Review Article

Business Ethics: A Decision Between Right or Wrong
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Abstract

The whole corporate world is stand on the decisions of right or wrong, which in turns decided the future and fame of the company some time and unethical practice in the large corporate sectors becomes fatal to the lives associated with them. In 90’s Bhopal Gas tragedy, drags every one attention towards the Business ethics and discipline in the business, what have to done must be done. The rise and down on the corporate sectors in the sight of ethics becomes the popular game and a lot of well famed personality are also framed in this.

Keywords: Ethics, Corporate, Strategy, Stakeholders, Corruption.

Introduction

The moral and the subsequent strategy of a company decide it’s very far in future. Most of the well trusted and well earned companies in our country and also worldwide are ashamed of what is called the wrong decision either by their stakeholders; or a very low importance employee but one single mistake should become the nail in their coffin, the stories are too much of interest but what is actually happened is called the ethics(1).

Business Ethics

This is not only about ethics in general or the morals precisely, but if it is concerned with a specific field of ethics related to corporate sector: business ethics(2). Business ethics is a study of what is morally right and wrong. It spotlights on the standards of morality which apply to the business strategies, human behavior and various other institutions. As a part of the society every person has ends to accomplish and the society categorize a method of establishments to comprehend the ends(3).

The establishments help a person to achieve the ends by following a fixed set of activities which are political, social, economic and educational. Business is one of the most important enterprises which help the people in the modern societies to carry on the work of producing and distributing products and amenities. At different periods in the world, the people in advanced countries turned a blind eye to morals and ethics which proved to be disastrous for the coming generations(4).

As business world progresses it got tarnished by the evil practices of slavery, industrialization and the cruel past of expansionism; and subsequently by the cold war. In the modern times with the technology being highly advanced the focus of ethics is mainly on a principled dialogue of the post-colonial and post-world war periods(5).

The need to incorporate ethics into business was felt in the late 90’s. It was during this period when the world came from corner to corner natural calamities and financial disruptions, that organizations started giving importance to ethical business practices. The Gas Tragedy at Bhopal and the fall of Enron were indicative of a large scale degradation that was characterized by highest standards of corrupt corporate ethics.

Business ethics is not alienated from the individual’s practice of ethics because in business all choices and actions of human beings impact the activities of a business and hence it is the responsibility of the people to bear the onus of the fallout(6).

**Problem on Hand**
Lack of morals is equal to lack of expertise. Ethics augment the moral obligation of the employees. What subjects a lot is punctuality, and attachment to rules and regulations in ethical organizations. The businessmen who attempt to cut edges of law and club of the land get into big difficulty and this problem of avoiding ethical practices has been studied and analyzed by the investigator through a form of case studies.

1) Enron India Disaster  
2) Mars Chocolate Recall  
3) Money Laundering Scams- Ex Goldman Sach’s Director - Rajat Gupta & The Liquor Barron - Vijay Mallya  
4) The Union Carbide India Ltd  
5) Siemens Limited  
6) Parliaments & the Behavior of the parliamentarians  
7) Sexual Harassment against Women  
8) Glass Ceiling against Women  
9) Nestle Maggi Noodles  
10) The Sahara Group  
11) Coca Cola  
12)Johnson & Johnson Tylenol Crisis Management  
13) Water Depletion Crisis – Dahanu Thermal Power Station

Majority of the multinational corporations maintain procedures and accomplish business in more than one country. The biggest 300 of the United States business houses assert their commercial activity in more than one country (8). Due to such large scale operations there are various ethical issues which arise from time to time.

The General Electric Corporation has functionings in more than 100 nations all over the globe. They mostly carryon operations done the use of the internet, their raw-materials and productions are manufactured all over the world, are then gathered and distributed in 100 nations of the world(7).

Under such circumstances many a times the directors are faced by the ethical quandaries. The manager may be confronted by a dilemma to choose between the benefit making endeavor and the economic demands on one side and the inevitably of the host country on with their interests on the early. Since the multinationals function in different countries they face different national and environmental criteria(8).

As time advanced business ethics came to be noticed as one of the requirements by academicians, reporters and the business people more severely. And all this happened after the cold war’s in America. This scampered the discussion of business concern ethics some in the print media as well as the educational institutions. In the democratic and countries where practice of free press is recommended there is a sharp fall in the barracking of averages by the business corporations.

