Ethics and Business Organisation: A Relational Approach

(A) Introduction ::

"Survival of the Fittest" is the strategy being adopted by most of the managers and entrepreneurs of the business world so as to remain invincible. Here term "Fittest" refers to Money and Muscle power. This indicates that the business can only dominate the others and can rule the world if the business is strong enough with regard to Money and Muscle Power. But the strategy is lacking the touch of humanity in itself. Only having good money and muscle power is not enough to win the heart of the community it requires something else also. Thus the strategy sounds to be non-human.

Today scenario has totally changed. In the present day environment "Survival of the Fittest" would turn out to be an effective one as society has become more vigilant towards the rights of their members. More over today neither business can remain isolate in this cut-throat globe competition, nor it can remain aloof towards the national issues like Population, Unemployment, Poverty, Education, Life standard etc. Thus just to behave professionally is not the only way to be at apex position. Today business needs a psychological touch also in its activities.

Considering this "Survival of the Perfect" can be the new road to walk for those managers and entrepreneurs who are dreaming to dominate community for the life long time. Here the "Perfect" refers to complete or totality in every sense. Along with Money and Muscle Power this philosophy includes Heart and Brain power. Thus today one who can very well utilize the mixture of four powers i.e. Money, Muscle, Brain and Heart is perfect in every sense and will survive forever. It is essential for the business community to have an emotional approach also besides professional towards the society and its various components. This in turn is nothing but to develop an Ethical attitude towards all those who are related with the business practices.

It is an effort made through this paper to focus the relationship of ethics with business and management and the importance of the same. The author is hopeful that the readers of the paper will be benefited.

(B) ETHICS : CONCEPTUAL UNDERSTANDING

The word "Ethics" is derived from the Greek word "Ethos" which refers to character. Oxford Dictionary defines 'ethics; as a field of Moral Science and Responsibility. In other words, ethics is considered as moral principles, codes and postulates. Ethics refers to the responsible behaviour. Person should co-relate his action with his words, should be vigilant towards his duties and responsibilities, should not adopt dual policy and should always be concerned with standardized form of behaviour.

Questions like what is right ? What is justice ? What is proper ? has very much importance in this era of globe cut-throat competition. Ethics helps to answer these questions because ethics is the philosophical examination of words like good and bad, right and wrong, virtue and vice. It clarifies our relationship with others. It explains why we owe toward different sectors like Customer, Shareholder, Employee, Society, Government, etc.

Ethics is also related with SANSKARAS as they affect a lot on the thinking and behavioural aspects of human being. SANSKARAS helps in controlling the actions of individuals. If SANSKARAS are holy then the individual behaviour would be of constructive nature and if they are bad then individual behaviour would be of destructive nature. Such SANSKARAS flows from Parents, Teachers, Partners, Elders, Colleagues and Employes.
Ethics can be divided into two groups:

1. **General Ethics**:
   General ethics are those ideas and moral preaching which are designed with regard to general situations and general way of behaviours.

2. **Specific Ethics**:
   When the general ethics are used in the context of some specific field the it is specific ethics, such as Business ethics, Marketing ethics, Religious ethics, Educational ethics, Management ethics etc.

Ethics is a relative term that changes with time and space. Any activity which is ethically right in one region may be unethical in case of another region. More over which used to be considered unethical 50 years ago, due to changes in societal norms and values, are considered as ethical today. Though there is a huge collection of literature on ethics but the there is no universally accepted structure of ethics as it changes as per time and place.

**(C) RELATIONSHIP OF ETHICS WITH BUSINESS**

Ethics is however not a new terminology, it has been with us since thousands of years. Our ancient literature like Vedas, Puranas, Ramayana, Gita, Upanishad, Bible, Kuran etc. are all full of moral values and ethical code of conduct. Based on this holy literature our ancestors were able to relate ethics with modern business. Accordingly there are four goals for which individual or business exist. These are as follows:

- Artha (Wealth)
- Kama (Desire)
- Dharma (Behaviour)
- Moksha (Salvation)

An individual would work for money to satisfy desires in a proper way (Dharma) and this will lead him to self actualization (Moksha). On the other hand for business organizations also these steps are valuable but in a different manner. For business the steps are interpreted in following manner:

- Artha = Achievement of wealth.
- Dharma = Adopting righteous behaviour.
- Kama = Satisfying needs of interest groups.
- Moksha = Stability and survival for entire life.

Thus in a way an individual co-relate Artha, Dharma & Kamala so as to achieve Moksha; it is required on the part of business to co-relate all the three activities in order to get Moksha. The business that does this in a perfect manner is said to be an ethical business. This shows that an Ethics has a direct relationship with the business and management.

**(D) WHAT IS THE ROLE OF ETHICS IN BUSINESS**

Though the ethics is as old as human civilizations its significance in the business community is of recent origin. Ethics is said to be a vital ingredient for the success of the business and its operations. Today because of growing complexities in the business market importance of ethics have risen. Scams-n-scandals, corruption, redtapisam etc. have forced the business and management to be more transparent so as to gain the faith of the community. Corporate Governance is one good move towards this direction. A code of conduct is being framed by various institutes like AIMA, ICWAI, AIIMS etc. and companies like Godrej, Tata, Reliance, Johnson-n-Johnson etc. so as to prove their behaviour towards the concern parties. More-n-more business bodies are realizing the fact that for their life long survival society and public should be the point of focus. They are now restructuring their policies and strategies with a touch of ethical philosophy, because ethics earns good reputation by which firm can get a good position in the market and society. Ethics is also necessary for the purity of mind of an individual. As all the decisions and operations are to be carried out by him. Thus to avoid ambiguity and subjectivity purity is necessary. At present the goal of every business should be to crate a beautiful and healthier life on the earth for the development of the community. For this
management has to open their hearts so that they can love the world. In other words management has to be more emotional and empathetic to feel that what the community is expecting. This will in turn will make management ethical.

