

Article

A CONCEPTUAL ANALYSIS OF ETHICAL CHALLENGES TO BUSINESSES IN AN ERA OF GLOBALIZATION

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Introduction: This article deals with the study of ethical challenges and dilemmas that have caught the attention of academicians and researchers globally as a result of the unethical acts of many renowned businesses around the world. Ethics is a highly researched but little understood concept. Globalization has only added to this complexity. This research is an attempt to scrutinize the concept of ethics in business context, understand the varying layer, shades and dilemmas of ethics over space and time : a concept that is applicable globally, but varies locally. The aim of the investigation is to assess why despite such emphasis on ethical standards in business, unethical behavior is rampant.

Materials and methods: In the course of research, the authors track the evolution of the philosophy and concept of Ethics in various religions like Hinduism, Buddhism and the western world- up to the present times as we understand, practice and teach it today in business context.

Results of the study: The study finds that the reason for the current ethical challenge lies in the myopic view towards the concept of business and its goals as well as in the emphasis on understanding ethics as an externally taught or externally imposed behaviour instead of an internally inculcated character.

Discussion and Conclusion: For ethical business to be effective, the study concludes that it needs to become an innate part of the character of a person and organizations which through a supportive and nurturing environment, including the leadership, can internalize it in all aspects of life. Superficial attempts to showcase ethical conduct or enforce it through materialistic incentives will have only shallow and cosmetic results. Any ethical construct or system can not exist and persist in piecemeal and isolation. It needs to be all pervasive and inherent.



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Introduction

Ethics is a branch of philosophy that attempt to discuss virtue and morality, and answer questions about what makes a behavior "right" or "wrong". It seeks to define the standards of behavior that are acceptable in a society and the proper way for people to conduct themselves. It addresses the concept of morals and virtues and differentiates between the concept of good and bad, right and wrong, justice and injustice. Ethics does not just impact every field of a human being's interaction in society it also impacts the individuals themselves by fostering a satisfied and blissful life. Ethical behaviour is the foundation on which a civilized society exists and thrives. If there was no concept of Ethics, probable civilized societies wouldn't exist. To this end Ethics are the anchors of a civic coexistence. The origins of ethics can be traced in religion and philosophy and even in the laws of nature. A lot of scientific study has been conducted on the subject of political theory relating to ethical norms created in society, however ethics remain a contentious issue.

Business ethics is a branch of applied ethics that studies the moral dimensions of commercial activity, frequently but not exclusively with respect to corporations.... As an academic discipline, business ethics informs various practically oriented approaches to understanding and improving business behaviour and management, including corporate social responsibility, corporate citizenship, and stakeholder management (Britannica, T. 2019). A survey of 195 leaders from more than 30 global organizations suggests that among the five major themes of competencies that strong leaders exhibit: High ethical standards and providing a safe environment is the most highly rated attribute (Giles S., 2016). In a globalized world, well informed and conscientious citizens expect companies to take responsibility for their unethical acts on one hand and contribute to social justice and ecological conservation together with economic development on the other. Therefore the intermittent news of corporate wrongdoing quickly catch attention worldwide causing economics as well as image and morale damage.

Study

History of ethics

Ethics is by not a recent concept. The code of conduct has existed from the time human beings organized themselves into groups to thrive and prosper and societies emerged. For the an-

cient Greeks, the code of moral correctness was represented by the epics. Writers like Homer sang the praises of virtuous men, holding such characters up as paradigms of virtuous action (Downs. et al. 2012). In ancient India the epics like Vedas and Upnishads outlined the importance of Dharma, the rule of moral order. The sanskrit verses:

Sarve bhavantu sukhinah, sarve santu niramayah

Sarve bhadrani pashyantu, makashchit dukha bhagabhavet

(May all be happy may all be free from debilitation, may all experience goodness may none experience suffering) underlines the Vedic approach to ethics.

"The individual's life is not a means to the satisfaction of his personal desires, but is a trust for humanity" (Radhakrishnan, S. 1914).

The Vedanta philosophy outlined the practical and spiritual aspect of ethics. Morality was considered the basis for all social conduct and behaviour. A high moral life was to be a norm and not exemplary.

The philosophers showed the path to peace and progress of humanity, not only by laying down the theoretical ideas, but by actually applying truth in their practical life, not by imagining or theorizing, but by realising the reality (Sharma I.C., 1965).

