
**Tenets and Principles of Business Ethics: Its Contribution to the Development of a
Businessman's Behavior**

Dr. Francisco Tulop Roma, DBA^[1], Bernardo Jeffrey Ladao Morante, MBA^[1], Stephanie
Grace Sael Roma^[2]

^[1]School of Economics and Business Administration,
Tan Tao University, Duc Hoa, Long An, Vietnam

^[2]School of Economics and Business Administration, Major in International Business,
Tan Tao University, Duc Hoa, Long An, Vietnam

Abstract. This research paper presents that knowing the tenets and principles of business ethics in effect would give a much clearer understanding of what is ethical and unethical; what is right and wrong; thereby contributing to the development of a businessman's behavior and preventing unethical decision-making. There is much confusion regarding this topic, viz., business ethics. Most people do not have precise and specific definitions they use to define ethics related terms and issues. Terms such as ethics, morals, values, justice, law, and virtues are oftentimes intertwined and used interchangeably and you will find this is true in companies as well. That is why some managers make unethical decisions or corporate wrongdoings.

Keywords: Tenets, Principles, Business, Ethics, Development, Businessman's Behavior

Introduction

One of the significant priorities in the twenty-first century is the ability on how to deal with business ethics issues. There has been much research already conducted on business ethics and the role of organizational ethics that has a major effect on its relationships with employees, customers, investors, and many other stakeholders in the organization. However, anyone who writes about ethics or business ethics is facing the risk of being met with either criticism, skepticism or suspicion- despite such risk some have to write about it. For if no one would, then the more serious risk is sure to come. The point is things won't keep any better if no one does anything.

One early work of Fernando (2010) entitled "Business Ethics and Corporate Governance" has explained that ethics, being an essential part of the foundation on which a civilized society is built, are important not only in business but also in all aspects of life. He further emphasized that a business and society that lacks ethical principles is bound to fail sooner than later.

It has been observed that each day, someone, somewhere whether in business or in another sector is out to prey on the weaknesses, ignorance or helplessness of people to their selfish advantage. In fact, unethical practices have become so common that they have penetrated deep into the moral fiber of individuals and into the culture of organizations and of society itself. Although there are discussions among few sectors, real honest and serious action to address the situation, yet these actions are slow in coming.

This paper, in all its well-meaning and honest intentions, may probably end up as one of these exercises in futility. But it must be undertaken anyway, for whatever it may be worth, as an attempt to rise above the futility at least by pushing people into a more serious awareness that something is wrong somewhere. This would serve and at least establish a new starting point or a re-starting point towards a new or renewed direction in the practice of business and contribute to the development of businessman's behavior.

What is Business Ethics?

To fully understand business ethics in its basic concept, we must first recognize that most people do not have precise and specific definitions they use to define ethics related issues. The latest book by Ferrell et al. (2017) reveals that business ethics is made up of organizational principles, values, and norms that may originate from individuals, organizational statements, or from the legal system that primarily guide individual and group behavior in business. Another definition on the topic by Fernando (2010) has explained that business ethics is the application of general ethical ideas to business behavior. Again, one basic definition states that business ethics is the application of ethics in business. Additionally, business ethics¹ is the study of how a business should act in the face of ethical dilemmas and controversial situations. This shows that there may be hundreds of definitions of business ethics ranging from simple to complex, using different frameworks and point of views. However, in substance they mean the same thing. The terms morals, values, tenets, principles and ethics are oftentimes used interchangeably, and you will find this is true in companies as well. Consequently, there is much confusion regarding this topic. But let us try to understand the similarities and differences when we discuss these terms.

The Basic Question

One of the real challenging issues is whether business ethics that can be taught and can be learned and can be practiced are indeed being practiced. If not, which seems to be the major ethical concern in business, then why? The answer or answers cannot be expressed in any one simplistic way but must be sought through an analysis of more basic issues. These issues will be raised all through the development of this work. The basic questions are the following:

1. What is the standard or standards by which the businessman's acts are to be measured? In other words, what ought or ought not to be done by business?
2. Who sets the standard or standards of what ought or ought not to be done by business, on which to base a judgment as to whether the acts or practices of business and businessmen are right or wrong?
3. When values clash, who is to render judgment as to which value should prevail? Who is to render judgment on the acts and practices of business and the businessmen?

