

Cross-Cultural Business Ethics: An Analysis

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Abstract- In the era of globalization where the participation of any business is not limited, where people from different countries, cultures, and societies are actively moving around the world for jobs. The very question that arises is what values or diligence should be adopted by the global companies so that the harmony and the healthy growth of any organization can be achieved. The chapter aims to understand the concept of cross-culture business ethics which starts with an introductory part that includes the need and dimension of business ethics. The influence of transculturation on work ethics will be explained theoretically in this chapter. And also discuss the effect of formal training and education on ethical behaviour among the management students and the employees working for global companies as many businesses who want to broaden their product markets invest heavily in educating their staff about how to connect and interact effectively with people from different cultures. The chapter will objectively examine the various issues and challenges that the Indian corporate and public sectors are facing with the aid of statistical evidence and facts in order to analyse and evaluate the claims about the various aspects of business ethics and cultural differences. At last, what measures and steps that have been taken so far and will be taken by the governing body for the future benefit of the Indian businesses globally that can grow exponentially without compromising the moral and ethical system, will be discussed. A conclusion is drawn about the importance of the presence of ethical practices in the cross-cultural business to run a sustainable business across the world as ethics is not only important in businesses but also in all aspects of life. A company or society without ethical principles is doomed to go down sooner or later.

Keywords- globalization, diligence, harmony, exponentially, society.

I. INTRODUCTION

Business ethics refers to the system of ethical and ethical beliefs that guides the values, behaviours, and decisions of a business and thus the individuals within that organization. Some ethical requirements for businesses are codified in law; as an example, environmental regulations, the wage, and prohibitions on trading and collusion are all samples of the govt. establishing minimum standards for business ethics.

What validates as business ethics has evolved over the years, and the different regions of ethics are critical to every business.¹

1. Need and importance:

In addition to employee loyalty and morale, corporate ethics have a significant impact on management team cohesiveness. Just as with any other business project, the ethical operation of a company has a direct correlation to its short- and long-term profitability.¹

Importance:

2. Protection of assets:

A strong ethical culture within your business is significant in safeguarding your assets. Employees who abide by your

workplace ethics would be able to protect and respect your business's assets. For example, they might avoid making personal long-distance calls using the business's lines. Workers can only respect company property once you treat them with respect and dignity, which makes them feel proud to be working for your business.

2. Cooperation and Efficiency:

Workplace ethics play a crucial role in increasing employee productivity and cooperation. It helps you link your company's values with those of your employees. As a first step in achieving this alignment, you should urge your staff to have a constant discourse about the values of your company, which will foster a sense of belonging, integrity, and transparency.

Because of ethics, your employees sense a deep connection between their personal values and those of your company. Increased productivity and motivation are two ways they express their feelings.

3. Cultivate a positive public image:

When you make ethical decisions, you gain a lot of respect and cultivate a positive public image. In order to fulfil your corporate social responsibility, you can reduce the amount of waste your business generates, for example.

When people see your business, they'll think of it as one that operates with honour and integrity, putting people before profits. Maintaining an ethical reputation will also help you gain more clients. Customers would come to trust you and do business with you.

4. Improves transparency and accountability:

In the workplace, ethical conduct encourages a culture of ethical decision-making. As a result, business decisions are more accountable and transparent. You can navigate turbulent times with the help of a strong ethical culture by making the right moves. It can assist you in successfully introducing change in your organization, which can be a difficult task. If your company is committed to ethical conduct, it will teach you and your employees how to behave consistently, even in difficult situations.²

5. Seven Dimensions:

A recent Klynveld Peat Marwick Goerdeler (KPMG) study 2020, gave seven general dimensions:

6. Clarity

As well as the difference between acceptable and unacceptable behaviour, employees must understand the consequences of non-compliance with company policies. People are more likely to do the right thing if they understand the company culture.

7. Honesty

In every situation, there are ethical questions that can shed light on the most difficult of issues. All members of a company benefit from openness when it comes to agreeing on what is acceptable behaviour. Sharing responsibility is fostered in this way.

8. Enforcement:

A clear system of rewards and punishments that is directly related to the desired behaviour is essential. Since rewarded behaviour and tolerated misbehavior become the norm, integrity is undermined from the ground up when rewards and sanctions are out of sync with core values.

9. Commitment:

Leadership in the organization must remain committed towards its corporate values in order to inspire managers and employees alike..

10. Transparency

Everyone can see the impact of their actions on others and correctly interpret other people's behaviour, if they behave in a transparent, open manner. Due to the fact that staff can act in accordance with the firm's core principles while also seeing them in action every day, transparency has a prompt influence on the firm.