The unethical practices have not concern an end completely but are on a sharp decline. The long becoming conflict in Iraq is one of the newly and recent examples of unconcealed fierceness of the copious developed countries in order to take charge of the oil fields to gain their home Countries(9, 10).
Meaning of Business Ethics
Business Ethics is related to ethical philosophical system that describes correct and incorrect conduct. It associates to the principles and behavior complied by a business corporation. It includes in its horizon what is ethically viable along with being trustworthy about a business exercise. The conception of ethics in management is closely adjusted to the obligation that any business organization owes towards the society. It is an obligation for a business to adopt a set of principles, rules and regulations which gain the larger society. A well-defined ethical pattern in business goes a guideline and a road map for the people adding an organization(11).

Definitions of Business Ethics
There is no single, consented definition of ‘Business Ethics’. Different persons below different considerations and situations have defined business ethics in their have way. In simple discussions Business Ethics is the learning about different sorts of business conditions, happenings, and results and choices where all consequences of correct and incorrect are taken note of. It is a set of philosophies or explanations which should govern the manner in which the business whether at person or collective level brings(12).

An industry or a firmly is considered to be ethical only if tries to accomplish a trade-off amongst its monetary objectives and its social responsibilities, for example responsibilities to the humanity where it exists and functions; to its people for whom it follows economic destinations: to the environment, from where it gets its resources. This concept of business ethics is closely linked to the principles of honesty and equality and centers on the welfare of its stakeholders some within and outside the organization. Shareholders comprise persons and groups in the absence of which the business goes wrong to exist. It comprises stockholders, individuals, personnel, clients, traders, merchants, government and the public(13).

Ethics in Business Management
Ethics in professional life has been a hot field and a developing field in India. In today’s collective world, ethics in Business Management has developed heavily. Ethics is a merger of decent and moral philosophies, which assures the code of conduct and behavior of the specific as well as the clusters in personal and qualified life and in the social order. Business organization Ethics is fundamentally concerned with the fashion in which the business operates. The guidelines of business behavior and ethics have proved to be a checking measure for the systematic behavior of an enterprise. When we talk of systematic conduct of an enterprise, ethical motive comes into picture(14).

Morality
Precisely there is a variation concerning ethics and conscience or morality. Ethics is considered to be a field that scrutinizes the political orientation of what is correct and incorrect or good and badness, while moralities concern to the beliefs that a society has about what is correct and incorrect or good and bad. The morals can be dissimilar from one person to the other from, one culture to the other and many are almost widespread as they are a result of basic human emotions. One may think of exhorting as a scholarly exercise, but more commonly it’s an endeavor to make sense of our intuitive predispositions. The person often uses these terms interchangeably(14, 15).

Each group in the company prescribes for its members certain rules of behavior which need to be adjusted. For ex, every state prescribes that the organizations treat their positions as a public trust. A corporation prescribes that all people work in corporation. Thus there are certain norms of social conduct which ought to be observed by all people. These are the rules and the principles which are concerned with the moral conscience of a person and this constitutes morality. Moral principles, morality are the basis of ethics. The moral aspects of ethics completely depend on the business practices. It is the body of moral rules which
govern ordinary ethical problems.(16). All decisions which are taken in a business are based on the moral guidelines or principles.

The very basic principles of morality which speak the language of ethics are as follows:

- Respect for humans
- Helping others
- Promise keeping
- Non malevolence and respect for property.

These principles can be applied as the basic tools of business ethics. The moral principles help to strengthen the business norms which in return help to create an ethical environment.(8).

Values
While we talk about ethics the importance of values cannot be neglected in an organization. Values and ethics are fundamental to any business. Values play a pivotal role in relative to the organization’s vision. There has to be consistency between the establishment’s vision and its core values. Values are a personification of what a business stands for. The major values of a business concern are as follows—Faithfulness, Responsibility, Altruistic Service and Truthfulness and four personal assesses can be promise, potentiality, frankness and flexibility. These standards provide the basic foundation for verdicts and decisions which are important for the organization to grow in its core business and to conduct itself ethically is to adhere to a manner that is steady to what is obviously regarded as right or morally ethical behavior which is the foundation of any business firm(17).

The ethical code of conduct needs to be applied to all business practices for a regular period of time or also for a perpetual period and by doing so the long term goodwill for the organizations culture and also for the society and the nation can be generated. The values created by ethical principles have a long term effect, from the viewpoint of society and becomes a basis for ethical decision making. Whenever there is a struggle amongst the business interest and the individual’s interest, the person should try to resolve the same(18).