Ethics and Morality

From the perspective of Western tradition, the development of ethical theory dates back to Plato (427-347 B.C.) and Aristotle (384-322 B.C.). One latest work by Northouse (2019) explains that ethical theory provides a system of rules or principles that guide us in making decisions about what is right or wrong and good or bad in a particular situation. The major influences however came from Graeco-Roman sources, e.g. Socrates, Plato, Aristotle, and Epicurus as well as from the eastern influences of Confucianism and Buddhism. Followed by the contemporary imprints of Christianity and Islam.

The basic concepts of ethics have been handed down to us from the ancient thinkers whose philosophies contained a grave concern for the problem of right and wrong. It can even be said that the concept of ethics had its beginning in the beginnings of mankind, considering that ethics is a discipline of human behavior, and human behavior coexisted with the origin of man.

Etymologically, ethics is essentially linked to morality. They always go hand in hand because ethics is based on morality. Which means there are similarities between the two as there are distinctions between them and their usage.

¹ <https://www.thestreet.com > personal-finance/what-is-business-ethics-15026364>

The term ethics² is derived from the Greek word *ethika* from *ethos* meaning character or custom which developed into principles or standards of human conduct or particular behavior. Together, they combine to define how individuals choose to interact with one another.

Furthermore, ethics is concerned with the kinds of values and morals an individual or a society finds desirable or appropriate (Northouse, 2019). It is likewise concerned with the virtuousness of individuals and their motives. It provides a basis for understanding what it means to be a morally decent human being. In the words of Gottardello et al. (2019) ethics (or moral philosophy) is a discipline that has something to do with principles and moral reasoning regarding what is good or bad, right or wrong. Morality³, on the other hand, is derived from Latin *moralis* which likewise means customs or particular behavior from the English derivative moral and morality proceeded.

How is ethics different from morality? Ethics and morals relate to “right” and “wrong” conduct. While they are sometimes used interchangeably, they are different in the sense that ethics refer to rules provided by an external source, e.g. codes of conduct in workplaces or principles in religions. Morals refer to an individual’s own principles regarding right and wrong⁴.

There are so many distinctions that could be drawn between ethics and morality. Morality is the quality of human acts as good or bad depending on whether they conform or run counter to given moral standards; ethics is the study of morality. Furthermore, ethics is the science, and morality is the subject matter of that science.

Another distinction is that morality refers to an act as it affects an individual’s relations with other people in general, e.g. stealing, lying. Ethics refers to an individual’s act as it affects a particular group or profession to which the individual belongs. Thus, there are unethical practices which a lawyer may commit under the cannon law and a doctor may commit under the medical code of ethics.

Organizational Standards of Morality

A research study by Palomino et al. (2011, p.15) entitled “Morals in business organizations: an approach based on strategic value and strength for business management,” has proven that ethics as the discipline searching for human fulfillment is present in any human action. Therefore, it must be present in any business action, because ultimately, its performance is always done by human beings. If ethics is ignored, dehumanization easily arises among employees, probably resulting in a self-destruction and limited survival of the whole company.

Accordingly, every organization has its own set of norms which guide organizational and individual behavior. The highest form is the corporate philosophy which is given expression in the organization’s vision, mission and goal. It expresses what the organization believes in and what it stands for. Briefly the vision is what the organization wants to be; mission is what the organization wants to do in the long run in line with the organizational vision; and goal is what the organization wants to achieve both in the long and short terms.

