

## Business Ethics An overview

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### ABSTRACT

Ethics refers as moral values. Ethics is one of the oldest disciplines, the object of study of which is morality. The term ethics was introduced by Aristotle, who thoughtfully remarked that ethics "helps to know what to do and what should be avoided".

Modern ethics is first and foremost, the science that allows to consider human relationships, as well as to evaluate the behavior of people in terms of generally accepted norms. There are professional ethics, which includes a system of moral norms of human behavior, belonging to a particular social group. An entrepreneur should not only know the ethical behavior standards, but also to follow them.

When a Businessman provides good quality of good and products and services to the society at a reasonable prices it is basically called as Business ethics. Business ethics separates what is right or what is wrong? Business ethics stops unfair trade practises such as black marketing, exploitation of workers, misleading advertisement or charge high prices and so on.

### INTRODUCTION

Ethics

Ethics derived from the Greek word "Ethics", means character, norms or morals. Basically ethics separates good or bad, right or wrong, fair or unfair, moral or immoral behaviour or action. Ethics denotes code of conduct. It denotes important for every individual.

\*Grounds of ethics:

1. Be trustworthy.
2. Honesty.
3. Be fair in deals.
5. Have respect for others.
6. Take care of welfare of others.

### BUSINESS ETHICS:

"Business ethics" is the underlying framework for carrying on business by adhering to generally accepted standards of "right" behavior. The standards are developed by individual businesses, industries, trade associations, professional organizations, and so on and are in place IN ADDITION to the law that governs the business.

So: Anything that is illegal is also unethical.

"business ethics" that govern your conduct in carrying out your business? In the ethics statement of your trade association, your industry association, or your professional organization. In the policy manual of your specific business organization.

"Business ethics" refers to the philosophy of "right conduct" in business. "Ethical practices" refers to the actions of the business and its agents measured against the "ethical standards" for the business.

It refers when business man provides good quality of goods and services at reasonable cost and avoid unfair trade practices such as black marketing, charge high prices of product, misleading advertisement, bribe or corruption referred as business ethics.

This is also originated in USA in the 1970 s . Ethics is important in social value. So Business ethics refers code of conduct, as :

- a. Business man should pay tax on time.
- b. Fair payment of wages to Employees.
- c. Provide better working conditions to employees.
- d. Provides goods and services at reasonable price.
- e. Provide good quality of products. etc

#### **QUOTE**

"Try not to become a man of success, but rather try to become a man of value." Famous scientist Albert Einstein had plenty of wisdom-filled quotes to share, even when it came down to business and success. By becoming a man of value, you will be become a man of success. Many people, however, appear to go about it the opposite and upend the process by seeking extrinsic instead of intrinsic rewards first.

#### **DISCUSSION**

We found that Business should do work which is ethically right as taking care of employees and companys benefits and welfare, pay fair wages to employees coz workers are important source for any business, provide safety to them , provide good working envoinment to workers, pay tax on time etc. Basic bBUSINESS EHTally a business should protect interest of society.

#### **\*NATURE OF BUSINESS ETHICS :**

- 1.Code of Conduct: Business ethics tells us that what to do and what not to do for betterment of society.
2. Business ethics is not enforced by law: Business ethics is voluntry not enforced by law. It is like self dicipline.
- 3.New Concept: Business ethics i a new concept for developing countries , like India but it followed properly in developed developed countries and for them its not a new concept.

4. Wider than law: Law is not greater than ethics as ethics gives importance to individual and social welfare.

5. Different from Social responsibility: Social responsibility relates to the policies and functions of an enterprise, whereas business ethics to the conduct and behaviour of businessmen. But we can say that social responsibility is influenced by business ethics.

6. Social values: Business ethics refers moral and social values for doing business. It includes: pay fair wages, do not exploit employees, provide good quality of good and at reasonable price, provide good working environment to employees, pay tax on time, avoid tax evasion, take care of consumers rights etc.

#### **IMPORTANCE OF BUSINESS ETHICS :**

1. Improve goodwill : Business ethics are needed to enhance goodwill of business coz if consumers are satisfied with goods and services than it will enhance goodwill of a business.

2. Stop unfair trade practices : Business ethics helps to stop unfair trade practices such as overcharging, exploitation of workers, misleading of advertisement, black marketing, tax evasion etc.

3. Consumer satisfaction: As we all know consumer is the king of market, A business can survive only because of consumer if a consumer is satisfied from your business than it will create confidence to them and enhance goodwill of company. A consumer is a golden gate for any organization and if a businessman follow ethics than it creates confidence and satisfaction among them.

4. Protecting interest of employees and shareholders: Business ethics are required to protect the interest of employees, shareholders, competitors etc.

5. Take care of consumer rights : As we have discussed earlier consumer is the king of market, so consumer has many rights like right to safety, right to heard, right to informed, right to choose etc. Business ethics takes care of all these rights and protect them.

6. Long term growth; Smaller but sustainability comes from an ethical long term vision is better than risky and short lived profits.

7 Credibility in the Public :

Ethical values of an organisation create credibility in the public eye. People will like to buy the product of a company if they believe that the company is honest and is offering value for money. The public issues of such companies are bound to be a success. Because of this reason only the cola companies are spending huge sums of money on the advertisements now-a-days to convince the public that their products are safe and free from pesticides of any kind.

8. Better Decision Making :

Respect for ethics will force a management to take various economic, social and ethical aspects into consideration while taking the decisions. Decision making will be better if the decisions are

in the interest of the public, employees and company's own long term good.

**\*SOURCES OF BUSINESS ETHICS :**

These sources are discussed as follows:

**1. Religion :**

Religion is the oldest source of ethical inspiration. There are more than 1,00,000 religions which exist across the whole world, but all of them are in agreement on the fundamental principles. Every religion gives an expression of what is wrong and right in business and other walks of life. Religion is a major source in business ethics.

**2. Culture :**

Culture influences a person's behaviour and ethics. It consists of a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct etc. which creates distinctiveness among human groups. When we talk about culture we typically refer to the pattern of development reflected in a society's pattern of knowledge, ideology, values, laws, social norms and day to day rituals. Depending upon the pattern and stage of development, culture differs from society to society. Moreover, culture is passed from generation to generation.

**3. Legal System :**

The legal system of any country guides the human behaviour and ethics of an individual in the society. Whatever ethics the law defines are binding on the society. The society expects the business to abide by the law. Although it is expected that every business should be law-abiding, seldom do the businesses adhere to the rules and regulations. Law breaking in business is common, e.g. tax evasion, hoarding, adulteration, poor quality & high priced products, environment pollution etc. Legal system of any country guides and influences business ethics.

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