

# A Study on Business Ethics

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**Abstract**—All over the world, there is a growing realization that ethics is important for any business and to achieve the progress for any society. Ethics give rise efficient economy. It is not the Government or law which will protect the society. But ethics alone can protect it. Ethics are good in it. Ethics and profits go together in the long run. An ethically responsible company is one which has developed a cultural of caring for people and environment, a cultural which flows downward from the top managers and leaders. Ethics can be described as the conscious appeal to norms and values to which, on the reasonable grounds, we hold ourselves obliged, as reciprocally, we hold others obliged to the same norms and values. As a reflection, ethics are methodical and systematic elaboration of the norms and values we appeal to in our daily activities. Where these activities are organized under business issues, we face ethics in the practical and reflective variety of the business ethics.

On innumerable occasions, people in business are facing ethical in which a balance as to be found between the different and often conflicting rights and interests of the parties' invalid .one may even say that the weighing of rights and interests, at stack in determinate circumstances, constitutes the common domain of business ethics.

**Keywords:** Ethics, right things, business, importance, organization, finance, marketing, human resource.

## 1. INTRODUCTION

Ethics refer to doing right things. Business ethics refers to doing right things in the business. Ethical rules are guidance to moral behaviors. For example: all societies have ethical rules forbidding, lying, stealing, deceiving and harming others, similar to the other ethical rules approve of honesty, keeping promise, helping others and respecting the right of others. These are the basic rules of behaviors which are of much use for the reservation and continuation or organized life.

Most of the people find major sources of ethical guidelines moral meaning in religious beliefs and organization family institution is equally important as it imparts sense of right and wrong in children when they grow up, as schools and others similar institutions like cultural associations and television etc. the totality this exposures will creating them concept ethics morality and socially desirable behavior. Ethical rules are present in all societies, all organizations and all individuals, through they may greatly from one to another. What is considering ethical by one society may be forbidden by another society.

## 2. OBJECTIVE

- Role of ethics in business.
- Ethics in Finance, Marketing, Human Resources.

## 3. METHODOLOGY

This data is collected through primary and secondary data.

## 4. FOCUSED TOPIC

### ROLE OF BUSINESS ETHICS

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The concept of ethics deals with human beings only. Only human beings are endorsed with freedom of choice.

### SOURCES OF ETHICS

No one takes courses to learn business ethics. Ethics is a natural market. Consequence of business as few ethics experts

argue. Six have been identified in the American business area by ethics scholars George and John Stever as under:

- Genetic inheritance
- Religion
- Philosophical systems
- Codes of conduct
- The legal system
- Culture experience

## 5. GENETIC INHERITANCE

The quality of goodness is a product of genetic traits strengthened over time by the evolutionary process.

### Religious

Religious morality is clearly a primary focus in shaping societal ethics

### Philosophical systems

The quality of pleasure of to be derived from an act was the essential measure of it's a goodness as per the epicureans. The stoats like the puritans and mini contemporary Americans advocated a discussed hard working, thrifty life style such philosophies have been instrumental in our society's moral development.

### Codes of conduct

Steiner and Steiner identified three primary categories of codes

- Company codes
- Company operating policies
- Codes of ethics

### The legal system

Law is an ever changing approximation of current perceptions of right and wrong laws represent rough approximation of society's ethical standards

### Cultural experience

John steiner refers to the rules, customs and standards transmitted from generation to generation as guidelines for appropriate conduct. Individual values are shaped in large measures by the norms of the society.

- The study of study has become a set of systematic knowledge about moral behavior and conduct, study is a science a field of social science
- The science of ethics is a normative science. Normative sciences judge the value of the facts in terms of an idea, concerned with judgments of ought to be, but not with factual judgments.
- or coerced the persons or circumstances. Example injuring or even killing the person who has come to kill u is not considered to be highest kind of moral or legal

crime. Ethics is basically an area dealing with moral judgment regarding voluntary human conduct.

- Business ethics is nothing, but the application of ethics in business.
- Business ethics can be, and has been, ethical and can still make profits.
- More interests shown today in the application of ethical practices in business dealings and the ethical implications.
- Profit maximization and discharging of social responsibilities at the maximum limit.

## 6. BUSINESS ETHICS

We follow the ethics in the below areas of business field. They are:

- ✓ Finance Management
- ✓ Human Resource management
- ✓ Marketing management

## 7. FINANCE MANAGEMENT

Finance is the life blood of the organization. Without finance we cannot run any kind of business. So we must follow the ethical aspects in the finance related things. According to my opinion we follow the ethics in the following things. They are:

- Financial statements
- Investment
- Financial markets
- Insider trading

### Financial statements

We observe the following financial statements in every business. They are

### Accounts

We follow the ethics in the accounts if we don't follow the accounting rules in the books of accounts like personal rule, real rule, nominal rule it become unethical practice in the business. So we don't enter the wrong numbers in the books of accounts. We must prepare the accounts in ethical manner. We prepare the accounts in the business like:

- Journal entries
- Ledger accounts
- Trial balance
- Trading account
- Balance sheet
- Cash flow statement
- Funds flow statement etc.

We must make the investment in the positive criteria and it is not harmful to the society and human life. We don't make investment in the drug items etc. if we make the investment in the negative criteria which is harmful to the society and

human life is treated as unethical practice and there is no guarantee to our investment return.

### Financial markets

The transactions typically take place in organized market like:

- Commodity markets
- Future or option markets
- Currency market etc.

