

ETHICAL GRAY AREAS AND IMPLICATIONS: THEORIES AND APPROACHES OF PAST ERA

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Abstract

At the foundation of ethical behavior is a value system of truthfulness, accuracy, honesty and reasons are essential to the integrity of communication endorse freedom of expression, diversity of perspective and tolerance of dissent to achieve the informed and responsible decision making fundamental to a civil society .Ethical issues are bound to arise because communication plays a significant role in influencing others in any interactive ethics inevitably involves both motives and impacts. They are invisible commitments to the courageous expression of personal convictions in pursuit of fairness and justice .On the other side they condemn unethical interaction degrades individual and distortion of humanity , intolerance intimidation, coercion, hatred violence and threaten the quality of all type of communication .Every educated citizen must be sensitive to human situations and respond to them accordingly, because the chain of authority to whom they are dealing with, are ultimately human beings. In ancient theories of virtues can be divided into two kinds intellectual and moral. Arthashasthra stated that duty of manager to keep accounts complete and he/she should be subject to an audit for their clarity and truth .Akbar gave us something indispensable for regular ethical functioning clear and stable commercial set up .The British government gave India a complex but good system of rights, obligations, duties an operational framework, such as it was in Akbar's and Maurayan's time. The scriptures propound that every one of us has been endowed with an infinite wealth of moral, values and ethics, which will make it possible for each of us to achieve the highest goals in life and enable us to conquer the world.

Key Words: *Ethics, Arthashasthra, intolerance intimidation, Honesty, Accuracy.*

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- Mrs. Jyoti Jaiswal

INTRODUCTION

The senses say, 'myself first'. Ethics say, 'I must hold myself last'.

Ethics is a set of standards, or a code, or a value system, worked out for human reason and experience, by which free human actions are determined as ultimately right or wrong, good or evil. If an action agrees with these standards, it is ethical. Historically the 'equality of men' and 'right to freedom' is relatively new human 'goals'. The general goals have changed the ethical standards determining the right and wrong actions.

Education being a privilege of the elite till the 19th century, has become universal today. Democracy has ushered an era of liberty, equality and fraternity to most people in the world.

The 20th century man must have been sitting on a summit of happiness, happier than all his predecessors in human history. Man in today's world is very unhappy, lonely, anxious, depressed, insecure, quarrelsome, destructive and dependent. We have created a world of perpetual chaos and conflict with the looming challenges of environmental and other personal dilemmas. The strife and conflict has arisen, not because of science and technology, freedom or education, but because of imbalances of the mind and heart.

We neglected man entirely. We became intensively 'individualistic', caring for individual self, and not caring enough for others.

Management does not mean dealing across a table, but dealing with a living human being.

The subject of corporate ETHICS holds great significance in present time. Its relevance and urgency demands that it be taken up to a higher level of consciousness.

The first definition of social business ethics in India dates back to around 1000 to 1600 BC. In the Bhagavad Gita, Krishna laid down the rights and obligations about each one of us. Thus is similar to Roman law which 1300 years later laid down similar obligations, Like

concept of Aryan's and Krishna's concept of duties and personal satisfaction. In order to exploit the prospects, address the concerns and meet the stakeholders, expectations and values from the civilizations may be

Considered. For individual and institutions, including organizations. Indian tradition commends four main objectives, in the following ethical order :

- *Dharma* or the right path which will unload the family ,organizational and social fabric .
- *Arth*, the pursuit ,creation and acquisition of wealth .
- *Kama*, the fulfillment of all legitimate desires and enjoyment of all socially sanctioned pleasures .
- *Moksha*, seeking release, transcendence and liberation from mundane pursuits and repetitive cycle of pleasure and pain .

As the entire world population is turned into global workforce, it is important for businesses to follow Dharma, because it is extremely difficult to do work for work's sake

Ethics are basically all from Dharma

. The key challenges to operations managers can be summarized as globalization, social responsibility, environmental responsibility, and new technological developments. This research-paper illustrates the interdependencies between these

all aspects.