Ramayana and Mahabharata served as the guiding force in individual's life situations when faced with an ethical dilemma.... Mahabharata is an exposition of dharma(code of conduct), including the proper conduct of a king, of a warrior, of an individual living in times of calamity, and of a person seeking to attain moksha.... (Doniger, W. 2022).

This Vedantic ideal of love, fellowship, and self-sacrifice is not the vain fancy of a dreaming poet sighing after an impossible Utopia, but is the logical outcome of a rational reflection upon man's place in the cosmos. "The individual's life is not a means to the satisfaction of his personal desires, but is a trust for humanity" (Radhakrishnan S., 1914).

The western philosophy points to Socrates as the starting point of a long tradition in philosophical ethics. His views that virtue is a sort of knowledge and that virtue is all one needs to be happy, shaped the western concept of Ethics.

Further came the Platonic moral psychology and his concept of tripartite division of the soul, Aristotle's moral naturalism and eudaimonism which over decades shaped the moral philosophy of west. The Hellenistic Stoic theory of moral development taught that the goal of life was to live in accordance with Nature and

propagated the development of self-control and fortitude as a means of overcoming destructive emotions.

Confucianism (500 BC) developed as a philosophy and moral guide in China with its concepts of *jen* (humanity and love of others) and *li* (propriety). Together, these two virtues create a highly cultivated and disciplined person who behaves properly in every situation and who is motivated by deep care and empathy for people. This person is the *junzi*, or superior person (Carroll J., 2018).

Hinduism saw the path to *moksha* (freedom from the cycle of rebirth and suffering) through *punya* (meaning morally meritorious). It emphasized the effect of good *karma* (deeds) on the consequential betterment of life, happiness and *moksha* and the bad *karma* eventually resulting in pain and suffering.

Buddhism has essentially ethical principles based on virtues as Buddha extolled people to acquire traits such as truthfulness, righteousness, benevolence, compassion, sympathy, abstinence, patience, and purity (Subramanian, R., 2013).

With the emergence of monotheistic religions such as Judaism earlier and Christianity and Islam later, morals and values attained religious focus where people's behaviour and actions started to be influenced by the religious edicts. The earliest recorded code of ethics is found in the Tanakh and Talmud, the sacred scriptures of the Hebrews which were transcribed beginning in 1200 BCE (Downs JC, 2012) the Ten Commandments in Judaism and Christianity were the ethical code for all men which encouraged the followers to be loving, just, forgiving, and kind.

The 'reason' plays an important role in generating moral action and leading virtuous life. Leading virtuous life always springs from "life of reason" in Greek and Indian traditions. In Christianity and Jewish ethics, moral values originate from "divine command" not from human reason (IC Sharma I.C., 1965).

The ethical philosophy has changed over time to adjust to sociological shifts and as a response to socio-political changes. However, its basic aim still remains a cohesive society. Philosophers describe their ideal; the most functional and productive structure of society, thus laying out their best.

Theories of ethics

Ethical theories are broadly qualified into three: Teleological, Deontological and Virtue theory.

Teleological theories hold that actions are ethical if they produce positive consequences and best consequences are those that bring most happiness to maximum people. These theories include JS Mill's Utilitarianism. Utilitarianism is also known as consequentialism and it proposes that an action is as good as its consequences. It is good if it results in maximum good to maximum people. The focus here is on results of the actions.

Deontological theories, by contrast, hold that an action is right if it is based on principles and values that are inherently ethical. Immanuel Kant's ethical theory is an example of this as it states that an act is good if it follows some cardinal principles governing our duties. The focus here is on right actions and not on consequences.

Value theory like the Aristotle's moral theory propound that virtues help us to live a rational life and include qualities like truthfulness, courage, generosity and comradeship. Moral virtues can be thought of as habits acquired to exhibit proper balance or behaviour that does away with the extremes. This is called the golden mean between extremes (Subramanian, R., 2013).

Business ethics

The corporate Finance Institute defines Ethics as the moral principles that act as guidelines for the way a business conducts itself and its transactions. These set of organizational values or norms go beyond the legal requirements and govern the actions and decisions of members of any organization. In this context business ethics are discretionary.

Business is an integral part of a society which depends on the society as well as contributes to it. The concept of 'exchange' is inherent in the concept of business and this exchange needs to be beneficial for both the parties to be sustainable in the long run. Business ethics are therefore the wise principles and the consequential course of actions businesses adopt to achieve the greater good of society including the economy. The principles could relate to its basic existential question- why does the business exist in the first place? To serve its owner, its shareholders, its stakeholders, or the society?

