BUSINESS ETHICS AS FOUNDATION FOR CORPORATE MANAGEMENT

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ABSTRACT

Ethics is about an important structured behavior, in particular, how one should regulate the pursuit of self-interest when the actions affect others. Business Ethics are the critical, structured policies and practices of how people and institutions should behave in the world of commerce. It involves examining appropriate issues and constraints on the pursuit of self-interest and firm’s profits, when the actions of individuals and firms affect others. Business Ethics is the study of strategies, desired policies and practices, related to stakeholders’ preferences / priorities / benefits / values. In this paper a conceptual study has been presented regarding understanding the constituent components of business ethics. Relevance and emphasis of business ethics to major subjects such as corporate governance and corporate responsibility and their relation to corporate management have been analyzed and presented. Significance and emphasis is with focus on understanding essential ingredients of business ethics and formulation of methodologies for Operationalization, to reach the benefits to the stakeholders and the society. The endeavor is to sustain business growth and organization’s distinctive competitive advantage.

Key words: Ethics, Corporate Governance, Corporate Responsibility, Management, Strategy

1.0 INTRODUCTION

Business at the end of the day is about people. A business becomes truly effective, competitive and sustainable only when it conducts ethical business. Business effectiveness is possible only through the corporate management of the organization the business belongs to. Effectiveness of the management depends upon the policies, direction and guidelines of its Corporate Governance (CG). Corporate Governance in its true structure and content is complete and becomes effective only by inclusion of Corporate Social Responsibility (CSR) as one of the main pillars of CG. The subjects of business ethics, corporate governance, corporate social responsibility, and corporate management along with respective constituent components are presented in this paper. Interdependencies and relationships between CG and corporate management on one hand, and, CG and CSR on the other, in the context of business ethics have been discussed.
1.1 Need for Ethics

Ethics involves a discipline that examines good or bad practices within the context of a moral duty. Moral conduct is behavior that is right or wrong. Business ethics include practices and behaviors that are good or bad. We need to study business ethics to make better decisions for ourselves, the businesses we work for and the society we live in. Supported by ethics,- Society as a whole benefits; - People feel better; - Unethical behavior becomes very costly. Ethics, Economics, Law are about interrelated responsibilities of business. They are: -Ethical responsibility; - Economic responsibility; - Legal responsibility. Ethics are seen and experienced by their values. External sources of values are: - Religious values; - Philosophical values; - Cultural values; - Legal values; - Professional values. Internal sources of values are: - Respect for the authority structure; - Loyalty; - Conformity; - Performance; - Results.

1.2 Business Ethics

Business ethics are often guided by law, while other times provide a basic framework that businesses may choose to follow in order to gain public acceptance. Business ethics are implemented in order to ensure that a certain required level of trust exists between consumers and various forms of market participants with the businesses.

1.3 Four P’S of Corporate Governance

Four P’S of Corporate Governance are: People; Purpose; Process; Performance. Governance is about the systems and processes concerned that ensure attaining the overall direction, effectiveness, supervision and accountability of an organization. Management is the act of directing and controlling a group of people for the purpose of coordinating and harmonizing the group toward accomplishing a goal. Governance is about vision and providing organizational direction while management is implementation of policy and programs.

1.4 Social Responsibility is Ethical Ideology

Social responsibility is an ethical ideology that an organization has as an obligation to act to benefit society at large. Social responsibility is a duty every organization has to perform so as to maintain a balance between the economy and the ecosystem. Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model.

1.5 Governance - Management Balance

When the balance between the responsibilities of the board and management is established and functioning well, the organization is better able to: - Meet the expectations of beneficiaries, clients, and other stakeholders; - Deliver quality products, services, programs that are effective and efficient; - Comply with laws, regulations and other requirements.

1.6 Governance and the Board

Corporate Governance is concerned with holding the balance between economic and social goals and between individual and collective goals. The corporate governance framework is there to
ensure the efficient use of resources and managerial accountability of those resources. There is a need for a more inclusive concept of corporate governance extending to corporate responsibility with wider concept of stakeholder. The endeavor of corporate governance has to align as nearly as possible the interests of individuals, corporations and society.

