A Study of Management Ethics in Business World

[1]K.Sureshkrishna, [2]B.Divyabharathi, [3]A.Karthik

[1]Assistant Professor, [2, 3]Students
Department of Management Studies, Muthayyammal engineering college,
Anna University, Rasipuram, Tamilnadu
Email – [1] sureshkrishnamails@gmail.com, [2] bdivyabharathi897@gmail.com, [3] karthik.tolerance@gmail.com

Abstract: Management by materialism today is the handmaid of profit-making at any cost . Man in the term "manager" stands nowhere. We have no human touch in management. We have loss of human values . Managers and leaders in any branch of human enterprise unfortunately are setting a bad example today before the people. The managers at all levels are expected to have strong and noble character based on basic human values . They must adopt means and ends or objectives based on ethical and moral values. But we have almost the reverse picture in our country and abroad. Under such circumstances, there is a crisis of confidence in management and labour. Workers are dehumanized and demoralized. Consumers are by- passed. Human welfare is sacrificed. Nature is ruthlessly exploited. The environment has pollution. Wealth is gained. The soul is lost.

As long as soul is defectively organized, there will be outward and inward unrest, disorder and breakdown even though you got rid of material poverty. Soulless management is unwanted. Management has to rely on the development of heart and soul. We want management by consciousness, management by soul. Management must be value- driven. It must adopt holistic approach. A good man with a noble heart and soul makes a good and responsible worker and manager.

The value-oriented and holistic management will enable us to lead a much better life, much more qualitatively superior life. This will bring us greater happiness when it is really translated into societal benefit in the form of running an organization or in any other filed of human activities.

Key Words: Demoralized, Holistic management, societal benefit

1. INTRODUCTION:

Management by materialism today is the handmaid of profit-making at any cost . Man in the term "manager" stands nowhere. We have no human touch in management. We have loss of human values . Managers and leaders in any branch of human enterprise unfortunately are setting a bad example today before the people. The managers at all levels are expected to have strong and noble character based on basic human values . They must adopt means and ends or objectives based on ethical and moral values. But we have almost the reverse picture in our country and abroad. Under such circumstances, there is a crisis of confidence in management and labor. Workers are dehumanized and demoralized. Consumers are by- passed. Human welfare is sacrificed. Nature is ruthlessly exploited. The environment has pollution. Wealth is gained. The soul is lost.

As long as soul is defectively organized, there will be outward and inward unrest, disorder and breakdown even though you got rid of material poverty. Soulless management is unwanted. Management has to rely on the development of heart and soul. We want management by consciousness, management by soul. Management must be value- driven. It must adopt holistic approach. A good man with a noble heart and soul makes a good and responsible worker and manager.

The value-oriented and holistic management will enable us to lead a much better life, much more qualitatively superior life. This will bring us greater happiness when it is really translated into societal benefit in the form of running an organization or in any other filed of human activities.

When you bring that spiritual state of mind and combine it with knowledge, values and skills, the benefits to you and to the society are enormous.

Such management will help ordinary people to produce extraordinary result. Productivity of human capacity is much more important than plant capacity.

Under competitive economy and ever changing environment, the quality and performance of managers determine both the survival as well as success of any enterprise. A supply of capable management advancement would soon be aborted or sterile.

Organization are social devices achieve to some stated purpose efficiently group means and are result of interaction among people, and the need to achieve something with managerial leadership. Whenever and wherever a group is formed and a group activity is organized to achieve certain common goals, management is needed to lead, co-ordinate and integrate the individual activities of a group and secure teamwork to accomplish organizational goals. In essence, management is a social function. It can take us from some condition we do not want to one that we want –by setting goals and integrating human and material resources to achieve those goals.

"The emergence of management as an essential, a distinct and leading social institution is a pivotal event in social history. Rarely, if ever, has a new basic institution, a new basic institution, a new leading group, emerged as fast as has management since 1960. Rarely in human history has a new institution proved indispensable so quickly; and even less often has a new institution arrived with so little opposition, so little disturbance, so little controversy."-P. Drucker: The practice of management.