Business Ethics have a normative and a descriptive dimension. From the point of the descriptive dimension it can be defined as the study of the ethical dimensions of the exchange of goods and services, and of the entities that offer goods and services for exchange (Moriarty, J., 2021). This includes study of ethical di-

mensions in all business related activities like Finance, Production, Marketing, Human Resource, Public Relations, Advertising and Sales.

Interest in Business Ethics, as a discipline has been constantly rising since the 1970s. The debacle of large organizations like Enron, Lehman Brothers, Satyam Computers, Kingfisher, Worldcom triggered the interest of the Business community and the academia alike to focus on this concept. Today Business Ethics is a flourishing sector of ethics and the quantity of research publications is astounding. However, it still is the most contentious and disputed area of discussion. The recent scams surrounding Volkswagen, Facebook, Twitter, FTX evoke a belief that the phrase 'Business Ethics' is no more than an oxymoron. The general perception that is firmly taking grounds in the minds of people is that business is a jungle and it has no relation to ethics. And probably this is the biggest challenge to business ethics. Moreover, this is spiraling into a storm that looks irreversible. Teaching Business ethics to business students and convincing them about the practicality and workability of ethics is witnessing more and more disbelief and wariness from the future business leaders. What could be more challenging than that? The general belief is that the society is loosing its grip on the morality in general, and as business entities are an integral part of the society and reflect the sentiment of the society, it is but natural to observe a corresponding decline in the ethical standards in the business conduct. In a world of consumerism where material possessions are the biggest indicators of success and money is the only richness that counts, values, principles and morals have taken a backseat. There is also a view which pushes the idea that the such scams and scandals by so called successful businesses are setting a wrong example for the others that they can default and get away with it. The dream corporations where the young business students aspire to make careers often end up in the news for some immoral management malfeasance- governance issues like fraud and corruption, legal issues like tax evasions, environmental disregard in form of greenhouse gas emissions or dumping of toxic wastes in third world countries; social crimes like child labor and labor exploitation. The paragons of success actually end up setting wrong examples to the future business leaders regarding what is success and how to achieve it? Also they raise a question "do ethics matter?" In today's interconnected business space, the tremors of one violation or irregularity in one corner of the world are felt all over the world. One wrong example set by the industry

leaders or business leaders leaves the society perplexed and the young generation confused.

Social media facilitates the spread and percolation of such information at unimaginable speed and the whole world seems to be moot-ing over the event. This reaction to the deviant behaviour of businesses is causing unprecedented ripples and reactions across the globe. So, unethical business are having far-reaching consequences. However, on the positive side, this widely applicable effect can also work as a deterrent for other businesses

This situation of consecutive and rampant ethical disasters in business throw up questions on the ethical standards of conducting business. Are they achievable? Is there a declining trend in ethical standards? Can it be overturned? The discussion below focuses on the challenges the current business ethical scenario faces and attempts to analyse it empirically.

1. What is the role of a manager in decision making: 'Managers in organizations face ethical issues every day of their working lives. There is seldom a decision they face that does not have an ethical dimension or facet to it (Jamnik A., 2011). One of the basic challenge that arise in a situation of ethical dilemma is the role that a manager seeks to take upon himself while resolving the dissonance regarding that decision. Should he act as an individual and hold true to his moral character or should he abide to being a part of a system/organization and focus on the corporate consequences of that decision. The situation becomes a dilemma when there are differences between the value system of the manager as an person and the corporate value system. In life we play different roles and wear different hats in different situations. The problem arises when these roles are in conflict with each other.

There are times when the manager is prompted to lie or hide the truth, exaggerate and indulge in various kind of bluff or deception when dealing with customers or negotiating with clients, suppliers, employees, government or partners. Very often, unethical behaviour begins with slight 'deviations' from the right path and later embolden into bolder actions aimed at 'making a kill'. Where should the line be drawn? If the decision is unethical, but benefits the company, should an individual executive close his eyes and take the decision?

Peter Drucker viewed this challenge very differently and looked at ethics as universal, or one set of rules of conduct that apply to all individuals and institutions alike. He did not see the need to define Business ethics as he believed

they are the same set of rules that apply to any situation in general life or in specific (business) situations. He believed the first responsibility was... Hippocratic oath of the Greek physician: *primum non nocere*—"Above all, not knowingly, to do harm" (Drucker P., 1974). As a leader, a manager also needs to act in a way that is ethical as others in the organization and society observe and follow his lead. So he needs autonomous decision making.

