

## **A Study on Ethical Implications in Different Business**

### **Functional Applications**

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#### **Abstract**

Business ethics is dealing with the judgment revolves around right or wrong, good or bad. Besides every business people need to conduct their business operations without any impartial treatment of one with another. This research paper focuses on different form of ethical implications under various functional areas such as marketing, human resources, production, systems etc. Any business has to consider all aspects of ethical practices in order to survive in the competitive market place. There are number of theories focuses on ethical form of functional applications to satisfy the stakeholders at large. The customer are the backbone for any business operations, hence the business need to be fair and loyal with their target audience. Corporate social responsibility (CSR) plays vital role in attaining sustainable position in the market.

Besides different functional heads need to realize the value of ethical implications in their business strategies and practices.

**Keywords:** Judgment, impartial treatment, functional areas, stakeholders.

### **I-Introduction to Ethical business**

Business ethics is the study of values of a person or group. It covers the concept and responsibility of employment. It also covers the business situation, activities, and decisions where issues of right and wrong are addressed strategically or financially. Ethical practices are applicable to government organizations, charities and other organizations. Organizations understand themselves that being ethical is good for business, inside the organizations with employees as well as to gain some profit.

Business ethics clearly states the rules and regulations that acceptable code of conduct in the field of business. There are many causes to interpret and develop the effective ways to manage ethical business. Ethical business seeks to promote honesty, fairness and responsibility in all aspects of transactions. It is a set of guidelines to assist companies as they evaluate barriers existing and new business strategies. Organizations have realized greatly that ethical as a way to develop a sense of trust among their stakeholders and it reflects positively on the entire spectrum of operations.

Business ethics is the study of various situations, tasks and decisions regarding issues of good, bad, right and wrong are identified. In simple words, ethical business is ethical responsibility of business people and ensures that they are not carry out any dealings against the ethical practices.

### **II-Review of literature**

Research suggests that recent years have seen a change in consumption preference of Indian consumers that consequently may affect their value. Consumer protection act

implemented in the year 1986 has regulations which are disciplinary in nature where as any person entrepreneur who deceives or cause damage through unfair practices.

Advertising is a multi core industry in India and is poised to grow at close to 9% during 2011. What we need along this growth is a regulatory body that sees that the information conveyed through the advertisement actually speaks about the product or service to an extent of 90%. The commission for women is also pressing the government of India to bring advertisement and such media practices under the ambit of law by proposing amendments to the prohibition of Indecent Representation of women and children Act 1965. But the all powerful corporate houses use their lobbying technique to dilute such amendment to the extent possible. Let us hope that good sense prevails over those corporate house because a stronger economy cannot be built without strong ethics in business (2011)

In a study by (Sujata and Bhawna, 2012) it was seen that television commercials alone are a playing very crucial role in influencing the buyers specially who are teenagers and young. Such commercials influence the purchase decision of these immature minds to such an extent that they stick to brands shown in commercials with the belief that it would provide the same prestige, satisfaction and joy.

In a study it was seen that alcohol manufactures continue to allure youth and a rise in number is seen in the consumption among youth. The voluntary to 30% resulted in substantially lower number of alcohol ads in magazines according to the center. Meanwhile, the number of alcohol commercials increased, especially on cable channels. More than half of commercials watched by youth featured one of 12 brands (Jenna Jhonson, 2013)

### **III- Ethical Implications in Marketing**

Recently many organizations identified the value of practicing in an ethical manner and feature following ethical standards with their stakeholders especially with the customers. By adopting different marketing practices in par with ethical principles which immensely helps the

organization to elevate their position in the society at large. The organization also carefully look after the ethical implications in all form of marketing mix (i.e.) product, price, place, promotion, people, process, physical evidence, preload, post load etc. Besides various sales promotional tools and techniques also to be carried out with the carefully considering the principles of ethics. Right product, right price, right place, right promotional technique need to be incorporated by the marketers at the time of market their products and services.

It is the responsibility of marketing manager to formulate, develop and practice/implement the ethical rules and regulations for the benefit of individuals and business at large. There are different ethical code of conduct and principles such as honesty, integrity, fairness and loyalty to be considered by the business people towards the customers. Nowadays the success of marketing of products and services depends greatly on how the organizations initiate and adopting the ethical contributions to the society. There are advantages and disadvantages in ethical marketing. Unethical marketing is also black hat marketing. It is not against the law there are many organizations who implements unethical advertisement to gain the market for them. Similarly unethical advertising doesn't guarantee higher sales and or lower advertising cost.

