

Business Ethics and Values in India

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ABSTRACT

Elements of Ethical Values include: Ethical values serve the ends of human well-being; The well-being promoted by ethical values is not personal and selfish well-being; No one person's well-being is to be counted as more worthy or valuable than any other's; Ethical values promote human well-being in an impartial way. The main purpose of this research paper is to explore importance of ethical values and business ethics in today's globalized world of high competition and to create awareness about concept and essence of ethical values and business ethics for sustainable progress this globalized world. Ethics is the study of individual and collective moral awareness, judgment, character and conduct. Business ethics is an art and science of maintaining harmonious relationship with society, its various groups and institutions as well as recognizing the moral responsibility for the rightness or wrongness of business conduct. Values reflect a person's sense of right or wrong. Values lay the foundation in understanding people's attitude and motivation.

Key words; Business Ethics, Ethical value, Sustainability, Globalization.

INTRODUCTION

Business ethics is value of a set of guiding principles that encourage individuals in an organization to make decision based on the companies started beliefs and attitude towards business practice within its industry. Individually or organizationally values determine what is right or wrong is what we mean by an ethics to behave ethically is to behave in a manner consistent with what is wrong and moral. A set of guideline about how a business should conduct itself. Using ethical business practices mean that a business must operate.

- (i) Legally
- (ii) Ethically
- (iii) Humanely.

A set of laws about how a business should conduct itself. Legal responsibility and Social responsibility. Social responsibility are divided in to responsibility to customer, responsibility to employee. The standards of conduct and moral values governing action and decision in the work environment. There is social responsibility, balance between what's right and what is profitable, often no clear-cut choice, often shaped by the organization ethical climate. Code of conduct, ethical standards, vision standards, and mission standards.

DEFINITION OF BUSINESS ETHICS

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."

FEATURES OF BUSINESS ETHICS

The characteristics or features of business ethics are

- **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.
- **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.
- **GIVES PROTECTION TO SOCIAL GROUPS:** Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.
- **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.
- **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.
- **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.
- **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.
- **NEW CONCEPT:** Business ethics is a newer concept. It is strictly followed only in developed countries. It is not followed properly in poor and developing countries.

NATURE OF BUSINESS ETHICS

Business ethics has five part structure,

- (i) The specification of moral judgment
- (ii) Moral judgment and moral standard
- (iii) Justification on moral judgment
- (iv) Logical reasoning and moral judgment
- (v) Moral judgment and moral responsibility.

IMPORTANTCE OF BUSINESS ETHIC

Business Ethics has to do with an individual's judgment and their morals. Their ethics help us determining right from wrong. Values are attitudes towards things like truth, justice, honesty etc.

Business Ethics are within the organization because the influence moral and decisions within an organization and need to be present in order to promote business sustainability. Encouraging business firm and their employees to behave ethically is to prevent harm to the society. Promoting

ethical behavior is to protect business from abuse by unethical employers or unethical competitor. High ethical performance also protect individual who work him business. Ethic motivation are it protect or improve reputation of the organization by creating efficient and productive environment. Balance this needs and wishes of state holder, business ethic require business to think about the impact of its decision by stock holders who are directly or indirectly affected by those decision. Growing awareness in business of the important of ethical behavior in companies. Internationalization and globalization of business bring new ethic problem. To know consumer expectation and pressures. The strategic issue of the further all have a dimension.

REVIEW OF LITERATURE

Albuquerque, Daniel (2010), in the book ' Business Ethics' argues that business ethic is not a pure science but a profession practice. In this book the author parotids and insight in to crucial role played by ethics in managerial decision making and the impact of such decision on organizations. Another state that the term business ethics is generally used to portray two different concepts. First, it describes the relationship of civil society to the business sector. Second it involves the interaction of business entities with their main constituent's employee's customers' suppliers and shareholders categorize as stock holders.

In the paper corporate codes of ethic necessary but not sufficient state that there is a gap between the stated intention by companies to conduct their business in line with an ethics policy and their ability ensure that this happening as evident from the well-publish cases of ethical violations .the paper suggest that two basic reason appear to be at the heart of the problem in effective ethics programs and deficiencies in corporate culture.

Seshari D.V. R., Raghvan , A., and Hegde, s., (2007) in the work " Business Ethics "the next frontier for Globalizing Indian companies' argue that in view of the increasingly stringent legal and regulatory frame work adopted by the western world especially the USA, Indian companies with global aspirations must create an ethically sound working environment within the organization and model ethical leadership at all levels. Research suggests that it makes good long-term business sense to be ethical.

ISSUES IN BUSINESS ETHICS

DUPLICATE PRODUCT

Duplicate products are not new to any kind of market. It is a local market, urban market, International market or online stores."According to a study conducted by ASSOCHAM (Associated chamber of commerce and industry of India)

A current market size of flack or counterfeit product in India is around RS 45000 core. In Delhi alone account for 70% of the total product of counterfeits product in the country. You can find countless duplicated products with similar packing, color, name, and logo. And designs as the original branded product.

The manufacturers and suppliers of the duplicate product earn good profit and sale the bigger brand face. Huge losses balance of the presence of counterfeit product.

BINEFIT FOR MICRO AND SMALL MANUFACTURES PRODUCING DUPLICATE PRODUCTS:

The manufactures of duplicate product enjoy various benefits by copying the brand name and producing the similar looking products. Some of these benefits are:

- (i) Good amount of sales without spending any marking cost
- (ii) Inferior quality raw material resulting in minimal manufacturing cost
- (iii) Greater profit
- (iv) Huge number of potential customers
- (v) Lower prices further attract more customers.

