

**12. BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY**Arvind Dewangan<sup>1</sup> Rekha Gupta<sup>2</sup> R. K. Mittal<sup>3</sup>

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**Abstract**

Today the attention to business ethics is on the rise across the world and many companies realize that in order to succeed, they must earn the respect and confidence of their customers. Now corporations are being asked, encouraged and prodded to improve their business practices to emphasize legal and ethical behavior. This is the age of big businesses and people are living in a global economy. Business ethics are important to protect individual rights, and encourage human rights, abide by the law, and protect the environment. Ethics is the principles, norms, and standards of conduct governing an individual or group (Trevino & Nelson, 2006). Business ethics is the written and unwritten rules, standards and policies in which businesses control the actions that occur daily within the organization. Business ethics looks at ethical ideology and moral or ethical problems that occur in a business. Business ethical issues are about fairness, honesty, and respect for others. Three ethical issues within today's business environment that affect communities and organizations are conflict of interest, privacy of personal information, and harassment:- sexual and otherwise.

Key words: 1. Ethics, 2. Human Values 3. Corporate, 4. Social, 5. Results.

**Sub Area:** - Technical Education.

**Broad Area:** -Management as a whole.

**INTRODUCTION**

In a business the ultimate goal is to achieve maximum profits. There are factors affecting at different levels of the business such as finance, technology, labour and workflow in order to maintain excellence and growth of the company. In this paper the researchers want to demonstrate what ethical issues are faced working as a team leader for any company and how to approach the problem in order to solve it. How to make decisions and also to find solutions without disturbing the environment of the workplace. Furthermore the Researchers will concentrate on the notion of responsibility and morality. Team leader must master a broad range of business talents and also qualities such as team leadership. One of the ethical issues that occur within businesses is conflict of interest. Conflict of interest occurs whenever an employee's obligation or responsibility to the company is compromised by his or her interest. Corporations

have policies that permits acceptance of favors from customers who are friends. Some common conflicts of interests are bribes, privileged information, and trading influences. To make sure one does not encounter a conflict of interest one must act impartial and make it look as if acted impartial. Another ethical issue in business is privacy of personal information. Even though many laws and regulations exist today, several large multinational companies still are having unethical behaviors and questionable practices. The purpose of this paper is to (a) describe ethical issues that became evident as a result of globalization; (b) compare ethical perceptions across cultures in regards to the situation; and (c) determine which risk and consequences were associated with the dilemma. The company selected to discuss the above topics is Nestlé.

### **ROLE OF COMMUNICATION IN BUSINESS**

Companies must communicate in a way to obtain understanding and complete work in the most effective manner. Communication takes many forms both verbal and non verbal. Proper use of communication is a quality highly valued by employers. In this global era employees current trends in business communication are rapidly changing because of technology, teamwork and outsourcing, but technological advances can also attribute to misuse.

### **ETHICAL ISSUES IN MANAGEMENT**

“When given the responsibility to being a manager”, you are faced with many different situations, what defines a manager is how they take on the situation, and resolve it. In my working experience as a manager and as an employee I have been faced with and witnesses many occasions when family and personal issues can cause friction between other employees and also cause a headache for the manager at the work place, family and personal issues can be a touchy subject that needs to be handled in a certain way so that the manager is not put in a position that he or she may be accused of handling the situation unethical. A manager’s decision in this type of situation can also be influenced by outside sources or social issues; this paper will showcase.

### **HUMAN VALUES AND BUSINESS ETHICS**

Whenever I used to contemplate about the “economic imbalance” in society, i.e. many are poor; whereas a few are rich it always occurred to me that lack of human values is the fundamental problem.

Human values are essential in each and every part of our life whether it is business, moral, social, physical and psychological.

If we talk about business till we do not have human values we cannot succeed , for e.g. What a marketer do, he just do a market survey, find out the requirements of human being, produce the product accordingly and then offer it to the public, here he is not selling the product but satisfying the needs of the public.

A value is a belief, a mission, or a philosophy that is meaningful. Whether we are consciously aware of them or not, every individual has a core set of personal values. Values can range from the commonplace such as the belief in hard work and punctuality, to the more psychological, such as self reliance, concern for others and harmony of purpose.