THE INDIAN PERSPECTIVE :Ethical and spiritual values only can provide a sure basis for a creative social order paving the way for the integrity of India.

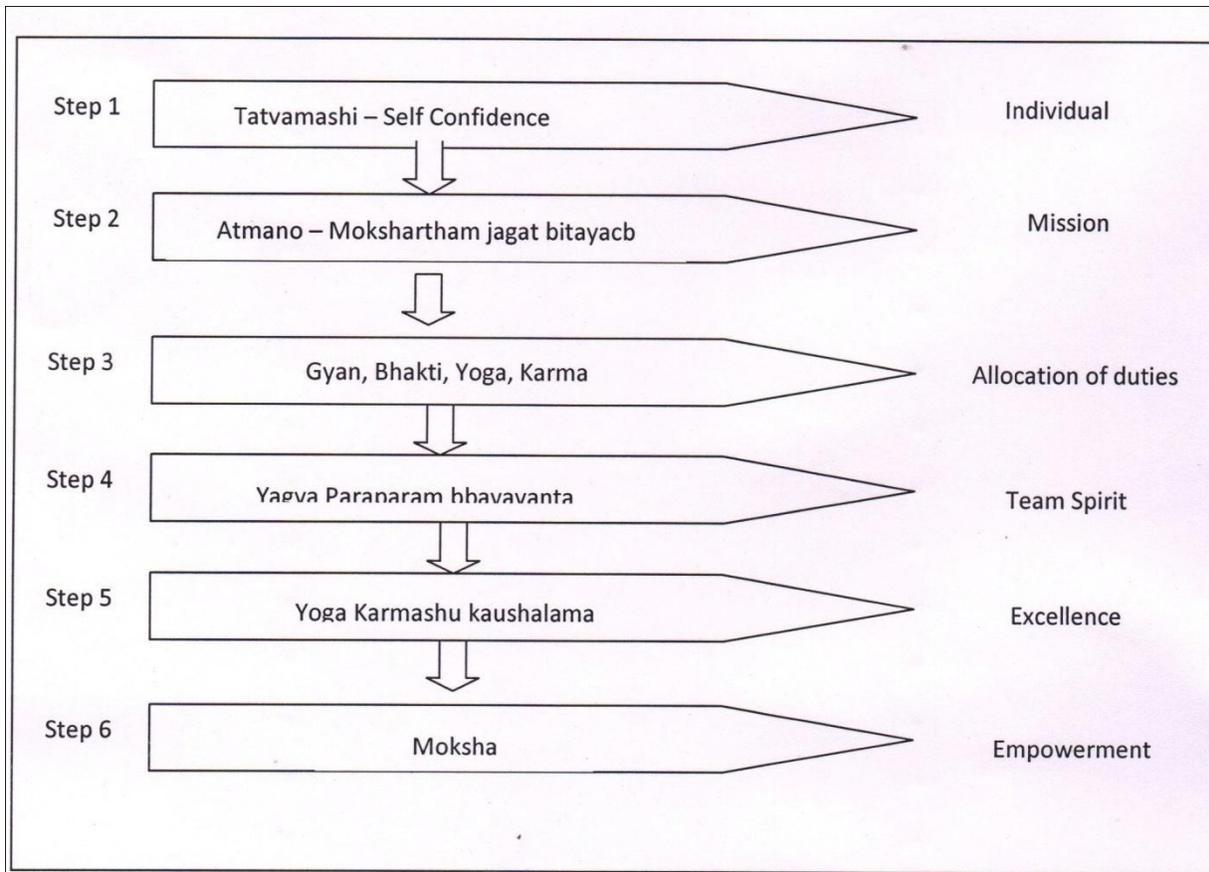
'Learning(Sadhana)'is a practical technique for self development. It needs knowledge of the aim , purpose of life(Science of karma yoga) , so as to reach the highest. Purpose can be there to be strive to manifest the inner perfection to sadhana .

Thus brings prosperity for the organisation , society and the individual .