1.7 CSR is Building Relationships

CSR is about building relationships with customers, about attracting and retaining talented staff, about managing risk, and about assuring reputation. If the CSR practices are good, CG is good. CSR is a model of extended corporate governance. Corporate governance programmes tend to be internally focused and rule based. In contrast CSR tends to be more relation and value-based and externally focused.

2.0 BUSINESS AND ETHICS

2.1 BUSINESS

A business organization is an enterprise or a firm engaged in the trade of goods and services, to consumers. Businesses are generally run to earn profit and wealth to their owners. Some state-owned businesses may be not-for-profit. Business is about production or purchase and sale of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants under uncertain market conditions.

2.1.1 Features of Business

Essential features of business are: - Exchange of goods and services; - Profit is the main objective; - Business skills for economic success; - Risks and uncertainties; - Buyer and seller transactions; - Connected with production, marketing and distribution of goods; - Deals in goods and services; - Satisfy human wants; - Social obligations.

2.1.2 Responsibilities to Stakeholders

Responsibilities of business towards stakeholders include: - Generate profits, pay dividends; - Quality products, reasonable prices; - Safety, honesty, decency and truthfulness; - Health safety, security, fair pay at work; - Pay on time, pay fair rates for the work done; -Provide employment to local community, - Safe working environment; -Minimize environmental pollution and negative externalities; - Abide by the law and regulations, pay taxes; Follow, abide management / organisation policies, norms.

2.1.3 Concerns and Issues

Concerns and issues that are to be addressed by the business include:- Profits versus higher wages; - Expansion versus development; - Production versus pollution; - Supplier benefits versus consumer prices/lower costs; - Survival of the business versus needs of stakeholders; - Taxation; - Self Regulation; - Subsidies; - Government regulation; - Legislation; - Pressure groups; - Competition; - Social and Environmental audits.
2.2 ETHICS

Ethics is the branch of philosophy that focuses on morality and the way in which moral principles are applied to everyday life. Ethics has to do with fundamental inquiry of fair and just and right thing to do in a given situation. Ethics involves an active process of applying values, which may range from religious principles to customs and traditions. Ethics provides guidelines and business must apply these guidelines in making decisions. Ethics that applies to business is business ethics; it is an application of ethics to business situations.

2.2.1 Law and Ethics

The law is an expression of the ethical beliefs of our society. Law and ethics is not the same thing. The law cannot codify all ethical requirements. An action might be unethical, yet not necessarily illegal. Ethics are about what is right and what is wrong; - Law is about what is lawful and what is unlawful. An ethical decision is one that is both legal and meets the shared ethical standards of the community.

2.2.2 Factors of Ethical Model

Theories of ethics present standards by which people can analyze and evaluate their own moral conduct. Two important ethical theoretical frameworks are: ethical standards based on universal duties called as Deontology - is ethical theory concerned with duties and rights. Ethical standards based on consequences called Utilitarianism - is ethical theory holding that the proper course of action is the one that maximizes overall happiness. For applying appropriate ethical model, factors to be considered are as follows: - Identify the facts. - Identify the ethical issues; - Identify the alternative courses of action; - Identify the stakeholders; - Determine to which extent each alternative respects the dignity and fundamental rights of stakeholders; - Choose the one that maximizes the dignity of stakeholders.

3.0 BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

The two concepts are closely linked. A socially responsible firm should be an ethical firm. An ethical firm should be socially responsible. CSR is about responsibility to all stakeholders and not just shareholders. Ethics is about morally correct behavior. Corporate business ethics as a professional applied ethics, examines all issues that arise in a business environment. It has responsibility to shareholders, stakeholders and to the public, to maintain ethical principles of both normative and descriptive dimensions. Business ethics identify acceptable conduct in business and support how management makes decisions by a code of practice. Ethical codes cover areas such as: - Social responsibility. - Dealings with customers and supply chain. - Environmental policies & actions. - Rules for personal and corporate integrity.

4.0 BUSINESS AND ENVIRONMENT

Although businesses may not consciously set out to harm the environment, but several factors and behaviors create situations that harm environment. This behavior is interpreted as businesses’ resistance to environmental responsibility.

4.1 Environmental Responsibility
The first of the environmental responsibility theories is human centered. It considers human beings as the most significant entity of the universe, and view that all environmental responsibility is derived from human interests alone. A second approach is on the moral consideration that we are obliged to animals; an animal rights view. The third theory is that of eco-centrism, which is that we have direct responsibilities to environmental collections, including animal class and forests.

