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Influencing Factors And Ideas To Reduce Ethical Challenges In Modern Business Management In Indian Context: A Review Study

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Abstract

Nowadays Business Environment Of India Is Very Dynamic; Mostly Companies Are Facing A Wide Range Of Ethical Challenges Due To Fast Globalization, Advancement Of Technology, And Evolving Regulatory Landscapes. The Reasons Behind These Challenges Are Such As Corruption, Corporate Governance, Environmental Sustainability And Privacy Of Data. This Paper Tries To Explore The Various Influencing Factors And Few Solutions To Overcome These Ethical Challenges In Modern Business Management For Indian Context. . It Assesses Approaches Such As Promoting Corporate Social Responsibility (CSR), Technology For Ethical Decision-Making, Enhancing Transparency, And Fostering An Ethical Organizational Culture Can Really Affect In Improving The Quality Of Work Life In Indian Companies. The Research Also Focuses On The Role Of Business Leaders, Entrepreneurs And Policy-Makers To Make Ethical Standards In Organizational Culture And Align Them With Business Practices. The Paper Findings Emphasize That If We Adopt Proactive Methods Then It Can Help In Improving Businesses To Cope Up With Ethical Challenges And Contribute Positively To Society. The Author Has Recommended A Model That Stating The Essence Of Ethics In Business And The Path To Achieve The Same. This Research Paper Is Exploratory And Descriptive In Nature And Completed With The Help Of Secondary Data.

Keywords: Corporate Governance, Ethical Challenges, Environmental Sustainability, Corporate Social Responsibility, Technology Advancement, Data Privacy

Introduction

The Concept Of Business Ethics Is An Old Concept In India And It Has Been Deep Rooted In Our Indian Culture And Philosophy. Dharma And Karma (Righteousness & Action) Are The Part Of Our Indian Traditions And It Accentuates Ethical Behaviour And Social Responsibility. The Introduction And Practice Of Business Ethics Have Recently Gained Special Place As Our Economy And Business Are Continuously Growing And Evolving. Ethics In Business Is Pivotal Aspect That Governs The Behaviour And Practices Of Business Organizations And Individuals Within The Context Of Business Activities. It Encompasses The Moral Values And Principles That Lead Decision Making, Interactions And Transactions In The Business. It Provides A Framework For Conducting Business In A Responsible, Fair And Sustainable Way, Taking Into The Interests Of Various Stakeholders Including Shareholders, Employees, Suppliers, Customers, And The Whole Community.

Recently, The Concept Of Global Economy Is Rapidly Evolving And Connected Whole World. It Increasing The Importance Of Business Ethics And Has Emerged As The Need Of The Successful Business And Sustainable Business Practices. It Includes Treating All Stakeholders Equally And Maintains Organization's Reputation For Honesty And Credibility. It Enhances Businesses Sustainability, Profitability With Social Responsibility And Ethical Accountability. Nowadays, It Is Working As A Fundamental Aspect Of Modern Business That Decides How An Organization Operates, Transacts And Contributes To The

Community. If An Organization Wants A Strategic Advantage In This Competitive World Then Business Ethics Is Not Just A Moral Concept, It Is Necessary For Long Term Success.

Objectives Of The Study

The Authors Have Considered The Following Objectives For The Study:

- To Study The Concept & Significance Of Business Ethics In Indian Context.
- To Identify The Influencing Factors Of Ethics In Indian Business.
- To Find Out The Some Ideas To Reduce Challenges Of Ethics In Indian Business.

