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ETHICS IN BUSINESS : AN OVERVIEW

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Abstract:

Ethical and moral values are essential in the business especially in this modern competitive business world. Business ethics comprise honesty, integrity and independence to deal comprises and public in a fair way. The ethical guidelines also require that the business houses should keen to take care of their customer, employees and common people. The ultimate aim of the businessmen should not be money making and to earn more and more profit. Ethics literary means moral principles that given or influences a person's behavior so, when it is talked about ethics or morality and policy making in the business world. No doubt, all the business firms and companies desire growth in their turnover and profit, there is nothing wrong in it, but it should not be carry on the cost of ethical and moral values. The business houses should keep in mind the professional ethics along with money making and profit enhancing tactics.

KEYWORD :

Ethics, Morality, Competitive, Literary, Business.

INTRODUCTION:

In philosophy, ethics defines what is good for the individual and for society and establishes the nature of duties that people owe themselves and one another. Business ethics relate to the behaviour of a businessman in a business situation. They are concerned primarily with the impact of decision on people, within and without the organisation, individually and collectively in communities or other groups. Business ethics, as used in this text, pertains to human interactions when sourcing, producing and marketing goods and services for profit, and include the relationships between business management and their employees, the firm and its primary stakeholders, the business and its relationships to the community, government and society in general. Thus, argument that If the market participants behave in a moral and ethical manner, the market outcomes are expected to be in the best interest of the society.

REVIEW OF LITERATURE

(Carlo Consgrove-Sacks) describe that how ethical behaviour may be encouraged and how this represents positive benefits not just for the individual but for the overall good of enterprises and of society. Business managers and human resource development professionals in the finance sector can profit from these insights, understanding the motivations for young people working with them to make a difference and to do well by doing good. (Eugene Laczniak, 2008) suggested that most vexing ingredient in the recipe for better ethical behavior by marketers remains the force of will to always keep ethics at the heart of a

company's purpose. The pressure on individual organizations to maintain and improve their profitability and to grow revenues is incessant. The nature of marketing management is to provide needed consumer goods and services by undertaking risk that, if calculated properly, is rewarded with financial profit. Ethical operations, at least in the short run, can be detrimental to that profitability because they often include some economic cost. Keeping ethical marketing at the forefront of operations is an exceedingly difficult challenge given the constant pressures on marketing managers to remain financially successful and growing. (Ganguly, 2010) noted that a number of people automatically think of ethics as a system that provides guidance based on a set of principles or rules, which helps us in determining what is right and wrong. Ganguly added that even though there is a good deal of truth in this perception, it needs to be viewed in a broader context. Ferrell and Gresham's (1985) model of ethical decision making identifies the potential influence of significant others, opportunity, social and cultural factors, and the individual's makeup. It suggests, for example, that decisions about what type of behavior is appropriate in any given situation are influenced by the opportunity for the individual to engage in ethical or unethical behavior, where opportunity is a function of organizational culture, professional codes, corporate policy and rewards and punishments. Ferrell and Weaver (1978) show that individuals differ in their assessment of the extent to which a marketing decision has ethical content, while Weaver and Ferrell (1977) highlight the influence of top management on ethical decision making in organizations. Hence, all three of these papers provide guidance to marketing managers on ethical issues in marketing and yet are included in the review by Tsalikis and Fritzsche (1989) that was used by Gaski to develop his marketing ethics bibliography.

(Mike Brennan, 1991) argued that conventional wisdom is of limited use for resolving complex moral dilemmas, and that there exist many situations that put business people 'at risk' of unethical behaviour. It is further suggested that many people are ill-equipped to deal with moral and ethical issues, because of a way of thinking that contributes to blinkered vision and a narrow concept of reality.

