Review Article

Ethics and its High Valued in Business World

Rohit Kumar*
Department of Arts, Chhatrapati Shahu Ji Maharaj University, Kanpur, UP.

Abstract

A well organized business is a set of departments who deals with different work and a good department is not how do they work good or fast but how well co-ordinate they perform. And the interaction, co-ordination and co-operation of all the departments of a firm are made it successful and larger, but all of this can be worked with a single word ethics of the company. The employee may change but if the ethics will same throughout then the result will be the same in every manner.

Keywords: Ethics, Corporate, Integration, Establishment, Co-ordination.

Introduction

If we think what is a business then we will find a conclusion that a group of people who purchase or manufacture the goods to sell according to the population needs. This is an abbreviated way of explain business but many experts define business in their own word; Stephenson defines business as, "The regular production or purchase and sale of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants."

According to Dicksee, "Business refers to a form of activity conducted with an objective of earning profits for the benefit of those on whose behalf the activity is conducted. Lewis Henry defines business as, "Human activity directed towards producing or acquiring wealth through buying and selling of goods." Thus, the term business means a group of peoples which are categorized in a firm for continuous production and distribution of goods and services with intend of earning profits under indecisive market conditions(1).

Business World and Ethics

Business ethics or corporate ethics is a professional ethics that examines ethical principles, moral and ethical problems that arise in a business environment. It is the study of proper business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility and fiduciary responsibilities.

It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire establishments(2).

According to Andrew Crane, “Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed.”

According to Raymond C. Baumhart, "The ethics of business is the ethics of responsibility. The business man must promise that he will not harm knowingly.(3)"

Ethics is the Main Root of Business
A flourish business is like a fully grown tree which has a lot of branches and each and every branch is fruitful but the whole tree is dependent on the root and rootlets which bounds the soil and support the tree, just like the business which is dependent on the employee who are bound with some basic fundamentals of the firm or company which is called the ethics(4).

And some of them are:
1. Code of conduct: Business ethics is a code of conduct. It tells what to do and what not to do for the welfare of the society. All businessmen must follow this code of conduct.

2. Based on moral and social values: Business ethics is based on moral and social values. It contains moral and social principles (rules) for doing business. This includes self-control, consumer protection and welfare, service to society, fair treatment to social groups, not to exploit others, etc(5).

3. Gives protection to social groups: Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.

4. Provides basic framework: Business ethics provide a basic framework for doing business. It gives the social cultural, economic, legal and other limits of business. Business must be conducted within these limits(6).

5. Voluntary: Business ethics must be voluntary. The businessmen must accept business ethics on their own. Business ethics must be like self-discipline. It must not be enforced by law.

6. Requires education and guidance: Businessmen must be given proper education and guidance before introducing business ethics. The businessmen must be motivated to use business ethics. They must be informed about the advantages of using business ethics. Trade Associations and Chambers of Commerce must also play an active role in this matter(7).

7. Relative Term: Business ethics is a relative term. That is, it changes from one business to another. It also changes from one country to another. What is considered as good in one country may be taboo in another country(8).

Off late there has been a lot of discourse of integrating ethics in the business concern processes. This has happened because in many of the businesses there is complete absence of business ethics. One may of shrink at the very thought of a quick fix solution for an establishment’s unethical behavior. As discussed earlier, ethics is the foundation of a beneficial establishment, it is possible to ensure it therefore the best companies in the world have a firm ethical foundation. Many entrepreneurs try to overlook the importance of ethical practices in a business concern as everyday confusion(9).