4.2 Implications for Businesses

Each of the above theories has different implications on business’s responsibility to the environment. Businesses have obligation not to damage the environment in ways that negatively impact on human and animal life. Businesses have a direct obligation to protect the environment not to harm members of the community, and the environment. Business is a member of the moral community. If companies don’t respond properly, they appear arrogant and un-caring; this attitude greatly harms their reputation and business scenario, apart from legal implications.

5.0 BUSINESS ETHICS AS COMPETITIVE ADVANTAGE

Business ethics as competitive advantage for companies in the globalization era is discussed here. Ethics is the study of our interdependent relationships with others. Companies cannot operate in a vacuum; are thrust in a universe of relationships with multiple stakeholders. With globalization the scenario in which companies operate has become even more complex. The need for a company’s ethical behaviour is to be articulated as need to interact productively with its stakeholders.

5.1 Global Business

Globalization has brought about greater involvement with ethical considerations and most importantly achieving competitive advantage through business ethics. Globalization and business ethics are linked as they affect a company’s ability to commit to its shareholders, in particular to external investors, and preserve the trust needed for further investment and growth.

5.2 Strategy

It is important for companies to deal with ethics as a corporate strategy that. If distinctively implemented, the strategy could achieve competitive advantage for the company. It is important to initiate proactively, rather than waiting to react to the issues raised by the stakeholders. It is the necessity of being ethically proactive company rather than being ethically reactive company.

5.3 Competitive Advantage

As the speed acquisition of comparable tangible assets accelerates and the pace of imitation quickens firms that want to sustain and maintain the distinctive competitive advantages. They need to need to make the most of, and enhance their unique intangible assets, particularly integrity. Integrity is largely about: Honesty, Truth, Uprightness, Veracity, Reliability, and Genuineness. Building firm of integrity is the essence of business ethics strategy. Behavior that is trustworthy, cooperative, and not opportunistic, will give the firm a competitive advantage.
Sustainable global competitive advantage occurs when a company implements a value-creating strategy which other companies are unable to imitate. A company with superior business leadership skills in enhancing integrity increases its reputation capital and positions itself for competitive advantage. Business ethics as competitive advantage involves effective building of relationships with its stakeholders based on its integrity that maintains such relationships.

6.0 PRINCIPLES OF INTERNATIONALIZATION OF BUSINESS ETHICS 6, 7, 8

The important guiding principles of business ethics are classified as Integration, Internalization and Internationalization. They are explained here.

6.1 Integration

Business ethics must permeate all aspects of organizational culture and be reflected in key management systems. Companies start by integrating ethics into goal setting and hiring practices. When promoting workers to higher levels within the company, ethical principles guide incentive programs.

6.2 Internalization

Ethical conduct is not just an idea, but requires the implementation of a plan of change in specific areas of work in the company. Some examples are: efforts to modify personnel appraisal processes, promotion of improved environmental practices, and recommendations experts and specialists, when needed. Internalization is the process of consolidating and embedding the ethical behavior as beliefs, attitudes, and values. The accomplishment of this may involve the deliberate use of certain designed methods to incorporate values and patterns of culture within the organization. Internalization is achieved by guiding principles through learning or socialization.

6.3 Internationalization

Increased internationalization is necessary to all successful business in the present era. Internationalization is achieved through the formation of international partnerships, trading communities and alliances, and implementation of all free trade agreements. Clarification of an organization’s own interpretations and practices of integrity that rise above national borders is necessary.

7.0 LEADERSHIP FOR ETHICAL BUSINESS 6, 7, 8

Ethics and ways in which leaders apply ethical standards in work settings are important considerations for ethical business management. Integrity is one of the prime attributes of the leader. Integrity is about skills, qualities and traits of the leader that include: honesty, truthfulness, veracity, uprightness, authenticity, genuineness, reliability, and reputation.

7.1 Decisions

Ethical decisions are made by business leaders based on the following considerations: - Ways and means about how can employees professionally feel fulfilled; - Ways and means about how
can customers are made satisfied; - Ways and means about how can profit be assured; - Ways and means about how can the communities are served. There are laws that guide business leaders. But laws are not always enough to assure ethical behaviors. Individual leaders and their decision-making behavioral approaches set examples for employees.