11. Achievability:

The organization's goals and targets must be reasonable. "Stretch" targets are acceptable. Nevertheless, unrealistic

goals and targets can lead to cynicism and resistance, or worse, a culture of breaking the rules in order to reach them.

12. Role Modelling

In an organization, mutual respect is built on the foundation of effective role-modelling at all levels. Starting at the top, a positive tone is set that is carried down to all levels of the organization. Most people tend to follow the lead of senior executives when they set a good example.³

13. Ethical Theories:

13.1 The Agency Theory: However, agency theory has important ethical implications that are not always recognised. Agencies are defined as agreements in which one party agrees to act for the benefit of another, which are particularly difficult to monitor. For example, an agent agrees to act on behalf of another (i.e., a principal).

13.2 Normative Theories: Accountants can learn about normative theories of business ethics by comparing recent scandals with these theories. As a result, only one of these theories can be correct. Investor, stakeholder and social contract theories are the three dominant normative theories of business ethics today

13.3 Philosophical Ethics: Accounting ethical dilemmas can be understood and resolved using a variety of philosophical ethical theories. There are three major areas of inquest in philosophical ethics: meta-ethics, applied ethics, and normative ethics, which is one of them.

According to normative ethics, also known as normative theory, it is the goal of the discipline to determine which actions are right and wrong, as well as which character traits are good and evil.

The term meta-ethics, on the other hand, refers to an investigation into the nature of ethics. Among other things, a meta-ethical study would examine the meaning and objectivity of moral concepts such as good and bad. When it comes to practical issues such as abortion, euthanasia, animal rights and criminal punishment, applied ethics is simply the application of normative ethics to those issues.

Because moral principles or virtues are used as standards of right action, normative ethics is normative.

Normative theories of ethics can be broadly divided into four categories:

- Teleological approaches,
- Deontological approaches,
- Hybrid theories, and
- Virtue ethics.

To identify moral dilemmas, these approaches can be used.⁴

II. LITERATURE REVIEW

Arlow (1991) 5; Borkowski and Ugras (1992) 6; Stevens, (1984) 7; and Mayer, (1988) 8 studied that no one knows exactly how business ethics instruction affects students' ethical attitudes

Arlow (1991) also analysed that Students' ethical attitudes may be influenced more by exposure to large socio-cultural norms than by education in specific disciplines, which could have implications for business ethics instruction.

Borkowski and Ugras, (1992) despite this, researchers after study conclude with recommendations that ethics be incorporated into learning areas

Mayer (1988) studied and concluded that there is a need for compulsory ethics training for students

Green and Weber (1997) 9 students to ethical issues and has a positive impact on their behaviour.

Rest (1988)10 empirical research done which conclude that students' moral perspectives can be influenced by ethical education, according to research.

Kohlberg's, (1984)11 studied and in support of the three-level moral development model's fundamental assumptions.

Schlaefli, et al. (1985)12 En outre, an analysis of fifty-five studies has shown the benefits to students' ethics of ethics education.

Gill (2006) 13 examined several major implications. First and foremost, business schools must change their value propositions to the world and to potential students. Students should be exposed to ethical issues as a part of their education. There should be more interdisciplinary work in the curriculum as well because ethics can be applied in areas such as international relations, politics, science, medicine, law, & business.

Gupta et al., (2015) studied those emerging markets like India, with their unique blend of cultures; require MNCs to understand their culture. Because of this, understanding its culture is essential for dealing with differences and identifying opportunities. By establishing trust with the HCNs, this can be accomplished. MNCs need to take this into account when trying to do business in India because Indians place a high value on relationships. Indian managers should be included in the decision-making process so that Indians believe that multinational corporations have long-term plans in the country14.

Anupreeta (2017) 15 analysed that poor ethical behaviour at work, as evidenced by surveys that point to the

executive branch as the culprit. Following the implementation of rules, regulations, and legislation, evaluation and follow-up activities must be carried out. Since the implementation of high ethical standards has been inconsistent and unclear and compliance programmes have been misunderstood, employees have been encouraged to engage in unethical behaviour at work.

III. METHODOLOGY

The study is based purely on secondary data which includes a thorough and extensive study of literature review related to the research topic which has been extracted from different previously published research papers, journal articles, universities, and most productive publications in ethics related to business and cross-cultural business in particular.

IV. FINDINGS

From the thorough study of different secondary data sources, it can be said that the discussion and initiatives have been taken long back for the ethics-related issues which were prevalent in the organized and unorganized sectors globally. The data also reveal the reasons for the existence of various ethical issues due to cross-cultural business. Further the importance of training and education in cross-cultural business ethics.

How these pieces of training are helpful to impart a good sense of responsibility among the employees towards their organization as well as other foreign organizations. Future research could be conducted in a similar manner for students at other higher educational institutions and across disciplines.

