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ROLE OF ETHICS IN BUSINESS

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ABSTRACT

Business ethics is imperative to govern organizational behaviour. It generally refers to the set of moral values or principles to which each organization is expected to be in alignment.This research work explores the necessity of business ethics in a modern industrial ecosystem with the objective of promoting responsible organization with social commitment and service mandate. This work also emphasizes the ethical standards to be followed in an organization to promote long-term organizational growth. This article also discusses the ethical behaviour and its modalities.

KEY WORDS:

Ethics, Ethical behaviour, work place ethics,examples

INTRODUCTION

The term business reminds primarily the aspects of economics, accounting, gross domestic profit. However, at recent times, business is discussed not only in the dimension of profit but also in terms planet and people. The existence of businesses across the globe has intense commitment towards societal development. As business has both direct and indirect impacts over the life of the people, it is required to be bounded to a certain set of principles or values which together be referred as Business Ethics. Every organization is expected to align with ethical values especially in the areas of customer relationship, governance, stakeholders and community.

A business organization primarily intends to increase the profit, as economic is the priority of business firms. However, on deep dive into it, the sustainability of the business is determined by its ethics. The extension of organization should go hand in hand with business ethics. The reliability of any business organization highly depends of the magnitude of business ethics. The transparency in governance, stakeholder relationships and societal contribution are essential components of business ethics. The organization is in need to bound to legal compliance. The employee relationship, stakeholder policies are also significant. The employer benefits are essential and they have to be addressed periodically. Besides, this, the organization is expected to contribute to environmental sustainability. The organization has to cater to the environmental needs.

Societal commitment is the mandate element of business ethics. The corporate social responsibility which is called as CSR is the means of contributing to societal upliftment. The village adoption programmes are other means of supporting disadvantaged groups and the needy populace. An organization following business ethics is preferred by the investors and the transparent dealing draws huge benefits for long term growth. The credibility and the reputation of the business organization is weighed by its ethics. The organizations bounded to ethical values are able to collaborate and expand their transactions across the globe. Beyond profit making, the business organizations are in the stage of devising and executing their ethical standards. In today's digital era every business has to evolve strategies to maintain their ethics amidst cyber threats and malicious activities.

The remaining contents of this article focus on the key factors of business ethics, the state of art of business ethics in modern era, the ethical behaviour and the last section summarizes the work.

KEY FACTORS OF BUSINESS ETHICS

The key factors of business ethics are discussed as follows. Every business entity shall frame their ethical standards and principles, however, the general framework of business ethics encompass the following components.

1. Integrity

The value of integrity is highly expected in all the business transactions. This value of integrity should be reflected in all the business activities, especially in customer relationship, employer-employee bond and stakeholder transactions.

2. Honesty

The businesses is expected to provide accurate information about all its products, pricing and company policies. This honest reflection will increase the credibility and the long term relationship.

3. Accountability

The organizations perform various activities and they should take the sole responsibility for all their dealing, decisions and actions resulting as impacts over society and environment.

4. Transparency

The business organizations expect to be transparent in all their practices especially in their financial performance and organizational policies. This build stakeholder confidence and trust over the company.

5. Fairness

The business organization must ensure that all employees are treated equally and provided with equal opportunities. The aspects of gender should not be an obstacle rather there must be a good working environment for both genders to work with.

6. Respect

In every business organization, the employees, customers and every stakeholders should be deeply respected. This creates a positive work environment and strengthens the business relationships.

7. Compliance with Laws

Every business firm has to be in compliance with the laws of business. The organization must strictly follow the labour laws, taxation rules, environmental standards and other government regulations.

8. Corporate Social Responsibility (CSR)

The existence of any business should benefit the society and contribute to community development. The business organization should support the welfare of the people through the practise of CSR.

BUSINESS ETHICS IN MODERN BUSINESS

Presently the business ethics has become an essential component in modern business ecosystem. The effects of globalization, digitization and growing public awareness demands the businesses to stick onto ethical values and principles. The modern organizations has to realize the need of business ethics contributing to long-term success and sustainability.