7.2 Conflicts

The leaders confront several conflicts in discharging the duties and role performance. The conflicts will be in the form of: divergences, variances, differences, and disagreements. The leaders will address and overcome such of them by their traits, skills and value systems. Important ethical conflicts that confront leaders in business are: - Conflict of importance - Possible personal gain from decisions; - Loyalty to the company versus truthfulness in business relationships; - To maintain honesty in all dealings; - To take responsibility for decisions and actions or blame someone else; - Whistle blowing, disclosing about unethical behavior / occurrences.

8.0 ETHICAL EDUCATION FOR BUSINESS  

Employees and future employees should know about business ethics in order to perform ethically on the job. Standards of ethical conduct have to be included as a part of good business education and training in all environmental and business settings. Business schools are to teach students about ethics using a variety of tools and activities. On the job, employees are required to participate in ethics-related workshops and trainings provided by the company. Employers are required to undertake and support implementation of ethics related programs. Rules, regulations and company’s ethical code should enforce providing employees with opportunities for on-the-job training on job related ethical concerns. These training opportunities are to be considered to be a part of employee professional development.

9.0 WHISTLE BLOWING  

When an employee discovers unethical, immoral or illegal actions at work, the employee makes a decision about what to do with this information. Whistle blowing is the term used to describe an employee’s concerned decision to disclose this information to an appropriate authority, boss, media or government official.

9.1 Issues

The important issues for consideration in the context are: - How employees make their decisions to come forward with potentially damaging information; - How employees identify strong ethical employment environments and, in turn, avoid potentially unethical employers. Examples of ethical violations that may result in whistle blowing are: - Dumping of toxic waste; - Violating laws about hiring and firing; - Violating laws about workplace safety; - Violating health laws which lead to recognized illness and even death.

9.2 Benefits
The actions of whistleblowers are potentially beneficial to society. Businesses that engaged in unethical practices may be get shut down because of the actions of whistleblowers. Lives can be saved, and severe damage to the environment can be averted because of the courage and persistence of whistleblowers.

9.3 Guidelines

A list of guidelines that will help members and employees to determine if a situation merits whistle blowing is presented here: - Magnitude of consequences; - Probability of effect; - Importance and judgment of timing, the employee must consider the length of time between the present and the possibly harmful event; - Proximity, the physical closeness of the potential victims must be considered; - Concentration of effort, is regarding determining the intensity of the unethical practice or behavior.

10.0 RESPONSIBLE BUSINESS 6, 7, 8

Businesses have an ethical responsibility and accountability to customers who buy goods and services from them. Socially responsible business means that companies do the right thing for their customers. Companies consider profit, consumer satisfaction, and societal well being as equally important in the way business is conducted. Governments often enact laws that force businesses to function ethically. Consumers also can force businesses to act ethically regarding their purchases. Businesses, companies are accountable to customers for goods and services that they sell. According to consumer rights laws, people who buy goods and services have following rights: the right to be safe, the right to be informed, the right to choose, and the right to be heard.

10.1 Customer Rights

A socially responsible business provides goods and services in line with a society's values. Socially responsible businesses are concerned about how customers are protected and how employees are treated. There are laws that protect the rights of customers and employees, as well as the environment, from unethical business practices. Businesses in all countries should consider social responsibility as an important part of business operations. Brief descriptions of ways in which customers' rights are protected are: - Customer Protection; - Right to be Safe; - Right to be informed; - Right to Choose; - Right to be Heard; - Employee Protection; - Employment opportunity; - Respect for Employee ; - Safety Issues; - Quality of Life Issues

11.0 BUSINESS QUALITY STANDARDS 6, 7, 8

When you're out of quality, you're out of business. Quality is fundamentally relational. Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs. Quality is the customers' perception of the value of the suppliers' work output. Quality is error-free, value-added care and service, which meets both the needs and legitimate expectations of those served. Quality standards help businesses to function in an ethical way. Such standards enlighten businesses what minimal requirements are needed in order to ensure the public that the product /service offered is of right quality.
11.1 Challenges and Standards

The issues, challenges and concerns to be addressed in the context of business related quality tasks are as follows: Preparations in setting standards for the diverse businesses; -To address cultural issues in setting international quality standards; - Steps to be taken by a business to create confidence on quality of products and services; - Strategies for quality to assure a competitive edge in business; -To develop learning mechanism about continuous quality standards setting; - Efforts and ability to handle the forces to abide by standards consistently. International professional associations are a superior means to set international standards of quality because these associations represent the interests of the professional group rather than the interests of a national group.

