
IMPORTANCE OF ETHICS IN BUSINESS ORGANISATIONS

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Abstract: Ethics has become a buzzword in the corporate world . The reason for this is the globalization and the explosion in the communication in the organization . As a result , businesses are focusing more on the ethics part . Business ethics is the study of the standards of business behavior which promote human welfare and the good . Ethics should be implemented ideally throughout all aspects and operations with in the organization. With successful implementation of ethical management , organization can enhance the efficiency in the long run . Business ethics is a board topic and its include different perspective such as the relationship between company and the employees , company and customers and environmental issue . In order to achieve maximum profits, businessman must have a good vision on operating business ethically. And it would be other criteria for customer or business partner to choose your company instead of others . Ethical improved by creating the appropriate code of Ethics . Companies are expected by social norms to extend their financial wealth and good fortune by helping those less fortunate , and excercising good moral judgement . Companies must earn maximum profits by providing maximum satisfaction to the customers , employees , investors .

Keywords: Buzz Word, Globalization, Explosion, Human Welfare, Social Norms.

Introduction: Business ethics is more than just a concept used to enhance the image of a corporation; ethics are the very foundation of success. Business ethics should be applied from the very moment a firm opens its doors. Since business exists and operate within the society and is a part of a sub system of society, its functioning must contribute to the welfare of the society .To survive, develop and 'excel, business must earn social sanction of the society where in it exists and functions. In order to get social sanction business organisation must follow business ethics .Business ethics is the study of the standards of business behaviour which promote human welfare and the good.

Importance of Ethics in Business Organisation: The following points discuss the importance of business ethics

1. **Stop Business Malpractices:** Some ²unscrupulous business men do business malpractices by indulging in unfair trade practices like black marketing, artificial high pricing, ³ adulterations, cheating in weights and measures, selling of duplicate and harmful products, illegal hoarding etc. Their business malpractices are harmful to consumers and safety to the society. Business ethics help to stop there malpractices and safe guard society. It creates a healthy business environment for everyone.
2. **Improve Customers Confidence:** Business ethics are needed to improve the customer's confidence about the quality, utility, reliability, quantity, price etc of the products. The customers have more trust and confidence on the businessmen who follow ethical business rules.
3. **Survival of Business:** Business ethics are mandatory or compulsory for the survival of any business. The business men who do not follow it will only have short term success, but they will fail in the long run. This is because they can cheat a consumer only once. After realizing being cheated, the consumer will not buy goods from that business man and he will also tell others not to buy from that business man. So this will⁴defame his good will in the market .This will result in the failure and even closure of the business. Hence, ethics is essential for the survival of business.

4. **Safe Guarding Consumers Rights:** The consumer has many rights such as the right to health and safety; right to be informed, right to choose, right to be satisfied etc. A business man who safeguards its consumer's rights, in fact, safeguards its own existence.
5. **Protecting Employees and Shareholders:** Ethics ⁵compels each entity participating in the business activity to properly executes its role by ⁶adhering the established code of conduct. Since everyone is disciplined and function appropriately, business grows well in the long run .Business ethics protects employees and shareholders, competitors, suppliers, customers, government etc from frauds.
6. **Develops Good Relations:** Business ethics are important to develop good and friendly relations between business and society. This will result in a regular supply of good quality goods and services at low prices to the society, it will also results in goods profit for the businesses there by resulting in the growth of the economy .If the economy keeps growing, it ultimately improves the standard of living of the society.
7. **Creates Good Image:** Business ethics create a good image for the business and businessmen the society will always support those businessmen who follow the necessary code of conduct and avoids engaging in unscrupulous activities. If the business succeeds in creating and maintaining its goodwill in the society, it ⁷flourishes well even in the most competitive markets.
8. **Smooth Functioning:** If the business follows all the business ethics, then the employees, shareholders, consumers, dealers and suppliers will all be happy. So they will give full cooperation to the business. This will result in the smooth functioning of business activities. So, the business will grow, expand and diversify easily and quickly. It will have more sales and profits .Business ethics maintain this safe level of satisfaction and protects the business from being ⁸dys functional
9. **Consumer Movement:** Business ethics are gaining importance because of the growth of consumer movements all over the world today the consumers are well aware of their rights and hence cannot be cheated easily .If a business is found guilty of indulging in illegal activities ,it invites huge penalties ,⁹revoking of a license ,lowers consumers trust, and even hurts profits . Therefore, the only way to survive in business is to be honest fair and loyal to the consumers.
10. **Consumer Satisfaction:** Today the consumer is the king of the market. Therefore, the main aim of a business must be to achieve the highest level of consumer satisfaction. Business must be always ready to adapt itself as per the changing demands of its consumers the consumers will be satisfied only if the business follows all the business ethics
11. **Importance of Labour:** Employees are the main wheels on which business actually runs .Good relations between an employer and employees is essential for the smooth functioning of a business. The employees must be given proper salaries, proper welfare facilities, holiday levels etc they must be treated with dignity and respect.
12. **Healthy Competition:** Today, competition is a part and parcel of our lives and business world is no exception on this. Competition is essential because it inculcates creativity and innovation, competition pricing , corporate responsibility ,consumer satisfaction etc in the realm of the business. This competition must be healthy and should not be cut-throat .If a competitor is successful ,his behaviour ,management ,marketing skills ,business tactics , customers handling etc must be carefully studied .Any suitable "lackings or short comings identified must be later ¹²assimilated in the business. A business must hire brilliant and energetic minds to win these healthy competitions. The business must use business ethics while dealing with its competitors .It must give equal opportunities to small- scale businesses. Monopoly must be avoided because it harms consumers.

Conclusion: Ethics are those supporting pillars on whose foundation the integrity, stability and prosperity of business stand tall and upright with dignity. When the law fails it is the business ethics that may stop organisations from harming the society or environment .Business must create an ethical business climate in order to develop an ethical organisation .Business organisations must have profit motive which has social element of providing welfare of the society.

References:

1. Superior
2. Not honest
3. Poor in quality
4. Damage the good name
5. Force to do something
6. Being faithful to
7. Grow in a healthy way
8. Abnormal Functioning
9. Official Cancellation
10. Kingdom (or) Field
11. Absence of something desirable
12. Process of adjusting to the culture of group
13. <https://www.investopedia.com>>basis
14. <https://www.keka.com>>importance
15. <https://kalyan-city.blogspot.com>>n
16. www.yourarticlelibrary.com>business
17. www.economicdiscussion.net>business
