



ANALYTICAL UNDERSTANDING ON CONTEMPORARY BUSINESS ETHICS

Prof. L. Udayakumar* & Richard Samuel Edwin**

* Centre for Mahayana Buddhist Studies, Acharya Nagarjuna University, Nagarjuna Nagar, Guntur, Andhra Pradesh

** Research Scholar, Centre for Mahayana Buddhist Studies, Acharya Nagarjuna University, Nagarjuna Nagar, Guntur, Andhra Pradesh

Cite This Article: Prof. L. Udayakumar & Richard Samuel Edwin, "Analytical Understanding on Contemporary Business Ethics", International Journal of Engineering Research and Modern Education, Volume 7, Issue 2, Page Number 43-45, 2022.

Copy Right: © IJERME, 2022 (All Rights Reserved). This is an Open Access Article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Abstract:

We can understand and analyses some sort of character in the following lines. The concept of right is defined by an issue that is morally correct or equal and good. This brings the highest good for all concerned. Ethics is unstructured, that is, it does not have a structured format or framework. It is stated as concept. Hence it does not have universal acceptance, mainly because: Ethics depends upon our moral standards, Moral standards depend upon our value system, Values system of people depends upon their back ground and childhood experience, and The background and experience of people are vastly different. Hence the ethical practices of people are also different. The objectives of business ethics are manifold that which studies human behaviour and makes evaluative assessment about them as moral or immoral, by moral standards or norms of behaviour. This makes judgment to in consider human behavior based on these standards and norms. They prescribe moral behaviour and make recommendations about how or how not to behave. Ethics expresses an opinion or attitude about human conduct in general.

Key Words: Ethics, Moral, Values, Behavior, Business, Standards....etc.

Introduction:

Nature and Objects of Business Ethics:

Recently, there has been an increasing awareness of the field of business ethics. There is a tremendous development in the business discipline. Business ethics is the application of ethical principles and methods of analysis to business. Business ethics deals with the topic of study that has been given its due importance in business, commerce, and corporate industry since last four decades. So that there is need to understand the nature and objectives of business ethics in the contemporary society, which is very urgently needed. There is urgent need to practice ethics in every field and very particularly in business discipline. As we express in the earlier portion, business ethics is an applied ethics in the particular business of the particular organization. Previously it was thought that business ethics is a contradictory term. The popular concept was that if it is business, then it cannot be ethical, and if it is ethical at all, it does not represent business. At the same time many of them did not agree with this philosophy, JRD Tata is subscribed to this philosophy¹. Due to these significant people, business ethics has reached the proper place in business that is due to it. Ethics means character or manner. The character of man is expressed in terms of conduct. The conduct of a person is a series of actions considers good or bad, right or wrong, moral or immoral. For example, drawing his own money from the bank is an amoral conduct of a man. However, if he steals the ATM card of another person and draws money from bank then that it is immoral. This is called a moral judgment. Moral judgment is also termed as the science of character of a person expressed as right or wrong action of conduct.

In the business ethics, most ethical issues could be two types. Namely, overt and covert. Overt ethical problems like bribery, sabotage, collusion, theft, etc are clear for everyone to see and are generally considered comprehensible. Most people deplore it and most business takes care not to be so openly ethical. Hence, most problems in the business sphere are covert with ethical problems. Covert ethical problems occur in corporate acquisition, marketing policies, human resource management policies, capital investment, and market espionage...etc. They are difficult to locate, to eliminate and are consequently much more dangerous and threatening to business. We can understand and analyses some sort of character in the following lines. The concept of right is defined by an issue that is morally correct or equal and good. This brings the highest good for all concerned. Ethics is unstructured, that is, it does not have a structured format or framework. It is stated as concept. Hence it does not have universal acceptance, mainly because:

- Ethics depends upon our moral standards
- Moral standards depend upon our value system
- Values system of people depends upon their back ground and childhood experience, and
- The background and experience of people are vastly different. Hence the ethical practices of people are also different².

