



**Mindful Workplace
Community**



maureen o'callaghan
GOOD BUSINESS RESEARCH

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Doing the Right Thing: Ethics for SMEs and sole traders

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The success of every business depends on good relationships with clients, customers, suppliers, and the wider community in which it operates. Good relationships are built on trust, and businesses with ethical values are more likely to be trusted, and according to research, more likely to be successful.

Sole traders and SMEs are no exception. People and companies want to do business with firms who have strong ethical values, and so should you. Would you want to do business with a person or company who consistently failed to abide by the terms and conditions you agreed on without explanation, or would you rather work with a company that usually delivered on its promises but that was open and honest with you on the rare occasions that it couldn't?

Ethical issues sole traders and SMEs might face

When you're a business owner, you'll have many ethical considerations.

For SMEs, it might be delaying payment of invoices to suppliers if you're having issues with your cashflow, or deciding whether to allow an employee to work flexibly if it would benefit them, despite having doubts about whether it would work for your business.

For a sole trader, it might be that you've promised to meet a deadline, but you're not quite finished the work. Do you have an honest conversation with your client or do you send them something out that's not quite finished, or not of the standard they would expect?

What guides ethical values in SMEs?

Depending on the size of the business, an SME may not have a formal code of ethics or policy. Instead, the business owner might lead the way in determining how business is done, and this filters down to employees. For sole traders, 'doing the right thing' should be their guiding principle if they want to have good relationships with customers and clients and build a good reputation. Often, sole traders will give clients and customers terms and

conditions or contracts, letting them know what they can expect, and these may include ethical values.

Creating an ethics policy for SMEs

Having a formal ethics policy lets people know how business is done, and also lets employees know what is expected of them.

If you want to create an ethics policy, start by defining the core ethical values of the business. Then create a code of ethics that will tell employees, clients, customers, suppliers, and the wider world how you like to do business. Make sure the code is communicated to every person at every level of the business, so everyone knows what the company stands for and what behaviours are expected of them.

How to be more ethical: Tips for SMEs and sole traders

Being more ethical isn't difficult. Here are some tips on how to be an ethical business that people want to work with:

Be a company people can trust

Meet your obligations, deliver on your promises, and never deliberately mislead people. Make sure your business is built on honesty and integrity.

Honour your commitments

There may be times when you can't deliver on a promise to a client, but if this is the case, be honest about it. Tell them you've had some difficulties but you're working hard to get back on track. Treat existing clients and new clients exactly the same too, every client is valuable, and it's a small world; people do talk!

Produce materials that are clear and easy to understand

Whether it's a product brochure, an advert, or your terms and conditions, make everything clear and easy to understand. Never mislead people deliberately into thinking they're getting something other than what they're paying you for.

Contribute to your local community

You can argue that your SME provides jobs to local people, but it's also a good idea to get involved with things going on in your community from time to time. Whether it's a charity event, or a community project, if people see that you're doing your bit, it will enhance your reputation hugely.

Do business respectfully

Treat clients, customers, suppliers, and anyone else you come into contact with respectfully, and give them the courtesy and professional service that you would expect.

If you are interested in learning more about Maureen's research, looking at relationships between character strengths, mindfulness and trustworthiness in business entrepreneurs e-mail mOCallaghan@lincoln.ac.uk.

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The MWC would like to thank the author, Maureen O'Callaghan, for sharing her research. Please acknowledge Maureen if reproducing or sharing this article.

Any questions, please contact info@mindfulworkplace.community.