Organizational norms proceed from the corporate philosophy and directly shape and control the members’ behavior. They come in various forms. Some are written, such as Code of Conduct, policies, rules and regulations, and many others, which are promulgated by management. Whether written or unwritten, these norms are there for all members of the organization to abide by, both in their internal human relations as well as in their relations with the outside public. To develop better ethical corporate cultures, many business organizations communicate core values to their employees by creating ethics programs and appointing ethics officers to oversee them. This is so because of the fundamental belief that an ethical culture

² <https://www.ethicssage.com> >2010/2012

³ <https://www.etymonline.com> > word > morality

⁴ <https://www.diffen.com> > difference > Ethics v Morals

will lead to good behavior. On the other hand, corrupt organizational cultures support unethical behavior.

Another study by Arshad et al. (2016) has revealed that organizational morality acts as a significant source and contributor to organizational success, as the presence of positive values like honesty, sincerity and trustworthiness makes employees feel positive about their job and organization as a whole. This may help them to stay with the organization for a longer time, exert extra efforts and contribute positively towards the success of the organization.

A successful ethics policy reflects a company's core values, stem from its corporate mission, and is consistent with its corporate strategies. A corporate ethics policy is usually supported by a corporate code of ethics or code of conduct. This is an explicit statement setting out the ethical standards expected of everyone in that organization (Tricker, 2015).

Ethics and the Law

During the lecture by John F. Dillon, Laws and Jurisprudence of England and America Lecture 1, he made this statement that "Ethical considerations can no more be excluded from the administration of justice, which in the end and purpose of all civil laws, than one can exclude the vital air from his room and live." Which simply means that ethics and laws are oftentimes intertwined (Cheeseman, 2019) but in its strict sense ethics is not synonymous with law (Fernando, 2010). Although laws and ethics are closely related, they are not the same: ethical principles tend to be broader than legal principles. Generally, a good legal system may incorporate many moral/ethical standards. However, there are several instances where law deviates from what is ethical. This is so because legal systems may vary from society to society depending upon its social, religious and cultural beliefs. For instance, the United States Law forbids companies from paying bribes either domestically or overseas; however, in other parts of the world, bribery is an accepted way of doing business. Similar contradictions may be seen in child labor, employee safety, work hours, wages, discrimination, and environmental protection laws. Because of these contradictions, people are often skeptical about the objectives of any legal system while few people question ethical standards.

The latest book by Cheeseman (2019) has maintained that sometimes the rule of law and the rule of ethics demand the same response from a person confronted with a problem. There are times that the law demands certain conduct but a person's ethical standards are contrary. Which means the law says no, but ethics may say yes. In some situations, the law may permit an act that is ethically wrong.

When we go down to fundamentals, although most laws are based on ethical standards, not all ethical standards have been enacted as law. While the law establishes a minimum degree of conduct expected by persons and businesses in society, ethics demands more.

Legal Foundation of Moral Standards

Law is defined as an ordinance of reason directed towards the common good and promulgated by one who has the care of the community. Being an ordinance or mandate of reason, it is a command to perform or to avoid the performance of an act. All citizens are under obligation to comply with the law. On the other hand, F. Edwards⁵ argues that law, is not necessarily the same as morality; also, there are many moral rules that are not regulated by human legal authorities. And so the question arises as to how one can have a workable set of moral guidelines if there is no law to enforce them. Laws and rules are generally designed to regulate activities that can be publicly observed. This makes enforcement easy. But breaches of moral principles are a horse of a different color.

⁵ <https://americanhumanist.org.>what-is-humanism/human-basis-laws-ethics/n.d>

The law is dictated by reason, and therefore, in order to be just, it must be dictated by just and sound reason. Otherwise, the law may be abused in its promulgation and in its enforcement.

The concept of law is broad. It is even difficult to state a precise definition. For example, a citizen may think of law as a set of rules which he must obey; a lawyer who practices law may think of law as a vocation; a legislator may look at law as a something created by him; and a judge may think of law as a guiding principles to be applied in making decisions. The latest book by Cheeseman (2019) has explained further that law consists of rules that regulate the conduct of individuals, businesses, and other organizations in society. It is a system of rules and guidelines which are enforced through social institutions to govern behavior. Additionally, Raghunadha (2007, p. 194) has analyzed that values are the life-blood of law. The legislators when they formulate their laws and the judges when they give their decisions are not working in a vacuum. They are guided by the values recognized in society.