In these markets, one experts certain moral rules and expectations of moral behavior. Most fundamental is a prohibition against fraud and manipulation. Generally, the rules and expectations for market are concerned with fairness expresses as a level playing field. But this gets title in financial market by many factors like :

1. Unequal information
2. Bargaining power
3. Resources

### Insider trading

Insider trading is the act of buying and selling a company's stock on the basis of insight information about the company. Insider information about a company's confidential or proprietary information about a company that is not available to the general public outside the company, but which would have a material of significant impact on the price of the company's stock.

## 8. HUMAN RESOURCE MANAGEMENT

Human resource management plays a significant role in the organization. Human resource management is nothing but man power in the organization. Without human resource we cannot operate any business activity so we follow some ethical aspects in case of human resource management in the organization. They are:

- Planning
- Directing
- Organizing
- Recruitment
- Selection
- Training
- Placement
- Performance appraisal

### Planning

Planning plays a crucial role in the organization. Planning is the thinking process. We must plan about the human resources very clearly in proper manner.

### Directing

Directing is also one of the important functions of human resource management. We direct the employees in right

manner regarding their jobs otherwise there is possible to doing mistakes.

### Recruitment

Recruitment is one of the vital functions of the organization. Recruitment is the process of stimulating the candidates and encourages them to apply for the jobs in the organization. At the time of recruitment we provide the fair information about the organization otherwise its comes under the unethical practice regarding human resource department.

### Selection

Selection is the process of pursue the right employee to the right job. On the basis of skills, knowledge, talents, abilities of employee we select. If we select the wrong employee to the right job it comes under unethical practice. We follow the ethical things in the following points:

- Receive the resume from the candidate. In this resume we received the candidate's back ground information, personal information, habits, and job related educations like qualifications, skills, and extra achievements in ethical manner.
- Then we conduct the written exam to the candidate related to the job.
- Then we conduct the group discussion to the candidates who selected in the written exam.
- Then we conduct interview for the selected candidate in the group discussion.
- Again we conduct medical checkup.
- We follow the ethics with the above points.

### Training

Training is nothing but adding extra skills, knowledge to the employee for the job. Here by ethical thing provide the training job related. At the time of training we provide the right material to the candidate. For example we should not provide the material like C, C++ to the HR job candidate otherwise it comes under unethical in the organization

**Placement:** After training we place the employee in the job. I not it comes under the unethical practice. If we place the MBA graduate in IT department then it comes under unethical issue in HR department

### Performance appraisal

Performance appraisal is nothing but it is the process of evaluating the employee output towards the job. If he perform well then the organization provide the incentives, bonus etc. here the ethical thing is to evaluate the performance genuinely, efficient manner and did not show any partiality from one employee to another.

These are the important aspects so we follow ethics in these for smooth running of the business.

### Ethical implications of variations in HRM practices

- The type of people organization hires, carelessness of hiring who are trust worthy: dishonest people very ambitious, achievement oriented, wealth oriented. They may achieve high level performance but also a greater incidence of unethical behavior. Content of training is important.
- What behaviors do the performance appraisal and compensation systems encourage?

For ex: Results at all costs, irrespective of the means used to achieve them?

Extremely high compensation levels, sometimes provide a very strong enticement to achieve results by unethical means.

Punishments might also create conditions under which people behave unethically.

It is the performance of employee is actively discussed by supervisors? Little monitoring of behavior greater tending for ethical problems to occur.

Collective bargaining of an employee government system of a company also affects how managers how managers behave towards their employees. If the organization wise its employees are their unions as in mice, there is higher likelihood of non trust and mistreatment employees do judge their HRM systems as ethical or unethical. These assessments are made on the basis of degree to which such HRM system corresponds to culturally determine norms of procedural justice.

## 9. MARKETING MANAGEMENT

Before we are going to know about the ethics in marketing first of all we know what the marketing is. Marketing is nothing but identifying the customer needs, and requirements and full fill their needs and requirements. According to my opinion is the process of meet customer requirements. According to my analysis we follow the ethics in the 4 p's of marketing. They are:

- Product
- Price
- Place
- Promotional activities

### Product

In case of product the following ethical things are we are going to follow. They are:

Produce the product not hazardous to the human being

- Produce the product not hazardous to the environment.
- Sell the product consumer requirement
- Fix the product price as per the equal of the quality, quantity

- Give clear cut information about to the product like how to use, timings etc

If we don't follow the other ethical guidelines it will become unethical.

### Price

We follow the following ethical values at the time of price fixation of the product. They are

- Adequate price to adequate product.
- Price according to quality, quantity.
- Low price for low product.

If we don't follow the other ethical guidelines it will become unethical.

### Place

We follow the ethical rules regarding to the place. They are:

- I. We sell the product based on market segmentation.
- II. Public places and don't create nuisance to the citizen

In the above things we should follow the ethical guidelines regarding to the product. If we don't follow the other ethical guidelines it will become unethical.

### Promotional activities

Promotional activities are nothing but to give publicity about the product and create awareness about the product. The best example to the promotional activities of a product is advertisement. In advertisement we follow the below ethical guidelines. They are:

- We never use the other company product in the advertisement.
- We don't use the other company advertisement's tag line and punch line
- We don't use the irritate pictures.
- Don't create the nuisance to the public.
- Explain clear details about the product price, offers.
- Explain the features about the product clearly.
- We should not use other company brand to compare with our product.

If we don't follow the other ethical guidelines it will become unethical.

The laws and regulations are generally designed to protect the consumer from unethical practices by businesses.

## 10. CONCLUSION

Apart from all these we must follow the ethics in business and should feel corporate social responsibilities and stake holders also. The business which follows the ethics in the business it will succeed in the market and become the no.1 in the society. Even if it earns the profits slowly.

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