It is often the case when executives face a situation which can not be clearly called ethical or unethical. As between right and wrong is a troublesome gray region. All organizations have gray areas where the border between right and wrong behavior is blurred, but where a major part of organizational decision-making takes place (Bruhn, J.G., 2009). To win a deal or negotiate successfully is his professional responsibility. However if he is required to choose between divergent individual ethical code and the corporate interest, it creates a dilemma. Some might argue that the answer is easy to find: It is unethical behaviour to impose costs upon a third party that does not benefit (by an amount greater than the costs) from the action concerned (Peetz, D. 2019). In other words, if the decision externalizes the cost of any corporate action onto others in the external environment- it is causing them harm and therefore it is unethical. So, in case of dilemma, the base rule should simply be to decide and act in a way that does "no harm" to society while fulfilling his obligations. However, taken together, the research on individual versus organizational impacts on ethical behavior suggests that organizational context is an overriding influence on individual moral decisions made in organizations (Adams et. al. 2012). The ethical philosophies and values of management usually have a major impact on the ethical choices and behaviors of employees (Ghosh, D. 2008). But if the dissonance between the two ethical values is extreme, managers may go against the interests of the organization as in the case of many whistle blowers.

2. Theoretical or practical concept? It is very often when we hear that 'Business and Ethics are incompatible'. There is a 'cut throat competition' in business, and it's a jungle where only 'the fittest' survives. All such talks give an impression that Business is almost synonym with immoral. Ethics is originally a domain for philosophers. Philosophers talk in abstractness, generalize the dos and don'ts with ideological underpinning. It might be difficulty to apply them to day to day situations in the business world, because real life business situations are

very dynamic and unique and require the individual disposition of the manager. Business is specific and focused on achievement of goals, if it falls on ethics to make all decisions-it might not be successful as it will be very difficult to interpret the general rules and value codes, choose from among them the one that is effective in a particular situation and execute it. If there is a decision dilemma, the insistence on ethical decision might make the business and its profit making restricted, failing its very purpose.

This is the reason Carr put in that business, as practiced by individuals as well as by corporations, has the impersonal character of a game—a game that demands both special strategy and an understanding of its special ethics' (Carr, A.Z. 1968). He likened business to a game of poker that has rules different from the general social life. Therefore, he insists we cannot apply the rules of private life and ethics to business roles and decisions. However, we can not deny that even every game needs to be played within a framework of rules and to stick to those rule and play a fair game is morality.

Friedman conveys a similar trail of thought arguing that the social responsibility of business is actually the responsibility of the corporate executive who works as an employee of the owners of the business and therefore his responsibility is «to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom» (Friedman, M. 1970).

That is his moral high. In other words Freedman believed that Ethics can be practically applied but their domain will be different-business specific.

When an individual working in an organization in the capacity of an executive or manager, he needs to make decisions on the basis of his Dharma as an employee and not on the bases of his own principal construct. This distinction will help him fulfill his duty without being trapped in a dilemma.

3. Stockholders interest or stakeholders interest? A logical extension of the Friedman's logic would be that since the owners of business are the stockholders, therefore the business is obliged to benefit the owners and consequently, multi fiduciary relationship with stakeholders is not strategically a good idea. This is a very popular view supported by many economists like Peter Drucker who believed that it was most certainly unethical if a business did not show a profit at least equal to the cost of capital, because

failing to do so would be wasting society's resources. K. Goodpaster insists «it is one thing to say that giving standing to stakeholder in managerial reasoning is conceptually coherent. It is something else to say that it is practically coherent» (Goodpaster, Kenneth, E. 1991), and Tibor R. Machan agreed that the basic professional responsibility of corporate manager was to make the corporation profitable (Machan, T. R. 1994). It was a pure «capitalist» view which was more popular than the idea of looking beyond the stockholders, as a 'socialist' concept. This philosophy had a profound influence on the management of business enterprises for a long time. Driven by this philosophy probably, that Jeffrey Skilling, former CEO of Enron, communicated his priorities to employees: «profits at all costs» (Tracinski, 2002). As Sumantra Ghoshal puts it «a management theory – if it gains sufficient currency – changes the behaviors of managers who start acting in accordance with the theory» (Ghoshal, S. 2005). However, as the world of business became more complex over the last 50 years. The plethora of global problems threatening to disrupt market capitalism include issues from increased income inequality to weaknesses in the global financial system, inadequate government and international regulations to check corporate wrongdoings, alarming environmental degradation and climate change. As a result, many economists and philosophers have re-evaluated this concept and proposed that long term interest of an organization and its sustainability in a fiercely competitive market were best served if the organization and its managers looked beyond the profit maximization maxim for the «owners of business». Ghoshal asks, «If the value creation is achieved by combining the resources of both employees and shareholders, why should the value distribution favor only the latter? Why must the mainstream of our theory be premised on maximizing the returns to just one of these various contributors?». The different agents in the society like workers, suppliers, government, consumers contribute their own might to the successful running of the business, hence serving the interest of just stakeholders to the extreme in unjustified.

