a way that works in practice (Kaptein, 2022, p.2; Berg, Kolbel and Rigobon, 2022, p.1316). Case studies from the technology, financial and manufacturing sectors show that ethical behaviour, as well as unethical behaviour, can have a noticeable effect on business outcomes.

3. Ethical Analysis

3.1 Utilitarianism

Utilitarianism looks at actions by asking how much they add to general well being.

Seen in this way, the pursuit of profit may still be considered acceptable when it

brings advantages that reach further than the business itself, for example by creating jobs, supporting innovation or helping wider economic development. In competitive markets, firms often try different technologies or look for more effective ways of working, and these changes can, over time, give consumers access to better products at lower prices (Mill, 1863, p.24).

Even so, utilitarian thinking also reminds us that the immediate outcome is not the only thing that matters. Profit focused decisions that result in the exploitation of workers, damage to the environment or instability within the financial system tend, over time, to bring more harm than benefit. The financial crisis in 2008 shows this clearly. A number of financial institutions enjoyed short term gains, but the overall impact of excessive risk taking created far reaching social and economic difficulties (Stiglitz, 2010, p.73). In this sense, greed can only be defended when the advantages it brings to society clearly outweigh the costs.

Recent studies suggest that organisations that pay close attention to ethical issues when shaping their strategies often remain steadier over the long term and face fewer operational risks (Treepongkaruna, 2024). Other research links ethical behaviour with higher productivity and stronger customer trust (Hartman, 2023, p.141). At the same time, reputational problems that arise from poor ethical standards can create financial losses that end up far greater than the short term gains a firm might have hoped for. Taken together, these findings point towards a more careful and balanced approach. Profit can still be an aim, but it needs to be pursued within limits that protect the

wider public interest (Ali, Rahman and Khan, 2024, p.60). A review published in 2024 also notes that strong performance in environmental, social and governance areas is associated with long term value creation, which suggests that ethical responsibility and sustainable profitability can support one another in practice (Da Cunha, 2025).

3.2 Deontology

Deontological ethics, grounded in the work of Immanuel Kant, evaluates behaviour according to whether it follows moral duties and universal principles, regardless of outcomes. Under this framework, greed becomes morally questionable when individuals or organisations treat others merely as tools for personal gain. Kant emphasised that ethical actions must respect the inherent dignity of every person (Kant, 1785, p.52).

Applied to modern business, this perspective suggests that decisions should prioritise fairness, transparency, and respect for the rights of stakeholders (OECD, 2024, p.4; OECD, 2021, p.56). The Boeing 737 MAX case illustrates the dangers of deviating from these duties: withholding safety information to protect profits compromised both ethical and legal responsibilities and ultimately cost human lives (Financial Times, 2020, p.11). Likewise, practices such as tax avoidance or exploitative labour

arrangements undermine duties owed to employees, communities, and the broader society.

From a deontological standpoint, greed is problematic whenever it overrides these fundamental obligations. Leaders committed to duty-based ethics are expected to maintain integrity even when under financial pressure. As Bowie (2017, p.98) suggests, organisations that embed ethical norms into their culture tend to develop stronger credibility over time. Recent governance research further notes that duty-oriented corporate conduct is increasingly embedded into global regulatory expectations, reinforcing the importance of transparency and responsible behaviour (OECD, 2024).

3.3 Virtue Ethics

Virtue ethics, which has its roots in Aristotle's work, shifts attention away from strict rules or the results of actions and instead asks us to think about the sort of person who is acting. Rather than looking only at whether a particular choice is allowed, this approach focuses on the character a person, or even an organisation, should aim to develop. From this point of view, greed is seen as a kind of excess, a desire that grows beyond what is reasonable and disrupts the balance of moderation, fairness and justice (Aristotle, trans. Ross, 2020, p.109). A person who tries to act with virtue would seek profit in a way that keeps personal integrity intact and still contributes to the well being of others.

Modern interpretations of virtue ethics highlight the role of organisational culture and leadership. Studies indicate that leaders who demonstrate humility, empathy, and fairness contribute to healthier ethical climates and lower levels of misconduct (Câmara, 2023; Freire and Bettencourt, 2020, p.920). By contrast, self-centred or highly competitive leaders may encourage harmful behaviours that damage both reputation and teamwork.

In this sense, virtue ethics suggests that moral self-regulation and ethical leadership are key to preventing the destructive effects of greed. While financial success remains important, it must be pursued in a manner consistent with virtues that support long-term organisational health and societal trust.