V. DISCUSSION

1. Different aspects of Business Ethical Practice:

When it comes to business ethics, it isn't just about not bribing people to get things done. Another way of saying this is that not accepting bribes does not automatically make a businessman ethical. The idea that every human act has a single essence would be too restrictive and limiting. Business ethics encompasses a wide range of activities, including quality, keeping promises, transparency in financial reporting, not evading taxes, and so on and so forth. We'll take a closer look at six of them.

1.1 Selling Below Standard Products: Every entrepreneur has a responsibility to provide his customers with products of the highest quality. Whether it's through Total Quality Management (TQM), Total Productive Management (TPM), or another approach, the pursuit of quality is a lifelong commitment. One must surpass all standards and break all records set by one when it comes to quality.

1.2 Respecting Commitments: Every company must have this in order to survive. They could have been made to customers, colleagues, or subcontractors, depending on the context. For entrepreneurs, it is in their self-interest to keep their promises because businesses are built on trust and relationships. As a result of outsourcing, this is even more important today.

1.3 Transparency in Financial Statement: It is just as unethical as selling adulterated foods and medicines to lure investors and fudge the balance sheet to cheat workers of their rightful entitlements, whether bonus or exgratia payments. Transparency is required by today's consumers when it comes to the financial statements of businesses.

1.4 Super Normal Profits: Monopolies love this, and it's often attempted by short-term, fly-by-night operations. Long-term success requires that we share the rewards with everyone involved in the business. If we put too much pressure on our suppliers, we risk being let down in a crisis. As with customers, the same is true for the employees, who are also customers. It's not just about maximizing shareholder value; it's also about delivering balanced value in a way that benefits all stockholders and society as a whole. Taking advantage of your customers can be profitable in the short term. But it will end up ruining the long-term relationship. In the long run, healthy relationships are more valuable than short-term profit.

1.5 Conformity with laws and statutes: Any business has a moral obligation to be a good corporate citizen in the country in which it operates. The law prohibits theft, enforces contracts, limits advertising, and reinforces a variety of other moral norms, among other things. Overlooking or ignoring the law may seem like a good idea in the short term, but it is not the best course of action. Be mindful that what is moral needn't necessarily be covered by law. Often, the law only emphasizes the absolute minimum.

1.6 Involvement in the suburb: Your factories and offices will benefit from a harmonious relationship with the local community, in addition to providing jobs for the locals. Only a few organizations have managed to instil such a sense of purpose in their employees that it has become the reason for their very existence. As a result of their efforts, their employees, customers, and stakeholders have reacted with a sincere and heartfelt response. Now, companies like Microsoft, Infosys, GE, and others are stepping up to help the community by donating money¹⁶.

2. Influence of transculturation on work ethics:

Organizational culture and its surroundings are ways of behaving that are based on shared values. Organizational culture is influenced by the country's cultural norms. Their growth is determined by the founders who choose a basic vision, mission, and environment for their company. Countries, provinces and cities have different habits,

customs, cultures, and ways of working. Because of this, we cannot pick and choose who we do business with.

Tolerance of differences in other organizations is not enough; we must learn to understand those differences and use them to our and others' advantage. As a general rule, every company should act in accordance with local culture. To a greater extent, standardization is achieved when differences between cooperating parties are minimal.

When we move from one culture into another, we are confronted with strange behaviours that are based on other people's values. Many steps are involved in moving from one place to another. All of this begins with a company's preparation, which includes securing qualified candidates, ensuring that they can adapt to a foreign environment, teaching them the basics of local culture while also giving them the opportunity to improve their language skills and adapting to a foreign culture. After that, the candidate must adapt to the new culture and overcome the cultural differences. When candidates arrive, the organization helps them settle in and make friends. International trade is heavily influenced by cultural differences.

For example, in Great Britain, companies' autonomy and independence are highly valued. Another rarity, they 'reject' long-term investments in favour of maximizing current profits. Sweden encourages participation and teamwork in the workplace. This is reflected in their salaries as well.

They strive for democratic decision-making and employee solidarity, which is reflected in their salaries (equally high for the entire company). But in the German system, it is more common to encourage a sense of shared responsibility for decision-making and company policy. Social security and employee benefits are also constantly emphasized because of their socialist economy¹⁷.

Etiquette is no longer a luxury or an option in the 21st century. People at all levels of an organisation require ethical values in addition to expertise, knowledge and intellectual capacity. Since most people spend a lot of time at work, a lot of this nurturing has to take place in the corporate environment.