Bower, Leonard and Paine after interviewing global and business and government leaders in 2011 came to the conclusion that capitalism in its current form cannot survive much longer unless businesses take up the role of activists in society and emerge as leaders who propagate education and training as well as integration of migrants. "In short, we see a need for "business as leader". We believe that business- as an innovator and as an activist-must lead the kind

of (pervasive change that could improve the functioning of market capitalism". (Bower, J L., et.al. 2011)

As businesses are created with the aim of fulfilling the unsatisfied demands and needs of the society, their successful operations cannot be possible without the contribution of employees, customers, suppliers, communities, and governments besides the shareholders. Money is not the only valuable resource needed to run a business, there are other resources and their contributors to its success too. Therefore, the interests of these contributors are also important to address to and the society can not merely remain a source of money making for the business. It might make sense in short term economic view to just cater to the shareholders but, the long term perspective can not exist without considering the good of all its stakeholders.

4. *Business ethics: separate from general ethics?* Milton Friedman believed that there is nothing like "Business Ethics". He claimed that "a corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in this vague sense" (Friedman, M., 1970). He insisted that promoting social ends and arousing the social conscience of business was talking "socialism", (an ideology that went against the concept of free market). This view had many takers at that time and hence it instantly became popular. Peter Drucker held out that "there neither is a separate ethics of business, nor is one needed" (Drucker, P. 1974). He argued that the businessmen or managers are individuals and the moral code of conduct applies to them as much as to any other person in society. Their moral value system is based on their moral education from family or school. John Maxwell in his book "There's No Such Thing as "Business" Ethics" in 2003 also refuted the existence of Business Ethics, insisting that that there is no such thing as a separate realm of ethics for business insisting that our values and ethics are the same where ever we may be. The stress in all these arguments was somehow that as Business was not a living person, it was immune from ethical trial. Only managers could be held responsible for their decisions and conducts and not the Business. "Companies don't commit crimes, people do" (Anderson, J. 2002).

However, in times of extensive corruption and ethical lapse becoming common in business, many considered it misleading and even dangerous.

Ghoshal stressed that business organizations consists of people and are "legal person" and theories like that proposed by Friedman,

encourage them to free themselves from any sense of moral or ethical responsibility for their actions. David W. Gill went so far as to define Business Ethics as "serious ethical reflection on matters of right and wrong, good and bad, in the business context" and further stated strongly that dismissing the concept of 'Business Ethics' was harmful. In his book, he outlined Basic Business Ethics Standards as follows:

- An ethical organization does its best to know and obey the laws and regulations of its host societies.
- An ethical business complies with corporate and professional ethical standards.
- An ethical company does its best to respect the consciences and deeply-held values of its stakeholders.
- An ethical company treats others as it would like to be treated.
- An ethical company is able to be transparent and defend its actions in public.
- An ethical company acts responsibly to prevent serious harm to any of its stakeholders (Gill, D.W., 2011).

The first two are compliance criteria, the next three are beyond compliance and the last one is the bottom line criteria.

The challenge of separating Business from Ethics and making it a personal moral question seems to exempt the Businesses from taking any responsibility for any immoral conduct by the owner or an executive. In other word it propagates the concept that people can be immoral, but not organizations! Ghoshal calls this a theory that is destroying a good management practice as it encourages them to be amoral.

5. *Universal or relative?* This challenge has gained prominence with increasing globalization and internationalization of business activities. Confusion regarding the scope of applicability of ethics in general and business ethics in particular is like a black spot in the decision making of executives who handle international businesses. Many economists and experts of business conduct see Business ethics as universally the same concept and believe that ethics exist beyond culture, boundaries religion, race or gender. They suggest that lying, cheating, bribing, unfairness, injustice, dishonesty is immoral in every part of the world. The principals of good conduct are universal. Following can it be safely assumed that when local organizations spread their activities worldwide, they apply the same principles of ethical conduct world wide?

