

9.5: Summary

Section Summaries:

9.1 Entrepreneurship and Start-Up Culture

The atmosphere surrounding entrepreneurs and their start-ups can provide a dizzying rush. The opportunities to create a company, be your own boss, make a dramatic impact on business, establish an entrepreneurial culture that will be adopted by others, and possibly become rich in the process certainly all appeal to our human nature. Still, the entrepreneurial lifestyle is challenging, and the success rate for start-ups is exceptionally low. Interpersonal conflicts are prevalent in start-up environments, and entrepreneurs who seek to stay true to their vision and ethical values face a difficult road. At many points, start-up founders have to choose how they most wish to be remembered: for the sake of their business success alone or also for the ethical fashion in which they attained that success and the humane culture they have embedded in their new firm. Sometimes these are mutually exclusive goals, but the most ethical entrepreneurs do their best to ensure that both objectives mesh for themselves and their firms. This lies at the heart of any definition of ethical leadership.

9.2 The Influence of Advertising

The Internet and social media present new canvasses for marketing that possess great power and for which rules and ethical norms are being developed. Psychological appeals and subliminal messaging present their own ethical issues. Discerning consumers currently must rely on their own sensibility to ferret out factual claims for advertised products and bear the burden of shielding those under their charge from the worst manipulative effects of marketing.

9.3 The Insurance Industry

Business owners and individuals are willing to pay insurance premiums in the hope that they will never have to file a claim for reimbursement on their policy. Because the insurance industry profits only when claims are few and small, there may be a bigger role for government to play in managing disaster insurance through a private/public partnership, such as FEMA currently does to provide flood insurance and the California Earthquake Authority does where potentially disastrous earthquakes may occur. Ethical issues such as whether to expand the use of public tax revenues to subsidize these partnerships need to be resolved.

9.4 Ethical Issues in the Provision of Health Care

The United States, unlike countries in Europe, has little tradition of merging the efforts of the state or federal government with that of private employers in the provision of health care. Although the quality of U.S. health care has rarely been challenged, its limited accessibility has posed ethical quandaries for business because many employees necessarily look to their employers for this benefit. The 2010 Affordable Care Act is an ambitious effort to meet the need for health care for all. Individual states have considered, and sometimes enacted, programs of their own to supply universal health care.

Key Terms

advertising

commercial messages urging the purchase of new or improved products or services that reach us in every medium: print, online, digital, television, radio, and outdoor

Affordable Care Act (ACA)

the Patient Protection and Affordable Care Act of 2010, often known as the Affordable Care Act or simply “Obamacare,” a comprehensive federal health care management system

claim

a request to an insurance carrier for monetary compensation for a loss sustained by a customer

copayment

a partial charge for covered care negotiated by the provider and the employer and paid by the employee

deductible

the annual portion of health care costs the patient must assume before full insurance coverage applies

entrepreneur

a business leader willing to take on the risk of starting a new company and offering a product or service in the hope of a profit

entrepreneurial culture

the combination of personality and management style with which entrepreneurs shape the initial business practices and ethical environment of their firm

multipayer health care system

a means of providing health care in which the patient and others such as an employer and a private health insurance company all pay for the patient's care

premiums

the fees customers pay for different forms of coverage

psychological appeal

advertising intended to bolster consumers' self-esteem if certain products or services are purchased

redlining

a discriminatory (and usually illegal) insurance practice of denying certain coverages in specific neighborhoods or selling them there at a higher price

single-payer health care system

a means of providing health care in which state or national tax revenues would pay for citizens' medical care, with the government being the sole payer

subliminal advertising

appeals including words and images that reach us at a level below our consciousness

universal health care system

a means of providing health care to all, funded through taxes and overseen by the central or federal government

wellness programs

employer initiatives that stress healthy eating, exercise, weight management, smoking cessation, and other efforts, to sustain employees' health and reduce health care costs

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