A research and study conducted by the Institute for Global Ethics, has identified four key factors in formulating a values-based culture. These factors include:

2.1 Core values shared by all: Every culture in the world shares five core values, according to the study. It's a list that includes integrity, fairness, and compassion. In a values-based culture, these core values will be the driving force behind decisions.

2.2 A common language to communicate: To converse easily and appropriately about important subjects, employees need a common language of ethics.

Programs that teach ethics effectively provide a common language.

2.3 High-level commitment: Training in ethics is worthless without senior executives who follow through on their commitments. People who choose to do the right thing are rewarded more than anyone else when their leaders do so consistently.

2.4 Courageous morals: When it comes to ethical challenges and moral misdoings, moral courage is defined as "the quality of the mind and spirit that enables one to face up to them without hesitation." They must become so intertwined that they cannot be separated from each other anymore. In the home, at work, and everywhere else, they determine how people relate to one another¹⁸

3. Role of education and training in business ethics:

3.1 Why Cross-cultural Training? An alternative method of managing diversity in an organisation is to conduct cross-cultural training. In order to facilitate effective cross-cultural communication and interaction, this has been the most widely used method to date. According to the dictionary, cross-cultural training is a procedure or practise used to increase an individual's ability to cope with cross-cultural situations and perform well in a new cultural environment. As a result of cross-cultural training, employees are better able to understand other cultures, including their values and ethos. As a result, employees become more curious about their own backgrounds and cultural heritage. In the same way, employees should recognise and acknowledge the cultures of their colleagues.

For instance, employees of one country should know and respect the culture of its one and also respect the culture of other countries equally. As a result, a great deal of cultural misunderstanding can be avoided.

Even though many companies have established cross-cultural training programmes, they are still struggling to understand the business value and reap the benefits of these programmes. In the near future, however, many of them will have to begin cross-cultural training programmes. Instead, they've adopted the practise of outsourcing their main activities. However, some experts have criticised it for being insufficient and incomplete so far. Investing in it is a waste of time, energy and money.

Taking into account both its advantages and criticisms, it is concluded that it is beneficial in the present and will be even more beneficial in the near term.

As a result of cross-cultural training, people from different and conflicting cultures come together and work together. Eventually, they learn to respect their own culture, as well as the cultures of those around them, as a result. They work together to achieve the organization's goals. All parties benefit from a healthy work environment.

Every day, the importance of cross-cultural training grows.

The following are some reasons;

- Working in countries with different cultures.
- Working on a single project with teams from different countries and cultures.
- It is also possible for companies to have divisions or departments in different countries.
- Outsourcing activities require the use of foreign suppliers.
- Clients from different countries and cultures.
- When partners and allies come from different cultural backgrounds.

3.2 Education and cross-culture training process:

The process of cross-cultural education and training is a difficult one to understand. You'll learn about cross-cultural understanding, cross-cultural education, and mentorship and deliberation.

These are explained below:

3.2.1 Promoting Inter cultural Understanding: That starts with a cross-cultural awareness campaign. In the workplace, people from different cultures don't understand each other's cultures. Educate them on the importance of their own cultural factors, which influence their own perception and understanding of others as well as their own trust, belief, and attitude. At the same time, they should be familiar with the cultures of others.

As a result, they should be able to compare and contrast the various cultures. Employees would be able to learn about different cultures. Having a basic understanding of the people and their cultures would be extremely beneficial. A broader view of employees would be developed. They would begin to appreciate their own culture and take pride in it. In the same way, they enjoy and respect the cultures of their co-workers.

3.2.2 To provides Cross-Cultural learning: Management education is provided in different countries for a multicultural workplace. The purpose of this education is to give knowledge to the employees relating to management of the companies in different countries. One will learn how companies in different countries and cultures handle their employees, initiatives & corporate. With knowledge, a comparison can be made and the best practises can be identified and used to influence the behaviour of clients, customers and the public as a whole based on the knowledge gained.

3.2.3 Provide cross-cultural training and development: When a company conducts business in different countries with different cultures, it faces a variety of cultural issues that need to be addressed and resolved. To deal with it effectively, managers lack the necessary knowledge. That country's experts should provide them with coaching or consultation. As a result of the coaching or consultation

provided, there would be a shift in the way people think, act, and solve cross-cultural problems. From culture to culture, coaching and consultation methods can differ.

4. Effectiveness:

As you can see, there are many factors that influence the effectiveness of the cross- Cultural education and training programme. As long as management pays attention to the design, implementation, and evaluation of the programme, its effectiveness will be high. In the event that any of these activities are slack, the effectiveness is likely to suffer¹⁹.

In every profession and field, there are ethics and codes of conduct that govern how people conduct themselves. When it comes to business school ethics, the goal isn't to improve the students' character but to learn about the good and bad things that happen in business.