On the other hand, there are proponents of the theory of Ethical relativism that holds that 'morality is relative to the norms of one's

culture. That is, whether an action is right or wrong depends on the moral norms of the society in which it is practiced. The same action may be morally right in one society but be morally wrong in another' (Velasquez, M., 2012). Markkula Center for Applied Ethics they opine that there are no universal moral standards and therefore an action can be judged morally correct or incorrect against the moral standards of its society's practices.

The problem is that if we accept the concept of ethical relativism in context of business as well, it gives a long rope to ethical wrongdoing on one hand and it complicates the ethical conduct of global business on the other as it become difficult to work out a common framework for deciding the right action, resolving disputes or for reaching agreements on matters of global concern.

However, if we look closer at the two seemingly extreme viewpoints, they are actually supplementary to each other. On a deeper level, the concept of ethics is pan global but their practical understanding and interpretation may differ nationally or culturally. Take for example, the use of child labor in business. In some developed part of the world it is a horrendous idea and an illegal activity to use children in commercial activities as its believed that children need to learn, grow, be nurtured and child labor indicates their exploitation and snatching away of their childhood from them. In other parts of the world which have the same ethical value system but are economically weak, child labor is seen as allowing a child to survive by getting fed twice a day. Similarly, an ethical question arises when companies engage in corporate gift giving to clients, government officials and others related to their business as it is an accepted way of forming interpersonal relations in that part of the world, others firmly think of it as an underhand dealing. These cultural differences will remain and will throw up challenges for corporates and corporate leaders to understand the essence of ethics and the intentions behind an act rather than to just single mindlessly follow the ethical manifesto Ethics are culture and context specific.

6. *Can ethics be taught?* With the increase in the frequency of corporate scandals that reached the public eye globally, the question that arose was that do the business schools carry some responsibility for the unethical acts of their alumni students. Business schools felt the pressure to retro inspect and do something extra to avert such behaviors in future. One of the popular suggestion was to include Ethics

as a part of curriculum of business schools, to teach future corporate leaders about ethics and its importance. Anant Kumar Giri argues that all these pedagogic initiatives can help us to be more reflective about the predicament of ethics in our practice of management in particular and life in general (Giri, A. K. 1997).

He mentions the predicament of teaching Ethics in America and in India. Dr Max Price from the University of Cape Town insists that research on the effectiveness of teaching business ethics to university students is not very conclusive, nevertheless by setting the right examples through role modelling and creating an overall ethical environment around them for the years they are in the university can have a positive impact on their ethical reasoning. Ethics unlike other subjects are not just knowledge that could be taught in a classroom, but a belief system, a value system that is acquired through association and experience over years. How does the Business school reaffirm the moral character of a person positively and in a way that is long lasting? How do the future leaders be made to not just reflect ethically on their decisions but also to internalize the conviction to do the right despite challenges, to have the courage to stick to the morally correct action? There are some challenges. Ethics can be taught both theoretically and practically. As Socrates put it, anything that is known, can be taught. The moral principals can be taught, but how do we teach moralistic behaviour? How do the managers be made to internalize these values in their subconsciousness and practice. 'Making ethics and values a part of the management education curriculum is a simple solution, which is full of dilemmas because it does not address the crucial question of changing the personal value-systems of individuals' (Seth, NR. 1993). Moreover, teachers of Management might feel they themselves are not moralistic enough to teach such high ideals to others. After all, morals are something we learn from example. Does that mean that the teachers of Ethics need to always show an exceptional level of moral conduct in their own life? Otherwise they might not sound convincing enough.

The practical aspect of Ethics is that we observe around us - the exemplary conduct of business organizations and leaders who could be role models, could be discussed in classes and prove to be an effective and convincing way to impress upon the students of the advantages of high ethical standards in personal and professional decision making. However, from where do the institutes get these examples? What could be the sources? Moreover, the students

that come to study in business schools have already reached the level of post-conclusive level of moral development. Preaching them about everyday ethics in business dealings by academicians might not cut ice with them.

Surveys conducted by the Aspen Institute, a think tank, show that about 60% of new M.B.A. students view maximizing shareholder value as the primary responsibility of a company; that number rises to 69% by the time they reach the program's midpoint (Corn M., 2013).

In a corporate culture where contribution to the shareholder's value by an employees is what is considered as an indicator of his worth to the organization and cutting corners for short term gains is rampant, sustaining a level or moralistic decision making in the long run is a very daunting task unless it has a support system (including the corporate leadership, trainers and academicians) around it .

