

ROLE OF ETHICS IN BUSINESS SCENARIO

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Abstract

Fast growing world always create a sense of competition among the viewers ,this thirst of getting more and more has somewhat made us “ a machine ” that machine which has nothing to do with the elements like right and wrong . It seems ethics, morals principles and values are disappearing at a very fast speed, and business too is being unethical these days.

Latest cases and figures make the picture more relevant. But before that see what is ethics its self is all about. In my opinion ethics is something which my inner feelings tell me is ” right or wrong ” it has to do with my beliefs which is as per the law or those sort of standards of behaviors that our society accepts.

In a common parlance Ethics, also known as moral philosophy, is a branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct. The term comes from the Greek word ethos, which means “character”. This paper deals with the role of ethics in modern business scenario.

Introduction

Some of main areas of any business organization are advertising, human resource, marketing ,finance,production etc .It is very much essential to evaluate the effect of ethical conduct in above mentioned concern. How these areas get affected by ethical code of conduct, how ethics helps in building the moral concern in these areas.it is a matter of great concern today profitmaximisation and wealth maximization became the prominent factors which lead to un ethical conducts.

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Ethical Principles Especially Relevant To Advertising

Principles of the moral order must be applied to the domain of media. Morally good advertising therefore, is that advertising that seeks to move people to choose and act rationally in morally good ways; morally evil advertising seeks to move people to do evil deeds that are self-destructive and destructive of authentic community.

Principles of Advertising

1. *respect Truthfulness:* (Deception objection) Never directly intend to deceive. Never use simply untrue advertising. Do not distort the truth by implying things that are not so or withholding relevant facts.
2. *respect The Dignity Of Each Human Person:* (Attacks autonomy objection) Give special care to the weak and vulnerable: children, young people, the elderly, the poor, and the culturally disadvantaged.
3. *respect Social Responsibilities:* (Promotes consumption, empties communication, objections) Example: Concern for the ecology—advertising should not favor a lavish lifestyle which wastes resources and despoils the environment Example: Advertising should not reduce human progress to acquiring material goods and cultivating a lavish lifestyle.

Need For Advertising Code

Advertisers should ensure that their ads are not offensive or violating the laws of the land. Ads should not violate the basic standards of decency, morality and religious beliefs of viewers. Certain ethics must be followed while creating ads.

Legal actions can be taken against advertisements that are as follows:

- ◆ Ridicule caste, race, nationality, colour and creed.
- ◆ Goes against any provision of the Constitution of any country.
- ◆ Incite people towards criminal activity, provocative, cause disorder and/or violence in the country.
- ◆ Breach laws and/or glorify obscenity or violence in any form.
- ◆ Glorify terrorism, communal massacres, criminality and so on.
- ◆ Ridicule the father of the nation, the national emblem, part of Constitution or the image of a national leader or a state dignitary.
- ◆ Depict women in a deprecating manner. Females should not be portrayed in a manner that is obscene, exploitative or vulgar.
- ◆ Display distasteful visual content that goes beyond the established norms of good taste and decency.
- ◆ Exploit and encourage social evils like child marriage, bride burning and dowry system.

Here are some more ethics and standards to be followed in advertisements:

1. Permission will not be granted where objects are completely or largely religious or political in nature. Advertisements cannot be directed towards any religious or political end, or to gain mileage of any form.
2. Products should not be portrayed in a way that misleads the public to infer that the item has some special, miraculous or a super natural quality, which is anyways difficult to prove.
3. Picture and the audible matter of the advertisement video should not be excessively 'loud'.
4. Advertisement should not endanger the safety of children or produce any sort of perversion or interest that prompts them to adopt or imitate unhealthy practices.
5. Any type of offensive, indecent, suggestive, vulgar, repulsive themes and/or treatment must be avoided under all circumstances.

Good creative advertisement will always attract people's attention, but they should have meaningful visual content. One shouldn't have an attitude to play with people's sentiments and emotions. Remember, the golden words of David Ogilvy, the famous Ad Guru, "A good advertisement is one which sells the product without drawing attention to itself."

Unethical Issue Relating To Finance

It is basically deals with issues relating to investment decisions. As we all know some of important aim of financial management is profit maximization, resource utilization and above all social objective towards society. finance department is regarded as a life blood of any business institution ,what an irony this most prominent department too is not free from evils some unethical practices are like delays in payment to vendors ,dealers etc ,delays in paying wages, interest to shareholders, incentives and bonus to employee, not meeting their obligations like paying various taxes and duties, funding by some gangsters or don ,unequal payments ,fraud in cheques , insurance ,speculations ,misappropriation of accounts and profits ,recording false information like under recording receipts and over recording expenses these are some of common unethical practices which is going these days one should follow the principles like openness ,impartiality ,confidentiality ,trust, care, avoiding conflict of interest etc.

