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Contemporary Business Ethics: Challenges, Frameworks, and Applications in the Modern Global Economy

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Abstract

The rapid evolution of global commerce, digitalization, and socio-political changes have fundamentally reshaped the landscape of business ethics in the 21st century. Contemporary business ethics goes beyond traditional notions of compliance and corporate responsibility, incorporating new considerations such as sustainability, diversity, data privacy, artificial intelligence governance, and stakeholder engagement. This paper critically examines the major dimensions of contemporary business ethics, analyzes emerging ethical challenges in global markets, reviews theoretical frameworks guiding ethical decision-making, and presents practical applications for organizations aiming to embed ethics into their strategic operations. Through an integrative literature review and case analysis, the study demonstrates that ethical leadership, transparency, and stakeholder inclusivity are critical for achieving long-term corporate resilience and social legitimacy.

Keywords: Business Ethics, Corporate Governance, Corporate Social Responsibility, Ethical Leadership, Sustainability, Stakeholder Theory

1. Introduction

In recent decades, the business landscape has experienced profound transformations driven by globalization, technological innovation, regulatory evolution, and shifting societal expectations. These changes have significantly expanded the scope of ethical considerations in corporate decision-making. While traditional business ethics primarily focused on compliance with laws, avoidance of fraud, and the fair treatment of stakeholders, contemporary business ethics encompasses a far broader range of issues, including environmental sustainability, digital privacy, diversity and inclusion, and corporate governance. Organizations are now expected to operate not only as profit-generating entities but also as responsible social actors committed to advancing societal well-being (Crane & Matten, 2021).

The rapid acceleration of digital technologies, particularly in areas such as big data analytics, artificial intelligence (AI), and blockchain, has created both opportunities and ethical challenges. While these innovations can improve efficiency and decision-making, they also raise questions about privacy, bias, cybersecurity, and the ethical use of information. The Cambridge Analytica case, for example, exposed how the misuse of personal data could undermine democratic processes and erode public trust. As a result, digital ethics has emerged as a crucial component of contemporary business ethics, demanding greater transparency, accountability, and fairness in the deployment of technology (Isaak & Hanna, 2018).

Environmental sustainability has also become an indispensable part of corporate ethics in the 21st century. The escalating effects of climate change, resource depletion, and environmental degradation have placed unprecedented pressure on businesses to adopt sustainable practices. Companies are increasingly evaluated on their environmental performance through frameworks such as the Triple Bottom Line (TBL) and Environmental, Social, and Governance (ESG) criteria. However, the rise of “greenwashing” — misleading claims about environmental responsibility — underscores the gap between public commitments and actual practices, creating a critical trust deficit between corporations and their stakeholders (Elkington, 2018).

Another dimension of contemporary business ethics involves the pursuit of diversity, equity, and inclusion (DEI) in the workplace. Modern organizations are expected to go beyond compliance with anti-discrimination laws to actively promote inclusive cultures that embrace diverse perspectives, equitable pay structures, and leadership representation. This shift reflects growing evidence that diverse organizations are more innovative, resilient, and better equipped to address complex challenges. DEI is now viewed not merely as a moral obligation but as a strategic asset that contributes to sustainable competitive advantage (Roberson, 2019).

Global supply chains further complicate the ethical landscape. While globalization enables companies to optimize production and reduce costs, it also exposes them to risks related to forced labor, unsafe working conditions, and human rights violations in supplier networks. Legislative measures such as the UK Modern Slavery Act and similar regulations worldwide have placed ethical accountability firmly on the shoulders of corporations, making supply chain transparency and ethical sourcing integral to corporate responsibility (Gold et al., 2015).

The convergence of these factors has reshaped the meaning of business ethics from a reactive, compliance-based framework to a proactive, strategic imperative. Contemporary business ethics demands that organizations integrate ethical considerations into every facet of their operations, from strategic planning and marketing to technology deployment and supply chain management. Companies that successfully embed ethical principles into their core strategies can enhance brand reputation, build stakeholder trust, and achieve long-term resilience. Conversely, those that fail to meet these ethical expectations risk reputational damage, legal sanctions, and loss of market share (OECD, 2015).

Given these complex and evolving dynamics, there is a pressing need to examine the principles, challenges, and applications of contemporary business ethics in the modern global economy. This paper aims to contribute to that discourse by analyzing theoretical frameworks, exploring current ethical challenges, and presenting practical examples of organizations that have successfully integrated ethics into their strategic and operational models. In doing so, it seeks to provide actionable insights for business leaders, policymakers, and academics striving to align corporate practices with ethical imperatives in an era of rapid change and heightened accountability (Carroll & Brown, 2018).

