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Business ethics for excellence in action: A view

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The core subject of ethics is essentially a branch of spiritualism, which is a banyan tree covering the entire gamut of human behavior on righteous path for the well being of society, in simple terms spiritualism, which is closely linked to strong religious faith is a canvas under which ethical values and principles bloom and blossom. Four sources of values, legal regulation, professional codes of ethics, individual values and organizational codes of ethics are identified in business ethics. This article attempts to analyze the sources of values in business, sharing of moral values and morality and its impact on society. The main aim of this study is to examine the professional and organizational codes of ethics in general and individual values in particular.

Key words: Ethical standards, moral values, organizational codes, ethical crises.

INTRODUCTION

Ethics are the general code of behavior that is supposed to observe while living in the society. The purpose of ethical behavior is to foster mortality in the society. The word "Ethics" means moral philosophy or moral principal and standards of conduct. Ethics has science of morals, moral principles and whole field of moral science and morality is the collection of values that guides our behavior.

Generally it involves all standards of behavior by force of moral. In society at large the sharing of moral values promotes social cooperation and is a significant means of social control. Shared moral values lead us to accept and trust others. Shared values allow us to recognize when there is proper behavior in others and where limits to behavior rightfully belong. Shared moral values create social harmony.

The sharing of values in business life is as important as it is in other aspects of our lives. Today many businesses try to foster shared moral values in employees. It is right to strive for quality in products and service. It is wrong to discriminate against or harass a person because of race, gender, or religion. One of the successes of many Japanese companies has been to instill shared moral values in their employees. To succeed in international operations, businessman must be sensitive to diffe-

rences in moral values.

Ethics is a systematic statement of our morality. It involves a rational method for examining our moral lives, not only for recognizing what is right and wrong but also for understanding why we think something is right or wrong. "The unexamined life is not worth living," said the Greek philosopher Socrates. In other words, ethical self-examination is necessary for a meaningful human life. In one word the morality involves what we mean by our values of right and wrong. Ethics is a formal system for deciding what is right and wrong and for justifying moral decisions. In everyday language, the terms morality and ethics are often used interchangeably.

GOLDEN RULES OF GENERAL ETHICS

The golden rules of general ethics, which can be identified as universal virtues which every human being should imbibe, develop and practice and infact it is of immense relevance and importance to one who is required to serve the society well and must therefore try to acquire or develop such virtues.

- i.) Trust worthiness
- ii.) Respect
- iii.) Responsibility
- iv.) Fairness
- v.) Caring
- vi.) Citizenship

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Table 1. Comparing of percentages of student reporting various behaviors from 2006 figure with 1992 and 2002 figures.

Name of the criteria	2006	2002	1992
Cheated on an exam	62%	74%	61%
Stole something from a store	27	38	33
Lied to parents	82	93	83
Lied to teachers	62	83	69
Agreed that "a person has to lies or Cheat Sometimes in order to succeed"	42	43	34

Source: Josephson institute of ethics Primary survey-2006.

and wrong or good and bad. It is right (good) to tell the truth. It is right to help others. It is right to obey your parents. It is wrong (bad) to lie. It is wrong to cheat and steal. It is wrong to hurt others. Through such teaching we develop values about right and wrong. These values that guide our behavior constitute our morality.

In society at large the sharing of moral values promotes social cooperation and is a significant means of social control. Shared moral values lead us to accept and trust others. Shared values allow us to recognize when there is proper behavior in others and where limits to behavior rightfully belong shared moral values create social harmony.

The sharing of values in business life as important as it is in other aspects of our lives. Today many businesses try to foster shared moral values employees. It is right to strive for quality in products and service.

It is wrong to discriminate against or harass a person because of race, gender, or religion. One of the successes of many Japanese companies has been to instill shared moral values in their employees. Internationally, businesses often face problems when they do business with nations with different moral values. What is wrong in the United States may be right somewhere else and vice versa. Is it right to bribe customs officials so that companies goods can enter a country.

If morals involve what is right and wrong, ethics is a systematic statement of (our morality) right and wrong together with a philosophical system that both justifies and necessitates rules of conduct. Its involves a rational method for examining our moral lives, not only for recognizing what is right and wrong but also for understanding why we think something is right or wrong. The unexamined life is not worth living, said the Greek philosopher Socrates. In other words, ethical self-examination is necessary for a meaningful human life. In summary, morality involves what we mean by our values of right and wrong. Ethics is a formal system for deciding what is right and wrong and for justifying moral decisions. In everyday language, the terms morality and ethics are often used interchangeably.

SOURCES OF VALUES FOR BUSINESS ETHICS

There are four sources of values for business ethics. The

sections that follow identify them as,

- i.) Legal Regulation
- ii.) Professional codes of ethics
- iii.) Organizational codes of ethics
- iv.) Individual values

Legal regulation

Legal regulation is a significant source of values for business ethics. In fact, many business and professional organizations look to the law when drawing up their codes of ethical conduct. At least five major ethical rules can be drawn from the law. These include:

- i.) Respect for the liberty and rights of others.
- ii.) The importance of acting in good faith.
- iii.) The importance of exercising due care.
- iv.) The importance of honoring confidentiality.
- v.) Avoidance of conflicts of interest.

Professional codes of ethics

Another important source of business ethics comes from the historic tradition of the professional codes of ethics. Professionals such as law and medicine have long traditions of codes of ethical conduct. Other professions and more recently business and industry in general, have developed and adopted codes of ethical conduct. Here we use portions of professional codes to demonstrate sources of ethical values that come from the development of group standards for ethical conduct.