The ethics helps to create values for the entire system as a whole. This can be assured in the points mentioned below:

- Ethics have a farseeing term cultural impact on the firm.
- Unethical persons mechanically get weeded out.
- With the long term impact of ethics, the strategic gains can be incorporated into the system.
- An ethical atmosphere is ideal and satisfactory to all.
- Ethic plays a vital role by incorporating internal and external factors.

Therefore the ethics in any business or at a workplace is tied to practicing intrinsic human values. We all know that it is values which enable a firm to grow and create its credibleness, goodwill and net worth in the society. Thus the business ethics gets firmed in an organization only when various values are exercised by the employees. The top leadership should call for and approve the expression of the core values to guide all major decisions, functioning and behavior in the company.

The values may be conflated of the values that are in general exercised in the society, that particular industry and the aspirations of the organizational members. Some basic values are as good corporate citizenship, through legal compliance, social responsibility, following fair dealings with all stakeholders, business partners and all other entities ad contribution through the creation of wealth, jobs, innovation etc(19).

Integrity
Integrity is viewed by many societies and people as scrupulousness and faithfulness or exactitude of one’s activities. The success of the organization depends on its employees. In the personal or professional area if employees act without integrity the repercussions may be far too many. So the values which are personal
as well as professional are at the core of integrity. There is a dynamic relationship between integrity and ethics, where each strengthens and reinforces the other and is the foundation to business ethics(20).

The ethical behaviors of businesses confirm to the norms of a grouping, culture or company as a whole which reflect upon as correct behavior. The ethics in Business is functional ethics. It has demonstration of our thoughtfulness and consideration of what is good and veracious to that collection of bases, know-how’s, relations, doings and quest of what we call professional person. It is basically pertained with moral issues of business and in engaging ethical standards; the business concern can still make benefits(21).

Today businesses everywhere are thinking about the grandness of business ethics and more importance is tending to behaving and clinging to principles in the place of bring by prioritizing moral values for the work place and to make a point that the employee behavior in the workplace is aligned to the ethical values. A business house has its own values, which are pondered, in the form of collective values of individuals who join it.

Employees demand to perform their duties correctly, impartially and without any bias or discrimination. The senior managers in an organization should not misinform or favor any person by going out of the way(22).

They should also not blow out their qualifications, experience and differentiation beyond the limit. The example of Bhagwad Gita needs to be quoted in this context. The Bhagwad Gita makes use of the practices which are being used in modern times like the vision, accomplishment of goals, convinced approach towards work, and excellence in work etc. If a someone has integrity he or she should to be very conscious of the major responsibility to use his or her soundness, knowledge and skills(23).

How Ethics Influences Organizational Culture
The culture of an Establishment is defined by the manner in which employees fulfill obligations and execute jointly ease in a group. The social standard embraces frequent principles, creed, services and symbols that administrate the functioning style of someone’s within a corporation. Business ethos brings the workforce together and proposes a direction for the company. In times of variation, the major trial for any group may be to translate its culture, as the force is by now is habituated to a definite way of doing things.

The high culture in administrations depends on the situation in which the corporation functions and achieves the organization’s aims, the credibleness of the employees and the company’s administration style are an important ingredient of organizational culture(24). Live business ethos points that personnel are like-minded and hold akin impressions and virtuous ideals.

When these philosophies and virtuous standards support the business objectives, they can prove to be active in building teams because understanding and faith quickly follows. Employees also know and understand what is required of them, how administration evaluates their performance and what forms of compensations still exist(25).

Culture can be described as an amalgamation of moral principles, beliefs, individual communications and description of conduct that offers a path to individuals. The key consciousness of cultural ethos comes from communion in wisdom the processes that have been based on orderly distribution of possessions. The rational looking upon humans helps in teaching; thinking and pronouncements that assistance defines organizational culture(26).

The dual vital factors that are central to literal culture management comprise organizational
stability and incorporation of higher and establishment of firm organizational culture. There are dissimilar degree of organization culture with different grounds, ethics and cultural differences which affect upon functioning. The comparable organization cultures with diverse backgrounds have shared set of values and beliefs to be realized by organizational systems(27).

Different types of culture have been discussed as follows:

**Counter Culture**
The ethical motive and principles of organizational culture which were common among diverse administrative departments and executives who were drove to gain advantage fall under countercultures. The organizational performance is based upon involvement of durable culture to a strong association amongst performance and management of a business concern(28).