But it is very easy for an establishment to establish itself in the market place if it has a strong ethical basis. Market specialists and experts treat ethics as a religious sermon that is to be followed. At times, it is difficult for establishments to think of and strictly adhere to the ethics and morale, but, the establishments that have an established code of ethical conduct do not face such difficulties. And the good ethical behavior of such establishments can be seen in their business practices. This is the reason why the best companies of the world are regarded as most ethical. There are eight different aspects that form the foundation of an ethical establishment(10).
Respect
To develop a strong honorable foundation, one needs to not only esteem oneself but be surrounded with the people who can give as well as accept respect. However, it also does not mean that with respect, everything runs automatically. No doubt the employees in the establishment will work and perform duties well, but they will definitely need guidance and training. Where there is respect, trust and faith, things can move faster and there may be no need for micromanagement. Business people in general do not wish to do business with people with a near to the ground self-respect. So people with low esteem do not demonstrate honor towards fellows, customers, providers, etc. If at any point in time the trust is shaken, a individual can try to rebuild the same but if things become difficult, let the person go(11).

Honor
A good ethical establishment basically has employees who are morally upright. These are the individuals who are the role models for others to do things in an ethical manner. It is important for the leader of the business to give grandness to the star performers in the establishment. People who go all out to meet the targets need to be honored and appreciated. Only if the establishment appreciates their gives made from time to time, the establishments will definitely grow. Because these are the individuals because of whom the establishment has progressed(12).

Integrity
It is significant to note that integrity is one of the most significant virtues of a business. A person with integrity is not essentially a preacher. Unity means to display highest level of self esteem and to stand by one’s word. If one’s actions are incorrect or unacceptable one needs to take responsibility of the same. An important principle of integrity is that we should do as we want others to do for us. People with low self-esteem are a barrier for the growth of a business. Such people do not only influence the other employees negatively but strength also misleads the suppliers and the consumers(13). The misgiving will spread and ultimately the people will block having faith in the person who is heading the establishment. It is deserving people do not only influence the other employees negatively but may also misinform the suppliers and the consumers. The mistrust will spread and ultimately the people will stop having faith in the person who is heading the establishment. It is worth mentioning a person with low self-pride can sell the party values to make money. Through such deeds a person may succeed but in the long run the unethical behavior will make one person suffer(14).

Customer focus
Any business exists only because of its customers. A business will take no time to become nonexistant if it lacks customer focus. A business should focus on the products that they buy. It is the duty of the business to follow this practice because the business decisions not only affect the stakeholders, partners but also the society at large. It is the business’s ethical duty to focus on customer requirements. To sell sub-standard material poses a risk not only for ethics but damages the reputation of the company in the times to come(15).

Results-oriented
Any establishment finally aims at being successful. It is oriented towards the result which as well has ethics woven into it. One should aim at adhering to the establishment values and one honorable framework while aiming at the best results. Leaders in an establishment help to affirm their teams in achieving the results that they have unmistakably named. It is with the donation of each and every employee in an establishment that successful consequences can be achieved. It is a well-established fact that in ethical parties’ achievement of the results is not merely numbers and statistics. These results are the road map for the future, with ethics imbibed in it(16).
Risk-Taking
Risk is a character of a business. Ethical establishments are not afraid of consenting risks but with ethics in place they succeed and grow by taking risks. In a business one may not come through always by sticking to a safe road. When establishment thinks big and introduces out of the box there is some hazard involved. It is significant that the establishments recognize the contribution of risk takers(17). Taking risk does not pose a threat to the establishment’s values and principles. It is a well known fact that the establishments reward employees who take risks. Apart from the business houses this practice is prevalent in the Army where the officers and the soldiers get rewarded for displaying exceptional courage by taking life threatening risks(18).

Passion
Establishments value people who have a real craving and passion for work. People who are passionate about the work do the same out of happiness and not just for getting salary(19). These are the people who are self-motivated, the ones who put in a lot of hard work and believe strongly that their effort can bring about a change. In contrast to this are the employees who show no interest towards the establishment they are just making time and add no value to the work or the grown of the establishment(20).

Persistence
People with perseverance are an asset to the establishment. Such individuals are self-driven and they keep working even when the desired consequence is not achieved. Employees who persist will extend to work hard with honor and integrity. For such employees the customer is the utmost importance. It is very important for a leader in an establishment to acknowledge the time and attempt of such employees(21). The leader needs to emphasise the importance of these values which ultimately construct a rock solid basis for an establishment. If employes in an establishment try to exceed or overrule they need to be given one more chance to improve their approach path. The establishment demands to take action and not let go such differences(22).