12.0 ETHICS IN MARKETING 6.7.8

Marketing is the process of communicating the value of a product or service to customers. It is the overall strategy and function of promoting a product or service to the customer. From a societal point of view, marketing is the link between a society’s material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships. It is viewed as human conduct and is subject to academic analysis and public scrutiny. Ethics is the study of the moral principles that guide that conduct of all aspects of marketing.

12.1 Challenges

Marketers must be aware of ethical standards and acceptable behavior. This awareness means that marketers must recognize the viewpoints of three key players: the company, the industry, and society. Since these three groups almost always have different needs and wants, ethical conflicts are likely to arise. Ethical conflicts in marketing arise in two contexts: First, when there is a difference among the needs of the groups, a conflict may arise. Second, an ethical conflict may arise when one’s personal values conflict with the organization. In either case, a conflict of interest is a possible outcome.

12.2 Rules for Ethical Marketing

Professional associations and recognized bodies will enable to identify common guidelines for ethics in marketing. Generally the following rules guide marketing behavior: - Responsibility of the marketer; - Honesty and fairness; - Rights and duties in the marketing exchange process; - Participants should be able to expect that products and services are safe and fit for intended uses; - Marketers should be aware of how their behavior influences the behavior of others in organizational supply chain relationships. In order to effectively market, advertising is necessary. Major promotional objectives are: - Emphasize product value; - Provide information; - Stabilize sales; - Stimulate demand - Differentiate product.

13.0 MEASURES OF: CG, CSR, MANAGEMENT FOR BUSINESS ETHICS
Towards achieving enhanced effectiveness of corporate management through practice of business ethics, it is important to understand salient aspects and their interrelations of Corporate Governance (CG), Corporate Social Responsibility (CSR) and Management. The ethics inclusive policies, strategies, directions and guidelines are issued by CG. CSR is a major pillar of CG. The policies, strategies and directions executed by management.

13.1 GOVERNANCE AND MANAGEMENT

Governance is to direct, Management is to act.

13.1.1 Governance

In organizations, governance is provided by board of directors. The board oversees the organization, making sure it fulfills its mission, lives up to its values and remains practical for the future. Essentially, the board has the responsibility to: - Define expectations for the organization; - Set and maintain vision, mission and values; - Develop long-term strategic plans; - Create organization's policies; - Grant power; - Verify performance: - Ensure compliance; - Ensure accountability and compliance with laws and regulations; -

13.1.2 Management

Management takes direction from the board and implements. Management has the responsibility to: - Communicate expectations, mission, strategy and policies to the staff; - Prepare tactical strategies, operational plans, schedules; - Monitor operations and programs implementation; - Reports to the board.

13.1.3 Governance and Management Balance

It is important to establish balance between the responsibilities of the board and management for well functioning of the organization, to be able to: - Meet the expectations of beneficiaries, clients, and other stakeholders; - Deliver quality products, services, programs that are effective and efficient; - Comply with laws, regulations and other requirements.

13.1.4 Process of Balance

The process of balance between governance and management have following components:- Board defines expectations, management executes the expectations, result in meeting stakeholders expectations;- Board grants power, management implements, result in effective quality products, services, programs; - Board controls performance, management monitors performance, result in compliance with regulations and requirement.

13.2 CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

13.2.1 Corporate Governance (CG)

CG is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the
efficient use of resources and ensure accountability for the stewardship of those resources. Stewardship is a body of moral principles that embodies responsible planning and management of resources. The aim is to align the interests of individuals, corporations and society.

13.2.2 Corporate Social Responsibility (CSR)

CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment and stakeholders. Corporate social responsibility is concerned with treating the stakeholders of the firm ethically in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation.

