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“Business Ethics and Golden Rule of Ethics”

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Abstract :-

- *Ethics means it is a study of what is right or good for human beings or mankind.*
- *Business ethics means it is a study of what is right and good in a business setting.*

Ethical fundamentalism person looking for a central authority or a set of rules designed to guide person in ethical decision making.

Business ethics defines the philosophy of enterprise, business, etc. It also explains the fundamental purpose of the enterprise, company. While maximizing the profits of the organization, it is necessary to consider the other concerned persons profitability. The ‘corporate persons’ are legally entitled to the rights and liabilities due to citizens as persons.

Ethics can be defined as the study of what is good or right for human beings. It is the branch of applied ethics. It seeks to understand the moral issues that arise from business practices, institution, and decision making and their relationship to generalized human values. It serves as the foundation for ethical solutions to the difficult situations people encounter in life.

Economist Milton Friedman writes that corporate executives’ “responsibility... generally will be to make as much money as possible while conforming to their basic rules of the society, both those embodied in law and those embodied in ethical custom”. Friedman also said, “the only entities who can have responsibilities are individuals ... A business cannot have responsibilities. So the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is, no, they do not.”

Ethical issues include the rights and duties between a company and its employees, suppliers, customers and neighbors, its fiduciary responsibility to its shareholders. Issues concerning relations between different companies include hostile take-overs and industrial espionage. Related issues include corporate governance; corporate social entrepreneurship; political contributions; legal issues such as the ethical debate over introducing a crime of corporate manslaughter; and the marketing of corporations’ ethics policies.

A) Introduction :-

Ethics can be defined as the study of what is good or right for human beings. It also further explains that what person ought to do?, what goals they should pursue? It is the branch of applied ethics. It seeks to understand the moral issues that arise from business practices, institution, and decision making and their relationship to generalized human values.

Business ethics, as a branch of applied ethics, is the study and determination of what is right and good in business settings. Business ethics seeks to understand the moral issues that arise from business practices, institutions, and decision making and their relationship to generalized human values. Unlike legal analyses, analyses of ethics have no central authority, such as courts or legislatures, upon which to rely; nor do they follow clear-cut, universal standards. There are some inherent limitations; it still may be possible to make meaningful ethical judgments. From developing ethical decision making, it is important to understand how other people have approached the task.

The author Lynn Fountain, CPA, CGMA, Fountain GRC LLC defines as Business Ethics as,
Everyone is responsible

Tone at the top is essential

Honesty is still the best policy

Integrity can be a measure of ethics

Corporate responsibility & communication must be prevalent

Silence is not acceptable.

Ethical Theories:-

It serves as the foundation for ethical solutions to the difficult situations people encounter in life. As there is no firm method of for making decisions, people are in search of ethical judgments. In earlier times, some thinkers analogized the discovery of ethical principles with the help of derivation of mathematical proofs. It is also required that to discover fundamental ethical rules by applying careful reasoning a priori. It is also finalized that although careful reasoning and deep thought assist substantially in moral reasoning, experience reveals that the complexities of the world defeat most attempts to fashion precise, a priori guidelines.

It is also proved that a review of the most significant ethical theories is useful in the analysis of issues of business ethics.

Ethical Fundamentalism:-

This theory does not permit people to determine right and wrong for themselves. A person must choose the action for the betterment of the society. This means the person must thing betterment of the society first.

Individuals look to a central authority or set of rules to guide them in ethical decision making. Some look to the Bible; others look to the Koran or the writings of Karl Marx or to any number of living or deceased prophets. The essential characteristic of this approach is reliance upon a central repository of wisdom. In some cases, such reliance is total. In others, followers of a religion or a spiritual leader may believe that all members of the group are obligated to assess moral dilemmas independently, according to each person's understanding of the dictates of the fundamental principles.

Social Ethics:-

It is a set of rules or guidelines which are depend upon ethical choices and values. Also mostly rules are unspoken and instead expected to e followed. Here individual is accountable for fulfilling their civic duty. Also it provides the guidelines which regulate corporate welfare within a society.

Social Ethics Theories assert that special obligations arise from the social nature of human beings. Such theories focus not only on each person's obligations to other members of society but also on the individual's rights and obligations within the society. For example, social egalitarians believe that society should provide each person with equal amounts of goods and services regardless of the contribution each makes to increase society's wealth.

To understand the ethics it is necessary to learn golden rule of ethics which are as follows:-

Golden Rule Of Ethics

The following are the forms of the golden rule in ethics. Each of these forms the basis of all human values. These are the core values to change one *first*.

1. Everything you want others to do to you, you shall do to others.

2. Do not do to others that which you do not wish them to do to you.
3. Do not do anything to others that if done to you, would cause harm to you.

Values V/S Skills

1. To 'become', we need values. To 'do', we need skills.
 2. 'Becoming' (needing values) must precede 'doing' (needing skills). Values should act as the basis of the skills acquired.
 3. Values are the means of perfection. Skills must have sound system of values as the base. Otherwise, one can manipulate skills for ulterior motives.
 4. Values are internal, dealing with internal development of a person, purifying mind and heart. Skills on the other hand only make a person proficient. Values are the means of perfection of personality.
 5. The field of values is governed by union, holism and relatedness. More often than not, skills are used to bring about division, fragmentation and separation.
 6. Values bring about excellence and universal good. Skills see us through mechanics of management.
 7. Skills are not enduring, values are.
 8. Skills change with passage of time. Policy is flexible, principles and values are not.
- We have permanent fundamental values.

“Skills must pass through the corridors of values and the corridors have to be kept not dark and untidy, but well lit and clean.”

The discussion in no way speaks against acquiring skills but tries to guard against *only* acquiring skills, as the matrix above testifies. Of course, the discussion in no uncertain terms makes it clear that values are more important than skills.

Value-Oriented Holistic Management

The etymological root of the term 'holism' or 'holistic' is the Latin word 'holon' meaning total, whole or integrated as opposed to fragmented or splintered. It is generally used to mean 'a total view'. It can be looked from the following two approaches:(a) A 'Rational' approach, involving a process of 'aggregation'(b) A 'Perceptive' approach involving a process of 'synthesis'

Indianizing Total Quality Management

Sashkin and Kiser have defined TQM as “Creating an organizational culture committed to the continuous improvement of skills, teamwork, processes, product and service quality, and customer satisfaction”. TQM stresses three principles: customer satisfaction, employee involvement, and continuous improvements in quality, which some refer to as the *quality trilogy*. TQM is also said to be based on four fundamental commitments:

1. Commitment to the customer's total satisfaction
2. Commitment to understanding and improving the organization's processes
3. Commitment to employee improvement
4. Commitment to data-based decision making

Conclusions :-From the present study it concludes that,

- a) *It is a study of what is right or good for human beings or mankind.*
- b) *It is a study of what is right and good in a business setting.*
- c) *It is a set of rules designed to guide person in ethical decision making.*

- d) Business Ethics applies to all aspects of business conduct and it is relevant to all the persons and also relevant to the whole organization.
- e) It is the study of proper business policies and practices.
- f) The business ethics guides the way a business behaves.
- g) It is kind of written and unwritten principles and values that govern decisions and actions within companies.

Golden Rule Of Ethics:- The following are the forms of the golden rule in ethics. Each of these forms the basis of all human values. These are the core values to change one *first*.

1. Everything you want others to do to you, you shall do to others.
2. Do not do to others that which you do not wish them to do to you.
3. Do not do anything to others that if done to you, would cause harm to you.

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