In the light of these concepts, the law constitutes a standard of man's behavior in society, mandating people in society - and in business - to decide and act according to what is required by the common good and not for the exclusive advantage of some favored few. In the words of Anatole France (1844-1924) the law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges.

Justice and Virtue

One early work by Huang (2007) has revealed that Aristotle defines the virtue of justice as the character of justice, with which citizens act justly and desire to do what is just. The virtue of justice is also an individual ethical virtue, differing from others for it is at the same time a social ethics.

But the concept of justice is a matter of common sense and common experience. If you sell something, e.g. a product, to a buyer at an agreed price and, upon receiving the product the buyer does not pay you the price agreed upon, you and the buyer both know that an injustice is committed. He may be happy about it, but he knows it is unjust, only that he is happy in having put one over you. Briefly, he is enriching himself at the expense of another. Similarly, if an unqualified employee gets promoted ahead of someone who is more qualified, then everybody knows there is an injustice done. A different approach by Said et al. (2021, p. 29) has explained that justice as fairness in action should not mean that there is equality but rather emphasizes the concept of balance for the law in providing justice and how to implement it in society.

The theory of justice is built upon the foundation of virtue which is defined as a good quality of the mind by which one lives rightly, which no one uses badly. Virtue is premised on the principle that the ethical and unethical nature of any enterprise depends on the ethical behavior of the person who undertakes it and makes decisions regarding such undertaking. It is men who make decisions, who plan systems, who formulate policies, and implement them. Likewise, it is men who work and live by those decisions, systems and policies. Being men, they are human beings - their behavior is influenced and motivated by ends in which they find what is good for them. In short, their behavior can be directed. They can be directed to pursue what is right and avoid what is evil. That is what virtue is all about. It is a kind of disposition, ability or habit inclining man to think and to act correctly, to follow what is right and to avoid what is evil.

Foundations of Justice

While justice is a virtue, it is itself founded on other virtues without which it cannot effectively operate as a virtue. Before discussing justice as a standard of human behavior in general and business behavior in particular, a clearer understanding of virtue is first in order.

Virtue which etymologically means strength or courage, is defined as a good quality of the mind by which one lives rightly, which no one uses badly and which God works in us but without us. In our own words, virtue is the quality of being morally good. The word virtue comes from the Latin root *vir*, for man⁶. At first virtue meant manliness, but over time it settled into the sense of moral excellence. As to the question, what are the top 3 most important virtues that man should possess? Adam Smith, in his important book “The Theory of Moral Sentiments,” wrote that excellent people have three primary virtues: prudence, justice, and benevolence, in that order. Each of them is essential to the others and to the living of a full life in society.

What is Social Justice?

Historically and in theory, the idea of social justice is that all people should have equal access to wealth, health, well-being, justice, privileges, and opportunity regardless of their legal, political, economic, or other circumstances⁷. Defining the concept of social justice⁸ Justice Jose P. Laurel says:

“Social Justice means the promotion of the welfare of all the people, the adoption by the Government of measures calculated to ensure economic stability of all component elements of society, through the maintenance of a proper economic and social equilibrium in the interrelations of the members of community, constitutionally, through the adoption of measures legally justifiable, or extra-constitutionally through the exercise of powers underlying the existence of all Governments on the time-honored principle of *Salus Populi est suprema lex.*”