7. Corporate ethic policies: a visionary statement or a public relation exercise? It is common in recent times for most big and global companies in the west to have codes of ethics that are created, printed and published in all interfaces of the the company with the internal and external environment. Some corporate do it to adhere to the code of a professional/industry standards, minimize fines, attract more business, appear more professional or to achieve consistency in operations across hierarchy and boundaries. A code of ethics is a written, formal document consisting of moral standards and guidelines intended to help guide employee or corporate behavior (Schwartz, 2002). These codes of conduct on the one hand act as guidelines to the employees by outlining the expectations of the company with regard to their conduct towards suppliers, customers, other coworkers and society in general. On the other hand, they reflect the commitment of the company and its leadership towards right conduct and high moral standards. They serve as a public statement of what the company stands for. Codes of ethics are seen as an important tool in shaping ethical perceptions and judgments (Yallop, A & Mowatt, S., 2016). Some of these codes are detailed and lengthy while others are crisp and specific. Very often they are posted on the corporate websites, feature as a key component of employee handbooks and are displayed on the offices walls for employees to see and remember what the company cares about, its policies and priorities. However, it has been argued that many times these ethical codes become restricted to just a display for legal requirements and public consumption.

They appear to be more of an image building campaign rather than really impacting/ reflecting the company's conduct in terms of honesty and integrity.

The challenge emerges as one realizes that the real purpose of ethical codes is not just to create a good public image but to act as the stepping stone for creating and internalizing the ethical behaviour in a corporate decision making and conduct. The improvement in, sales, profit and reputation can not be the primary indicator of the effectiveness of the codes of conduct. "Codes of ethics could provide a moral compass by which individuals can self-monitor and regulate their behavior, resulting in increased consistency in ethical decision-making and actions" (Adams, J. S., et.al., 2001). And that is the real indicator of its effectiveness. "The degree to which an organization can be held to be ethical is dependent on its ability to create an ethical environment internally in its members' relationships with each other and with the organization itself, as well as externally in organizational members' relationships with others" (Yallop, A. & Mowatt, S. 2016).

However, Research studies examining the effectiveness of codes of conduct with regard to behavior also offer mixed results. Some studies have shown ethical codes to be effective; that is, they achieve their purpose while other researchers have found a weak or no relationship between these codes and ethical behavior, or otherwise argued against their effectiveness and utility (Giorgini V, et.al., 2015). The growing number and variety of ethical misconduct and violations occurring in business acumen imply that ethical codes of conduct and professional guidelines are probably not serving their purpose yet.

Another challenge to implementation of ethical policies and measuring their effectiveness is that there are no quantifiable measures. It is a matter of perception in the eyes of stakeholders. Whether an organization operates ethically religiously and propagates high ethical standards consistently over time and across departments is a matter of cognitive impression.

Conclusion

Ethical behaviour has always been a challenge to adhere to and maintain. However the consecutive high profile scams and scandals have in recent decades revived the debate on the falling moral ethics in Businesses. In addition, when there is a general degradation of morals in society, expecting high ethical standards from the businesses is unrealistic. The people

working in these companies are a part of the society and therefore their behaviour and conduct is a mere reflection of society's attitude towards ethics. The responsibility of maintaining a high standards of ethics in an overgrowing materialistic world in a daunting task. Nonetheless, world has come to a point where with the endlessly increasing selfishness of humans the sustainability of societies is questionable. Sustainable business is possible only in a sustainable world and that is possible through justified use of resources. So economically, it makes sense to invest in social welfare activities or corporate social responsibilities related to preserving the resources. However, for ethics to really prevail, it is important that the reason behind ethical actions in not economic but selfless. Any economic motivation for an ethical conduct is selfish and therefore not ethical. Yes, ends are important and means are important too but the motivation/ reason is also important. That is what makes the difference between "ethical to the core" or "pretending to be ethical".

Corporates are groups of individuals working to achieve some common goal. Therefore, corporates and individuals are both responsible for any moral violations in the corporation. After all, the acts of Corporate organizations are solely dependent on choices and actions of human individuals. It is these people who make all the decisions for these businesses. The Manager in an organization is individually responsible for any unethical decision that he takes either for his self interest or the interest of his employers, and it harms the society. However, the responsibility of this decision also lies with the leadership of the organization, because that is the source of organizational culture. Also, this is an indicator of the quality of leadership as leadership has the maximum responsibility for setting the right examples and is the primary bearer of moral duties and responsibilities. Therefore, it is important that the moral standards of the individuals are high at all levels and at all times and in all situations. Further, the organization also needs to own up their share of blame in any wrongdoing at any level. Very often unethical actions are accepted and apologized for only after being caught by outside agencies or called out by whistle blowers. This itself shows a low level of support to ethical behaviour in organizations. The society which is effected by the immoral behaviour is also to blame as it has instilled into an individual the value system which is weak.