4. Discussion: Greed, Ethics, and Modern Business

Greed plays a complicated role in shaping modern business behaviour. On one hand, competitive ambition has historically driven innovation and market growth. On the other hand, when self-interest is not moderated by ethical considerations, it can cause substantial harm to organisations and the wider society. The following discussion considers both the positive and negative implications of greed, drawing on examples that highlight how outcomes depend heavily on leadership choices, governance systems, and cultural norms.

4.1 Arguments Supporting Greed

Those who support the idea that “greed is good” often argue that personal ambition and the desire to outperform rivals are essential drivers of progress. From this standpoint, individuals work harder, firms innovate more aggressively, and markets become more efficient. Friedman’s shareholder model reflects this view, suggesting that a company’s main responsibility is to maximise profits as long as it follows the rules of the market (Friedman, 1970, p.33).

Evidence from several sectors shows that elements of this argument do appear in real business settings. Competition within the electric vehicle sector, for instance, has encouraged rapid technological improvements; firms such as Tesla and BYD have pushed each other to develop more efficient and sustainable energy solutions (Alareeni and Hamdan, 2020, p.1415). The pursuit of market leadership has also accelerated the transition toward renewable technologies.

A comparable pattern can be seen in the wider clean-energy sector, where firms race to capture emerging opportunities and, in doing so, contribute to ongoing technological advancements (Treepongkaruna, 2024).

The pharmaceutical industry provides another illustration. Competitive pressure during the COVID-19 pandemic encouraged companies to invest heavily in vaccine research, reducing development timelines and prompting scientific breakthroughs (Gillan, Koch and Starks, 2021; Câmara, 2023). In practice, the desire to secure patents and market advantage played a significant role in motivating this rapid

progress. At the same time, industry reports note that regulated competition can produce innovations that benefit society more widely (World Economic Forum, 2023).

Still, it is important to recognise that the benefits of greed are not evenly distributed. Excessive executive pay, aggressive cost-cutting, and other profit-maximising behaviours often widen inequality or undermine employee well-being (Piketty, 2020, p.204). While moderate ambition can encourage innovation, unrestrained greed tends to destabilise the very systems that support long-term economic growth.

4.2 Risks and Ethical Failures

Greed may sometimes bring short term advantages, but many well known business failures show how serious its longer term effects can be. Cases such as Enron, the Volkswagen emissions issue and the collapse of Wirecard make this point clear, as each involved choices where financial gain was placed above ethical responsibility, leading eventually to a loss of value rather than any real benefit (Crane and Matten, 2021, pp.116–118). In these examples, those involved chose short term results over openness or accountability, and the consequences were severe.

Greed can also shape the general culture within an organisation. When financial results become the main way success is judged, some employees may feel that ethical concerns matter less or can even be put aside (Freire and Bettencourt, 2020, p.920).

Over time, this can create a workplace in which cutting corners appears normal or is

simply seen as part of getting the job done. Recent surveys indicate that many companies are still not fully prepared to meet reporting requirements linked to environmental, social and governance matters, which points to a gap between what is expected by society and what is actually taking place in practice (KPMG, 2023).

Workplaces that encourage aggressive or self focused behaviour often end up facing more cases of misconduct, as well as more situations where whistle blowing becomes necessary (Treviño and Nelson, 2021, p.163). Research on environmental, social and governance matters also notes that weak governance structures are often found together with higher levels of fraud and other ethical breaches (Treepongkaruna, 2024). This suggests that unethical behaviour can come from the wider organisational system, not just from a few individuals acting on their own. Efforts linked to responsible sourcing, including fair labour conditions and clearer oversight of the supply chain, have also been shown to help build consumer trust and reduce the risk of reputational harm (Carter and Easton, 2023, p.15).

Greed also influences how the public views a company. The Edelman Trust Barometer (2023) shows that many consumers now look at a firm's ethical reputation when making purchasing decisions. When organisations fail to meet social expectations or behave in ways the public sees as irresponsible, they risk losing this trust. Once trust has been damaged in this way, rebuilding it can take considerable time and does not always succeed.

4.3 Balancing Profit and Ethics

Achieving a balance between profit and ethics is not straightforward. It often depends on both organisational systems and the values promoted by leadership. Integrating ethical principles into strategic planning can help firms pursue what some scholars describe as “enlightened self-interest,” where commercial success aligns with social benefit (Porter and Kramer, 2019, p.67). Companies such as Unilever show that it is possible to incorporate sustainability and social responsibility into business operations without sacrificing competitiveness.