When we examine the lives of famous people, we often see how personal values guided them, propelling to the top of their fields. As Sri Sathya Sai Baba says, Human values can never be got form outside i.e., from books, shop etc. but are something inherent in us. If you want to

have human value you must follow your conscience. This conscience is something wonderful which all of us possess and the most precious gift that one cannot have from god. The other thing is harmony in thought, word and deed. We must concentrate over our next generation whether our students or our child are getting materialize. We should give them human values. No doubt through education human values can be injected in the students. But for this first of all teachers and parents themselves have human values. In today's time teachers fall in love affairs with their students. So many examples are there when the teachers married with his/her student or get involved in objectionable activities with the students then what will be the impression over other students or over the children or society as a whole.

This is the old saying that

“if money is lost , nothing is lost

If knowledge is lost, something is lost

But if character is lost, everything is lost.”

And I am sure that the introduction of western culture in the society is completely deteriorating the human values, and our moral ethics.

The word “ethics” in Latin is called “ethic us” and in Greek is called “ethikos” has come from the word ethos meaning character or manners” the work ethos meaning character or manners” ethics is thus said to be the science of morals, a treatise on this moral principles recognized rules of conduct. As applied to business firms, ethics is the study of good and evil, right and wrong and just and unjust actions of businessmen. If protecting others from harm is considered to be ethical, then a company which recalls defective or harmful products from the market is an ethical company. In common parlance the term corporate ethics refers to the system of principles rules of conduct applied to business, in practice, the term has been used to describe the do's and don'ts for the business . For the business the various things that business should or should not do via, not violating any law, avoiding unethical practices, making denotations to charitable causes, taking up development projects in backward areas, paternalism towards employees, good public relations etc.

“satyam computer services “ failure because of lack of human values, ethical values is the latest example in this area. Because of lack of human values and business ethics the company came to an end.

These do's and don'ts or ethical values should get reflected in all the actions the corporate do right from their vision and mission statement to the actual act of buying and selling of goods and services. Ethics mainly deals with ideas which seek to determine norms, ideals, standard or values. These important ideals of human life are truth, beauty and goodness, thinking, feeling and willing. Satyam, shivam, sundaram. Ethics is a branch of philosophy dealing with right and wrong in human behavior.

Most religions have a moral component and religious approaches to the problem of ethics. Ramayana and Mahabharata a form the very basis of cultural consciousness that symbolize Hinduism. The Tirukkural is a book of morals or ethics. The Tirukkural contains treasures that lead to peace and harmony at home as well as the country. Kautilya says that artha (sound economics) is the most important; dharma and karma are both dependent on it. In every human activity whether it is pure science, political science or environment science we need to follow the practices which are best for the welfare of the world.

## **HUMAN VALUES FOR INDIAN MANAGERS**

By values we mean an inbuilt mechanism which distinguishes the right from the wrong. In India, today we see commerce through corruption, administration through bribery, politics through blackmail. Here, management achieved greatly in developing values which are suited for Indian psyche. The corporate world is full of the stories of standard.

### **CASE STUDY**

#### **NESTLE'S ETHICAL ISSUE**

Unethical Marketing Practices

##### 1. Infant's formula.

In 1977, Nestle became part of a huge ethical scandal; the company was being criticized for using unethical marketing practices putting at risk consumer's health in order to promote its infant formula in another nation. "Many aid agencies called for the boycott of Nestle products which continued into 80's, when Nestle decided to adopt the infant formula marketing code laid down by the World Health Organization and The United Nations Children's Fund (UNICEF)" (National Multimedia, n.d). Even though the company had a charter on infant formula, Nestle violated the principles laid down in it.

##### 2. Genetically modified foods.

"Nestle was criticized for using genetically modified (GM) ingredients in its food products, and was accused of dumping products rejected in Europe in developing Asian countries.

### **CONCLUSION: -**

Moral values are most important for mankind. The quality of turn is a product of culture and values. In the modern world we need to inculcate ethical practices in order to maintain the quality of life and perfection. This is the pathway of excellence. In every human activity whether it is pure science, political science or environmental science we need to follow the practices which are best for the welfare of the world. "Loka Samatha Sukhino Bhavantu" is the ancient mantra for universal welfare.

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