2. MANAGEMENT IN ETHICS:

Management is an exercise in harmonizing men, money, machinery, materials and methods towards fulfilling of set objectives leading to human development, excellent performance, social benefit and global welfare. Man, a conscious being, remains the basic factor in any field of human Endeavour

One way to analyze management is to think in terms of what a manager does. Using this approach, we can arrive at the management process which describes the work of any manager. The management work can be divided into a few basic functions of management, viz.,

      1. Planning
      2. Organizing
      3. Leading
      4. Controlling

Management is a social process. It is directly in charge of allocation, utilization and co- ordination of all human and material resources to be procured from the environment or the society. The environment provides these resources as inputs to an enterprise. Most of these resources are scarce and have alternation uses. Management has to evolve optimum combination of these resources or inputs. The resources are co-ordinate and integrated by the management through performing the typical managerial functions. These functions constitute the process of management the basic resources are subjected to fundamental functions of management. Management process is necessary to determine the objectives and goals and to take appropriate action, i.e., implement the plan in order to accomplish the state objectives. Controlling ensures performance as per plan and enable the management to remove the deviations, if any , between the actual results, and expected results.

Classical or bureaucratic management is appropriate where the environment is relatively unchanging. Behavioral and organic management appropriate where environment is dynamic and innovation and creativity are at a premium

2.1 MANAGEMENT AS A PROCESS

This describes an activity, which can be better described by the word managing. Under this concept, we consider activity by means of which scarce resources are combined to achieve given ends. Manager draws upon the basic resources which are called 6Ms-men, materials, machines, money, minutes and methods. These six resources are subjected to the management process which consists of typical elements of the management or functions of management such as planning, organizing, motivating, leading and controlling of human efforts. Through these managerial functions or management process, we can have accomplishments of:

      i. The right work
      ii. At the right place
      iii. At the right time and
      iv. With the right method

There would be smooth interaction with people. The management of stress will be easier. The quality of life and the quality of work would be enhanced. Mind-stilling exercises will also enrich life of an organization.

2.2 MANAGER:

The term management may refer to those who are carrying activity of management , viz., the managers to manage an organization, who manage the managers and who manage the workers and the work. In a large organization, we have different levels of management. The top management, i.e., managerial agencies at the top is the governing board of directors, which is the supreme policy-making and decision-making authority, the managing director, the chief executive or the executive director, as the heads of major divisions these constitute the top management.

Under the middle management group, we have lower level managers such as supervisors, foremen who are directly in charge of the operatives, i.e., rank and file of workers. Lower level managers, middle managers, middle managers and top managers are many a time called management as distinguished from labor, viz., the operatives or workers. At present, greater empowerment of workers is also expected.

2.3 SPECIAL FIELD OF STUDY:

Profession, the third concept of management, points out that it is a body of knowledge about the activity of managing or the process of management and this body of knowledge is usually regarded as a special field of study, i.e., profession. The third concept of management as a profession is due to the managerial revolution which took place since 1960.

3. CONCEPT OF ETHICS:

Ethics is the set of universally accepted moral principles and values that govern the behaviour of a person or group in terms of what is right and wrong. Ethics is concerned with how people think about and behave towards each other ; how the consequences of their decisions and behaviour impact human life.

Business ethics is about the rightness or the wrongness of business practices. Business ethics is guided by principles of commercial relationship and right moral standards applied within an enterprise that indicate what is good and right for business.

Ethics is the basis for developing a system morality and the moral laws that evolve from ethics. Morality is the activity that governs appropriate human conduct in a given culture. People`s behaviour is guided by moral rules and obligation to care for one`s parents and children, and even to support one`s country.

3.1 BUSINESS ETHICS- DEFINITION

Business ethics is the field of study dealing with right and wrong behaviour in the business world. Ethics takes on different meanings in different cultures, making it challenging to truly define business ethics in international markets. However, there, are a number of actions that are almost universally considered unethical and for which numerous developed nations maintain criminal laws to prevent. Reviewing a few examples of ethics violations in the business world can help you to understand the kinds of things that are unacceptable in almost every culture.