**Sub Culture**
These are group sections with diverse sets of standards, ideals and principles on basis of ecological and geographic region, business requirements and business destinations. The commitment of workers for business concern is established upon workers understanding that impresses upon culture. The social interface of place of bring outside organization ruminates considerably for some clusters.

**Strong Culture**
The type of morals and dogmas which a worker holds in culture must be reflected upon. The dogmas and morals of organizations are well-thought-out to be strong when employee holds bigger part of culture. The decrease in breaches on worker connections has been approved with managers till date. The guidelines in organization must be considered significant for personnel.
The strategies, processes and aims intended by top managers must encourage the positive behavior of employees so that viable advantage can be taken(29).

**Weak Culture**
The roughly interweave organization cultures that helps in repelling insistent thought, tactics and principles of someone to be more advance are a valuable asset and add to the swelling needs and requirements of acculturation management. The slackly aggregated culture based upon morals and principles have affiliation with flawless sets.

The variety between personal objectives and administrative goals has imaginative and creative management of rules and processes so that flawless affiliation can be fashioned between them.

**The 4 Dimensions of Organizational Culture**
Granting to the business expert the components which really govern the organizational culture is primarily four and these factors are observed below(30):

**Authority detachment:** It is delimitated as the degree of workers and direction conduct that have been based upon flawless association amid schematic and informal set of improved action.

**Individualism:** This dimension is the difference amongst organizational concern and self interest has flawlessly been accorded.

**Uncertainty avoidance:** The blurriness and indistinctness grounded upon open-mindedness aids in alleviating readiness of people.

**Masculinity:** It enters evasion of gentle and elevation fairly than level of triumph based on trials, disrespect and need.

**Practice of Ethics Improves Organizational Performance Positively**
Carrying out is the point of an attainment to which a worker’s fulfill the organizational appointments at workplace. Performance has been celebrated in varied ways by several scholars, but most of the students distinguish that execution is the measurement of transactional efficacy and success towards organizational goals(31).
The work of a worker is to shape up by virtue of achievement of a detail target or mission that defines fixes of enactment. There are investigators who have recognized dissimilar thought, attacks and principles of carrying into action as it helps in understanding the dimension of input and output efficaciousness measures that conduct to transactional suggestions.

The manner in which has the employee does, and then the performance measurement organization helps in refining business associations to accomplish aims and goals in an efficient manner. The tactical arrangement based upon development of goals and aims help organization to focus nonfinancial or unperceivable resources.

**Organizational Culture and Performance**

The corporation’s cultures can have different impacts on employee performance and inspirational levels. Frequently, employees work more and more to accomplish organizational aims if they consider themselves to be part of the industry civilization. Dissimilar cultures functioning in one corporation backside also influence employee carrying into action.

For instance, if the organization asserts a culture to “talk when necessity” culture, force may work in the same fashion however, if the organization appropriates one area, say the selling team, to be candid and informally active, the organization might experience contentions between other areas.

Possibility of an area to apparatus it’s have culture can disturb the carrying into action of the employees positioned elsewhere in the company(32).

**Integration of Ethics, Organizational Culture and Performance**

Administrations in any sector must organize their employment processes and try to appeal and involve inhabitants with the same principles and standards that demonstrate the organization’s culture. This guarantees the new member’s adjusting to the company and further reinforces company culture. Corporations should also make sure that they attitude in a line corporate culture with carrying into action management systems. When culture and direction systems are not associated, management must readress them so that worker behavior effects in the accomplishment of organizational aims and objectives(14, 33).

1. **Ethics in Compliance**

To follow is to bind to plus obey the rules, regulations and the authority. The motivation for an organization or an employee is to cleave to the right things minus any fear of the effectual hassles or pursuance. A practice of a maiden and a decent environment in the corporation guarantees that complying with ordinance or rules is powered by a yearning to stick to the law.

It is significant to note that organizations that respect high ethical complaisance by following the law agree to abide by it not only in missive but also in spirit(34).

2. **Ethics in Human Resources**

Human Resource Management acts an extremely pivotal part in familiarizing and applying ethical exercises in the organization. For all HR specialists / HR Capita moral philosophy should be a field of concern.

The moral philosophy of HR Management highlights that the consequences arising out of the management – staff relationship such as the exclusive right and responsibilities owed concerning the two(35).

