ETHICS IN THE 21ST CENTURY WORKPLACE

Ms Shweta Tyagi, Prof.Dr. Gurinder Singh , Ms. Tripti Aggarwal

Amity International Business School,
Amity University, Uttar Pradesh.

ABSTRACT

Why are corporates moving their way towards “ethically instilled workplace”. Ethics, what we already know is the moral philosophy which determines what is right and what is wrong. A prescribed code of conduct establishes the kind of and to what extent the ethics would be practiced in the organization. The need for ethics was felt when the organization faced the moral dilemmas in the workplace. Such dilemmas were complex and everyone bought their school of idea about ethics to the table. Also, the issue of business ethics has increased attention. Corporate research and watchdog groups such as the Ethics Resource Center and the Council on Economic Priorities brings out the number of organization that engage in ethics training.

The question arises why the corporates are now more diverted towards “being ethical”. This is what we founded in our research paper that why companies are moving towards ethical, to exist in long run why it is important to adopt ethical practises with the help of certain examples of companies and what happen to them when adopt ethical and unethical behaviour in their workplace.

KEYWORDS

Ethical behaviour, justice, workplace, beneficence, value drive behaviour

1. INTRODUCTION

Earlier the corporate reputations and goodwill depends mainly depends on the financial success of the firm but with the changing scenario especially after 2008 period of recession and financial crisis shows that majorly the financial services, big companies and banking system were the reasons behind these crisis and people starting losing their trust and faith.

“In the U.S. history, the JP Morgan Chase case is still remembered where they paid $13 billion to the federal government to settle their unethical behaviour of misrepresenting the number of residential mortatge – backed securities to the public.”

The studies shows that from 1997-2013 the annualised stock return in the U.S. for the “fortune 100 best companies to work for” represents that conducting ethical behaviour in the business is good and wise move for the companies success.

After 2008 financial crisis the thinking of doing business has changed a lot from giving importance to financial position of the firm the focus is changed to the employees well being ,their growth and development, customers loyalty instead of increasing profits ,corporate social responsibilities and adopting ethical practise in the business to place in the long run.

According to the survey of 6,420 employees for “National Business Ethics Survey” the percentage of strong learning ethical culture climbed from 60% in 2011 to 66% in 2012. From
2013 survey it has shown that the companies with strong ethics cultures only 20% of employees are in unethical practise whereas the companies with weak ethics culture include 88% workers. Since then day by day the ethical behaviour in the workplace moves in a right and positive direction. Ethics, what we already know is the moral philosophy which determines what is right and what is wrong. A prescribed code of conduct establishes the kind of and to what extent the ethics would be practiced in the organization.

In context to the workplace, ethics and behavior can assist a company into which direction it needs to go and can also make any workplace profitable. Certain guidelines and norms are set up by the management which the employee needs to adhere to maintain a good quality of decorum in the organization. To sign a deal with other corporate houses or to go for a joint venture, the organization needs to get a goodwill attached to it, in lure to get goodwill, ethics provide such goodwill.

It is important to know which principles are ethically approved by business and management research because in western countries there is a different formal ethical behaviour guideline for non-medical and medical research. The U.S. Belmont Report shows that there are three important principles on which ethical behaviour is based, these are: “JUSTICE, BENEFICENCE AND RESPECT FOR PERSONS.

In the SHRM foundation report, the ethical workplace culture is the one who gives fair and equity in compensation, build honesty and loyalty among customers as well as employees, employee rights, promotes tolerance and build morale as it ultimately leads to trusting of employees to their managers and seeing the company’s values belongs to their own.

We can see manager’s have great influence on the working behaviour of the employees as recent survey shows that 60% of the misconduct in the business is done by the managers. If top leaders and managers do not follow ethical conduct, employees will lose the trust on them and they are motivated to do unethical practise in the workplace.

Now the question is how to influence managers and employees to build ethical behaviour in the workplace and in them. HR professionals says that by making everyone aware of the expectations what a company expect from an individual according to the ethical policies and practise is very important which can be done by the way of providing training to them.

At southern corporation in Atlanta the Project manager for ethics and compliance Mr. Howard Winkler told that he is constantly working on the company’s training program by regularly changing it according to his 25,000 employees by making them more engaged in the ethical practises and more attentive towards ethical issues. He displays lots of videos, runs contests and make use of internal social media.