This concept comes from the original Latin word ‘*iustitia*,’ meaning ‘justice or fair.’ This is the virtue that inclines individuals to give society its due by promoting the common welfare. It is concerned with what is due a man according to his status in life and society, and to what will protect his human dignity. Apparently, it calls for the application of legal, commutative and distributive justice since it intends to solve the problem of economic gap and social classification. For example distributive justice, it is based on the principle of proportionate equality; equitable distribution of wealth and property. Like commutative justice, it is concerned with equal pay for equal work and just wage. But it takes into consideration disparities in environmental conditions, so that if two individuals are doing equal work but are situated in two different places with disparities in living standards and the requirements of daily living, they should be treated as unequal and their benefits should be unequal. Which means the poor and the laboring class may therefore be given certain benefits which the managers or those who are better off may be denied, such as higher living allowance, subsidies, social amelioration funds and other benefits. This is in line with the principle that those who have less in life should be given more in law. Another book on the topic by Klimsza (2014) proves that Aristotle believed that these two kinds of justice (distributive and commutative justice) were ethical. There is however one more justice - the legal kind which states that what is legal is also just. This means that legality is a prerequisite for justice. Experience proves however that justice does not always work.

Example: Aristotle’s predecessor Socrates was accused of corrupting Athenian youths. In reality though, he only taught them philosophy. He was sentenced to death. Despite doing nothing wrong, he obeyed this outcome and drank a cup of poison to show that it was ethically right to accept legal judgment, although the verdict was incorrect.

Applying this concept to the business organization, justice requires that concern be shown to the business establishment as an organization, to all its component parts which include both its internal and external environments, and its operations. Justice along all these

⁶ <https://www.vocabulary.com> > dictionary > virtue

⁷ <https://www.investopedia.com/terms/s/social-justice.asp>

⁸ <https://twit.com.ph>>2018/04/what-is-social-justice-according-to-justice-jose-laurel

dimensions of business can only be achieved through a business organization's social conscience and a moral responsiveness to the true and objective meaning of its role in relation to itself and to society.

However, the following issues need to be addressed:

1. Whether it is just to spend huge amounts for the benefits of the employees when the company is fighting for survival.
2. Whether it is just to yield to the demands of the union for wages beyond the company's capacity in order to avoid a strike.
3. Whether it is right and just to hire contractual workers in order to avoid giving the same benefits that are required to be given to regular workers.
4. Whether it is right or just to increase prices just because there are customers who are willing to pay them.
5. Whether it is right and just to offer and pay lower wages because there is a keen competition among job seekers.

Business, a Channel of Justice and the Common Good

As an entity and as an economic undertaking responsible for providing the satisfaction of human needs in society, business is a channel and dispenser of the common good in the form of goods and services. These goods and services have the aspects of private goods, e.g., when purchased by individual consumers; and collective goods, e.g. when purchased and owned by institutions.

But the right of all citizens to the enjoyment of these goods and services is a common good. Everyone in society, according to his various human needs, has a right to enjoy the goods and services produced by business because all members of society have the right to the satisfaction of their human needs. In fact, as Logan, L. et al. (2021) argues that one of the fastest ways to derail a company is to ignore the needs of a key stakeholder group. Business is called upon to provide these goods and services according to the requirements of justice and the common good within the three areas of the business concept: management, production and marketing.

Value System in Business

Value is defined as a concept that describes the beliefs of an individual or culture. 'A set of values may be placed into the notion of a value system.' Values are those things that really matter to each of us . . . the ideas and beliefs we hold as special. Caring for others, for example, is a value. (Business Dictionary.com)

The value structure of a society is a generalized system that applies not only to individuals as individuals but to the community of individuals as a community or as a society. We can therefore talk about value systems that apply to societies and organizations. Which means that we can talk about a value system for business. And since business is a major player in the game of life (of men and of society) then there is a need to study and develop the behavior of those who are behind the business game, particularly the values that move their behavior. Hence there is a need to study business behavior. There is a need to study values which form the framework of the business behavior.

In this world of competition and globalization, the challenge is to manage the business ethics and ethical values in an appropriate and standardized way. A research study by Singh and Singh (2012) reveals that today, in business, value is about prioritizing individual and operational values for the workplace and establishing codes of value and codes of conduct that ensures that employees behaviors and the internal systems are aligned with those values which in turn affects the performance of the organization.