The aim and purpose of life and the role of work to achieve aim are ideals of life .

- Work is yoga , the 'giving' of a hero , and not the 'taking' of beggar , for it is 'giving' which maintains the world.
- Work for Chittasuddhi ; purity , filling the mind with happiness and peace.
- Work is worship , which is to be done with dexterity so that the inner divinity , which is perfection , is manifested.

These common objectives, the organisation and its workforce will prosper .



Ethics as a concept is as old as the original sin to decide good or bad ,right or wrong ,true or false. From the pulpit to the presbytery ,from ashram to madrasa, ,saints and sinner have all propounded codes of behavior which they perceived as 'ethics'.

Previously,ethics was a topic for the students of philosophy and ethnomethodology to examine and propound theories upon.But since the 1980s

There has been an increase of interest among management scientists in the field of business ethics. On one hand' code of conduct' have been drawn up and held almost sacrosanct, while on the other has been go back to our roots and seek out a lost cultural heritage .

Our ancient scriptures provide a solution .The scripture propound that everyone of us has been endowed with an infinite wealth of faculties and talents, which will make it possible for each of us to translate our burning aspirations into reality ,that enable us to' **conquer the world** ' ,

Step 1:(Tatvamashi) The concepts given importance to self-realization of one's potential ,a motive to earn money for livelihood and the enjoyment that money can buy food ,clothing, shelter and gadgets-to make our life comfortable .Beyond physical needs, there are also intellectual ,and spiritual needs by adopting the righteous process known as *Dharma*

Step2: *Atmano-moksha-artham-Jagat bitayacb* means that there should be synchronization between employees ,manager ,society and the world at large.

The intellect has a sharp eye for methods and tools, but is blind to end and values.

All are interdependent and interconnected .Therefore, for the betterment and the advancement of the society, which we call global village, there is a need to unify and integrate all these aspects that have been highlighted in our ancient scriptures.

Step 3: This involves placement of subordinates based knowledge (*gyan*) and implementation (**karma**).This process encompasses job allocation by knowing and helping the subordinates.

Step 4:Team spirit(*Yagya paraparam bhavayanta*)The subordinates have to realizethat they have to work in harmony if the team is to Produce results .Everyone should be aware that human being wants to be useful to society .To be useful one has to supply a product or a service to society .

Step 5: Achieving excellence (*yoga karmashu kaushalam*) through continuous innovation, at all levels-group, corporate, division, region, factory etc .The focus should be on the customer satisfaction and delight.

Step 6: Empowering and withdrawing (Moksha) conveys respect for every employee based on equality, elimination of boss-subordinate orientation, empowerment to take right decision .This motivates employee to excel and inspire. An old saying in Sanskrit 'Man knows Dharma, but does not practice it, He knows Adharma, but, he does not desist it. Apart from the universal values common to all, there are certain values that are the characteristics of a nation, Tyaga, sewa, tolerance, contentment, simple living and holistic vision come to mind when we talk about ethics; cut throat competition, commercialism, advertisement and materialistic interests are certainly not the Indian .By the very nature of

things we must all work incessantly. And everything is composed of good and bad. Good and evil will both have their results and will produce their karma and that is based on ethics.

The philosophy of Vedanta and the science of karma Yoga perhaps are foundations of the Indian management culture, Indian management ethics, and Indian work culture. We, as professionals have to usher in, to rediscover it, to imbibe it and to spread it in our organizations and make it our guide in our work and day to day life, Thus money is an instrumental value, while the satisfaction of life's need to be

An intrinsic value and ethical and spiritual values only can provide a sure basis for creative social order paving the way for the integrity of India.

ETHICS AND ENVIRONMENT: Fifty years after independence, while the country has achieved great gains in industry and agricultural has failed on the family planning, poverty, alleviation and environmental protection fronts. The new environmental ethics will have to find solutions to these problems. The environment is the most precious asset of the Indian people. The ecological value has yet to be understood. Unfortunately over the years we have denuded and destroyed our environment in many ways damaging and fragile economic system.