The importance of ethics can be outline as below:

- Ethics should be followed to satisfy basic human needs. Most of the people would like to be a part of an organization, which they can respect and be publicly proud of, because they perceive its purpose and activities to be honest and beneficial to society.
- Ethics create credibility in the mind of the public. Generally, an entrepreneur who is ethically and socially responsive is always honoured in the society, and people would like to buy his products and services and will give immediate response.
- Ethics make the manager to move close to employees. Ethical behaviour minimizes the gap between employer and employees.
- Ethics helps management to take good decisions. It helps to take good decisions in the interest of public, employees and company.
- Ethics increases profit. When an entrepreneur adopts values in their behaviour his products and services will also gain good position in the eyes of customers. This will improve the profitability of the business.
- Ethics can protect society. It is the social responsibility of the business to protect the society. What ethics can do, sometimes probably the government and law cannot, to protect society.
- Ethics is required to protect business from abuse by its unethical employees and unethical competitors.
- Ethics is also promoted to improve personal values. People act sometimes in ways that are consistent with their own sense of right and wrong. They will be pressured to contradict their personal values, which may create emotional stress. A supportive ethical climate contributes to one's sense of psychological security.
- High ethical performance of an entrepreneur creates a win-win situation for employees, society and employer himself.

(E) PROBLEMS FACED WHILE PRACTICING ETHICS

Businessmen often come across certain problems like exercising ethical behaviour where he can not decide what is right and what is wrong. Such problems can be of following nature:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Nature of Problem</th>
<th>Solution</th>
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<tbody>
<tr>
<td>1.</td>
<td>Professional Interest V/s. Social Interest</td>
<td>Social Interest</td>
</tr>
<tr>
<td>2.</td>
<td>Company Interest V/s. Individual Interest</td>
<td>Company Interest</td>
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<td>3.</td>
<td>Managerial Values V/s. Subordinate Values</td>
<td>Respect Subordinate Value</td>
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<td>4.</td>
<td>Local Culture V/s. Foreign Culture</td>
<td>Local Culture</td>
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(F) HOW TO ACHIEVE SUCCESS BY APPLYING ETHICAL CONCEPTS?

Success of any business is a team event and not the achievement of any individual. The success of the business practicing ethics is also a result of group efforts. Following are some golden suggestions for the sure success and survival of the business and the management of the same, applying ethical standards.

- Ethical business requires profit.
  Business for remaining ethical must earn profit. But the concept of earning profit should be fair. There should not be any profittering been adopted by the business.

- Business ethics should be based on personal ethics.
  There should be no role difference played by the manager of the business as an individual and business personality. Means if he is ethical in personal life then should be also in professional life.

- Ethical business must meet equality on both sides.
  In a business there should be an equalize treatment been provided to both sides. Means there
should not be any Malik-Majoor philosophy.

- Ethical business requires co-ordination
  Ethics requires co-ordinated efforts for the success of the business. There should be a chain of whole-hearted efforts from all the parties concern for making business ethical.

- Ethics business must have true and fair picture
  For business success it is very essential that to portrait true and fair condition. Business or any of business operations should not of a misleading nature.

- Ethics means reliability and trust.
  Ethics refers to reliability and trust. A business should have trust on the supporting system like customers, suppliers etc. and thus should not hide anything from them so as to solve any consequences.

- Ethics should be related with business plan and strategies
  Firm's ethics should have a touch of its present role in the community and its future goals. More clear is the plans of the company more ethical the company would be.

- Ethical concepts should be exercised within the premises and outside.
  Business should apply ethical formulas within the factory for employees and management as well as it should be equally applicable to the outside customers.

- Initiative should always come from top management
  For the application of ethical standards in the business first move should be always from the top management. Because if a leader is doing good the followers will also do well.

These nine golden steps provides an insight that how ethics should be exercised in the business so as to remain ethical and socially responsible. Though there may be a kind of difference found in these concepts while practicing them because the term ethics itself is a relative term. But then also by and large these benchmarks will help a lot for designing ethical business and management.

CONCLUSION:

For the successful implementation of ethics in business and professional life there is a need of ethical atmosphere. At primary level it is necessary that society and the caretakers of the society should be ethically bounded. More over as ethics is related with one's own ideology it is necessary that the knowledge of concepts of ethics should be given from the childhood. To err is human but to repeat it is a crime. So to avoid the repetition it is necessary that from the primary school the child should be given the knowledge about what is right and what is wrong. A child today is going to be a caretaker of society tomorrow in a versatile manner, thus should be having the knowledge that how he has to behave to satisfy others and what is his moral duties. Though unethical environment is prevailing since ages and it is not possible to completely purify it but it can be minimized to a certain extent if we become ethical in our life.

REFERENCES:


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