The excerpts from codes of conduct for two professions: law and accounting. These codes are the American Bar Association Model Rules of Professional Conduct and the American Institute of Certified Public Accountants Code of Professional Conduct, which take into account that what follows are short excerpts.

In spite of their rules of professional conduct, lawyers are sometimes viewed as acting unethically. Is this because unethical people are attracted to the practice of law? Is it because the power conferred by knowing the law corrupts lawyers? Or is it because most non-lawyers do not understand the legal process, so that when they lose legal disputes, they feel it must be because of the

other side's "dishonest" lawyers? Is it the emotion invested in legal cases that makes it easy for us to blame others when things do not turn out to our satisfaction? In answering these questions, think about the relationship between law and justice. Does law ensure justice? Are we wrong to hope that it should?

Another set of ground standards is the ethical code of certified public accountants. So important are ethics to the conduct of accounting that when Arthur Andersen, once one of the world's oldest and largest accounting firms was implicated in a cover-up of why the energy firm Enron collapsed, the entire accounting firm went out of business. Enron had contributed only a small percentage of the worldwide business of Arthur Andersen.

From these excerpts, the ethical values expressed in the codes of ethics for law firms and accountants may seem overly general in nature. But each code has pages of rules that apply to specific situations arising in the lawyer-client and accountant-client relationship. As the state does not enforce these codes, it is not proper to call them law. Yet the professional organizations that have adopted these codes employ specific sanctions to back them up. Lawyers may be disbarred for ethical breaches. Because the state will likely regulate these professions if they do not do so themselves, it is appropriate to term their ethical codes self-regulation.

Organizational codes of ethics

There are few industry wide codes of ethics, so many businesses have adopted ethical codes at the individual organization level. Nearly all large corporations now have their own codes of business ethics, often called codes of conduct.

These codes are obviously an important source of business ethics. The business roundtable, a national group of senior business leaders, has identified a general list of topics that organizational codes of business ethics should cover. These include

- i.) Fundamental honesty and adherence to the law.
- ii.) Product safety and quality.
- iii.) Health and safety in the work place.
- iv.) Conflicts of interest.
- v.) Fairness in selling/marketing practices.
- vi.) Financial reporting.
- vii.) Supplier relationships.
- viii.) Pricing, billing, and contracting.
- ix.) Trading in securities/using inside information.
- x.) Payments to obtain business/Foreign corrupt practices Act.
- xi.) Acquiring and using information about others.
- xii.) Security.
- xiii.) Political activities.
- xiv.) Protection of the environment.
- xv.) Intellectual property/proprietary information.

Different approaches to business ethical codes

Individual companies take different approaches to ethical codes. The Hertz corporation has a one page statement of general ethical principles. In part that statement reads: "we will conduct business ethically and honestly in dealing with our customers, suppliers and employees. We will treat our employees in the same fashion as we expect them to treat our customers-with dignity and respect." Hertz's statement provides only general guidelines to ethical conduct rather than detailed definitions of what kind of ethical behavior the company expects in specific instances. Other companies spell out their expectations for employees' behavior in considerable detail. For instance, the Martin Marietta Corporation Code of Ethics and standard of conduct is 17 pages long and covers a wide variety of company activities and practices.

Many codes of business ethics contain both general statements of shared ethical values and more specific applied examples of these values. General statements of shared values remind employees what their companies stand for and at the same time serve to encourage ethical behavior in situations not covered by specific ethical guides. The applied examples address specific types of business conduct like those listed above by the business roundtable. A majority of organizational codes of business ethics provide sanctions for their violation, up to and including employee termination. As with professional codes of conduct, it is appropriate to call these organizational codes self-regulation. Whether companies pursue ethical self-regulation with enthusiasm and commitment or the codes are mere window dressing to satisfy the government and the general public is an important issue in determining the value of these codes.

The extent of ethical training that employees receive is also significant. According to the national business ethics survey in 2005, 69% of employees reported they had received ethical training from their employers. This figure was up from 55% in 2003.

Individual values

The ultimate source of ethical values for business decision making comes from the individual. Others can tell you what is right or wrong. They can sanction you for failing to live up to their expectations. But only you can make your behavior ethical.

Only you can intend your actions to be honest and fair or to serve the common good. How to act ethically in every business situation is beyond the scope of this article. Business life is just too complex. There is no way to create enough rules to cover all possible ethically significant situations, even if they could be identified in advance. However, there are 5 elements, (Questions) that you can ask yourself that will help you explore your ethical values before making personal or business decisions about what to do.

- i.) Have I thought about whether the action I may take is right or wrong?
- ii.) Will I be proud to tell of my action to my family? To my employer? To the news media?
- iii.) Am I willing for everyone to act as I am thinking of acting?
- iv.) Will my decision cause harm to others or to the environment?
- v.) Will my actions violate the law?

Conclusion

The core subject of ethics is essentially a branch of spiritualism, which is a banyan tree covering the entire gamut of human behavior on righteous path for the well being of society. In simple terms spiritualism, which is closely linked to strong religious faith is a canvas under which ethical values and principles bloom and blossom. Conversely one can say spiritualism makes every human being more in his conceptions and commitment to serve the needs of society as a responsible citizen while enjoying modern comforts available to him in a materialistic world.

The golden rules of general ethics, which can be identified as universal virtues which every human being should imbibe, develop and practice and infact it is of immense relevance and importance to one who is required to serve the society well and must therefore try to acquire or develop such virtues. Four sources of values are identified in business ethics in terms of legal regulation, professional codes of ethics, individual values and organizational codes of ethics.

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