The following are the sort of guidelines which highlights the ethical implications in marketing. Reliability in terms of standard of truth to be followed in marketing channels of communications. It is also the responsibility of business not to intrude the privacy of customers. Fair and affordable price to be fixed and followed by the marketers. Advertising should not cheat the customers in the form of giving fake information about the products and services. The marketing managers need to discuss openly about the ethical decisions with subordinates and solicit their active support in this regard. Transparency and open communication to be followed in all levels of ethical implications. The rules and regulations which were framed by the government need to be strictly practiced relevant to marketing of products and services.

Exaggerated form of giving information and falsified releasing of news has to be avoided by the business people.

The success or failure of any organization depends greatly on how they are practicing ethical business that decides the long term ever lasting relationships between the organization and the customers. Steps to be taken properly by the marketing managers with respect to successful execution of ethical behavior of the organization. It is difficult for any organization to completely implement ethical practices all at once but gradual, incremental processes relevant to ethical practices which take the organization to a higher level.

#### **IV- Ethical Implications in HRM**

The organization has to treat all employees with dignity and respect. In present scenario, employees are considered as an asset who contributes a lot for the development of an organization. HR policies and practices are to be fair and equitable and impartial in all aspects. Employees are also to be paid based on the contribution of work performance, what sort of training to be imparted under different parameters, how they are disciplined in organizational principles etc to be given utmost importance. More over the management also taken considerable measures in right perspective for the development of employees with reasonable grounds. Besides the skills, knowledge and ability of employees have to be identified by the management and recognized properly. It is also the responsibility of management to maintain conducive environment which greatly decides the productivity.

#### **V- Ethical Implications in Production**

Ethics in production is a subset of business ethic in order to ensure production function or activities are not damaging to the consumer or the society. In order to survive in the competitive environment all types of industries try to reduce the costs involved in production processes. This cost efficiency is sometimes achieved through the applications of ethical principles.

There are certain processes involved in the production of goods and a slight error in the same can degrade the quality severely. In certain products the danger is greater i.e. a slight error can reduce the quality and increase the danger associated with consumption or usage of the same exponentially. The dilemma therefore lies in defining the degree of permissibility, which in turn depends on a number of factors. Bhopal gas tragedy is one example where the poisonous gas got leaked out due to negligence on the part of the management. Usually many manufactures are involved in the production of same good. They may use similar or dissimilar technologies for the same. Setting a standard in case of dissimilar technologies is often very difficult. There are many other factors that contribute to the dilemma, for example, the involvement of the manpower, the working conditions, the raw material used etc. Social perceptions also create an impasse sometimes. For example the use of some fertilizer by cola companies in India recently created a national debate. The same cold drinks which were consumed till yesterday became noxious today because of a change in the social perception that the drinks are not fit for consumption.

#### **VI- Ethical Implications in Systems**

With the advent of internet technology the world has got interconnected and data can be accessed remotely by those who are otherwise unauthorized to do the same. There are manifold implications here, be it things like computer security or viruses, Trojans, spam's that invade the privacy of people. Nowadays data storage is primarily on computer systems. This is one of the pitfalls of innovation. The other one i.e. the pace of technological change also raises the question of ethics. New products make their way and leave the existing ones obsolete. Infact technological change and innovation is at the heart of consumerism, which is bad for economy and environment in general. The recent economic downturn makes up for a very good example. Increasingly technological products are adding up to environmental degradation. Computer screens, keywords, the ink used in the printers are some of the ways in which technology is polluting the environment. All these produce toxins that can not be decomposed easily. The other

major issue in technology that brings in ethics is interface between technology and the computers. Care to be taken by all business people at the time of adopting the latest technology practices at large.

### **VII- Recommendations**

In order to achieve the ethical implications in every business, organization need to understand the importance of ethical framework in all aspects. Awareness have to be created by the management towards the benefits to be received through the ethical implications in every spheres of processes, functions etc in an organization both internally and externally. Besides at the time of implementing ethical strategies there may be many issues that confronted by the management but the organization gets more reputation in the society only when they properly follows the ethical principles.

### **VIII- Conclusion**

Ethics is universally accepted principles, norms, regulations which are practiced by the business at large. In present scenario, applying the concepts and strategies of ethics is paramount importance by any organization at large. This is the responsibility of corporate towards fulfilling the requirements of different stakeholders and the society. There are many benefits that an organization receives through systematically create and apply the ethical standards and analyze in terms of good or bad, right or wrong perspectives. The success of any organization depends greatly on the level of ethical guidelines followed by every stage of their processes.

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