

# LIVING ETHICAL IS A JOURNEY TO CORPORATE SUCCESS

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**Abstract—** At the present time, governments and stakeholders in business organizations are emphasizing on the code of business ethics. Business ethics managers also do not deny the importance of having a code of business ethics to be complied with by the employees of business organizations. The paper introduces business ethics and why they are important to an organisation and shows different paths to companies to be successful. Models for business ethics were designed and explained. The procedure for implementing the ethics adopted is also discussed.

## KEY WORDS

Customer loyalty, Ethics, Honesty, Integrity

## I. INTRODUCTION

Ethics are moral philosophies involving systematizing, defending and wrong conduct, often addressing disputes of moral diversity. The term 'business ethics' came into common use in the United States in the early 1970s. Business ethics include the rights and duties between a company and its employees, suppliers, customers and neighbours, its fiduciary responsibility to its shareholders. Issues concerning relations between different companies include hostile take-overs and industrial espionage. Related issues include corporate governance, entrepreneurship, political; legal issues such as the ethical debate over introducing a crime of corporate manslaughter and the marketing of corporations' ethics policies. As time passes norms evolve, causing accepted behaviours to become objectionable. The Society for Business Ethics was started in 1980.

## II. WHY ETHICAL BEHAVIOUR?

Building Customer Loyalty is one of the keys to long-range business success because serving an existing customer doesn't involve marketing cost, as does acquiring a new one. A company's reputation for ethical behaviour can help it create a more positive image in the marketplace, which can bring in new customers through word-of-mouth referrals.

Retaining Good Employees at all levels of an organization. Companies who are fair and open in their dealings with

employees have a better chance of employees' who do not believe the compensation methodology is fair are often not as dedicated to their jobs as they could be.

Positive Work Environment is developed through positive relationships with co-workers. Their supervisors trust them with confidential information and they are often given more autonomy as a result. An extreme case of poor ethics is employee theft. In some industries, this can cost the business a significant amount of money, such as restaurants whose employees steal food from the storage locker or freezer.

Avoiding Legal Problems and penalties, including legal fees and fines or sanctions by governmental agencies. The resulting negative publicity can cause long-range damage to the company's reputation that is even more costly than the legal fees or fines. Companies that maintain the highest ethical standards take the time to train every member of the organization about the conduct that is expected of them.

## III. ETHICAL WAYS TO BE SUCCESSFUL

Honesty is true today more than ever. Employee manuals from most scandalized corporations are likely to contain slogans touting its commitment to honesty. Claiming to be honest in an employee manual is passé. An employee either honest or not. Even if employees haven't got caught

Responsibility-Blaming others, claiming victimhood, or passing the buck may solve short-term crises, but refusal to take responsibility erodes respect and cohesion in an organization. Ethical people take responsibility for their actions. Likewise, actions show the ability to be responsible both in the little and big things.

Quality should be more than making the best product, but should extend to every aspect of our work. A person who recognizes quality and strives for it daily has a profound sense of self-respect, pride in accomplishment, and attentiveness that affects everything. From memos to presentations, everything we touch should communicate professionalism and quality.

Trust is hard to earn and even harder to get back when lost. Everyone who comes in contact with a company must have trust and confidence in how they do business.

Respect is more than a feeling, but a demonstration of honour, value, and reverence for something or someone. This extends to laws, the people we work with, the company and its assets, and ourselves.

- Teamwork is a business necessity to work openly and supportively in teams whether formal or informal.
- Leadership through managers and executives uphold the ethical standards for the entire organization. A leader is out front providing an example that others will follow.
- Corporate Citizenship, a foundational principle for every company should be to provide a safe workplace, to protect the environment, and to become good citizens in the community.
- Shareholder Value without profitability, there is no company. Every employee should understand how he or she fits into the profitability picture. Everyone's common goal should be to build a strong, profitable company that will last.

#### IV. BUSINESS ETHICAL MODELS

Model 1 - Every business organization must have a code of business ethics and the code must specify the contents of ethics. These ethical contents are crucial for every business organization, because the implementation and practice of the ethical contents can ensure customer satisfaction and loyalty. When customers are satisfied, they will buy more and more products from the business organization and as a result the profit will increase. Model 2 - In a company or organization ethical practice can be maintained if there is either strong code of ethics which is strongly applied. For a bureaucratic organization, the strong code of ethics is accelerated from the top management that creates an ethical workplace environment. However, ethical practice generates customer satisfaction for internal customers as well as external customers. Internal customers are the employees of the organization such as employees from other departments who are considered as internal customers and principally they break down departmental barriers. If internal customers are happy and satisfied with the ethical practice within the organization, they will think that they are treated equally and that there is no discrimination in the organization. Fundamentally, this type of thinking and feelings ensure the proper rights of the employees and finally they feel satisfied. Unlike internal customers, external customers may not be a part of the organization, but they are affected by the organization's actions.

#### V. IMPLEMENTATION OF ETHICS ADOPTED

First, management must lead by example. Good ethics should be most noticeable at the top. Every employee must be accountable to the same rules.

Second, a corporate values or ethics initiative must be "sold" and "marketed" aggressively throughout a company.

Every forum and medium should be used to spread the good message. Of course, it will only be credible if the company is practicing what it preaches.

Third, training must be provided to get everyone on the same page. It's easy to ignore a motivational speech or pass by a poster, but spending time learning about the issues will have a lasting impact.

Fourth, ethics audit be conducted prior to implementing an ethics initiative as one can analyse the organisation's environment in order to determine the current behaviour and operations within the organisation. An ethics audit will also highlight certain problem areas that may require special attention from the ethics coordinator. These audits are intended to review 'ethics initiatives such as codes of conduct, hotlines and ethics training programmes' After training, regular evaluations can be conducted to ensure that employees are retaining what they have learnt and transferring it to the workplace. Regular audits of the ethics programme should be completed in order to determine the success of the ethics initiative. Regular audits will also highlight the benefits of the ethics programme to management, thereby ensuring continued resources.

Fifth, reward structures framed for organisational members who contribute to the and defining relational expectations. The goal of an ethical organizational culture is the greater good of all. Internal relationships between leaders and followers, as well as external relationships with clients, customers, vendors and the community are all prized. As a result, people are treated well consistently and an ethical culture emerges.

Beyond Responsibility and Priority to Opportunity-A great opportunity awaits organizations alert to the potential of ethical values in shaping the future. Society's desperate need for an ethical culture is every organization's opportunity to influence social culture, through the institutionalization of ethical values. When this occurs, communities benefit from the positive influences employees take from their workplace back to families, friends and associates.

Values-Based Culture - In the 21st century, ethics is neither a luxury nor an option. More than competence, experience, intelligence and drive.

#### VI. CONCLUSION

Many organizations are aware of the critical need for ethics in their cultural fabric. However, there is still a great deal of room for improvement. First, organizations must see ethics as a social responsibility to which they are obligated. No matter how cleverly done, hurting others for personal gain is unacceptable. Next, ethics will only find its proper place in organizations that make it a priority by creating relational expectations that work for the good of everyone. Finally, the best organizations will seize the opportunity to shape the future by influencing culture through implementation.

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