The Role of the Home

Home is a primary group, which provides face to face interaction between its members. No experience is more educational than personal interaction of human beings with one another. It is, therefore, that home is the most significant informal agency of education⁹. A similar opinion by Ranjit Singh Thind, an English Trainer, states that 'Home is where the heart is' is a maxim which holds true to education of the individual in all aspects. The physical aspect of the growing child is well-cared for by parents providing food, clothing and shelter¹⁰.

The home is the basic social unit and foundation stone of society where the formation of the individual begins. It has been said that the discipline of the individual starts in the mother's womb and perfected after birth. This places a very fundamental and a very serious responsibility in the role of the home. The value structure in the home is the moral standards of its members.

What makes a home is the family living in it, the community of life of the parents with their children established and sublimated by marriage. It is the first and fundamental structure of human ecology where a person receives his formative ideas about truth and goodness. It is where he experiences how to love and to be loved; what it actually means to be a person. He is developed in his awareness of his dignity as a person and to respect the dignity of other persons. It is the family where he learns his first lessons in life, and where he is first prepared to face the challenges of the realities of the world and thus to determine and shape for himself his individual destiny.

The family has two tasks to fulfill; namely, the care for the physical needs and the cultivation of spiritual, moral, and religious values for its members. While these two tasks are distinct from each other, they do not operate apart from one another. They are vested in the members of the family, each according to his position in the family hierarchy. Basically, the positions are those of the parents and of the children.

In this role of the family, it is the responsibility of parents to develop the children physically, intellectually and morally. What the child is in the home is what he is in the community, what he eventually turns out to be will be determined by how he is modified by the school, the church and other community influences.

In the family the parents are the guardians, protecting the family members from both internal corruption and from external ills, through the sheltering, caring and providing functions of the family. The parents are the exemplars of behavior and are the institutional authorities who assert the sovereignty of the home. As examples of behavior, the parents perform the act of role modeling. What the parents are, the children are; how the parents behave is how the children will tend to behave. In short, the parents are the models of the children. While it is true that many other factors contribute to the formation of the child, the examples exhibited by the parents have a great initial and lasting impact on the children. Therefore, children generally tend to follow the parent's footsteps in matters of morality. For example, honest businessmen who train their children in honesty are likely to develop their children into honest businessmen later on. Children of parents who quarrel openly at home are likely to be either confused in their perceptions of reality or become aggressively assertive later in life. Children of separated or divorced parents are likely to suffer a sense of deprivation or may tend to follow the parents footsteps when something goes wrong with their marriage later on.

⁹ <https://www.shareyouressays.com > essays > essay-on-the-role-of-home-in-education/116624>

¹⁰ <https://blogs.siliconindia.com > Academics > THE-ROLE-OF-THE-HOME-SCHOOL-STATE-IN-THE-EDUCATION-SYSTEM-OF-A-COUNTRY>

The Role of the School

Schools play a significant role in human development¹¹. School plays a very important role in every person's life and in child development because the children of today are the future of tomorrow. The research study by Gui et al. (2019) has emphasized that the moral development of students is under the responsibility of schools, parents and society. Every party should cooperate in developing students' morality no matter at home, in school or in the community.

The school is the second home of the growing child and the teachers are his parents. The culture of the school strengthens, reshapes or redirects the value structure of the home. The relationship between the home and the school is both complementary and reciprocal. It is complementary because what the parents have started is taken over by the teacher; what the parents have failed to provide are provided by the school. The relationship is reciprocal because what the family provides is supported by the school and what the school provides is absorbed by the home.

As in the home, there is a fundamental and serious responsibility in the role of the school in the formation of the individual. The challenges which the school faces revolve around the quality of the school, as derived from its philosophy and expressed in terms of its curriculum, policies and practices. A research study by Josefova (2016) has stressed that the function of schools is indispensable because the aim is not only to create an individual with knowledge and skills but also to lead them to multicultural perception of the world. For business schools in particular, another study by Gottardello et al. (2019) has emphasized the task of creating respectful managers and employees able to work for the development of society and the environment has been identified as a key aspect of business education. The incorporation of ethics in education has commonly been carried out through specific courses (normally called business ethics) and it is considered important in business schools in order to promote a responsible and sustainable ethics education.