The objectives of business ethics are manifold that which studies human behaviour and makes evaluative assessment about them as moral or immoral, by moral standards or norms of behaviour. This makes judgment to consider human behavior based on these standards and norms. They prescribe moral behaviour and make recommendations about how or how not to behave. Ethics expresses an opinion or attitude about human conduct in general. And the ultimate objectives of business ethics should be very healthy in market for better purpose of transaction of the entire production of the human well-being.

Framing Character of Business Ethics:

As per the contemporary business society, the ethical decisions differ with the individual perspective of different persons. Each person views the ethical question in term of his or her own fame or reference. And this same reference is the person's own unique values system. Hence, ethical decisions do not have unique solution, but a multitude of alternatives. For example, in the case of a Dam building, the company loses Rs. 2 lakhs per day, if operations are stopped. Being a labour intensive project, a number of locally available persons are engaged in the project. One day, during the work, it is found that a worker is missing inside the dam. Work will definitely be stopped to search for the missing man. However, if man is not found within a day or two, how long should work be stopped, in spite of the losses to the company, it will depend upon the value system of the manager and what according to him, is the ethical thing to do. Given the situation, the work will be stopped only upto what the manager thinks is the ethical course of actions, or work may not be stopped at all³.

Business ethics lays down the principles of business behavior, standards, moral values, decisions etc. It is an ideal science because business ethics presents the base for differentiating good or evil, proper or improper, just or unjust action of business. It is an art because it emphasizes practical use of behavioral standards and principles. Business ethics are the guiding principles of business functions. It is the knowledge through which human behavior is learnt in business situation. It is a dynamic philosophy and continuously tested the rules and moral standards and behavior of the society. Ethics is different from social morality. The business ethics does not accept the customs and traditions of the society. But where the customs and traditions and social values are tested practically, they are accepted as principles of business ethics. Business ethics is not based on emotions but is based on the reality and social customs prevailing in business environment. Business ethics is developed after testing the requirements of business environment, social customs, and traditions, and the rules of its conditions.

Business is the study of goals and means for the rational selection of sacred objects and their fulfillment. It accepts the principles of goals, inspiration for adopting means to attain the goals where means justifies of the end. Business ethics has the moral responsibility to accept proper and improper things where it is not legally binding. The business accepts the moral responsibility only by its own will, and not by any force. The base of business ethics is theology. The development of business ethics became possible due to the theological principles such as sincerity, human welfare, service, good behavior...etc. Business ethics is not affected by the social approval or disapproval. Decision taken by the business on the principles of ethics may sometimes be criticised by the society. But such decisions have their own importance in the business points of views. Social responsibility mainly relates to the policies and function of an enterprise, whereas the business ethics relates to the conduct and behavior of businessmen. But it is a fact that social responsibility of business and its policies are influenced by the business ethics. Although the law approves various social decisions, the law is not so greater than ethics. Law is usually related to the minimum control of social customs whereas ethics gives importance to individual and social welfare action. The inner contents of business ethics is good wishes, good opinion, and good expectations. It is a moral science which differentiates between good and evil, right and wrong action of business. Business ethics studies those activities, decisions and behaviors which are concerned with human aspect. It is the function of the business ethics to notify those decisions to customers, owners of business, government, society, competitors and others on good or bad, proper or improper conducts of business. Business ethics is a universal philosophy. Wherever there are business functions, there it would become necessary to consider the question relating to business ethics.

Once Prof. Robert Day said: "Good ethics not only promotes professionalism in management but also it purifies the inner mind of every business man. It brings advantages of mutual dealings or transactions in case both the parties follow the principles of good ethics." Some of the important arguments are as follows. Certain people consider only good ethics can promote good business as the ethical conducts give satisfaction to their sub-conscious mind⁴. Professional is a business man and businessman is first a member of the society and then, a business later. Many professionals first behave like individuals and then work for satisfaction to their inner subconscious mind. A person may not take any decision which does not give him mental satisfaction. Robert day writes, "When ethical conduct is displayed, it puts some kind of trust and confidence in relationship"⁵. Because of this reason, people deal with a businessman. Robert day writes that management cannot become a profession so far as it does not follow good ethics. An important feature of a profession is that it has laid down code of conduct, which remains on the principles of service of humanity. Therefore, it is the first condition for professionalism to follow ethics. Businessman, who follows the ethical principles in the conduct of business, releases himself from tension or worries. He does not need to have the

fear of legal action or social boycott. He does not need to worry about the security of his property as he gets legal protection.