2. VALUES DRIVE BEHAVIOUR

A well-used axiom in organizational behavior thought asserts that values ultimately drive our behavior. In a nutshell, values exert influence over our attitudes, and attitudes influence our behavior. Values are integral to attitude formation and to how we respond to people and situations. Extensive literature exists dealing with how values relate to effective managerial leadership. A review of this body of work leaves us with the clear picture that values are a key component of effective managerial leadership.

There seems to be a subset of virtuous values that align with ethical behavior. In his book, Authentic Happiness, Martin Seligman has reviewed these core virtuous values that
Wisdom and Knowledge: The capacity to take information and convert it to something useful. Wisdom comes from capitalizing on one’s experience to interpret information in a knowledgeable manner to produce wise decisions. A prerequisite to doing the right thing when facing an ethical dilemma is knowing what to do, knowing the difference between right and wrong.

Self Control: The ability to avoid unethical temptations. The capacity to take the ethical path requires a commitment to the value of acting with temperance. Ethical people say “no” to individual gain if it is inconsistent with institutional benefit and goodwill.

Justice and Fair Guidance: The fair treatment of people. Justice is served when individuals perceive that they receive a fair return for the energy and effort expended. For example, a leader’s commitment to justice is tested continually with the allocation of organizational resources. Are certain individuals and groups given special treatment without regard to objective criteria by which to judge fairness? Ethical leaders value and embrace fair advice and guidance.

Transcendence: The recognition that there is something beyond oneself more permanent and powerful than the individual. Without this value, one may tend toward self-absorption. Leaders who are motivated predominately by self-interest and the exercise of personal power have restricted effectiveness and authenticity.

Love and Kindness: The expression through words and deeds of love and kindness. Researchers have documented that there appear to be different types of “love.” In an organizational context, love refers to an intense positive reaction to another co-worker, group and/or situation. An organization “with heart” allows for the expression of love, compassion and kindness among and between people, the goodwill which can be drawn upon when one faces ethical challenges.

Courage and Integrity: The courage to act ethically and with integrity. These values involve discerning right from wrong and acting accordingly. They impel one to consistently do what is right without concern for personal consequences, even when it is not easy.

In practice, these six categories of virtuous values are intertwined. For example, the capacity to administer resources fairly and offer fair guidance to stakeholders along the way is supported by courage and integrity. Difficult decisions surrounding the allocation of limited resources leave some individuals and groups with less than they would prefer. The redeeming grace is the perception that such decisions are made with fairness and integrity. Unpopular decisions are easier to accept when they are perceived to be derived fairly and with integrity.

We can even take examples from our recent live examples which justify the statement that yes “means justifies the end” where means is referred to as “ethics”.

As mentioned by Smith 2012, Starbucks has been awarded as one of the world’s most ethical company. It makes conscious efforts to be a responsible company and conduct business in an ethical manner. Also they are more inclined towards being more socially responsible that’s the reason why their customers are more willing to pay a much higher prices being aware of the fact that the company is more of a kind of ethicists.

Taking towards to another big company-Ford, they also had an unethical issue in the past where there were some safety related defects of Firestone/Bridgestone tires on Ford vehicles.

All these problems brought the unethical issues to the forefront but ultimately adopting a firm code of conduct helped them to revive from this situation. It incorporated CSR in their system,
3. CONCLUSIONS

Thus we concluded that ethics helps in building the essence of the organization. To continue any business operation we need a proper stimulated code of conduct which complies with the set standards keeping in mind the correct way of doing things. Also we saw corporates focused on CSR as well because to survive in this competitive era you need to give back something to the ultimate consumers in their interest as well. Every organisation has their own governing body to maintain its conduct. They act as a regulatory body which keeps on modifying their way of conduct. Therefore, complying with the norms will ultimately help the organization to work smoothly with minimal of the legal processions.

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AUTHORS

Ms Shweta Tyagi is a faculty cum senior manager with Amity University for the last 6 years. Before that she has worked with the biggest clothing giant Zara India. She has done enterprise management from DMS, IIT Delhi and have written several research papers in scopus indexed journals. She is net qualified & have completed her graduation from Delhi University.