Unethical Issues Relating To Human Resource Management

Human resource is regarded as one of most important factor of production; it is only human which make other factors of production mobile. These days this area too is not free from unethical issues these may be relating to employment, remuneration and benefits, industrial relation, health and safety etc. Most often problems are compensation plans which include issues relating to salaries, executive, perquisites incentives plans etc. The HR manager is often under pressure to raise the band of base salaries. There is increased pressure upon the HR function to pay more incentives and fringe benefits to the higher management so that they can be retained to the organization. One of the problems arises while deciding the payout there is always a pressure on favoring the interest of higher level management at the cost of other employees and stakeholders. Following issues may arise under this:

- 1.*compensation Issue:* Other than compensation plans in many organization the employees are differentiated on the basis of their caste, race, religion, origin, their disability etc. One of recent example is treatment which people of U.P. and Bihar are facing in Mumbai. While on the other hand in good organization the only differentiating factor is performance so management should be trained enough to avoid such behavior which is based on discrimination ground.
 - 2.*employment Issue:* Human resource practitioners face bigger dilemmas in employee hiring. One dilemma stems from the pressure of hiring someone who has been recommended by a friend, someone from your family or a top executive. Yet another dilemma arises when you have already hired someone and he/she is later found to have presented fake documents. Two cases may arise and both are critical. In the first case the person has been trained and the position is critical. In the second case the person has been highly appreciated for his work during his short stint or he/she has a unique blend of skills with the right kind of attitude. Both the situations are sufficiently dilemmatic to leave even a seasoned HR campaigner in a fix.
 - 3.*privacy Issue:* Any person working with any organization is an individual and has a personal side to his existence which he demands should be respected and not intruded. The employee wants the organization to protect his/her personal life. This personal life may encompass things like his religious, political and social beliefs etc. However certain situations may arise that mandate snooping behaviours on the part of the employer. For example, mail scanning is one of the activities used to track the activities of an employee who is believed to be engaged in activities that are not in the larger benefit of the organization.
- Similarly there are ethical issues in HR that pertain to health and safety, restructuring and layoffs and employee responsibilities. There is still a debate going on whether such activities are ethically permitted or not. Layoffs, for example, are no more considered as unethical as they were thought of in the past
4. *Sexual Harassment and Bullying:* An employee could commit unethical behavior by sexually harassing co-workers. This could involve making lewd comments, touching inappropriately or making unwanted sexual advances. Bullying typically involves attempting to intimidate a co-worker by making demeaning comments about him, spreading gossip or even making verbal or physical threats. In general, a bully attempts to make the workplace as uncomfortable as possible for a co-worker. In some cases, ongoing bullying can escalate into violence in the workplace.
 5. *Illegal Acts:* Some unethical acts can also be illegal. For example, an employee who has access to a company's financial records, such as a bookkeeper or accountant, could use her access and expertise to embezzle company funds. An

employee having access to personnel files, such as a human resources representative, could commit identity theft and use employees' Social Security numbers to raid bank accounts or fraudulently obtain credit cards. In cases such as the 2001 Enron scandal, top company executives used questionable accounting practices to manipulate the company's stock price for their own financial gain.

Ethical Issue Relating To Marketing

A right marketing action is expected to contribute to overall societal gain both in short and long run. Then marketing ethics can also be defined as how moral standards are applied to marketing decision, behavior and institutions.

Ethical Issues Relating To Marketing

There are ethical problems arising out of use of new technologies that are deleterious to health, safety and environment. Technological advancements like genetically modified food, radiations from mobile phones, medical equipment etc are less problems are more of dilemmas.

Defective services and products or products those are innately deleterious like alcohol, tobacco, fast motor vehicles, warfare, chemical manufacturing etc. Animal testing and their rights or use of economically or socially deprived people for testing or experimentation is another area of production ethics. Ethics of transactions between the organization and the environment that lead to pollution, global warming, increase in water toxicity and diminishing natural resources.

Dilemma Of Ethics in Production

There are certain processes involved in the production of goods and a slight error in the same can degrade the quality severely. In certain products the danger is greater i.e. a slight error can reduce the quality and increase the danger associated with consumption or usage of the same exponentially. The dilemma therefore lies in defining the degree of permissibility, which in turn depends on a number of factors. Bhopal gas tragedy is one example where the poisonous gas got leaked out due to negligence on the part of the management. Usually many manufactures are involved in the production of same good. They may use similar or dissimilar technologies for the same. Setting a standard in case of dissimilar technologies is often very difficult. There are many other factors that contribute to the dilemma, for example, the involvement of the manpower, the working conditions, the raw material used etc. Social perceptions also create an impasse sometimes. For example the use of some fertilizer by cola companies in India recently created a national debate. The same cold drinks which were consumed till yesterday became noxious today because of a change in the social perception that the drinks are not fit for consumption.

Conclusion

In my opinion every business organization should follow the basic elements of ethics like respect, honour, integrity, customer satisfaction, persistence, passion, risk taking, transparent, result oriented, truthfulness, honest, responsible towards it different stakeholders etc then only a strong organization can be created. Today business ethics has become a need of hour it must be practiced all over world then only issues like global warming can be handled and we will be able to call ourselves civilized.

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