The Inability to convert the oft repeated rhetoric of growth with equity into reality has resulted in the persistence of widespread poverty, under-nutrition and under-five infant mortality. Fifty years after independence, while the country has achieved great gains in industry and agriculture, it has failed on family planning, poverty alleviation and environmental protection fronts. The new environmental ethics will have to find solutions of these problems.

What are the critical concerns facing the world community for the next 15-26 years? A partial and summarized list follows:

Food: World hunger is increasing. Over 15000 people die of starvation or malnutrition related causes in a day. Some cannot afford to consume for survival, while some others are privileged to consume only for enjoyment.

Population: While population growth rates have slowed down in the industrial countries, the overall world population is expected to increase by 50 percent from present levels of. Over one million people are added to the population of the world every 5 days. About 90

percent of this increase will be in proper nations. India's population has already risen to over a billion.

Environment: There is only one air, one water and one land system for our planet earth. Upon this interrelated system, the biosphere, the survival and health of all life forms and all people depend.

Health: 80 percent of the people in the world are without adequate health care services. One billion people suffer from long standing malnutrition and tropical parasite diseases. Blindness affects 30 to 40 million people in the Third World.

Housing: About 800 million people lack adequate shelter. In cities of Third World, 250 million people live in slums and sleep on pavements. Many of them are born there and are destined to die there.

Education and Literacy: Only 47 percent of the world's school-age children attend schools. In some countries the percentage of illiteracy is 70 percent of the population. Most illiterates in the world are women – in the poorest countries 95 percent illiterate, while in the richest 1 percent.

Poverty and Development: The average income of the richest region, North America, is 60 times larger than the average in the poorest region, South Asia. Over a billion people, that is, one fourth of world population, live in countries with an average income below \$200 yearly. The gap between the high and low-income regions of the world is widening. In India the top fifth of the population has more than 60 percent of the national wealth; the bottom fifth has less than 5 percent of it.

Unemployment: There are about 20 million people out of work in developed countries and an estimated 455 million jobless or underemployed people in developing countries.

Human Rights: The world has still to overcome discrimination among people on the basis of color, caste and creed. Apartheid in South Africa is a case in point.

Terrorism: Lately, terrorism has become an international issue, raising its ugly head in different parts of the world.

Resources and Scarcity: Depletion of resources goes at a faster rate than the earth's capacity to renew them. Some are non-renewable. Oil is only one example.

Transnational Corporations: Some TNCs have more assets and higher income than many nations. Their power is extensive – South Africa, Chile, Brazil – some of these corporations have been involved in the toppling of local governments, interference in labor organizations and the elimination of small, local enterprises through unfair practices – Union Carbide and the Bhopal gas tragedy.

Arms race: Since World War II, the world has spent more than \$ trillion on arms. If one man spent Rs 20000 a day for 365 days of every year, it would take more than 16000000 years to spend that amount of money. Current military expenditures approximate \$750 billion annually.

The environmental problems in India arise from number of causes and damaging the fragile economic system.

CORPORATE GOVERNANCE:

As we approach to 21st century, Changes are all around us .As the century passes pace of change appears to be hotting up ,certain drives are there for accelerating in the business world .Business appears to be blend of high prospects of growth, the impact of new technologies, especially in interactions and ethics and values.

Corporate governance is corporation governance .Corporation is simply an enterprise or firm legally authorized by law and society to conduct and operate a business. Governance implies a degree of control to be exercised by representatives

Corporate governance can be defined as a set of systems and processes which ensured that a company is managed in the best interests of all the stakeholders. Company will typically have five stakeholders, namely, the employees, the shareholders, the customers, the

creditors and the community. The set of systems that help in the task of corporate governance includes certain structural and organizational aspects. The processes that help corporate governance should embrace how things are done within such structures and organizational systems.