" Business ethics ", a subject that for years has been a low profile in business publications and business school curriculum, has suddenly gained status. The word 'ethics' was once considered irrelevant by corporate loyalists, but now it is increasingly seen as not only important but also critical to a company's success. The intensity of consumer movements and the rising leaves of awareness among corporate stakeholders are making it difficult for corporate to get away with unethical business practices. Indian corporate have lately realized that integrity, transparency, and open communications are the new norms of the corporate world.

Business can be defined as a primary economic institution through which people in modern societies carry on the task of producing and distributing goods and services. Business ethics Refers to the application of ethical judgments to business activities. Business ethics concerns itself with what is right or wrong in the workplace. Business ethics can also be considered as an ethical analysis of business practices. Business ethics explains that business can generate profits even when being ethical. Due to expansion of business, the application of ethical practices and business ethics. Today, much importance is being given to the application of ethical practices in business in business dealings and the ethical implications of business decisions.

3.2 NATURE OF BUSINESS ETHICS

Business ethics refers to the application of ethical principles of business. According to Velasquez, "business ethics is a specialized study of moral right or wrong. It concentrates on moral standards as they apply to business policies, institutions and behaviour".

The main features of business ethics are as follows:

(1) Business ethics is applied ethics. It involves the application of what is good and right to business affairs.

(2) Ethics is the study of morality just as chemistry is the study of the properties of chemical substances. However, ethics is not the same as morality. Ethics is a kind of investigation whereas morality is the subject matter of such investigation. Morality refers to the standards that an individual or group has about what is right and wrong. Honesty is good and dishonesty is bad is an example of moral standards. ethics examines the moral standards of a group or society to determine whether these are reasonable or unreasonable

Moral standards apply as much to corporations as to individuals. But a corporations being an artificial person, individuals who manage and control it are held responsible for its immoral decisions and action.

3.3 ETHICAL THEORIES OF BUSINESS:

Legal rights are those rights that are provided to us through things like the constitution and include things like the right to bear arms or freely practice a chosen religion. These are rights that are man-made and are a set of laws that people in a specific society must follow.

Rights that are innate, that we believe every human should have, are called natural rights. These are rights given to us at birth that are universal and based on principles like expression, thought, beliefs, customs and even privacy. Some people believe that these rights are granted by a higher power, while others believe that these rights are simply an innate part of being a human. Let's see some examples of the differences between these two types of rights.

In order to make sense of this, philosophers, like Locke and Kant, developed ethical theories to help us find the path to making right decisions.

3.4 ETHICAL THEORIES:

In this section, we will explore several ethical theories. Following are some of them:

DEONTOLOGY:

Deontology is about strict adherence to rules regardless of consequences. For example, people who believe that the death penalty should always be enforced even though some innocent people are executed might be described as having a deontological point of view.

If this deontologist were to job, he may no longer be able to provide for his family. let`s say his children are starving and need some and need some food, and his wife tells him that if he does not rob a grocery store across the street, the children could die. Our deontologist would never rob that grocery store, and the consequence of his children starving is less important to him than the rules.

CONSEQUENTIALISM:

Consequentialism is another ethical school of thought. Consequentiality believe that action are defined as good or bad based on the consequence for their action. In other words, the end result justifies the means. Consequentiality may believe that the price of gasoline is too high and, thus, be a proponent of war on countries that control oil. So, if killing a few thousand soldiers is required in order to get cheaper oil, then the end justifies the means.

CARE ETHICS:

Care ethics reminds us that people are relational beings and require care in relationships. Adherents to this theory believe that there is no set of standards that define what is right or wrong. It is more about taking another person's feelings into consideration when making moral decisions.

Each ethical principle relies on its own standard. This helps to explain why society cannot solely depend on moral code. Laws must be established as this ensure a true set of standards to which behaviour can be measured.