13.2.3 CSR and CG Relation ¹,¹³

CSR as a part of CG is based on-regulatory principles linked to internal and external management of the company. CSR is only one aspect of organization’s governance and risk management process. CSR is one the four pillars on which the structure of corporate governance built. The four pillars are: - Compliance with regulatory requirements; - Equitable treatment of all stakeholders; - Full and fair disclosure of all information; - Compliance for norms of business and social responsibility.

13. 3 GOVERNANCE AND BUSINESS ETHICS ¹⁴,¹⁵

Having a consistent ethical culture is one of the vital requirements to operate business globally and for its sustainability. Cultivating and maintaining an ethical business environment with strong governance are more important because of the legal requirements. Further, nervousness about doing the wrong thing has increased. Companies will value the formalizing of an ethical framework, because it helps them cope with an increasingly complex business environment. Complexity is due to opening markets, falling trade barriers, and intensified competition. Corporate governance is gaining increasing attention not just from governmental authorities but also from bankers and rating agencies. Upholding the company’s good name and reputation for integrity are important competitive advantages, and that’s the main motivation.

13.3.1 Implementation of Ethical Practices

Implementation guidelines for ethical practices are presented here: - Measures in place to support the practice of good business ethics; - A written ethics policy/code of ethics/statement of ethical values; - Ethical matters routinely considered as part of the board and senior management decision-making; - Management certify adherence to ethics policy/code of ethics; - Providing protection for employees who raise ethical concerns; - Training of ethics & ethical practices for employees; - Processes for assessing adherence to the written ethics policy/code of ethics/statement of ethical values; - Ethical performance included within performance appraisals; - An established whistle-blowing policy in place; - An ethics committee to monitor implementation of all the related tasks.
13.3.2 Important Guidelines

Important factors to be considered for implementing actionable moral management include steps as: - senior management strategy and support; - providing ethics training, follow up and implementation; - periodical self-analysis and making necessary corrections / modifications.

14.0 BENEFITS, CHALLENGES OF ETHICAL CULTURE

14.1 Benefits

A strong ethical culture makes positive contributions through organizations and management’s decisions. The contributions are: - Company’s overall reputation; - Comfort of compliance with laws and regulations; - Gain an edge over competitors; - Ability to obtain future investment; - Company’s attractiveness as a potential employer; - Relationships with the investment community; - Company’s attractiveness as a potential supplier; - Management and staff motivation; - Company’s ranking in market / business analytical reports; - Business performance

14.2 Factors Driving Good Ethical Practices

Key factors exerting pressure or driving the development of good ethical practices are: - Government; - Corporate governance institutes; - Professional accounting bodies; - Multinational business environment; - Diversified cultures; - Impacts of local economies; - NGOs/public/customers; - Employees; - Competitors

14.3 Factors of Influence

Factors that help to improve the influence of governance on their company’s ethical practice are: - Stronger enforcement by regulators; - More explicit reference to ethics and values in the code; - Pressure from investors; - Extending penalties; - Influences from directors; - Media pressure; - NGO pressure

14.4 Challenges

The practical issues and challenges that organizations generally have to face in the task of implementing ethics related activities are: - Time and effort involved; - Balancing the needs of the business with ethical practices; - Company culture; - Sharing of concerns by members; - The existing company structure; - Convincing the board of its importance; - Lack of suitable directors; - Transparency of ownership structure; - Perceived as low value to the business; - High short-term costs; - Concentration of share ownership; - Family-controlled companies

15.0 CONCLUSION

An integrity approach to business strengthens competitiveness of the organization. It facilitates the delivery of quality products in a sincere, reliable way. This approach can enhance work life by making the workplace more enjoyable and challenging. It can improve relationships with stakeholders and can instill a more positive mindset that fosters creativity and innovations among the stakeholders. The purpose of ethics is to enhance our lives and our relationships both inside
and outside of the organization. Ethics is the right way to conduct responsible business; a responsible business is safe and undisruptive. It is important to consider competitive environment under globalization as a game image rather than the confrontation image. It is essential to include ethics in the corporation’s strategy to achieve competitive advantage for the company and value addition to the stakeholders. The game competition in business is a stimulating fixture, in which each competitor strives to achieve excellence, satisfy customers, and succeed as a result. The motive in this type is not to drive out the competition, but to work hard, play by the rules of the game, and do one’s best in order to succeed. It is a win - win strategy.

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