Any discussion on corporate governance benefits of an understanding of the context in which business operate would be futile as the paradigm has shifted towards global competition where business competes against the best in the world and customers have choices. The operational word for businesses is now innovation, which means the capability of bringing out newer products, provides superior service most often at a lower price. Innovation prospers in the firms, which exhibit the following characteristics:

- Environmental sensitivity especially in relating and responding to change in the technology dimension of industry structure.
- Customer focus: relating serving and delighting the customer with appropriate products, often in a proactive manner.
- Quick response time wherein out new products rapidly, especially in relation to competitors.
- Employee's empowerment by acknowledging that front-line employees are often the best judges of appropriate responses and thereby allowing them to take decisions at the 'local' level.

For firms to be competitive and innovative, flexibility in approach towards decision making necessarily gains special importance. An innovation-fostering culture would prosper in the firms which would sincerely demonstrate belief in building human capital (investing in employee's skills), a strong ethical culture, and carry an ambience which would promote experimentation. At the same time, to prevent organizational drift, manipulative behavior, and a misalignment in organizational employee goals, firms need to be strong on core values.

Guidelines, external and internal controls and legal requirements are only part of the story In India, corporate laws, listening requirement, the takeover code and depository systems are processes that help corporate governance.

The analysis of the structural straitjacket transcends the polarization of diverse issue constituencies who presently find explanations for their powerlessness in demonologies. Black and whites, women and men, young and old, developing and developed-all can rise above their mutual acrimonious to identify a shared victimized, a shared powerlessness, and to plane a shared future .Such commonalities can modify previous facile judgments and as polarization is mitigated ,coalitions on local as well as on national and global issues become more possible .

A world-Order framework, which identifies the straitjacket of our present system, provides hope for the future. Such hope, in turn fosters beliefs-in the ability of human kind to resolve its problems and in the reality of a 'ground of all being' present and dynamic in history.

The society is a nexus of individual perceptions. In recent years, socially responsible business have become a pervasive buzzword lending its mystique to demand for sustainable business practice, calls for ethical behavior towards customers, local communities and the environment for fair. The paradigm now is one of Global ethical responsibilities.

This research-paper does not address the ethics of producing cigarettes or guns—that is a different level of ethical debate concerning business strategy and the choice of industrial sector. Here we are looking at the way we carry out operations management and the decisions that have to be made when manufacturing products, from cars to clothes—whatever the product, choices have to be made in the design, use of materials, location of the facilities, labor hired, marketing tactics, and so on. Operations cannot be separated from business strategy, of course, and they can often contribute to new business strategies and policies because of innovation, product development, and consumer demand.

Socio-economic Character of Business

YATHA RAJA THATHA PRAJA –is an old Indian proverbial saying.

When applied to corporate policies and procedures, one can safely say that the ethical attitudes of the top management determine the corporate ethical and social responsibilities of any organization. The ethical and spiritual values only can provide a sure basis for a creative social order on a firm basis for the integrity of India .

Since corporations are constituted legal bodies they assume concomitant social and legal responsibilities. Milton Friedman may insist that the only social responsibility of business is to make profits. However, a larger stakeholder view of the corporation has to be necessarily adopted rather than just adopting to a financial shareholder perspective. Business enterprises (especially private ones) at their inception are economic entities, but as they grow, the emphasis shifts towards a more social character. Socially responsible tasks such as pollution control, maintaining ecological equilibrium, community development, etc later become integral part of organization commitments. The integration between business policy, business ethics, social responsibility and public policy.

Public – Business- Policy Interface

The socio-economic and competitive character of a corporation entails that it has to make a fine choice of its competitive strategy within the ambit of legal, social and ethical boundaries. Corporate actions should be justifiable in terms of its letter and spirit in which the society allows it to function. Timely collection and deposit of taxes and duties, payment of minimum wages, adherence to laws such as MRTP, Labour Act, etc. are examples of legal commitments.

Corporate social responsibility (CSR) takes a wider view than business ethics. The latter is chiefly concerned with internal affairs, but increasingly, there is a demand that rather than satisfy only the shareholders, corporations must consider all stakeholders including customers, employees, and the community as well as shareholders.