MAXIMUM DUPLICATE PRODUCTS ARE

(i) INDAN RURAL MARKET

Indian rural markets are flooded with duplicate product. Lack of purchasing power and easy availability of duplicate product in India rural market.

(ii) URBAN FAKE HUBS

Many urban places and market are known as the hub of fake or duplicate products Nehru place, sadar bazaar chandi chowkare some of the market in Delhi where you can easily get hugs varieties of duplicate product

(iii) ONLINE STORES

Online stores are hubs of duplicate product E. Commerce sites are fall of attractive deal and offers which are too good to be true. Some of the industry or product types in which duplicate product types in which duplicate product are largely being produced and sold are FMCG are components , computer compound etc.

YOU'RE RIGHT WHEN BUYING GOODS BY WEIGHT OR MEASURE

- (i) Is the weight of the packing included
- (ii) When goods are weighted in front of you
- (iii) Units of measurement
- (iv) Buying per –packed goods
- (v) Road side stalls

ARTIFICIAL DEMAND

Artificial demand constitutes demand for something that in the absence of exposure to the vehicle of creating demand would not exist. It has controversial application in micro economics and advertising.

MARKET PRACTICE TO CREAT AN ARTIFICIAL DEMAND

In economics, price of a product is determined by the by the different between supply and demand. If supply is more and demand is less than the price will fall and vice a versa .this relation between demand and supply is used by marketers intelligently to commend premium for a product.

ADULTERATION

Adulteration usually refers to mixing other matter of an inferior and sometimes harmful quality with food or drink intended to be sold.

ADULTERATION ACT

The prevention of food adulteration Act 1954Law against food adulteration. FSSA it establishes a new national regulatory body, the food safety and standards authority of India, to develop science based standard for food and to regulate and monitor the manufacture, processing, storage, distribution, sale and import of food so as to ensure the availability of safe and wholesome food for human consumption.

KEY REGULATION OF FSSA

Packing and labeling, signage and customer notice, licensing registration and health and sanitary permits.

UNETHICAL ADVERTISING

Advertisement is considered in the following situations are When it has degraded or under estimated the substitution rivals product ,when it gives false or misleading information on the value of the product. When it false to give useful information on the possible reaction or side effected of the product and when it is immoral.

WAYS OF UNETHICAL ADVERTISEMENT

Surrogate advertisement puffery, exaggeration, unverified climes, women stereotyping, women used as sex symbols for promoting product, comparative advertisement, use of children in advertising, etc.,

TIME LIMIT IN ADVERTISINEMENT

An area where advertisers and marketers must decide what is permissible in impression management, some company's show time limit in the advertisement of their product but in actual scene they are not according to time.

IRRELEVANT ADVERTISEMENT

Some advertisements are nothing to do with the product offered by the company; messages to create by these types of advertisement are baseless and meaningless.

FAST MOVING CONSUMER GOODS

Product life cycle of FMCG are Branding and quality level establishes, limited distribution, high price, need huge advertisement, high marketing and production cost and low profit margin. Food retail dynamics there are Television, radio, newspaper, public relation, campaign and social media .FMCG sectors; Cosmetics, toilets, detergent, shoe polish, ice cream, package food, chocolates etc.

CONSUMER PROTECTION AND ETHICS

Consumer protection means safe guarding the interest and right of consumer. In other ward, it refers to the measurement adopted for the protection of consumer from unscrupulous and unethical malpractices by the business and to provide the redressed of their grievances.

- (i) Requirement to performance, composition, contents, designs, construction, finish, packaging of a consumer product.
- (ii) Requirement as to the method of sampling, tests and cods used to check of the quality of the product
- (iii) Requirement as to precaution in storage transporting and packaging
- (iv) Requirement that a consumer product be marked with or accomplished by clear and adequate safety warning and instruction or requirement respecting from the warning or instructions.

SOME METHODS OF CONTROLLING UNETHICAL BEHAVIOUR

- (i) Use agent to certify seller (eg;trade association)
- (ii) Use agent to certify commodity
- (iii) Use government regulatory intervention in which government agent control the behavior by directive

Note that the use of agent to certify or to direct that is the delegation to agent simplifies the decision task for the consumer .but it inserts an additional stage in the choice process and then can be costly.

USING INCENTIVE/REWARD SYSTEM

- (i) Negative reward for individuals who generate underrate behavior /outcomes

- (ii) Positive /negative reward to organization out comes.(e. g. tax incentives for fewer workplaces injuries)
- (iii)Passives reward for desirable behavior/outcomes produced by individuals.

USING INTERVENTION BASED ON ACTIVITY OBSERVATION

- (i) Use inspectors who observe the activity in progress
- (ii) Use inspectors who and if records of active.

- (iii)The use of inspectors assumes that knowledge of adverse active will be sufficient to generate corrections either from the actor or from outside agents.

CONCLUSION

Ethics are the building block of our society and thus should be the building block of our corporations. Henry Kravis states “If you build that foundation, as well as the business then the building won’t crumble ‘It is not essential to let greed cloud judgment. It can be concluded that it is the high time business ethics should be practiced all over the globe in the paper. It is not only in the favor of the mass but also has advantages for the corporate.

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