

Small Business Ethics: Risks to the Firm from Bad Ethical Choices

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TRACK: Entrepreneurship and Finance

SUBMITTED: Non-Refereed Research Abstract

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Abstract

The strength of a company's ethical framework could determine the longevity and the perceptions of that business. While business ethics have been an area of focus for decades, the ethical climate of today's business is still questionable. Poor ethical decisions are not attributable to any particular size of business, industry, management style, etc.; this is an issue that all businesses need to address. However, small businesses make up the majority of businesses in the United States, and unethical decisions can critically impair the ability of the small business to carry out necessary operations. Even after utilizing sufficient time and resources in creating a strong ethical foundation for the business, diligence towards the maintenance of that foundation is essential. This study looks at the impact to small business performance by eroding factors and associated risks to ethical frameworks.