Review Of Literature

- (2021) Kaur: Kaur Explores The Role Of Modern Technologies, Such As Artificial Intelligence And Block-Chain, In Enhancing Ethical Practices. AI Can Be Used To Eliminate Biasness In Decision- Making, Particularly In Human Resources Practices. Block-Chain Can Be Also Used To Create Transparent And Secure Systems For Tracking Supply Chains, Ensuring That Businesses Adhere To Ethical Sourcing And Labour Practices.
- (2020) Dr.Kasturi Bora & Ms. Upasana Bora: This Article Identifies The Application Of The Code Of Ethics In Modern Businesses, Focused On How It Accelerates These Organizations. It Signifies The Role Of Business Ethics In The Survival Of Contemporary Business Organizations, Assisting Them To Achieve Their Goals. The Existing Businesses Can Improve Their Practices And New Companies Can Also Comply With The Results For Better Performance In Upcoming Time.
- (2020) Bansal: He Discussed The Significance Of Corporate Social Responsibility (CSR) In India, And Noted That Businesses Are Increasingly Expected To Contribute To Social Causes Beyond Making Profits. CSR Activities Are Now Mandated By Laws In India, But CSR Companies Still Face Challenges In Ensuring That Their CSR Efforts Are Genuine And Impactful Rather Than Performance Oriented.
- (1989) Tsalikis & Fritzsche: They Conducted That The Term Ethics Are Used Interchangeably With Morals, However, It Is More Accurate To Restrict The Terms Morals And Morality To The Conduct Itself. Instead, We Can Then Use The Terms Ethics And Ethical To Refer To The Study Of Moral Conduct Or To The Code An Individual Follows. Ethics Should Be Considered An Important Aspect Of Business For Anyone Wanting To Or Is Already In The Process Of Conducting Business. The Majority Of Situations That Business People May Face Do Not Necessarily Involve Strictly Legal Matters; They May Have To Make Judgements Concerning What Is “Right” Or What Is Considered The Ethical Things To Do. There Have Been Approaches Made To Attain High Ethical Standards In Business Using Multiple Approaches. One Of These Approaches Is The Implementation Of Ethical Codes. Codes Of Ethics Are Considered One Of The Most Pervasive Responses Used By The Business Community As A Whole As A Way To Improve Ethical Conduct.

Concept Of Business Ethics

Ethics Is Derived From The Greek Word Ethos, Which Means Character. It's The Values And Beliefs That Guide People In Their Daily Lives, As Well As How They Make Decisions. Business Ethics Refers To The Principles And Standards That Guide Behaviour In The Business World. It Includes Ethical Responsibilities Of Decision-Making That Consider The Well-Being Of All Stakeholders, Including Employees, Consumers And Society At Large. In Short, Business Ethics Includes What Is Right, Fair, And Just In All Aspects Of Business Operations.

According To **Kenneth Kernaghan** Is Defined As “Ethics Is Concerned Not Only With Distinguishing Right From And Good From But Also With Commitment To Do What Is Right Or What Is Good. The Concept Of Ethics Is Inextricably Linked To That Of Value That Is Enduring Belief That Influences The Choices We Make From Available Means And Ends.”

“Business Ethics’ Is Defined By The **IBEA** As ‘The Application Of Ethical Values To Business Behaviour’.

Issues Related To Ethics Can Arise In Various Field Of Business, Including Environmental Responsibility, Corporate Governance, Employee Relations, Marketing, Product Safety & Quality, And Financial Audit.

The Main Challenge For Businessmen Nowadays Is Identifying The Ways To Integrate Ethical Principles In Their Business Operations And Also Balancing Profitability With Taking Care Of Social Responsibility. Ethical Business Practices Are Now Considered Essential Not Only For Legal Regulations But Also For Maintaining Sustainability And Fostering Faith Among All Stakeholders.

Significance Of Business Ethics

- A. Ethics Lays The Strategic Decision-Making For The Business
- B. Ethics Makes Credibility And Trust Among Stakeholders
- C. Ethics Builds Long-Term Sustainability
- D. Ethics Attracts And Retains Talented Employees
- E. Ethics Creates Customers Loyalty For The Brand
- F. Ethics Enhances Teamwork
- G. Ethics Reduces The Risk In Business

Factors In India Influencing Business Ethics

Business Ethics Is Considered As A Set Of Policies & Practices Guide That Will Guide Stakeholders In A Manner That Is Acceptable To Whole Society. All Individuals Should Try To Behave Ethically Because It Affects Society And Contribute To Make Positive Effects And Malpractice Business Organizations Can Cause Everyone Suffer Who Lived In The Society. There Are Many Factors Which Influence Business Ethics. Some Factors Are As Follows:

1. **Individual Code Of Ethics:** The Personal Code Of Ethics Of An Individual Affects The Most And It Affects Individual Decision-Making In Every Situation. The Code Of Conduct Of Each Person Of The Company May Be Different. It May Create Clashes And Lead To Ethical Issues In Business.
2. **Leader & Leadership Style:** Leader And Its Style Of Leadership Plays An Important Role In Business Ethics So, If An Entrepreneur As A Leader Works Ethically Or Unethically Definitely Affects Behaviour Of His Employees.
3. **Legal Laws:** Legal Laws Prevent Unethical Business Ethics Because The Facts That Government And Legal Authorities Will Intervene If Any Business Performs Or Engages In Unethical Behaviour.
4. **Code Of Ethics & Policies Of The Organization:** Every Organization Or Company Decides Its Code Of Conduct And Standards. Any Unethical Conduct Or Behaviour By The Organization Can Be Damaged Its Goodwill Or Public Image. Hence, Most Of The Companies Are Very Conscious About Reputation.
5. **Pressure Of Social Environment:** As We All Live In A Society So Its Pressure Influences To Perform Ethical Code Of Conduct. If A Company Supplies Low Quality Products Or Services And Gets Involved In Unethical Behaviour, The Customers Or Consumers Will Detached From The Company And Refuse To Buy Or Take Services.

Research Methodology

The Paper Is Basically Exploratory And Descriptive In Nature And Matter Is Mainly Collected Through Secondary Data From The Various Books, Websites, And Journal Scholarly Articles Etc.

Systematic Review

As This Paper Is A Review Article, Hence Different Aspects Of The Topic Are Systematically And Critically Reviewed And Discussed By Choosing Relevant Past Research Data And Information Available Offline And Online.

Examples Of Ethical Issues In Businesses

Understanding And Addressing Ethical Issues Early Helps Prevent Problems And Allows You And Your Team To Focus On Business Success And Growth. Here Are Some Examples Of Ethical Issues That Can Occur In A Business Practices:

1. **Discrimination And Harassment:** These Are The Major Issues For Human Resources Managers, Which Affects Reputation Of An Organization. These Are Based On Age, Unequal Pay, Gender, Caste, Race, Religions Etc.
2. **Workplace Health & Safety:** For A Positive Working Place Environment It Should Be Required That Every Employee Has A Right To Work In Safe Working Conditions. Unsafe And Unhealthy Working Conditions Are Due To Hazardous Working Climate Like Fall Of Guard Railings, Not Proper Guidance To Use Of Unsafe Equipment And Machines, Not Proper Ventilation Etc.
3. **Unethical Accounting Practices:** It Is A Very Serious Issue, As Most Of The Organizations Not Maintained Proper Bookkeeping Records. These Kind Of Unethical Practices Are Especially Harmful For Shareholders And Consumers. These Practices Are Increasing Due To Organizations Want To Earn More

Profit And Pay Less Taxes.

4. **Favoritism And Nepotism:** HR Professionals Try To Recruit His/Her Relatives Or Known People So, They Do It Using Unethical Recruitment Process. Favoritism Occurs When Managers Treat Others Unprofessionally To Favor His Acquaintance Or Family Member And This Practice Can Lead To Low Productivity, Job Dissatisfaction, Which Can Negatively Impact The Entire Organization.
5. **Environmental And Social Responsibility:** Recently Corporate Social Responsibility (CSR) Is A Significant Part Of All Large Organizations. But Most Of The Organizations Doing Under Pressure Of Legislative Agencies. But It Should Be The Responsibility Of Each Firm Which Is Working In Those Areas Which Can Harm Our Environment And Community Like Chemical, Coal Using Factories Etc. It Can Reduce Impact On Air And Water Pollutions.
6. **Technology Advancement And Data Privacy:** Data Privacy Refers To An Individual's Right To Control How Their Personal Information Is Collected, Used And Shared. In Our Increasingly Digital World, Safeguarding Data Privacy Has Become Crucial To Protect Individuals From Potential Misuse Of Their Information.

In India, Where Digital Literacy Varies Widely, The Risks Are Augmented. Many Users May Not Fully Understand How AI Systems Use Their Data. This Can Lead To Inadvertent Sharing Of Sensitive Information Or Acceptance Of Privacy-Invasive Practices.



Reasons Of Frauds And Scams In India

Mahatma Gandhi Said, "Business Without Morality Will Destroy Us".

We Can Clearly See This From Many Cases, Which Tarnished Our Image Across The World And Also Weakened The Indian Economic System.

There Are Many Scandals Held In India Due To The Lack Of Corporate Governance And Unethical Practices In Businesses. Some Major Examples Are:

Harshad Mehta Scam (1992), Satyam Computer Services Scandal (2009), Sahara India Scam (2014), Nirav Modi-PNB Scam (2018), The Infrastructure Leasing & Financial Services (IL&FS) (2018) Etc.