Performance
The task of the firm is to examine its costs and performance in each value creating activity and to look for ways to improve it. The firm should estimate the cost incurred by its competitors and the performances as benchmarks against which to compare its own costs and performances. The establishments should further go on to study “best of class” practices of the world’s best companies(23).

Successful Establishment
The establishment success depends on not only how well each department performs its work, but also on how well different departmental activities do is coordinated. Very often, the company departments perform to maximize their interests. A credit department can take a long length to check a potential customer’s credit so as to incur bad debts. In the time being, the customer waits and the salesperson is frustrated. A traffic department determines to ship the goods by railways to save the money and again the customer waits. If every department becomes water tight it slows down the delivery of character client service(24).

This becomes debatable at times therefore to place more stress on the smooth direction of an ethical business process the following should be included.

1. The market sensing process: All the activities involved in gathering market intelligence, disseminating the information within the establishment and acting on the same.
2. The new offering realization process: This involves researching, developing and launching new high quality offerings quickly and within the budget.
3. The customer acquisition process: All the activities involve in defining target markets and prospecting for new customers.
4. **The customer relationship management process**: This involves building a deeper and intense understanding and relationship and offerings to each of the customers.

5. **The fulfillment management process**: The activities involved in receiving and approving orders, transporting the goods on time and assembling payment. The ethical behavior of an establishment helps in being ways(25, 26).

6. **Highlights Desired Behavior**: Behavioral banners commune that ethical behavior is considered a main concern and that the firm’s assumed righteous values will be operationalized. Such standards take into account the biggest significance. Of ethical circumstances and index expected behavioral outcomes associated with these circumstances. Behavioral standards increase the people’s awareness of ethical encounters in the office and highlight desired response behaviors(27).

7. **Promotes Trust**: Establishmental trust is heightened when managerial leaders emphasize and put attention on what is good and right and domesticate behavioral measures in cooperation with employees. Senior direction promotes and enhances trust when they implement reward structures that are affiliated with the establishment’s advocated behavioral standards. Leadership actions must also emphasize the well-known behavioral standards to promote trust and reliability among the workforce(28).

8. **Maintains Accountability**: Behavioral criteria nurture a sense of answerability when the standards are braced by management. They are as well reinforced when allow acknowledgment for following behavioural standards, as well as consequences for not adopting them, is furnished.

Clear ideals and ethics linked to virtuous values convince into clear behavioral expectations(29).

9. **Links Theory to Practice**: Behavioral criteria attach theory to real world practice by specifying how virtuous assesses can be operationalized through rousing key ethical behaviour patterns. Ethical action is more likely to surface as behavioural standards become widely known, based, and acted upon(30).

10. **Reduces Legal Threats**: Proactively creating behavioural criteria can reduce the happening of ethical and legal evildoings within the firm. Such criteria can in some cases also provide legal proof of good faith efforts to prevent legal transgressions and may thus reduce the risk of financial and other types of punishments in the event of such transgressions. Legislation such as the Sarbanes-Oxley Act of 2002 requires public companies to implement codes of ethical conduct. Legal advice can advise managers regarding when a good faith effort to avoid illegal behavior is necessary or otherwise might be used to reduce potential penalties(31).

11. **Enhances Ethical Decision Making**: Behavioral standards offer criteria on which to base ethical decisions. They provide a rational context within which to effectively review questions concerning ethical conduct(32).

**Conclusion**

The whole business is mainly depend not only upon the what is right to do more money but also what is right in favor of company and their employees to make more money. An ethically right decision may not be in line to earn more money but an unethical practice may decline a company’s trust in their cline which may leads to the way to penetrate the other company in your business.
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**Corresponding Author Information**

**Rohit Kumar**, Department of Arts, Chhatrapati Shahu Ji Maharaj University, Kanpur, UP.