4. CAUSES OF UNETHICAL BEHAVIOUR :

Your boss stops by your office to tell you that your work on the marketing report was excellent, and he is rewarding you with a promotion. The problem is that most of the report was based on the hard work of your co-worker. Should you tell your boss that the co-worker really deserves the promotion? What makes you confess to your boss?

Usually, the answer is your business ethics. Business ethics refer to the moral principles or values that generally govern the conduct of an individual or group.

Ethical behaviour is acting in ways that are consistent with how the business world views moral principles and values. Business ethics determine employee's everyday conduct. Let's take a look at some of the factors that affect your ethical behaviour in the workplace.

4.1 INDIVIDUAL FACTORS:

Many individual factors affect a person's ethical behaviour at work, such as knowledge, values, personal goals, morals and personality. The more information that you have about a subject, the better chance you will make an informed, ethical decision.

For example If you had to decide whether to approve building a new company store

VALUES:

Values are an individual's judgment or standard of behaviour. They are another individual factor that affects ethical behaviour. To some people, acting in an improper way is just a part of doing business. Would you feel that it is ethical to make up lies about your competitor just to win a contract? Some people's standard of behaviour will feel that lying for a business financial win is not unethical.

MORALS:

Morals are another individual characteristic that can affect an individual's ethics. Morals are the rules people develop as a result of cultural norms and values and are, what employees learn from their childhood, culture,

education, religion, etc. they are usually described as good a product on a customer that you knew was not going to help solve a problem

Many ethical work situations will also be affected by a person's goals. What characteristics do you feel are worthy to aspire to? Is financial gain ranked ahead of good character or integrity? If your personnel goals are about acquiring wealth no matter what the consequence, then you might act unethical in the future.

Lastly, an employee's personality plays an important factor in determining ethical behaviour. Do you enjoy risk or do you prefer the safe route Individuals who prefer to take risks tend to have a higher chance of unethical conduct at work.

For example, if you all willing to risk dumping chemicals into nearby water supply to launch a profitable drug, then your riskiness could end up creating health issues in local citizens for the sake of financial gain.

4.2 SOCIAL FACTORS:

Cultural norms, the internet and friends and family are three social factors that can affect ethical behaviour. Different cultures have norms that vary from place to place in the business world.

For example, you might have to face a request for a bride in order to conduct business in certain countries in south America. This might be unethical to you but considered an acceptable norm in their workplace.

Friends, family and co-workers also play an important role in your ethical decision-making. If you witness your father bringing home business supplies every month from work, would you believe it is ethical to steal staplers, envelopes, etc. from place of business? Lastly, the internet has a tremendous impact on a worker's ethical behaviour. Would you think it is appropriate to post proprietary work information on your social media accounts? How about using work time to shop on the internet? Many companies have implemented monitoring programmers to watch how their employees utilize the internet.

4.3 SITUATIONAL OPPORTUNITIES:

The third major factor that can influence ethical behaviour in the workplace are situational opportunities. These opportunities can provide an unethical employee with the freedom of choice that can lead to bad decisions. Most companies establish policies and procedures to provide ethical guidelines to employees. These are known as ethical codes and can establish checks and balances to support ethical behaviour.

For example, have you ever noticed that when you use a company credit card, your employer requires detailed information about the purchase, including description, amount, and an original receipt? This is to ensure proper use of the spending of company money. Some companies have strict policies stating no personal phone calls on company auditing an employee's bill.

4.4 ETHICAL ABUSES:

The ethical behaviour of many professionals is regulated by codes of conduct. These codes tend to vary from one industry to another many of the regulations, though adjusted for each industry, are similar, however. Common of interest, and lapsed licensing.

Improper or fraudulent billing is ethical abuses that can involve charging customers for services they did not receive. This happens in the medical industry, since the party who receives the bill is often not the party who received the services. The commonness of these ethical violations has led many insurance companies to these a list of services to patients, encouraging them to report discrepancies. This ethical abuse is observed against hospitals which provide cashless facility under health/medical policies.