Major Reasons Of Financial Frauds Are Unethical Issues, Technological Advancements, Data Privacy Tampering And Digital Theft Using Artificial Intelligence.

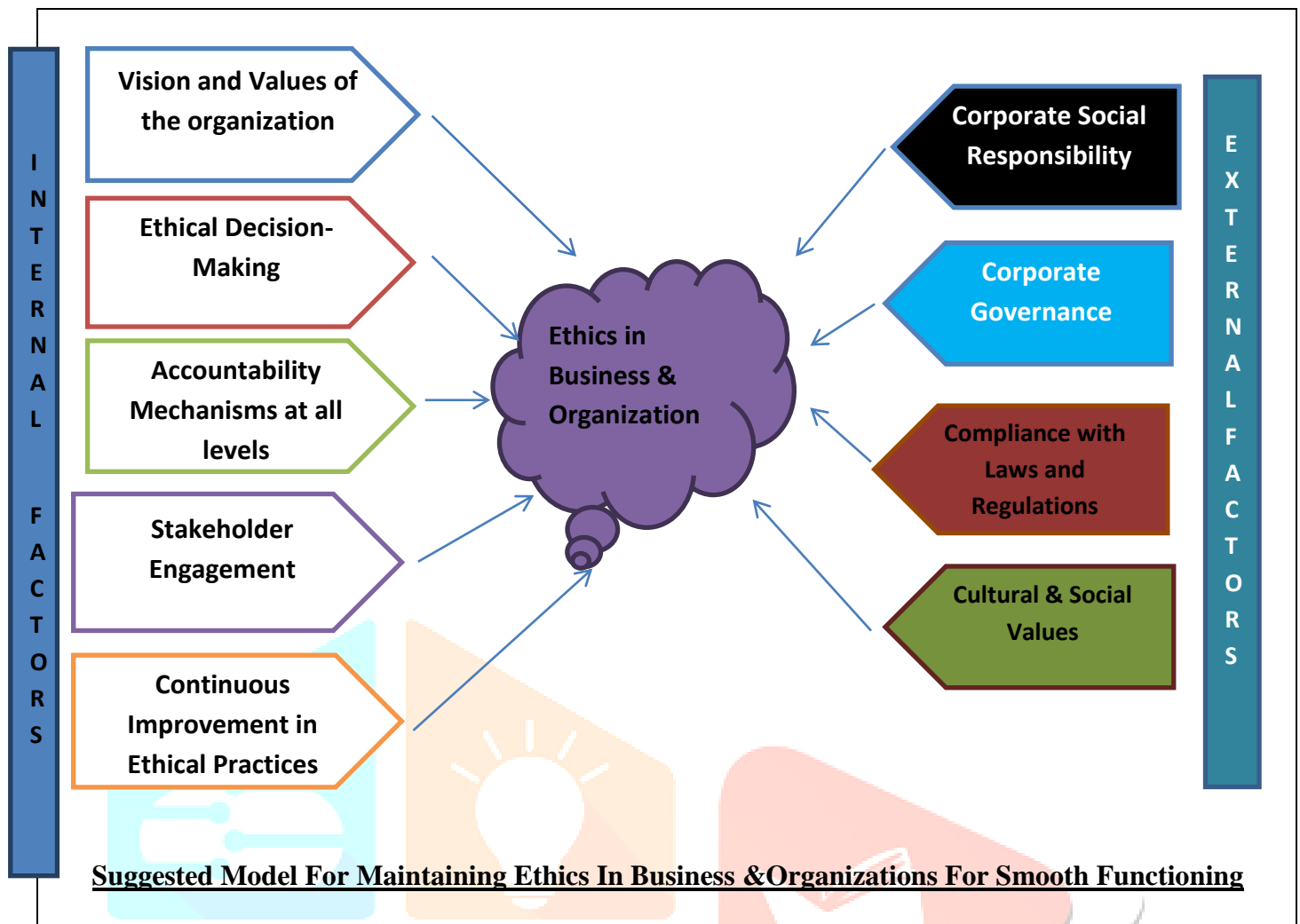
Some Ideas To Reduce Ethical Challenges In Modern Business Management In India