2. Research Methods

This study adopts a qualitative descriptive research design to examine the principles, challenges, and applications of contemporary business ethics. A qualitative approach is suitable for this research because it allows for an in-depth exploration of complex ethical phenomena that cannot be easily quantified. The descriptive nature of the study enables the presentation of a comprehensive account of business ethics practices in various contexts without manipulating variables. By synthesizing information from academic literature, industry reports, and documented case studies, this research seeks to provide a holistic understanding of ethical trends, frameworks, and dilemmas in the modern corporate landscape (Creswell & Poth, 2018).

2.1 Data Collection Methods

The data used in this study are secondary data obtained from reputable academic journals, corporate sustainability reports, policy documents, and credible online databases such as JSTOR, ScienceDirect, and Google Scholar. The selection criteria for sources include relevance to the topic, publication within the last ten years (2013–2023), and peer-reviewed status for academic articles. Additionally, corporate case studies were sourced from sustainability and ESG reports published by multinational corporations. This method ensures that the study is based on reliable, verifiable, and up-to-date information (Saunders et al., 2019).

2.2 Sampling and Selection Criteria

Given the focus on global trends, purposive sampling was employed to select case studies and literature that represent diverse industries, geographical regions, and ethical challenges. The selection aimed to include companies from technology, manufacturing, retail, and energy sectors to capture sector-specific nuances. Geographical diversity was also considered to reflect differences in regulatory frameworks and cultural

expectations regarding ethics. This purposive sampling strategy aligns with the objective of obtaining rich, contextualized insights rather than statistically generalizable results (Palinkas et al., 2015).

2.3 Data Analysis Techniques

The collected data were analyzed using thematic analysis, which involves identifying, analyzing, and reporting recurring themes within the literature and case studies. The process began with data familiarization through repeated reading of the selected materials. Initial codes were then generated to capture significant ethical concepts, such as “stakeholder engagement,” “sustainability integration,” and “data privacy compliance.” These codes were subsequently organized into broader thematic categories, including *Corporate Governance and Transparency*, *Sustainability and Environmental Ethics*, and *Digital and Data Ethics*. The thematic approach allowed for the synthesis of diverse sources into a coherent analytical framework (Braun & Clarke, 2006).

2.4 Research Validity and Reliability

To enhance the credibility and trustworthiness of findings, this study adhered to established qualitative research standards. Data triangulation was achieved by cross-referencing information from multiple sources, such as comparing corporate self-reported sustainability data with independent third-party assessments. Peer-reviewed literature provided theoretical grounding, while industry reports contributed practical perspectives. Reliability was reinforced by maintaining consistent coding procedures and documenting the analytical process for transparency. Although qualitative research does not aim for statistical generalization, the use of diverse sources and systematic analysis strengthens the applicability of findings across contexts (Lincoln & Guba, 1985).

2.5 Ethical Considerations in Research

Although the study primarily relies on secondary data, ethical research standards were upheld by ensuring proper citation of all sources and avoiding plagiarism. All corporate examples were based on publicly available reports and documents, thus eliminating the need for direct consent from the organizations involved. Furthermore, the analysis avoided biased or defamatory statements, focusing instead on objective evaluation of available evidence (Resnik, 2020).

3. Results and Discussions

3.1 Overview of Findings

The thematic analysis revealed that contemporary business ethics is increasingly shaped by four dominant factors: Sustainability and Environmental Responsibility, Digital and Data Ethics, Diversity, Equity, and Inclusion (DEI), and Corporate Governance and Transparency. These themes emerged consistently across various industries, including manufacturing, technology, retail, and energy, indicating a growing global consensus on ethical priorities despite differences in regional regulations. This convergence reflects the influence of globalization, digital interconnectivity, and heightened stakeholder expectations (Crane & Matten, 2021).

Furthermore, the findings emphasize that ethics is no longer a peripheral concern but a central strategic component for long-term organizational success. Companies that embed ethical considerations into their business models are better positioned to respond to regulatory changes, attract socially conscious investors, and build consumer trust. Conversely, neglecting these ethical dimensions often leads to reputational harm, legal challenges, and loss of market competitiveness (Porter & Kramer, 2019).

3.2 Sustainability and Environmental Responsibility

Analysis of corporate sustainability initiatives reveals that environmental stewardship is increasingly seen as a business imperative rather than an optional commitment. Companies such as Unilever have embedded sustainability into their core strategies, with measurable achievements in reducing carbon footprints, waste generation, and water consumption (Unilever, 2022). Patagonia, another notable example, has actively engaged in environmental activism, pledging a portion of profits to conservation efforts and advocating for policy changes.