Students are also taught that not everyone in their future workplace will have the same morals as them, and that they will have to stand for something at some point in time. In other words, this is an aspect of a business that cannot be ignored when teaching students about entrepreneurship. People should learn business ethics in school for a variety of reasons which can be summarized as:

Understanding justification's pitfalls are made easier- This is a distasteful way of reasoning and rationalising things when viewed from a logical point of view. We need a way to handle a situation without justifying bad and poorly approached decisions. By teaching students about business ethics, one can help them understand some justifications and determine whether or not something is reasonable.

This enables students to realise that they have different behaviour on the part- To help students understand that everyone has their own way of doing things, hold discussions in the classroom about ethics and involve students in various discussions about how they would handle matters. They will be better prepared for their future careers if they learn to respect other people's opinions and conduct. Therefore, those who believe that everyone should have the same morals and conduct will come to realise that this is not the truth.

Student diversification reasoning- An ethics course includes reading materials, scholarly articles, and books in addition to the custom writing assignments. By encouraging students to read these articles, they can learn how to deal with appropriate and inappropriate situations at work. This course will not necessarily change a student's life, but it will continue to inspire them to make good decisions wherever they may be stationed in the future.

It changes the way young professional's think- Students used to be uninterested in ethical issues, but now they're

having discussions about the values of ethics. Young people today prefer to work for a company that values its employees. In addition, they prefer to work for companies that adhere to the principles of corporate social responsibility.

It's a sign that teaching business ethics to students is beneficial. Such progress contributes to a better business environment. In part, this is due to a tendency for orderliness to prevail in the sector.

In addition to experience and knowledge, business management calls for more than just a person's reputation. How you run your business affects employees, neighbours, and the entire community. Ethical companies are also more likely to have more customers. As a result of the above, business ethics serve as a good marketing strategy in a way²⁰.

5. Challenges and issues in cross cultural business ethics: in the context of Indian corporate and public sectors:

At global level:

Based on the 2019 Global Business Ethics Survey (GBES) The data received after survey says that more than 1 in every 5 employees who feel pressured to compromise their organization's ethical standards, policies, or laws., and 22% of employees globally have felt pressure to bend the rules #.

#“Pressure to bend the rules” was defined as pressure to compromise your organization’s ethics standards, policies or the law.

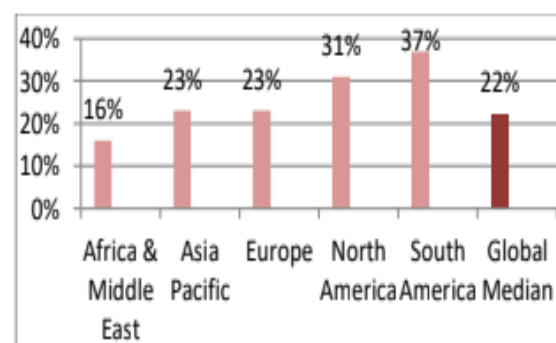


Fig 1. Pressure to Compromise Organizational Ethics Standards.

Source: Global Business Ethics Survey Pressure in the Workplace: Possible Risk Factors and Those at Risk (Global Business Ethics Survey 2020)

* “Global Median” refers to the median of all 18 countries surveyed.

In June 2017, a survey, titled ‘Economic Uncertainty or Unethical Conduct: How Should Overburdened Compliance Functions Respond?’ was carried out by EY

India. Major highlights of this survey in context of India are:

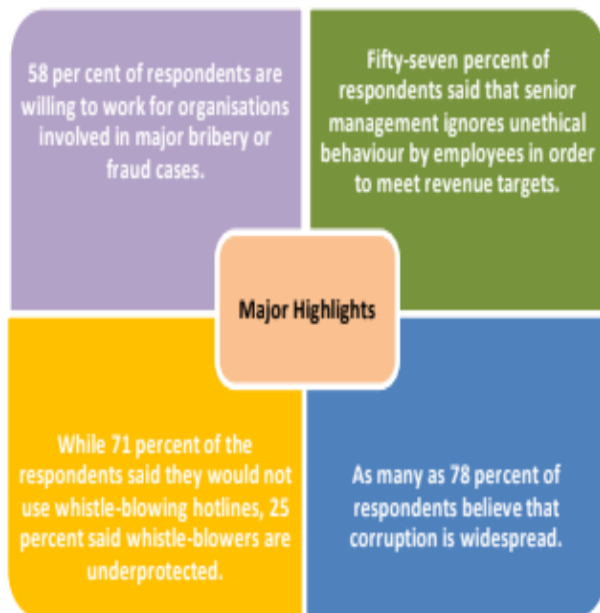


Fig 2. Survey conducted on Ethical Behaviour in India.