ETHICS IN MARKETING

Marketing ethics is the systematic study of how moral standards are applied to marketing decisions, behaviors, and institutions. Marketing ethics are decisions that marketing practitioners make about ethical questions. Ethical questions most often arise in marketing when a stakeholder group or some segment of the public feels that the actions taken by some marketers might be judged to be morally inappropriate. Currently, for instance, many consumers feel that spam advertising over the Internet is far too prevalent and/or that product rebates have too often been intentionally made to be difficult to redeem. Similarly, other ethical questions occur when marketing managers believe that they might be compromising their own personal values in the quest for increased organizational profit. In such situations, marketers are often evaluating whether they should take business actions that they feel ought not to be done from the standpoint of personal ethics that they hold—the essence of an ethical dilemma. Most managers cannot avoid facing such tough issues because the majority of marketing professionals report confronting such ethical questions at some point in their careers. Since the scientific field of consumer behavior aims at gathering the determinant factors for human needs in order to better direct market to them, its importance cannot be questioned since theory becomes practice. For example, let us ponder how the theory of perception has been used by many marketing executives to guide consumers into thinking that the sale of four products for the combined price of four Euros is a good opportunity even when each product's separate price is one Euro (Murphy and Laczniak, 1981). Singer et al. (1991) suggested that the hazard that comes with the knowledge of consumer behaviour is that consumer needs may be guided by the businesses themselves. Marketing decisions are often data driven, market research techniques and outputs are frequently used by marketing practitioners. Market researchers themselves often have considerable training in methodological and statistical techniques, and one might surmise that because of their greater education, they exhibit a higher degree of ethical professionalism than other marketing practitioners.

ETHICS IN FINANCE AND ACCOUNTING

Blommestein (2006) indicates that the modern theories of financial contract examine ethical issues as morally neutral incentive problems only and hence, these models cannot be used to analyze the relationship between a wide range of moral problems and financial markets. He also stated that one important reason why economic and finance have ignored ethical concepts is that they are very hard to incorporate into the prevailing mathematically tractable formal models. He concludes that while there is a need for developing models based on national self-interest, it is also necessary to provide explanation on the key role of moral standards in the evolution of more efficient and financial markets. R. Hinde (2007), when the competition mechanisms of the market work correctly, "the ethical demands of the public can affect

what the firm does". Naturally, how much the firms are changing their behaviour depends to large extent on how many customers are aware of the ethical issues and whether they decide to take direct action. Some critics would also say that this is inscribing ethical necessity into the logic of market competition. However, Carol consgrove-sacks believe that this is a necessary step to develop virtuous behaviour, which in the future will stem more from intrinsic moral incentives rather than regulatory or market constraints

Lipovetski G(1996) The deep crises that mankind faced, religion, global governance, as well as life itself, which applies pressures through the problems it implies, have proven that ethics must be acknowledged and taken into account. Carl F. H. Henry stated that ethics became "an incisive and universal requirement for the survival as species" of mankind. The increase in flexibility in the application of accounting norms in the Anglo-Saxon world determined the appearance of the "business ethics" current. Anglo-Saxons were also the ones who launched the concept of true and fair view" as a solution to the conflict between "account assistants" and external users. Controversies did not take long to occur, since accounting reality is a "built reality", as the person who draws the financial statements makes a subjective mark on this construct. On the other hand, the external user has their own individuality, interpreting the "reality" built by the accountant according to their own perception and available knowle. Jakub Kuriata,(2012) emphasis ethics and finance has been a natural consequence of the high-leveraged investment and the excessive risk taking by banks, which were among the causes of the financial crisis of 2007 – 2009. The prevailing sentiment was that the financial system was on the verge of collapse and the subsequent efforts of central banks, financial regulators, governments and other market participants have been focused on designing a new framework to increase the stability of financial markets. As Lehman pointed out in 1988, the mechanisms of financial intermediation create "the majority of interesting philosophical questions about corporate capitalism" largely because financial institutions accumulate and manage particularly large funds and require the participation of increasingly sophisticated intermediaries. Against this backdrop, it is not surprising that among the vast array of topics in financial ethics, the most urgent issue to be addressed is the ethical dimension of the recent failure of financial markets and to what extent ethical theories might be pertinent in designing the financial markets of tomorrow.

CONCLUSION

Ethical Value Laid the foundation on which a civilized society exists. Ethics and Morality in business has positive impact on different activities, like finance, marketing, Accounting in Business in long run. When Ethical values decline it creates disturbance in whole scenario. It is true that to earn project and making money is the ultimate aim of every firm but ethics and morality should not be overcooked. No doubt, these business and professional ethics go a long way and create a positive environment for business world and people concerned.

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