Firms should be competitive and innovative, flexibility in approach towards decision making necessarily gains special importance. An innovation-fostering culture would prosper in the firms which would sincerely demonstrate belief in building human skills, a strong ethical culture, and carry an ambience which would promote values. At the same time to prevent organizational drift, manipulative behavior and misalignment in organizational employee goals of firm to be ethical based.

Ethical Philanthropic

More recently, the term **social responsibility (SR)** has become more common, demonstrating the idea that everyone, not just managers and directors, have a responsibility to take action. The European Commission takes the view that corporate social responsibility "is vital because it mirrors the core values. Corporate social responsibility (CSR) takes a wider view than business ethics. The latter is chiefly concerned with internal affairs, but increasingly, there is a demand that rather than satisfy only the shareholders, corporations must consider all stakeholders including customers, employees, and the community as well as shareholders. Carroll (1991) suggested that **CSR** comprises four levels of responsibility:

- Economic
- Legal
- Ethical
- Philanthropic

More recently, the term social responsibility (SR) has become more common, demonstrating the idea that everyone, not just managers and directors, have a responsibility to take action. The European Commission takes the view that corporate social responsibility “is vital because it mirrors the core values of our society—respect for quality of life, the environment and human dignity”

End-of-pipe solutions are not good enough. The quality movement taught us that prevention is better than waiting for problems to occur. In the same way, eco-efficiency is no better than seeking efficiency only in production processes; it only makes the old system less bad. Rather, industry should plan to release fewer toxins into the atmosphere, reduce the number of processes, substitute materials that are not dangerous, and avoid producing waste. Why not design things on the understanding that waste does not exist? Move to a radical solution and design both products and systems that will sustain the Earth.

BUSINESS ETHICS IN ORGANISATIONS:

In a country already suffering from a plethora of rules and regulation the solution lies not in more rules but bringing more rules but in bringing more transparency and encouragement through adhere to established norms.

A new generation of social and ethical accounting, auditing and reporting has emerged in only a few years with a common approach, which will form the foundations of global standards in future. Social, ethical and environmental responsibilities are growing because of transparency in behavior .Employees are emphasizing the need for harmony between their personal values and firm. Ethical dilemmas are often complex.

Thus they require an objective assessment that is not continually constrained by myopic focus on next quarter’s earnings solutions to ethical dilemmas require

Ethical audit is powerful technique, which has become more frequently used, in recent years. These types of reports which are largely produced by independent external auditors, they include an explanation of their philosophy and methodology of audit. It is hearting to note that several Indian companies have commenced the process of identifying and articulating corporate purpose and vision. Such companies can facilitate the process of transparency and accountability by appointing an independent system.

Just as there is no magic formula to ensure perfect anything and there are no clear –cut rules or checklists that will create a code of ethics that’s provide guideline but there is a company based ‘value driven ‘in a way very few commercial organizations in that its

formation was the set of beliefs .Before launching on an audit exercise there are many points to be considered carefully.

CONCLUSION:

Entrepreneurs and professionals must display a unity of spirit and cohesiveness of purpose in bringing fair and equitable treatment of all of all people to the forefront of employer's thought. Top management have different roles ,responsibilities and ethical dilemmas .They are responsible for judging code of ethics in decided framework an organization. As earlier mentioned "YATHA RAJA THATHA PRAJA" On some ground they are safeguarding professional freedom and integrity .The beneficial affects of such parameters helps professionals to clearly recognized and specified through the endorsement of professional ethics. In the pursuit of their work, psychologist subscribe certain specific principles in professional ethical areas are responsibility ,competence, moral and legal standards, public standards ,confidentiality, welfare of the consumer, professional relationships, assessment techniques, analysis with human subjects, care and use of animals & environment .

However to establish profound ethical system societies ,countries, continents and so on must have an strong foundation of ethical system from early childhood. It starts from home and get extended to educational institute, religious affairs. The past practices of sturdy ethical system have to be followed. The results would be tremendous changes in ethical behaviors and on turn will make healthy professional environment.

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