

8.7: Laws versus Ethics

Learning Objectives

- Differentiate between laws and ethics

Ethics are a set of moral values an individual establishes for one's self and your own personal behavior. Laws are structured rules utilized to govern all of society. Not only do retail companies have an obligation to act ethically but so do the professional individuals working there. Within the hierarchy of retail companies, managers often interact with individual employees who are subject to "professional" codes of conduct. These codes of conduct may vary depending on the employee and their position within the company.

For example the American Bar Association has set forth Model Rules of Professional Conduct for licensed attorneys that were put into place in order to influence what behavior is to be expected when working in that particular profession.^[1] Therefore, an attorney working for a retail company might be held to a higher ethical standard than that of a clerk working in a stockroom. Nonetheless, both have to follow the laws as set forth by their state and local governments.

As times progress so do ethical and moral standards within the retail environment. Advancements with the internet have brought about websites where employees can report unethical behavior within a company. Ethicspoint is one such internet reporting site where one can go online anonymously and report violations by entering the name of the organization, the violation category which best describes the unethical behavior and after agreeing to the websites terms and conditions, one can file a report.^[2] These types of reporting methods are helpful with issues like health and safety violations, sexual harassment claims and discrimination which will be addressed further in the next few sections.

Some retailers pride themselves on their ethical practices and procedures and even promote them publicly to improve their corporate image. For instance, a retailer's number one concern might be an ethical obligation to the environment so they use and sell only environmental friendly products within their company and advertise as such to improve their image. "The economic crisis and its consequences represent an unparalleled opportunity for retailers to develop ethical practices and social policies for the good of society and their companies. Studies indicate a positive link between ethical perceptions and consumer responses, in terms of trust."^[3]

Video -- What's the difference between morality and ethics?



Practice Questions

<https://assessments.lumenlearning.co...sessments/9227>

1. https://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/model_rules_of_professional_conduct_table_of_contents.html ↵

2. https://secure.ethicspoint.com/domain/en/default_reporter.asp ↵
3. Diallo, M. F., & Lambey-Checchin, C. (2017). Consumers' perceptions of retail business ethics and loyalty to the retailer: The moderating role of social discount practices. Journal of Business Ethics, 141(3), 435-449. <https://btp.press.vgtu.lt/articles.php?id=23014> ↵

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