Businesses can not maintain ethical behaviour in silos. This needs a conscious effort at all levels of the society to reflect into itself and

its ethical standards. Organisations are akin to humans in their growth and development of cognition. Organizations, like individuals, develop into collectivities of shared cognition and rationale, over a period of time' (Sridhar, B. S., & Camburn, A. (1993). They learn and evolve like individuals. Like individuals, organizations learn by encoding their inferences from history into routines that guide behavior (Levitt, B. and j. March: 1988). This learning is influenced by the society and its ethical standards. Over time through the process of socialization and reinforcement, this ethical value system permeates into the shared culture of the organization that transcends boundaries across organizations that are dispersed and diversified.

The core belief of giving to the society, thinking and doing good to others need be internalized and embedded in the conscience of organizations so deep that ethical behaviour becomes an instinct rather than a conscious decision. The code of ethics to be effective in real time and long term should not just remain a piece to impress or pushed on with fear or encouraged for the sake of material/ economic benefits, but a core belief system of the whole organization as one living, breathing structure.

If this happens, many challenges that have been highlighted in the discussion above will disappear automatically.

Regarding the teaching of ethics as a part of curriculum and its effect on future decisions of managers, ethical behaviour is a downward sloping slippery path with ethical behavior on top and unethical conduct on the downside. To keep up and maintain the ethical standards of humans a continuous reinforcement, revision, reminder is necessary. Therefore classroom can be effective as it will make students to look at their actions and decisions and the acts and decisions of others in the light of ethics. However, the learning can not be restricted to the classrooms alone as its effect will be short lived and restricted.

Finally, the fact that a society is actively observing and condemning unethical acts, the business gurus and academicians are actively discussing the ethical issues and their responsibilities and businesses are making efforts to address their ethical issues through various instrument like ethical training, CSR efforts and drawing up code of conduct itself is a positive and hopeful sign for the future.

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КОНЦЕПТУАЛЬНЫЙ АНАЛИЗ ЭТИЧЕСКИХ ВЫЗОВОВ ДЛЯ БИЗНЕСА В ЭРУ ГЛОБАЛИЗАЦИИ

Введение. Исследование посвящено изучению этических проблем и дилемм, которые привлекли внимание ученых и исследователей во всем мире в результате неэтичных действий многих известных предприятий во всем мире. Этика - это хорошо изученная, но мало понятная концепция. Глобализация только усложнила это понятие. Это исследование представляет собой попытку пересмотреть концепцию, особенно в деловом контексте, путем тщательного анализа различных уровней, оттенков и дилемм в понимании и восприятии этики в пространстве и времени: концепция, которая применима во всем мире, но варьируется на местном уровне. Целью исследования является оценка того почему, несмотря на акцент на этические стандарты в бизнесе, неэтичное поведение широко распространено.

Материалы и методы. В своем исследовании авторы изучили эволюцию проблемы с точ-

ки зрения философии и понятия этики в различных религиях, таких как индуизм, буддизм и религии западного мира, то как это понятие воспринимается, используется и преподносится в деловом мире.

Результаты исследования. В исследовании делается вывод о том, что трудности с восприятием этого явления заключаются в недальновидном взгляде на само понятие этики в бизнесе, а также делается упор на то, что это понятие рассматривается больше как внешний фактор, в то время как оно должно стать неотъемлемой частью бизнеса.

Обсуждение и заключение. Для того, чтобы этический бизнес был успешным, в статье делается вывод, что этический бизнес должен стать естественной чертой характера человека или организации через создание соответствующей среды, которая бы поддерживала и обучала этому

, например, через лидерство и была присуща всем аспектам жизни. Попытки, носящие поверхностный характер, предпринятые только лишь для демонстрации этического поведения или внедрения этического поведения посредством материальных стимулов, чаще всего бывают недолговечны и не имеют глубинного характера. Никакая этическая конструкция или система не способна существовать или продержаться, если этим вопросом занимаются урывками или изолированно. Этический бизнес должен стать всеобъемлющим и затрагивать все аспекты бизнеса.

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