Source: Anupreeta. (2017). Corporate Governance and Business Ethics: An Indian Perspective. International Journal of Creative Research Thoughts (IJCRT) w, 5(4), 3348–3352.

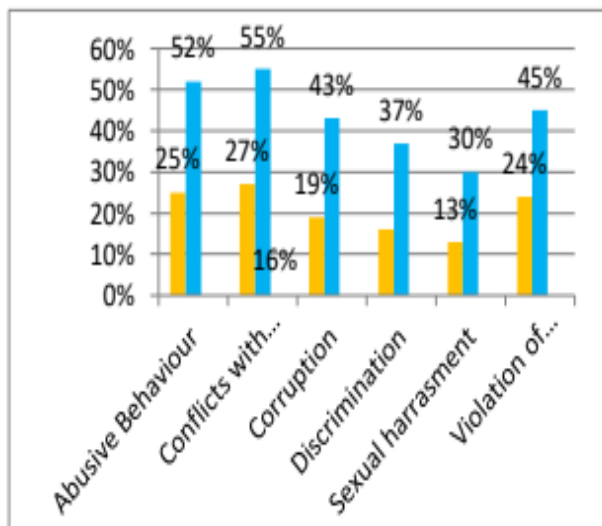


Fig 3. Employees Who Feel Pressure due to Various Types of Misconduct.

Source: Global Business Ethics Survey Pressure in the Workplace: Possible Risk Factors and Those at Risk (Global Business Ethics Survey 2020)

The above graph represents the various reasons because of which the employees feel pressurized at workplace and led to misconduct knowingly or unknowingly. The reasons

mainly are; Abusive behaviour, Conflicts of interest, Corruption, Discrimination, Sexual harassment, Violation of Health and/or safety regulations.

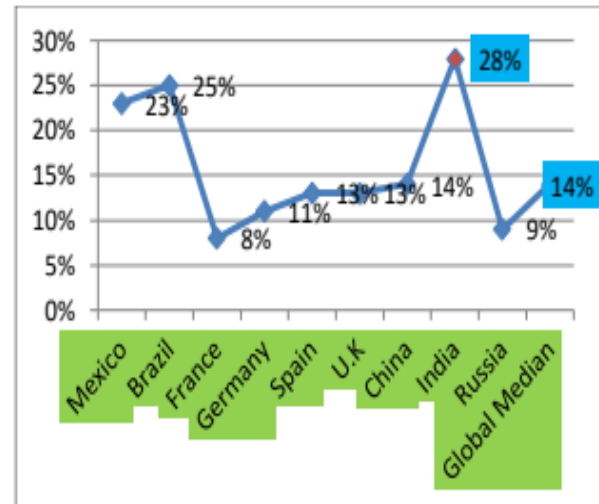


Fig 4. Culture Strength Index—Global Percentage of Employees Experiencing Strong Ethical Cultures.

Source: The State of Ethics & Compliance in the Workplace: A Look at Global Trends (ECI, 2021)

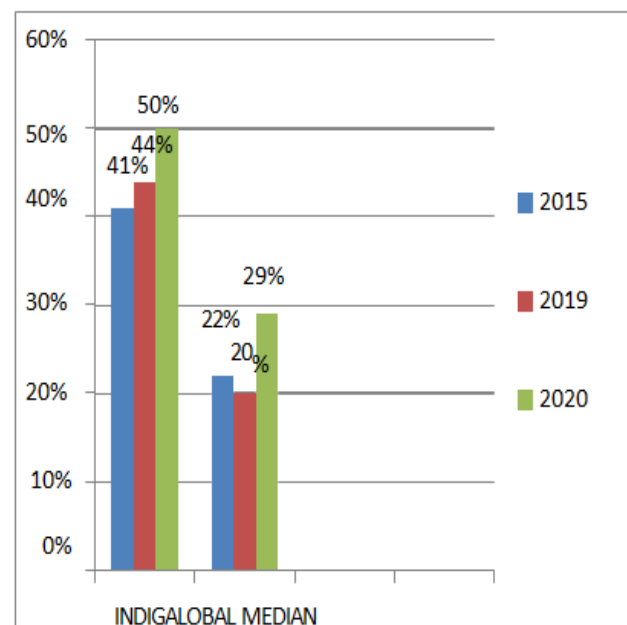


Fig 5. Percentage of employees experiencing pressure.

Source: The State of Ethics & Compliance in the Workplace: A Look at Global Trends (ECI, 2021).