Promoting Business Ethics Is Very Crucial In India As It Requires For Building Trust Among Stakeholders, Sustaining Honesty And Trust For Long Term Growth. It Can Only Be Possible When Companies Or Organizations Conduct Ethical Behaviour And Follow Standards Which Enforced By The Government And Regulatory Bodies. Here Are The Some Innovative Ideas That Can Be Employed To Reduce Ethical Challenges And Encourage Ethical Conduct In Businesses In India:

1. **Develop Moral Values Through Knowledge:** Educational Training Of Moral Values, Business Ethics And Business Policies Should Be Must For Any Person Before Starting A New Business And For Existing Entrepreneurs Regular Workshops And Seminars Should Be Conducted. These Kinds Of Regular Knowledge Will Assist Businessmen To Understand The Importance Of Ethics And Equip Them With Tools To Navigate With Ethical Dilemmas And Challenges.
2. **Promote Strong And True Leadership:** The Leadership Of The Organizations Establishes Examples For Their Employees. Business Leaders And The Top Management Should Set An Example By Showing Honesty And Transparency In Their Actions And Decisions. When Top Management Leaders Prioritize And Demonstrate Business Ethics In Their Behaviour Then It Create A Culture That Follow By Each And Every One In The Company.
3. **Mandatory To Perform CSR:** Till Now Corporate Social Responsibility Is Seeing As The Policy That Can Only Be Meant For Large Companies But It Should Be Imply To All Companies Whether It Is Large Or Small According To Their Capacities. It Will Address Social, Environmental And Community Concerns At All Levels. CSR Activities Enhance The Company's Goodwill And Demonstrate Its Commitment To Ethical Conduct.
4. **More Laws For Digital Protection:** Tackling India's Data Privacy Is A Major Challenge, So We Require A Multi- Pronged Strategy And Which Involve Government, Businessmen, Entrepreneurs And Individuals Etc. The Implementation Of Data, Protection Legislation Is Crucial For Policy-Makers. The Guidelines Should Be Clear On Use Of AI, Maintaining The Data Privacy Of Any Person Or Business And Any Violation Of The Policy Punishment Shall Be Must According To The Depth Of Case.
5. **Rewards To The Businessmen:** The Central & State Government Can Reward Some Businessmen On Monthly Basis Those Follow All The Rules And Regulations Which Are Created By The Law. It Will Increase The Fame And Name Of Their Company In The Society And It Encourages Every Businessman Or Entrepreneur To Work Ethically.
6. **Incentives To The Employees:** The Backbone Of Every Organization Is Its Employees, Hence It Is Mandatory That Organization Provides Incentives Not Only To Those Employees Who Are Working Hard But Also To Those Ones Who Show Integrity, Honesty, And Work Ethically For The Organizations.
7. **Develop Long-Term Perspective For Sustainable Growth:** Unethical Behaviour And Practices Can Give Immediate Profits But For Sustainable Long Term Success Can Only Be Found When Businessmen Understand The Value Of Ethical Code Of Conduct.

Recommendations

After Reviewing Various Research Studies And The Conceptual Understanding Of Business Ethics And Its Importance, The Author Suggested A Model Which Can Be Used By Organizations And Governments To Maintain Ethics In Business.



As Suggested In The Model, Internal And External Factors Work Together With Honesty Then One Day Definitely Indian Businesses Can Get Back To Our Indian Traditional Dharma And Karma Based Business Practices. It Will Enhance The Credibility And Create More Business Opportunities For India.

Conclusions

India Has Been A Country Of Ethics And Moral Values Since Ancient Times And Our Scriptures, Our Various Religions Have Been Giving The Knowledge Of What Is Right And What Is Wrong? But Perhaps Some Selfish People Have Turned Aside The Thought Of Right And Wrong, Hence They Have Started Doing Such Unethical Practices In Their Working Area.

This Paper Is Written With The Aim Of Understanding The Unethical Practices That Are Taking Place In India And Giving Suggestions From Their Perspective To Avoid Challenges In Businesses, So That It Can Help In Creating The Sustainable Environment. Many Studies Have Been Done So Far On Unethical Practices And Many Research Papers Have Also Been Written. This Paper Is Also Based On Past Research Studies And The Author Has Written Something From His Own Thoughts. And After Reading Some Studies, It Has Been Concluded That As Long As All The People Or Stakeholders And Government Agencies Involved In Businesses Will Not Make Efforts To Stop Unethical Practices Then Frauds Or Scams Will Continue In India And Globally As Well.

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