Prof. Robert Day further adds, good ethics is sound business assurance. It protects people in dealing with each other. In reality, professionals act more sincerely with each other. Ethical conduct of business leads to develop perpetual succession of success. The business might be proper in the shadow of ethics. The learned writer said that a sincere person who does hard work becomes ethical and always succeed in his efforts, but an unethical person fails to achieve success. There will be greater zeal of a person who follows the ethical principles in business. This will increase his creative capability and be successful in achieving his objects. An unethical person has a deceiving nature and never be able to face the creative zeal of a sincere person. Mahatma Gandhi, the father of nation had been a person with a high standard of character and high behavioral response. Gandhi in the national context or JRD Tata in the organizational context are people with certain character of quality.

Ethical Principles in Business Ethics:

Ethical principles have great impact in various fields, especially in business ethics. The various well-known authorities on the subject have contributed much to establish the principles in business ethics. They include the names as Aristotle, Immanuel Kant, JS Mill, Plato, and Herbert Spencer...etc. The principles of business ethics developed by them are given below.

- Principles of sacredness of end and means: This is the first and foremost principles of business ethics. It emphasizes that the means and technique adopted to secure the business ends must be sacred and pure. A good objective should not be obtained by evil means. Therefore, both the end and the means must be sacred.
- Principles of satisfaction: The conduct of business should be such that it must produce satisfaction to maximum people in maximum ways. One should make efforts by his own action to keep others more satisfaction.
- Principle of universal values: This principle suggests that the conduct of business should be based on universal values. He should act with sincerity, mutual relation and confidence. All his acts should be based on the accepted principles of ethics.
- The principles of autonomy: This principle suggests that there should be autonomy in conduct of business. One should not be bound to act under any pressure from statutory provisions, but he should act voluntary on ethical principles.
- Principles of consciousness on business: these principles states that a business man should give importance to his inner voice coming out from his sub-conscious mind. He should not play the game of business like other games. He should have interest above the level of winning or losing.
- Principles of exemplary conduct: For the purpose of establishing high quality of ethics, the managers and professionals should present exemplary conducts before their subordinates. Simply by quoting examples or ideals, the subordinates cannot be motivated towards ethical behaviour or conducts.
- Principles of equivalent price: According to Woodard Wilson, the people are entitled to get goods equivalent to the values of money they pay. Businessmen are responsible to ensure the principle of equivalent price.
- Principle of not doing evil: This is another important principle of ethics that not to do any evil to not or to desire any evil to happen to others. Garrett writes said that it is unethical to expect evil against oneself or against anybody else; irrespective of the fact that such expectation is in the form of ends or means. All the function is in the form of ends or one symbol of their expectation⁶.

Conclusion:

In Business there is need to have some of the important ethical principle. According to Aristotle, courage, self control, generosity, magnificence, high mindedness, gentleness, friendliness, truthfulness, witness, and modesty are the important ethical principles. Any behaviour cannot be rationally noticed. No behaviour is inherently right or wrong. Each person may obtain his own choice based on his choice of ethical principle. Ethical principles are right and wrong. It comes by teaching and experience. Ethical habits are standards of behaviour, for example, do not tell lie. Beliefs are the feeling of trust / confidence of what is real and true. For example, Buddha and Gandhi believed in Ahimsa or not to do harm or killing others. Values are ends and means of individual. Values are essentially subjective, for example, happiness or health.

References:

1. Rituparna Raj, A study in Business Ethics, Himalaya Publishing House, Mumbai, 1999, p.7.
2. Ibid, p.3.
3. Ibid, p.8.
4. Joseph, R. Business Ethics and Values, Anand Publication Pvt. Ltd., New Delhi.2006, p.9.
5. Ibid.p.10.
6. Ibid.p.12.