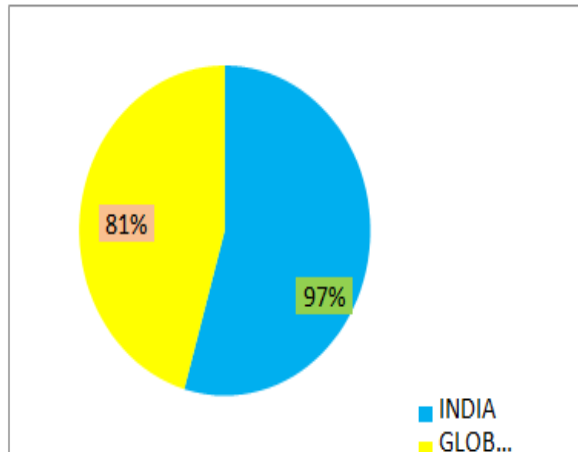


Fig 6. Percentage of Employees reporting observed misconduct in 2020.

Source: The State of Ethics & Compliance in the Workplace: A Look at Global Trends (ECI, 2021)

VI. MEASURES TAKEN BY GOVERNMENT AND NON-GOVERNMENT BODIES

1. Ethics Committee:

It is a natural extension of a company's mission and values to create a code of conduct for its employees. When it comes to making ethical business decisions that balance conflicting interests, thoughtful and effective corporate codes can provide valuable guidance. They must set an example for the behaviour they expect from others. People tend to think that ethical lapses in higher-ups are tacit permission to do the same at lower levels.

Only after high-ranking executives have demonstrated their own integrity can they demand that others follow suit. An independent non-executive director committee should oversee the implementation of systems to ensure that employees adhere to the company's Code of Ethics.

2. Functions of Ethics Committee:

The Ethics Committee of an organisation is responsible for overseeing the following areas:

2.1 Review of standard and procedure definitions-

These areas include activities that require a formal set of ethical standards and procedures. Any shortcomings should be brought to the ethics committee's attention and a revised set of guidelines should be created. This should include a formal way to communicate standards and procedures to employees. As a result of this method, employees should be able to understand and accept the ethics programme. In addition, the ethics committee can recommend to upper management behaviours that strengthen the organization's policies.

2.2 Support Compliance- The ethics committee is in charge of ensuring that everyone is following the rules of conduct. As such, it is responsible for enforcing ethical standards within its sphere of influence. Concerning interpretations of organisational standards and procedures, it should serve as the final arbiter. Should inconsistencies be found, the committee should make recommendations on how to improve the existing compliance systems. Determining whether or not compliance suggestions are acknowledged requires regular follow-up.

2.3 Due conscientiousness of potential employees-

There should be a way to balance the rights of individual applicants and employees with the organization's need to avoid putting known violators in positions of discretionary responsibility, and the ethics committee should define that way. Background checks on employees and applicants for such positions are part of this.

2.4 Supervision of communication and training for the ethical code of conduct -

For example, the ethics committee should establish arrangements and processes for disseminating ethical standards of conduct and practices. There are documents (such as codes of conduct) distributed to make sure that the company fully accepts the ethical guidelines of their employer. To ensure that authored benchmarks are comprehended, the ethics committee should also hold training sessions to ensure that everyone is on the same page.

2.5 Ethical Business Principles -

A two-way communication process necessitates that the ethics committee seeks input from stakeholders on how standards and procedures should be defined and implemented. There are ways to prove that each employee has obtained the relevant documentation and grasps them.

2.6 Keep an eye on and check for compliance -

Accordingly, the ethics committee should design controls, monitor, audit, and display employees' adherence to published standards and procedures in order to ensure that they are being followed. The effectiveness and reliability of such internal controls should also be checked by some mechanisms. A regular review and assessment process should be developed by the ethics committee to ensure that the organization's goals, objectives and plans do not conflict with its ethical standards.

2.7 Incorporation of discipline -

In order to ensure that similar infringements of guidelines and requirements are dealt with consistently, corrective regulations should be implemented. As well as those who ignore rules and procedures, there should also be clauses for those who do not adhere to them. In the event of a violation, the ethics committee should be able to determine why it happened. It's also essential to utilize the lessons learned from past violations in reducing the chances of future violations.

3. Integrity Pact:

The Integrity Pact (IP) is a tool developed by Transparency International (TI) to preclude corruption in public collective bargaining. For public contracts, it's a process that involves reaching an agreement with the bidders. Neither party will expect to be paid, try to give, demand or take bribes, and collaborate with competitors to acquire the contract, or engage in such abuses while carrying out the contract, according to its rights and obligations. En outre, the IP brings an unbiased oversight and accountability system.

4. Whistle-Blower:

Typically, the whistle-blower is a member of an organisation or group of people who publicly complains about a hidden wrongdoing on the part of that organisation. Fraud, health/safety violations and corruption are all examples of misconduct that can be classified in a variety of ways. In the absence of a system that ensures anonymity, whistle-blowers often face backlash - perhaps at the hands of the organisation or group they've alleged.