The curriculum provides students with relevant knowledge and skills they need in order to meet the challenges of the world of reality. In relation thereto, there are current issues which look at whether the schools are producing graduates who fit into government or industry. The school provides the students with the basics, and their place of employment develops them in their field of specialization. In many cases, actual experience during the academic formation turns out graduates who are better prepared for work. This concept is addressed by schools through the experience component of their academic studies; e.g., the practicum or on-the-job program of the business management course, and the internship in the study of Medicine.

Attitude is the other trait (together with knowledge and skill) which the curriculum should address. A person's attitude is basic in the determination of how he applies in his knowledge and his skills. Which means that there is a need for a strong value system to be developed in the individual by the school curriculum. So that graduates may be able to fully understand whether their bachelor degree or their attitude is worth it? As Aristotle says, "Educating the mind without educating the heart is no education at all" (Gulcan, 2014).

Does Business Ethics Exist?

The field of business ethics is so dynamic. It keeps on evolving every now and then. A work on the topic by Ferrell et al. (2017) has explained business ethics continues to change rapidly as more business organizations recognize the benefits of improving ethical conduct and the link between business ethics and financial performance. As concepts, there is no conflict between business and ethics.

¹¹ <https://www.digitalclassworld.com> > blog > why-is-school-important

Business is a process involving acts of entrepreneurs or businessmen. Ethics looks at the quality of human acts as to whether they are right or wrong. It is a set of moral principles or values that governs the conduct of an individual or a group (Cheeseman, 2019). Therefore, if the acts of entrepreneurs or businessmen can be qualified according to whether they are right or wrong, then ethics applies to business. This simply means that business ethics is very much a reality. This in effect implies that business ethics exist.

The research paper of Sroka and Lorinczy (2015, p. 156) has confirmed that ethics in business is of key importance in the existence of companies in numerous countries and regions. If a company wishes to be perceived as a reliable partner in business, it should implement the elements of this concept, or indeed this concept itself. Companies utilize business ethics in their operations, although the scale is differentiated. Business ethics is regarded as a significant factor which has an influence on both the success and profits of modern companies, and its role is set to increase in the future. This stands to reason therefore that business ethics exists.

The Relevance of Business Ethics into Current Business Concepts and Practices

The latest study by Leisti, Ville-Mikko (2021) published in the OSUVA Open Science Journal has claimed that business ethics has become a relevant part of doing business in the current age. But the perception of how business should be done has shifted away from a profit driven angle to a more varied viewpoint with a large variety of different factors. As such, organizations have had to accommodate these changes to how they operate.

Additionally, another study on the topic by Palomino et al. (2011, p. 15) has emphasized that a business organization “has the just right and reclaim of obtaining profits” does not imply operating with no ethics, and obviating the adequate and right attendance to stakeholders on the basis of their implication in the fulfillment of the company’s mission. Business is a profit-making activity and makes a certain contribution to society. But profit-making or business is ethical only if the business entity fulfills the needs of the society. Once a business entity fails in this objective, then profit-making would become unethical as it defeats the very purpose of which it was allowed. Business ethics proves that business has been and can be ethical and still make profits.

Basically, if business ethics exists, its existence is merely in concept and in some cases it has no persuasive force in practice. Which means that if business is a corrupt undertaking that has often been branded to be, the more reasons there are for ethics to fit into it. That is precisely the reason that ethics is the study of the quality of human behavior. It lays down the rules in the matter of proper conduct. Since business is a human undertaking powered by human behavior, then it is very much a concern of ethics.

The findings of Leisti (2021) research study has maintained that business ethics are increasingly integrated into organizations over time. It has become part of almost everything that organizations do. Ethics has found a permanent role in organizations because it is considered to have a positive impact on business goals. Nevertheless, ethics should not be considered a central part of an organization’s goals, as the effects of ethics are not sufficient to define the existence of the entire organization.