These cases illustrate that sustainability, when genuinely implemented, can strengthen brand loyalty and differentiate companies in competitive markets (Elkington, 2018).

However, the research also uncovered persistent challenges, particularly regarding the authenticity of corporate environmental claims. The rise of “greenwashing” — where companies exaggerate or fabricate sustainability achievements — threatens stakeholder trust and undermines the legitimacy of corporate sustainability initiatives. This underscores the need for standardized ESG reporting frameworks and independent verification processes to ensure transparency and accountability. Without such mechanisms, sustainability risks being reduced to a marketing tactic rather than a genuine ethical commitment (OECD, 2015).

3.3 Digital and Data Ethics

Technological innovation has introduced new ethical dimensions, particularly in the realms of privacy, cybersecurity, and algorithmic fairness. Companies like Apple have distinguished themselves by adopting “privacy by design” principles, ensuring that user data protection is integrated into products from the outset. This proactive approach not only safeguards consumer rights but also strengthens long-term trust in the brand. Additionally, blockchain technology has been leveraged to enhance transparency in supply chains, providing verifiable records that can deter fraud and exploitation (Isaak & Hanna, 2018).

On the other hand, high-profile scandals such as the Cambridge Analytica case involving Meta (formerly Facebook) highlight the severe consequences of ethical lapses in digital practices. The misuse of personal data not only violated privacy rights but also raised concerns about the manipulation of democratic processes. Such incidents have prompted stricter data protection regulations, including the European Union’s General Data Protection Regulation (GDPR), and have underscored the ethical obligation of companies to handle digital resources responsibly (Cavoukian, 2011).

3.4 Diversity, Equity, and Inclusion (DEI)

The analysis indicates that DEI has become both a moral and strategic imperative in contemporary business ethics. Organizations with diverse leadership teams, such as Microsoft, have demonstrated improved innovation, decision-making quality, and employee satisfaction (McKinsey & Company, 2020). DEI initiatives — including transparent pay equity reporting, mentorship programs for underrepresented groups, and inclusive recruitment strategies — have proven to enhance organizational resilience and adaptability in rapidly changing markets. These efforts signal a shift from mere compliance with anti-discrimination laws to the active cultivation of equitable and inclusive workplace cultures (Roberson, 2019).

Nevertheless, challenges remain in ensuring that DEI commitments are more than symbolic gestures. Some companies engage in “diversity washing,” where superficial representation efforts mask deeper structural inequities. Without meaningful cultural transformation and continuous monitoring, DEI initiatives risk becoming performative rather than impactful. This emphasizes the importance of leadership accountability, measurable targets, and the integration of DEI into broader corporate governance structures (Shore et al., 2018).

3.5 Corporate Governance and Transparency

Effective corporate governance emerged as a foundational pillar for upholding ethical business practices. Companies with robust governance frameworks — characterized by transparent reporting, clear accountability mechanisms, and active stakeholder engagement — are better equipped to prevent misconduct. Johnson & Johnson’s swift product recall in response to safety concerns is frequently cited as an example of governance that prioritizes public welfare over short-term financial gain, reinforcing the company’s ethical reputation (OECD, 2015).

Conversely, governance failures can have devastating consequences, as illustrated by the Volkswagen emissions scandal. The deliberate manipulation of emissions testing not only resulted in billions in fines but also caused significant reputational damage and loss of consumer trust worldwide. This case underscores that governance is not merely a procedural necessity but a safeguard against unethical behavior. Strengthening governance structures,

promoting whistleblower protections, and ensuring board diversity are critical measures to foster a culture of integrity (Soltani, 2014).

4. Conclusion

This study examined contemporary business ethics through the lens of four key themes: Sustainability and Environmental Responsibility, Digital and Data Ethics, Diversity, Equity, and Inclusion (DEI), and Corporate Governance and Transparency. Findings suggest that these elements are increasingly interdependent, shaping not only the ethical posture of organizations but also their strategic competitiveness in a globalized and digitally interconnected market. Companies that successfully integrate ethical considerations into their core business models tend to outperform peers in areas such as brand loyalty, innovation, and stakeholder trust (

The research also highlights that while progress has been made, significant challenges remain. Issues such as greenwashing, data misuse, performative DEI efforts, and governance failures continue to undermine public trust. The evolving nature of technology, climate change, and societal expectations will require companies to continually reassess and refine their ethical frameworks to remain both compliant and competitive. Ethical business conduct is no longer a peripheral concern but an essential determinant of long-term sustainability and profitability

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