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**International Journal in Multidisciplinary and
Academic Research (SSIJMAR)**

Vol. 6, No. 4, August 2017 (ISSN 2278 – 5973)

**Applicability of Ethics & Values
And Their Importance In Modern Business**

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Abstract

Ethics has a great role in the modern management because today more and more businesses are heading towards following the ethics and when we use the ethics in the business and especially in managing the business they are called 'business ethics'. Because the businesses run within the society so there is a great need that businesses recognize the need of being ethical. Due to the social structure a business get support so the businesses in today's era, feel themselves responsible towards fulfilling social responsibilities. Not only this, some other factors like corporate governance, CSR and ethical behavior become the important factors for the businesses. Businesses, from all over the world, are not only following the ethics in the businesses but they are following them seriously in managing the business. This paper attempts in finding out the role of business ethics in the management and smooth running of the business. With the help of this paper, businesses can improve their ethical practices and implement more ethics in the management of the business to bring even better results.

Keywords: Business Ethics, modern management, Society, Welfare

**Impact Factor = 3.133 (Scientific Journal Impact Factor Value for 2012 by Inno Space
Scientific Journal Impact Factor)**

Global Impact Factor (2013)= 0.326 (By GIF)

Indexing:



Introduction

In the last few years, interest of businessmen and managers has been grown up in the field of business ethics. This trend is being appreciated in the present era of globalization. That means, people are recognizing the need of using the moral principles of “right” and “wrong” in the business too. The basic purpose of ethics is to define the good values of a man and setting the standard for all. The term business ethics basically contains two terms i.e. Ethics and Business. It simply means use of ethics in the business. That means the use of a person’s fundamentals towards life in the business.

Objectives Of The Study

This paper attempts to contribute to the understanding of business ethics and the use of business ethics in the modern business and management. It also tries to focus on the need of business ethics in the business management and how the business can be accelerated with the use of ethics.

Methodology Of The Study

This study is based on the secondary data. Data and the information has been obtained and used from the various sources like newspaper, journals and the internet.

Why To Implement Ethical Code In The Business?

What is ethical code? A code of ethics is nothing but a statement which describes the norms and beliefs of a business or a company. These are the standards which a business needs to keep in mind while behaving with others. These norms are to be used in the situations like ‘ethical dilemmas’. The code of conduct tells us what to do and don’t. Any matter which has some ethical value will be decided by keeping in mind the code of conduct. By going through the code of conduct an employee comes to know about its responsibilities and moral duties which he is expected to fulfill for the organization. But the code of conduct is not very rigid. They cannot work in all the situations. There may be some situations where you have to work outside the code of conduct. This ethical code of one business may not be applicable on the other business. In the developing countries like India, where the concept of social welfare or social responsibility is in the infant stage, the managers find themselves in the difficult situations because welfare of the society is an ambiguous term. It’s not mandatory in a code of conduct but still it’s a crucial part of the business. As the ethics have a really big importance for the business, it is necessary to develop a business which really cares about the ethics.

Need Of Ethics In The Management

Business ethics is an important topic for discussion today and it is getting a lot of consideration from the various parts of the society. Because the business runs with the help of the society, so this is the moral duty of the business to do welfare of the society, because a business runs with the permission of the society, directly or indirectly. Without the support of the society a business can not earn the loyal and faithful customers hence cannot earn profits. As the size of the business increases, public starts getting more interest in that business because the contribution of that business in the economy increases with the level. This becomes mandatory for the businesses to take care of the society and the people who’re attached with the business. Doing

well and positive for these people ensure the smooth running of the business and it cannot be done without using the ethics.

- Employees
- Customers
- Shareholders
- Suppliers
- Investors
- Creditors
- Debtors
- Government

“Ethical Dilemma” is another problem that is faced by the managers in the business. For example, the profit maximization is the ultimate aim of the business but a business must have to spend money to satisfy the society or the stakeholders. In the modern businesses, ethical considerations are important thing to take care of. To apply the ethics in the business, a manager must consider that personal life is not different than the business life. There is a need to follow the ethics and it is for the own good of the business. By maintaining good relationship with the society, many problems can be avoided by a business. In the today’s world when the globalization is going on and every business is dependent upon the other, the importance of ethics cannot be ignored. adopting the ethical behavior is not only required for the businesses but also for the individual. If all the individuals in the business are adopting the ethical behavior then an ethical business will be automatically developed. Still, we can follow these steps to develop an ethical business.

Steps To Be Followed To Develop An Ethical Business:

- Appoint an officer to maintain and take care of ethics.
- Make the employees aware about your mission statement. If you don’t have any mission statement then prepare one and if you already have a mission statement then add ‘ethics’ to it.
- Make all the employees aware about what your code of conduct is and how your company conducts the business.
- Set an example by being the part of ethical culture. Try to involve your employees in the ethical practices.

Challenges For The Business Regarding Ethical Aspects

The ethical issues that we are discussing today have existed right from the beginning of the trade and business. These are getting attention just because of the movement that is going on regarding business ethics and today the whole world is acknowledging the importance of business ethics.

The biggest challenges for the businesses today in implementing the ethics are to:

- Making the investors understand the importance of ethics so that the money can be spent on moral responsibilities. In case the money is not required even then there will be hidden amount of losses that a business may have to bear to support the society.
- Involving the employees in these activities and making them understand that it’s good for the business to follow moral values and if it’s good for the business then it’s good for the employees as well.
- Managing and maintaining a proper balance between the commercial and the ethical activities of the business.

How Modern Businesses Take Decisions With Ethics

There is no definition of “right” or “wrong” while making decisions because the decisions are based upon the subjectivity. One thing that may be right for one can be wrong for the other. The ethical decisions are the results of the different choices. Every person and every business may have a different view point while making a decision. Two managers may take different decisions in the similar situations.

Modern businesses are being more conscious in providing:

- Value to the customer
- Importance of the employees
- Weightage to the society.

These things can happen only when you keep the profits or the individual targets of the company aside and involve the ethics in the business. Today businesses are trying to sacrifice profits for donating to the society. They are decreasing the margins for giving value to the customers. They are trying to retaining the customers and managing the labour force even in the tough situations like downsizing. Modern businesses are understanding the fact that a business should take an ethical decision in that way which is good for the business as well as for the society and other stakeholders. They also take care of this thing that a decision not only affect a particular situation but other situations too. In the same way if an unethical decision is taken then it does not end in itself but also creates a viral effect. Because businesses have become fast today and the impact of one segment quickly travels to the other segments so, every possible care is taken while making ethical as well as unethical decisions. In India, businesses follow a mixed approach. They are borrowing the new management styles from foreign but are also keeping the rich heritage in which the value of the customer and the employee has been made understand.

Conclusion

Businesses whether modern or the traditional are established and run by the people. They work for the people, being within the people and are managed by the people. This is the moral duty of any business to do good with everyone whoever is attached to his business because that person is part of the society too as well. But this thing is not accepted by all the managers so for the effective implementation of code of ethics there must be provisions so that the ethics can be enforced. The managers who are not adopting the proper ethical practices should be held accountable for that. We can say that implementation of the code of ethics is not very easy but only the existence of these codes can create the expectations that they should be followed by the managers. In a company the effective enforcement of code of ethics require continuous support from the top management and consistent policies are also required. One thing that should be kept in mind that the top management should not think about the result but the process of achieving the results. Every business should be encouraged to create code of ethics. In India, there is a very rich heritage of traditions, philosophy and the values. If we can implement just a part of this rich heritage in today’s business then we can do good not only for ourselves but for the other part of the society and for the future generations too.

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