



Business Ethics Study based on CSR

Naina Singh

Vellore Institute of Technology, Chennai, India

Abstract: *The concept of business ethics and CSR has been developed or adopted widely by the businesses and companies in recent years, and it has its specific impact on the development of the country and also the welfare of the organizations. The prominent reciprocal benefits of these two concepts need to be studied. Here, the company not only focuses on the profit but also takes measures to invest for the betterment of society. We examined if and how the surveyed companies implemented the ethical code in their business practices; and what benefits flowed there from. The second question is whether the implementation of CSR brought about any significant change in the business turnover.*

Keywords: CSR, ethical code, reciprocity

I. INTRODUCTION

Globalization has undoubtedly increased and distributed prosperity among the nations, and suffered heavy economic blows after the Second World War. In 1991, when India witnessed major economic reform, it was our private sector that largely benefited. Also, the doors for Corporate and other service-oriented sectors were opened and became the most benefited. personals to date. Due to this, our companies have earmarked greater economic growth and thereby increasing their net worth and emphasized the need for business ethics, which are considered as a set of moral principles and code of conduct by which people in an organization are expected to do. The ethical investment along with the philanthropist approach was held as;

1.1 Corporate Social Responsibility

Our government recognised the benefits arising from the admixture of business ethics and corporate social responsibility (CSR) and made separate provisions under Sec. 135 of companies' act 2013, CSR was first addressed by our former Prime Minister, Dr. Manmohan Singh. Singh at the annual general meeting of industry body CII. He said that it is not just the responsibility and duty of the government for making developmental activities but also of the corporate entities as well, who are one of the major financial beneficiaries from society. and it is the moral obligation on the part of corporations to do the same for society. This paper explains the concepts of ethical behavior and CSR, which are believed to bring about significant changes in both corporations and society. This concept perceives that better Public image and reputation play a major role in market sustainability and greater customer satisfaction. loyalty, and strong and healthy community relations. With this idea, our paper draws inferences on how business turnover and market sustainability are affected by following ethical and conduct standards.



1.2 Business Ethics and Corporate Social Responsibility

1. **Build Customer Loyalty:** A loyal customer base is one of the keys to long-range business success. If consumers believe they have been treated unfairly, such as being overcharged, there will not be repeat customers. Dissatisfied customers can quickly disseminate information about their experiences with the company.
2. **Discretionary Responsibility:** Here one of the main purposes to engage oneself in CSR activity is to contribute to the community and maintain a consistent status of being a good corporate citizen.
3. **Retain Good Employees:** Talented individuals at all levels of an organisation want to be fairly compensated for their work and dedication. Companies that are fair and open in Their dealings with employees have a better chance of retaining the most talented people.
4. **Ethical Responsibility:** Every employer and employee have a professional obligation. to behave ethically. The main idea behind ethical responsibility is to do what is right. and avoid harm.

1.3 Benefits of Business Ethics and CSR Related to Companies

1. Improved public image
2. Increased brand awareness and recognition
3. Cost savings
4. Advantage over competitors
5. Greater employee and customer engagement
6. Benefits for the employees
7. A greater working environment
8. Effective and efficient management

II. LITERATURE REVIEW

Business ethics and CSR are often used to refer to the same business activity. Basically, the term "Business ethics" comprises two words: "business" and "ethics," which cover the areas of moral Principles, beliefs, values, culture, governance issues, and a code of conduct for business (Dimitriades, 2007). It is widely believed that business ethics are essential for today's managers. As Jamnik (2011) claims, "Managers face ethical issues at work every day." It is rare for their decision not to concern the ethical aspects". There are various definitions of ethics in business in the literature, but the vast majority of them focus on the righteous actions undertaken by the managers and employees of the organization. (De Cremer, van Dick, Tenbrunsel, Pillutla, & Muringhan, 2011). Generally, it can be stated that Business ethics scrutinize the set of moral values, beliefs, norms, principles, and standards that define and curb the behavior of participants in business at all levels of economic life. Ethical issues arise in every industry. The fundamental ethical requirement of financial markets is that They may be fair. Fairness may be defined either substantively or procedurally (Hans, 2020).channel sales performance (main effects), and that market competition may amplify these influences (moderated effects). This has important implications regarding the role of reciprocal CSR for channel relationship management (Luo & Zheng, 2013).The



development of CSR practices contributes to increasing the competitive performance of both directly and indirectly, through the ability of these organizations to manage their stakeholders. (Madueno et al., 2016).

III. RESEARCH METHODOLOGY

Research was conducted to understand the study based on business ethics and CSR. reciprocity of selected companies. The research instrument that was used in collecting primary data was collected through a questionnaire on Google Forms. The questionnaire was prepared on the basis of secondary data gathered. As far as secondary data is concerned, the information was collected from other sources (the Internet). The sample size was chosen randomly, and the sample size consisted of 100 respondents, i.e., employees of selected companies like Mphasis, Infosys, IBM, and KPMG in and around Mangalore and Bangalore.

3.1 Objectives

- Study the awareness of corporate social responsibility and Business ethics.
- To understand the areas in which a selected company has shown interest to spend on CSR activities.
- To know the perception of employees of selected companies regarding business ethics and CSR.
- To analyze how effectively the code of conduct is followed by selected companies. • To interpret the benefit from the implementation of Business ethic and CSR.
- To accumulate information regarding how effectively the company's turnover and profit has been boosted from the implementation of Business ethics and CSR.

IV. CONCLUSION

From this study, we can infer that the innovations in CSR and adapting good ethical practices are proven to be a boon to the organizations. An innovation in CSR helps in reducing the employee costs and thereby increasing the productivity in the organization. Most of the Employers and Employees recognise business ethics and social responsibility as important for the growth and success of an organization. Specifically, they consider business ethics to lead to positive employee, customers and as well community relations .Key CSR issues include environmental management, eco-efficiency, responsible sourcing, stakeholder involvement, labor standards and working conditions, employee and community relations, social parity, gender balance, human rights, good governance and anti-corruption measures under self regulation and balanced choice mechanism. Furthermore, they perceive better corporate image/reputation, greater customer loyalty; and a stronger and healthier community as benefits that can insure to the benefit of corporations that are socially responsible. It is therefore important that professionals in the corporate world turn their attention to these factors, since they are critical components in their training and practices.



V. SUGGESTIONS

1. Finding a peer group within the industry or outside, may give the company and employees useful insight into others' experiences, perceptions and expectations. At this level, one can discuss ethical issues without judgment and obtain feedback.
2. Forming an Employee Union to discuss ethical issues, set a code of conduct and to follow up the implementation of the codes of conduct will help the employees to indulge in Ethical and CSR activities more effectively within the organisation.
3. The employees may take the initiative to understand the various programs and policies pertaining to the company's Corporate Social Responsibility practices.

REFERENCES

- [1]. Godfrey Adda, John Bosco Azigwe, Aboteyure Roger Awuni (2016). European Centre for Research Training and Development UK . <http://www.eajournals.org/wpElectronic> copy available at: <https://ssrn.com/abstract=3549370> 18 | Page
- [2]. <content/uploads/Business-ethics-and-corporate-social-responsibility-for-businesssuccess-and-growth.pdf>
- [3]. https://scholar.google.co.in/scholar?hl=en&as_sdt=0%2C5&as_vis=1&q=ukessays.com+csr+and+business+ethics&btnG=
- [4]. <https://www.highspeedtraining.co.uk/>
- [5]. V. Basil Hans (2017). Linking Business to Corporate Social Responsibility: the role of ethics.