If an organisation has complaint systems that guarantee confidentiality and indemnity, people are more likely to take action against unacceptable behaviour within the organization. Whistleblowers are often protected by law from retaliation by their employers because of this. Revision 49 of the equity listing agreement in India sets guidance for Whistle Blowing Policy in the Indian Stock Exchanges.

5. Social and Ethical Accounting:

Using social and ethical accounting, a firm can maximize output in social, environmental, and economic aspects. There is a link between the values of an organisation and its policies, performance goals, evaluation and information exchange.

DEVELOPMENTS IN INDIA

India embarked on a reform process in 1991 in response to government initiatives aimed at economic liberalisation and globalisation. An interest in Corporate Governance was sparked by Cadbury Committee Report, and the Confederation of Indian Industry (CII), ASSOCHAM and the Securities and Exchange Board (SEBI) formed committees to make recommendations.

1. Confederation of Indian Industry (CII):

Corporate Governance is a special initiative of CII, the first such initiative in Indian Industry for the development of and promotion of a code of Corporate Governance that would be adopted and followed by Indian corporations in the private and public sectors as well as banks and financial institutions. It was widely circulated in 1997. The Code was published in April 1998. It was called Desirable Corporate Governance: A Code.

2. Kumar Mangalam Birla Committee (2000):

There was a committee set up by the Securities and Exchange Board of India (SEBI) that was headed by Kumar Mangalam Birla to encourage and boost corporate governance standards. Der Bericht des Ausschusses was the first structured and thorough effort to develop a Code of Corporate Governance in the context of the governance conditions that existed in Indian companies at that time, and the state of capital markets at the time. Clause 49 was added to the Listing Agreement in 2000 as a result of the Report's suggestions.

VII. TASK FORCE ON CORPORATE EXCELLENCE THROUGH GOVERNANCE

It was in May 2000 that the Department of Company Affairs [now the Ministry of Corporate Affairs (MCA)] formed a broad-based study group under the chairmanship of DCA's Secretary, P.L. Sanjeev Reddy. "Corporate excellence" must be operationalised on a long-term basis, in order to "sharpen India's global competitive edge" and "further develop corporate culture in the country," according to the group. One of the Task Force on Corporate Excellence created by the group issued a report on improving governance standards among Indian companies in November 2000. In addition, a Center for Corporate Excellence was suggested.

Naresh Chandra Committee (2002) After the 2001 Enron fiasco, which exposed the tranquil relationship between auditors and corporate clients, and the subsequent U.S. Sarbanes- Oxley Act, the Indian government woke up and appointed the Naresh Chandra Committee to examine and recommend, among other things.

N.R. Narayana Murthy Committee (2003) If corporate governance is to protect investors' interests, SEBI felt it was necessary to look beyond systems and procedures in 2002, when it analysed the statistics of compliance with clause 49 by listed companies. Therefore, SEBI formed a committee under the chairmanship of Shri N.R. Narayana Murthy to review the implementation of the corporate governance code by listed companies, and to issue the revised clause 49 based on the committee's findings and recommendations.

Dr. J J Irani Expert Committee on Company Law (2005) During 2004, the Government appointed Dr.J.J. Irani, Director of Tata Sons to advise the Government on the proposed revision of the Companies Act, 1956, with the objective of having a simplified compact law that would be able to address the changes taking place in both the national and international scenario, enable adoption of internationally accepted best practises, as well as provide adequate flexibility for timely evolution. The regulator's and the regulated are intentions and integrity are critical to the success of regulation²².

VIII. CONCLUSION

Ethics in business organisations was always not considered as important but with the increase in the globalization and competition day by day in this field and involvement of bad practices along with the progressive nature, forced the government bodies to take a look over it and implement some regulations to prevent the harm and loss of consumer as well as producer.

Business ethics is also very important as it affects the cross- cultural businesses which became new trends after globalization. To work in different country with different culture, language, mind-set makes it more important to train and educate the employees adequately so that they can adjust and respect the values of the foreign culture.

Nowadays organizations are organizing different trainings and educational sessions to inculcate the sense of business ethics and responsibility of any employee towards their customer, investors and organizations.

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Abbreviations:

- KPMG - Klynveld Peat Marwick Goerdeler TQM - Total Quality Management
- TPM - Total Productive Management GE - General Electric Company GBES - Business Ethics Survey
- IP - Integrity Pact
- TI - Transparency International
- SEBI – Securities and Exchange Board of India ASSOCHAM - Associated Chambers of Commerce and Industry of India
- CII - Confederation of Indian Industry MCA - Ministry of Corporate Affairs