It is probably this function of laying down the rules which makes ethics seem irrelevant and ineffective as a control device for business. Which, again, is saying that there is no room for morality in business, and further saying that the businessman is not capable of moral direction.

While ethics and law are intertwined, ethics and trust are closely related. Most of us would agree on the fact that to develop trust, behavior must be ethical. Ethics is all about developing trust and maintaining it fruitfully so that the firm flourishes profitably. The latest book by Logan et al. (2021) asserts that the essence of business ethics is maintaining and building trusting relationships with stakeholders. Employees who trust and respect their

organizations are more motivated and committed to work. Customers who trust the source of their products and services are more likely to become repeat buyers. In short, ethics is critical to a firm's competitive advantage and fundamental to organizational success.

On the contrary, lack of ethics would lead to unethical practices in organizations as well as in personal life. A similar opinion by Borade (2012) asserts that today unethical behavior poses significant risks to business organizations and their stakeholders, which is becoming prevalent in enterprises of all sizes. Why do some employees make unethical decisions while others choose the right path? Sometimes even educated, well-positioned managers or employees of some reputable companies act unethically. This is because they lack ethics in their lives. In recent years, as claimed by Ferrell et al. (2017), a number of well-publicized scandals resulted in public outrage about deception, fraud, and distrust in business and subsequently demand for improved business ethics, greater corporate responsibility, and laws to protect the financially innocent. Relative to Ferrell's statement, we can name numerous examples of companies whose top management are involved in unethical practices, for example, Enron and WorldCom Scandal in 2002, Olympus Japan, the collapse of Northern Rock and Lehman Brothers, Volkswagen, Wells Fargo, and Facebook. This is not surprising because even in developing countries in particular, many tolerate fraud and corruption as acceptable and normal practices that they use as a means to do something faster, even when they know it is unethical and illegal (Rune, 2011). A research study by Kreismann and Talaulicar (2020) published in the Human Resource Development Review has emphasized that in view of corporate wrongdoings like Enron's accounting fraud and Volkswagen's emission scandal, the need to prevent unethical decision-making in the business sector has become widely accepted.

Conclusion

The research has confirmed that ethics are important not only in business but also in all aspects of life because it is an essential part of the foundation on which a civilized society is built. Business ethics has become a relevant part of doing business in the current age. Which means that a business that lacks ethical principles is bound to fail sooner than later. A research study by Boda and Zsolnai (2016, p. 93) has stressed that the failure of business ethics is deeply rooted in today's corporation-ruled business world. Business ethics has failed to realize systematic features of modern business and therefore missed its target. The social, ethical and environmental problems caused by corporations may require a different kind of treatment based on law, politics and social institutions.

The task is to address how businessmen arrive at ethical decisions when the multifarious ethics-related issues are used interchangeably, broadly, closely related and intertwined. Clear rules are not always available to guide businessmen through very controversial situations. It is also worthwhile to note the conclusion drawn by Fassin (2005) that the recent positive evolution does not provide sufficient ethical guidelines for the day-to-day activities of middle managers and entrepreneurs in the present competitive environment. Managers will always be confronted by difficult choices with ethical dilemmas. This could be one of the root causes that business ethics is plagued by a number of recurring problems. Even when there are clear rules, businessmen have the tendency not to always follow them. Knowing the tenets and principles of business ethics, therefore, would enhance the development of a businessman's behavior to fully understand what is ethical and unethical; what is right or wrong and that for as long as they are doing right they can never go wrong. As emphatically stressed by Dr. Roberto B. Lazaro, a professor in Philosophy of Business, said that "what is right is right; what is wrong is wrong and that there is no right way of doing wrong; but there is a wrong way of doing right." This study therefore has tried to shed some light on ethics viz., business ethics as an opportunity for the company to be operationally successful and not only as a compulsory

dimension to be considered. This perspective required an effort from business practitioners to broaden their understanding of the role of ethics in business not only limited to something which is necessary to do due to mandatory social external forces.

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