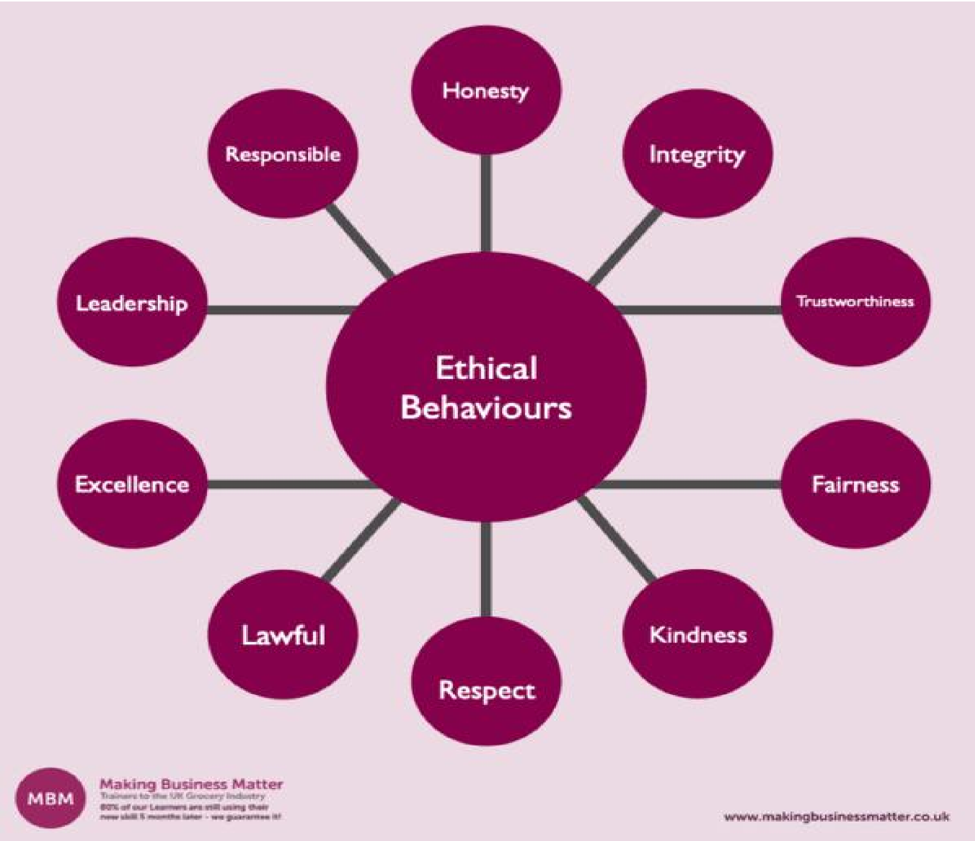
Some important roles of business ethics in modern organizations include:

- Strengthening customer trust and loyalty.
- Increasing the organization's reputation and brand image.
- Enhancing employee motivation and job satisfaction.
- Mitigating legal issues and regulatory penalties.
- Encouraging responsible leadership and corporate governance.
- Evolving sustainable business practices and environmental responsibility.
- Building investor confidence and stakeholder relationships.
- Facilitating innovation while ensuring responsible use of technology and data privacy.
- Preventing corruption, fraud, and unethical business practices.
- Creating a positive organizational culture based on shared values.

Businesses that integrate ethics into their daily operations are better equipped to respond to social expectations and maintain a competitive advantage in the marketplace.

ETHICAL BEHAVIOUR

The ethical behaviour of businesses is expected to be an embodiment of honest, integrity, trust, fairness, kindness, respect, lawful, excellence, leadership and responsible. The business organizations bounded to the set of these ethical values will certainly progress and promote long term growth.



CONCLUSION

Business Ethics studies how to deal with corporate governance, whistleblowing, corporate culture, and corporate social responsibility. It emphasizes standard principles prescribed by governing bodies. Non-compliance with business ethics leads to unnecessary legal actions. In conclusion, ethics is not just a set of rules; it’s a fundamental aspect of responsible business conduct. It shapes organizational culture, impacts stakeholder relationships, and contributes to the long-term success and sustainability of businesses.

Embracing ethics in business is not only a moral imperative but also a strategic advantage in today's complex and interconnected world.

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