Many professionals are required to renew or update their licenses and certifications. This often requires that courses be taken or fees be paid. For various reasons, many professionals do not renew their documents in time. Since many clients do not check these things, these ethical abuses often go unnoticed if a regulatory body does not discover them.

Crossing sexual boundaries are ethical abuses that differ from sexual harassment or sexual abuse. In these cases, both parties may be willing participants. However, something about the sexual relationship is inappropriate due to the professional's position. This can be found in a mental health setting when a psychiatrist engages in a sexual relationship with s client he knows to be emotionally or sexually vulnerable.

Improper handling of documentation can also de found in numerous industries. These include the financial, health and legal industries. Many of the documents and files these professionals deal with contain sensitive and confidential information. When those items are contain sensitive and confidential information. When those items are carelessly handled or not secured according to standards. People's privacy, finances, and safety can be jeopardized. These are some examples of ethical abuses.

4.5 WORK ETHICS:

Workplace ethics refers to the application of values to decisions concerning employees in the organization .it involves right and wrong actions that directly influence the workplace. As it relates to ethical issues relating to hiring, promotion, wages, etc. of the human resources of an organization, it may be called internal ethics. Workplace ethics is an extension of the personnel standards of the personal standards of the people issues are involved in employer-employees relations. Ethics in the workplace require abolition of all kinds of discrimination and explanation.

Your employees face ethical dilemmas every day in the workplace. They might be tempted to leave work early, take credit for the work of others or lie to a potential client to get him to sign the insurance policy, order the service the service or purchase the product that they are selling. The key to fostering strong business ethics policy that clearly spells out what is acceptable and unacceptable behaviour.

CHEATING THE COMPANY:

A solid ethics policy clearly outline the procedure employees should follow if they need to take time off, leave early or start late. if you don't spell out these procedures, employees might be tempted to handle these matters on their own. They might claim to be meeting a client at the end of the workday when instead they are leaving early to catch cricket match on TV. They might claim to be at a workshop for the first half of the day when instead they are sneaking in some extra sleep. Make sure your ethics contains a provision telling your employees how they can request time off even for personnel matters. Open communication is a far employees try to cloak the reasons for their late starts or absences.

WORKING WITH CLIENTS:

Your ethics policy also should make it clear that your workers must treat clients and customers fairly and honestly. This means prohibiting employees from lying to potential clients or providing item with misleading information. Employees shouldn't hide the true price of a service, policy or product in an effort to trick customers into signing up. They also shouldn't promise more than their service or product can deliver. Employees should never bully or harass potential clients. Your ethics policy should state how often your workers can contact potential customers, at what times of the day and cannot say during their conversations.

ABUSE BEHAVIOUR:

Any effective ethics policy forbids abusive behaviour in your workplace. This kind of behaviour can take forms. Employees might engage in sexual harassment, bully other workers, tell inappropriate or offensive jokes, display pornography on their computer or steal from co-workers or the company. Your ethics policy must explicitly state that all such actions are forbidden at work. It also needs to spell out the punishments or repercussions of such actions.

UNDUE CREDIT:

Some employees might try to rise in your company by taking credit for working that others employees actually performed. This can have a negative impact on morale if it goes unquestioned. Make sure your ethics policy prohibits this behaviour, too. Take seriously employee complaints that their fellow workers are stealing or sales they complete.

HARASSMANT:

Harassment means intimidating and tormenting individual or group persons through constant interference. All acts and conducts that create a hostile or offensive working environment amount to harassment. Such an environment unreasonably interferes with an individual's freedom and work performance.

     i. Sexual harassment policy
    ii. Communicating the policy
   iii. Establishing procedures
   iv. Taking appropriate actions

CONFLICT OF INTEREST

A conflict of interest exists when an individual has to make a choice between self-interests and the interest of his/her conflict of interest.

DISCRIMINATION:

One of the oldest unfair practices that exist all over the world is discriminating. It has been prevalent both in developing and developed countries. Discrimination means differentiating among people not on the basis of individual merit but on the basis of prejudice or some other wrongful and illicit ground. Job discrimination or discrimination .in employment refers to making adverse decisions against employees who belong to a certain class due to prejudice towards members of that class.