Leadership plays a particularly important role in shaping this balance. Research indicates that when leaders model ethical behaviour and clearly communicate organisational values, employees are more likely to act with integrity and show stronger loyalty. Training programmes, transparent reporting mechanisms, and ongoing engagement with stakeholders are practical ways to reinforce these expectations.

Regulatory systems also influence how effectively businesses manage the tension between profit and responsibility. Governments and investors are increasingly evaluating firms based on ESG criteria related to environmental impact, social contribution, and governance quality (OECD, 2021, p.56). Stronger governance mechanisms—such as independent board oversight, routine ethics assessments, and transparent disclosures—help reduce opportunities for harmful behaviour and promote longer-term decision-making. When financial incentives are aligned with

these principles, firms are less likely to pursue short-lived gains at the expense of others (OECD, 2024, p.5).

Ethical supply-chain practices offer additional evidence of how ethical behaviour supports organisational success. By prioritising fair labour conditions, environmental responsibility, and transparency, firms can build trust with stakeholders and reduce the likelihood of reputational crises (Siddiqui and Ahmed, 2023, p.94). Ultimately, when ethical norms are reinforced at both the structural and cultural levels, profit-seeking behaviour becomes more disciplined, defensible, and aligned with broader social well-being.

5. Conclusion and Recommendations

5.1 Conclusion

This report set out to consider whether greed can reasonably be described as “good” and to what extent modern businesses should place importance on ethical behaviour. Looking at the issue through utilitarian, deontological and virtue ethics perspectives suggests that greed, on its own, is neither fully positive nor entirely negative. Its effect depends very much on the way it is expressed, how it is controlled and the values that guide an organisation’s decisions.

There are situations in which ambition and competitive pressure can encourage progress. Innovation, higher productivity and economic development are often driven by the desire to gain an advantage. Sectors such as electric vehicles, pharmaceuticals and renewable energy provide examples of how commercial pressure can speed up developments that end up benefiting society as a whole. These cases show that profit seeking can play a constructive role when it is directed in a responsible manner.

At the same time, the dangers associated with unchecked greed are well documented. Repeated instances of corporate misconduct, harmful internal cultures and governance failures show that neglecting ethical responsibilities can damage reputations, cause financial losses and create long term instability. When profit becomes the only measure of achievement, organisations may drift toward choices that weaken trust, strain relationships with stakeholders and harm the culture within the workplace. The evidence from these examples suggests that ethical oversight is not simply a moral preference, but part of what is needed for organisations to remain stable and successful.

Taken together, it is difficult to regard greed as a virtue on its own. Yet ambition, when combined with sound ethical judgement, transparent governance and responsible leadership, can be redirected in a way that contributes to both organisational performance and wider public confidence. Ethics should not be viewed as a restriction, but rather as part of the foundation that helps firms grow in a more durable and trustworthy way.

5.2 Recommendations

Based on the analysis developed throughout this report, a number of practical steps can help organisations manage ambition while still acting responsibly.

1. Integrate ethics into strategic decision making

Organisations should bring ethical considerations into their planning and risk discussions. This includes looking at how decisions may affect employees, consumers and the environment over the long term. When ethical criteria are included in decisions about investment or product development, firms are less likely to make choices that deliver quick gains but undermine long term stability.

2. Strengthen governance and accountability

Clear and transparent governance arrangements are important for preventing misconduct. Independent board oversight, regular internal audits and open reporting processes all contribute to this. It can also help when incentives are designed in a way that rewards steady, long term performance rather than quick financial outcomes. This reduces the likelihood that people will feel pushed to choose profit at the expense of principles.

3. Promote ethical leadership and organisational culture

Leadership behaviour has a strong influence on how employees act. Training, regular conversations about organisational values and open discussion of ethical questions can all help create a workplace where responsible decision making feels more natural.

Leaders should also show, through their own actions, the standards they expect others across the organisation to follow.

4. Improve transparency in ESG and supply chain practices

Stakeholders increasingly expect organisations to show clear evidence of responsible sourcing, environmental care and fair labour standards. Keeping a closer watch on supplier practices, along with sharing ESG information more openly, can help build trust and reduce the likelihood of reputational problems.

5. Build systems to detect ethical risks early

Tools such as whistle blower channels, anonymous reporting options and periodic ethics reviews help organisations identify issues before they become more serious. These systems also reassure employees that integrity is valued and protected within the organisation.

Taken together, these recommendations show that ethical behaviour should not be viewed as something separate from business strategy. Instead, it supports innovation, strengthens resilience and builds credibility in competitive markets. When firms give priority to ethics as well as financial goals, they are more likely to achieve long term value for both the organisation and society.

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