The HR Management ethical issues comprise the subsequent:

- Sexual Harassment
- Affirmative action
- Discrimination based on age, gender, race, disabilities, religion, weight, etc.
• Concerns related to the employee personal space: workplace observation, medicine testing
• Issues of trade unions
• Professional safety and health

3. Ethics in Finance
People in general say that there is amount lack of ethics in finance and the skeptical school altogether accepts the view. This view is espoused in a volume, The Complete Book of Wall Street Ethics which arrogates to powerfully advocate the demand for ethical practices in the area of finance. A minute’s circumstance discloses that funding would be awful without principles. The precise action of assigning our monomaniac to other people demands enormous faith. An untruth stock broker or insurance agent, like an untrustworthy physician or attorney, finds few takers for his or her serves. Financial scandals shock us precisely since they involve people and institutions that we should be able to trust(36).

Observed below are the ethical consequences in finance that the companies confront.
• Accounting – equivocal monetary scrutiny, window dressing
• Linked party dealings
• Insider trading, protective’s fraud which leads to determining and manipulation of the financial markets
• Executive compensation
• Inducements, over encouraging of expenses, enablement of payments, bribery.
• Bogus compensations

4. Ethics in Marketing
Marketing, allowing to one often-cited definition, “involves the demonstration of commercial activities that uninterruptedly deal with the flow of subjects and facilities from producer to customer or operator.” Within this broad characterization, there are amount of different functions that admit product development, distribution, pricing, advancement and sales. Although many of the activities of marketers are relatively free from ethical problems, others have drawn broad criticism and given rise to a demand for expanded list of consumer rights and the obligation of the manufacturers that entail product safety processes and also the need to compensate to the victims of defective productions(37).

Ethics in marketing is based on functional beliefs which deals with just principles and norms linked to the operations and regulations of marketing. The ethical issues in marketing include the following:
• Misleading advertising
• Advertising content
• Anti-compliance practices as the handling of supply exclusive dealing arrangements, time arrangements, etc.
• Children and marketing
• Black markets, grey markets
• Price fixing, discrimination and perusing

5. Ethics in the Area of Production
Every business firm in its policies on business ethics demands to guarantee that its goods and manufacturing procedures do not conclude for any detrimental consequence within or outside the organization. There is invariably a point of hazard and jeopardy intricately embedded in any develop or manufacturing procedure but simultaneously it is hard to describe the point of acceptableness and this point of acceptability may be decided by the changing state of precautionary knowledge or altering societal observances of the tolerable perils. There could be faulty, addictive or dangerous products, environmental standards may not adhere to which admit environmental ethics and carbon emissions dealing. Ethics demands to be used in production testing and the companies need to see of the right bugs rising by the use of newly skills for example GM food, etc(38).

6. Ethics in displaying Investor Loyalty
The capitalists both as buyers and as sellers are dangerous to fraud because the value of economic instruments depends almost
completely on information that is hard to assert. Much of the relevant information is in the hands of the emerging firms, so anti-fraud commissariat in securities law place an obligation not only on the purchasers and sellers of a firmly stock, for example, but also on the emerging firm. Therefore the company or an organization that stammers in reporting bad news may be not adhering to the ethical norms and hence devoting fraud, even though the purchaser of that company’s stock buys from a previous owner who may or may not be cognizant of the news. Insider training is engaged as a fraud under the securities exchange act on the bases that any material non-public selective information ought to be revealed earlier trading(39).

The stockholders are anxious about the social obligation, morals and bearing of the corporation in which one capitalizes. These shareholders are aptly being increasingly mindful that an organization with an ethical environment bears a base for efficacy, output and continues. The connection with any capitalist, as well as the shareowners is based on reliability, trust and promise consequences in a long lasting faithfulness.

7. Customer Satisfaction
For an everlasting obedience the companies need to ensure a sound human relationship with the customers. The title or the sword of the company should remind a lot of faith and deference amongst the customers. This is achieved by a corporation that recourses to virtuous deeds. Small aberrancies can be tolerated by consumers but larger crisis management needs to be planned before hand to avoid major losses. Parties have pre-defined ethical values and norms that help to ensure that the organizational behaviors are adjusted to those values(40).

Conclusion
An answer to this dilemma would be if the educated public dedicates itself to typify and pass on the ethics linked with principled research behavior. One also needs to mention how a society can function effectively with the existence of humanities and arts.

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