

## **Impact of Ethics on Global Business**

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**Abstract:** *The “origins of ethics—whether they come from religion, philosophy, the laws of nature, scientific study, study of political theory relating to ethical norms created in society or other fields of knowledge.”*

*Business ethics (also known as corporate ethics) is a form of applied ethics or professional ethics, that examines ethical principles and moral or ethical problems that can arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations. The field of ethics is a branch of philosophy that seeks virtue and morality, addressing questions about “right” and “wrong” behaviour for people in a variety of settings; the standards of behaviour that tell how human beings ought to act .*

*This approach will be used in this paper to help you understand global business ethics in a modern and current sense. We live in a sociotechnical environment rather than a purely technical environment. Therefore, we can't neglect the human, social, environmental factor and ethical issues.*

**Keywords:** *Introduction, Impact Of Business Ethics, Enforcement Of Ethical Guidelines And Standards, The Evolution Of Ethics, Influential Factors On Business Ethics*

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### **I. Introduction:**

"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

Business ethics is the study of appropriate business policies and practices regarding potentially controversial subjects including corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities. The law often guides business ethics, but at other times business ethics provide a basic guideline that businesses can choose to follow to gain public approval.

### **II. Impact Of Business Ethics:**

The areas of business impacted by global perceptions of ethical, moral, and socially responsible behavior include the following:

- Ethics and management
- Ethics and corruption
- Corporate social responsibility

#### **Ethics and Management Practices**

Ethics impacts various aspects of management and operations, including human resources, marketing, research and development, and even the corporate mission. The role of ethics in management practices, particularly those practices involving human resources and employment, differs from culture to culture. Local culture impacts the way people view the employee-employer relationship.

#### **Ethics and Corruption**

To begin our discussion of corruption, let's first define it in a business context. Corruption is “giving or obtaining advantage through means which are illegitimate, immoral, and/or inconsistent with one's duty or the rights of others. Corruption often results from patronage.

Our modern understanding of business ethics notes that following culturally accepted norms is not always the ethical choice.

#### **Corporate Social Responsibility**

Corporate social responsibility (CSR) is defined in Wikipedia as “the corporate conscience, citizenship, social performance, or sustainable responsible business, and is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms.”

### **III. Enforcement of Ethical Guidelines and Standards**

The concept of culture impacting the perception of ethics is one that many businesspeople debate. While culture does impact business ethics, international companies operate in multiple countries and need a standard set of global operating guidelines.

Governments often do not enforce laws until it's politically expedient to do so. Take child labor, for example. Technically, companies operating in India or Pakistan are not permitted to use child labor in factories, mines, and other areas of hazardous employment. However, child labor is widespread in these countries due to deep-rooted social and economic challenges. Local governments are often unable and unwilling to enforce national rules and regulations. Companies and consumers who purchase goods made by children are often unaware that these practices remain unchecked

### **IV. The Evolution Of Ethics**

Ethics evolves over time. It is difficult for both companies and professionals to operate within one set of accepted standards or guidelines only to see them gradually evolve or change. For example, bribery has been an accepted business practice for centuries in Japan and Korea. When these nations adjusted their practices in order to enter the global system, the questionable practices became illegal. Hence a Korean businessman who engaged in bribery ten or twenty years ago may not do so today without finding himself on the other side of the law

Maintaining an ethical status is the responsibility of the manager of the business. "Managing ethical behavior is one of the most pervasive and complex problems facing business organizations today"

It's clear that changing values, as influenced by global media, and changing perceptions and cultures will impact global ethics. The most challenging aspect is that global business does not have a single definition of "fair" or "ethical." While culture influences the definitions of those ideas, many companies are forced to navigate this sensitive area very carefully, as it impacts both their bottom line and their reputations

### **V. Influential Factors on Business Ethics**

Many aspects of the work environment influence an individual's decision-making regarding ethics in the business world. When an individual is on the path of growing a company, many outside influences can pressure them to perform a certain way. The core of the person's performance in the workplace is rooted by their personal code of behavior.

The ethics of a company and its' individuals are heavily influenced by the state of their country. If a country is heavily plagued with poverty, large corporations continuously grow, but smaller companies begin to wither and are then forced to adapt and scavenge for any method of survival. As a result, the leadership of the company is often tempted to participate in unethical methods to obtain new business opportunities.

As a result, the leadership of the company is often tempted to participate in unethical methods to obtain new business opportunities. Additionally, Social Media is arguably the most influential factor in ethics. The immediate access to so much information and the opinions of millions highly influence people's behaviors. The desire to conform with what is portrayed as the norm often manipulates our idea of what is morally and ethically sound. Popular trends on social media and the instant gratification that is received from participating in such quickly distort people's ideas and decisions.

### **VI. Literature Review:**

In 1991, the Ethics & Compliance Officer Association —origin "Indian Philosophy and Business Ethics: A Review", by Chandrani Chattopadhyay, Hindus follow "Dharma" as Business Ethics and unethical business practices are termed "Adharma". Businessmen are supposed to maintain steady-mindedness, self-purification, non-violence, concentration, clarity and control over senses. Books like Bhagavat Gita and Arthashastra contribute a lot towards conduct of ethical business. The Ethics Officer Association (EOA)—was founded at the Center for Business Ethics at Bentley University as a professional association for ethics and compliance officers. Corporate scandals in the earlier 2000s increased the field's popularity. As of 2009, sixteen academic journals devoted to various business ethics issues existed, with Journal of Business Ethics and Business Ethics Quarterly considered the leaders.

### **VII. Conclusion:**

"The primary aim of business is not to earn profit but to serve people--the customers and society at large—to fulfill their needs!" Business ethics refers to contemporary organizational standards, principles, sets of values and norms that govern the actions and behavior of an individual in the business organization. Business ethics have two dimensions, normative business ethics or descriptive business ethics. As a corporate practice and a career specialization, the field is primarily normative. Academics attempting to understand business

behavior employ descriptive methods. The range and quantity of business ethical issues reflects the interaction of profit-maximizing behavior with non-economic concerns.

Ethics is not definable, is not implementable, because it is not conscious; it involves not only our thinking, but also our feeling

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