INDIAN CULTURE AND VALUES IS CULTURE

Culture refers to the patterns of thought and behaviour of people, it includes values, beliefs, rules of conduct, and patterns of social, political and economic organization. These are passed on from one generation to the next by formal as well as informal processes. Culture consists of the ways in which we think and act as members of a society. thus, all the achievements of group life are collectively called culture. In popular parlance, the material aspects of culture, such as scientific and technological achievements are seen as distinct from culture which is left with the non-material, higher achievements of group life. Culture is the product so such an organization and expresses itself through social habits, customs, economic organizations and political institututions.

Culture is a way of life. They food you eat, the clothes you wear, the language you speak in and the god you worship all are aspects of culture. In very simple terms, we can say that culture is the embodiment of the way in which we think and do things. It is also the things that we have inherited as members of society. All the achievements of human beings as members of social groups can be called culture. Art, music, literature, architecture, sculpture, philosophy, religion and science can be seen as aspects of culture. However, culture also includes the customs, traditions, festivals, ways of living and one's outlook on various issues of life.

Culture in an individual expresses him through over it actions and comes to notice more clearly then virtue. Character is the inside of a man;
Culture is external and as to do with behaviour, speech, conduct and the way of living. A cultured man is living is an embellishment to the society; he not only makes his life to sweet but also delight others. Culture is a definite addition to personality.

5. CONCLUSION:

The changes in management practices will increase the production and reduce the process cost and hence, cost effectiveness can be achieved. The management is taking decisions in the traditional system and the need to adopt new technologies like decision support system, which will help the management to take proper decisions in many aspects of management. Which ultimately increases the productivity and profitability can be achieved. The new technology will make rapid changes in the management practices where homogenous planning can be possible in advance and the decision making will be more concrete. The new Decision Support System model is helping in the different areas of the management for providing timely information about new product development is necessary and decisions can be taken by the management.

REFERENCES:

1. Hick and Gulleck:Management of Organization.
2. Weihrich and H. koontz: Management-A Global Perspective.
3. Drucker , P.: Practice of Management.
4. Chakraborthy , S.K.: Human values for Management.
5. Raja, K.C.R.: Indian Ethos in Management, Somaiya institute of management.
6. Gupta, G.P.: Management by Conciseness.
7. Riya Rupani: Business Ethics and Corporate Governace, Himalaya Publishing House,   Mumbai.
8. Gupta , C.B.: Business Ethics and communication, Sultan chand & sons, New Delhi, http://www.cauxroundtable.org
9. Bhat,Govinda K.Dr. and Sumitha Ayodhya: Business Ethics and corporate social Responsibility, Himalaya publishing House Mumbai.
10. The institute of chartered Financial Analysts of India: Business Ethics and corporate Governance, ICFAI centre for Management Research,Hyderabad 500034.
11. Fernando A. C.: Business Enivironment, pearson Education, New Delhi.
12. Gupta ,C.B.: Business Ethics ahd communication, sultan Chand & Sons.
13. https://www.academia.edu/5402800/Environmental-law-case-study
14. Fernando, A.C.: Business Environment, pearson Education, New Delhi.
15. Raj, Rituparna: Astudy in Business Ethics, Himalaya publishing House pvt. Ltd.,Mumbai, 1999.
16. Tata servces Ltd.: statistical outline of India 2008-2009. Tata serivces Ltd.,2009.
17. Gore, M.S.: Unity in Diversity: The Indian Experience in Nation-Building, Rawat Publication, Jaipur, 2002.
18. Kabir, Humayun: our Heritage, National Information and Publication Ltd., Mumbai, 1946.
19. Malik, S.C.: Understanding Indian Civilization: A Framework of Enquiry, Indian Institute Advanced Study, Simla, 1975.
20. Mukerji, D.P.: sociology of Indian Culture, Rawat Publications, Jaipur, 1948/1979.