

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

*Indexed & Listed at:*

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 4700 Cities in 180 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	<b>A STUDY ON SELF HELP GROUPS IN KARNATAKA</b> <i>DR. RASHMIRANI AGNIHOTRI H.R &amp; DR. K.S MALIPATIL</i>	1
2.	<b>ROLE OF TALENT MANAGEMENT IN ACHIEVING THE GOALS AND OBJECTIVES OF BANKING SECTOR IN INDIA - WITH REFERENCE TO NOIDA REGION</b> <i>SANGEETA RANI &amp; PRABHAT SRIVASTAVA</i>	6
3.	<b>PROBLEMS OF MICRO ENTREPRENEURS IN CHITTOOR DISTRICT</b> <i>P.VENKATADRI REDDY &amp; DR. HAMPANNA</i>	8
4.	<b>MAKE IN INDIA: OPPORTUNITIES AND CHALLENGES IN DEFENCE SECTOR</b> <i>AZHAR SHAIKH, DR. UTTAM KINANGE &amp; ARTHUR FERNANDES</i>	13
5.	<b>MICROINSURANCE: WAY AHEAD TO TAP RURAL INSURANCE MARKETS</b> <i>DR. N. SUMAN KUMAR</i>	16
6.	<b>GO GREEN WITH GREEN HUMAN RESOURCE MANAGEMENT PRACTICES</b> <i>RIZWANA KHURSHID &amp; MUSHTAQ A DARZI</i>	19
7.	<b>ORGANIZATIONAL COMMITMENT AND ORGANIZATIONAL EFFECTIVENESS</b> <i>DR. DAVINDER SHARMA</i>	22
8.	<b>NEXUS BETWEEN REMITTANCE INFLOW AND HUMAN DEVELOPMENT IN NEPAL</b> <i>SURAJ GAUDEL</i>	29
9.	<b>PERFORMANCE ANALYSIS OF SELECTED MICROFINANCE INSTITUTIONS IN INDIA</b> <i>S. RADHIKA &amp; DR. P. KANCHANA DEVI</i>	34
10.	<b>A STUDY ON WORK LIFE BALANCE OF WOMEN FACULTY IN PRIVATE COLLEGES WITH SPECIAL REFERENCE TO NAMAKKAL DISTRICT</b> <i>DR. K. GIRIJA</i>	38
11.	<b>BUSINESS-TO-CONSUMER (B2C) e-COMMERCE: A SURVEY</b> <i>YOGITA SHARMA</i>	43
12.	<b>AGRO BASED INDUSTRY: A WAY OF BALANCING INDIAN ECONOMY</b> <i>DR. BANESWAR KAPASI</i>	47
13.	<b>IMPACT AND CHALLENGES OF IMPLEMENTATION OF GST ON INDIAN ECONOMY</b> <i>VANDANA SHARMA</i>	49
14.	<b>A COMPARATIVE STUDY AMONG PRIVATE AND PUBLIC SECTOR EMPLOYEES ABOUT RETIREMENT FINANCIAL LITERACY, KERALA</b> <i>ASWATHY MOHAN</i>	52
15.	<b>ECONOMETRIC MODELING OF THE IMPACTS OF SHIPPING ON NIGERIAN ECONOMY</b> <i>THEOPHILUS C NWOKEDI, DR. L.I. OKOROJI &amp; CHINEMEREM C. IGBOANUSI</i>	58
16.	<b>WHY SHOULD BUSINESSMEN BE ETHICAL?</b> <i>BILAL AHMAD RATHER</i>	62
17.	<b>IMPACT OF GLOBALIZATION ON INDIAN AGRICULTURE</b> <i>INDRA BANSAL</i>	65
18.	<b>A COMPARATIVE STUDY OF INDIA AND CHINA ECONOMIC RELATION WITH SPECIAL REFERENCE TO STOCK MARKET IN THE 21<sup>st</sup> CENTURY</b> <i>JOHN MANG MUAN LIAN ZOU</i>	68
19.	<b>ANALYSIS USING CAMEL MODEL: EVIDENCE FROM LARGE COMMERCIAL BANKS IN TANZANIA</b> <i>JANETH N. ISANZU</i>	71
20.	<b>THE GAP OF HOSPITAL SERVICE PERFORMANCE BY USING SERVICE QUALITY ANALYSIS</b> <i>MUSTAFA HERMANTO</i>	76
	<b>REQUEST FOR FEEDBACK &amp; DISCLAIMER</b>	80

## CHIEF PATRON

**PROF. K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur  
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)  
Chancellor, K. R. Mangalam University, Gurgaon  
Chancellor, Lingaya's University, Faridabad  
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi  
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

## FOUNDER PATRON

**LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana  
Former Vice-President, Dadri Education Society, Charkhi Dadri  
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

## FORMER CO-ORDINATOR

**DR. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

## ADVISORS

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

## EDITOR

**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

## CO-EDITOR

**DR. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

## EDITORIAL ADVISORY BOARD

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SANJIV MITTAL**

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

**PROF. ANIL K. SAINI**

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P. J. L. N. Government College, Faridabad

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

### *ASSOCIATE EDITORS*

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. ABHAY BANSAL**

Head, Department of I.T., Amity School of Engineering & Technology, Amity University, Noida

**PROF. V. SELVAM**

SSL, VIT University, Vellore

**PROF. N. SUNDARAM**

VIT University, Vellore

**DR. PARDEEP AHLAWAT**

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

**DR. S. TABASSUM SULTANA**

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

**DR. JASVEEN KAUR**

Asst. Professor, University Business School, Guru Nanak Dev University, Amritsar

### *FORMER TECHNICAL ADVISOR*

**AMITA**

Faculty, Government M. S., Mohali

### *FINANCIAL ADVISORS*

**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

### *LEGAL ADVISORS*

**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

### *SUPERINTENDENT*

**SURENDER KUMAR POONIA**

## **CALL FOR MANUSCRIPTS**

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

## **GUIDELINES FOR SUBMISSION OF MANUSCRIPT**

1. **COVERING LETTER FOR SUBMISSION:**

**DATED:** \_\_\_\_\_

**THE EDITOR**

IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.

**(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)**

**DEAR SIR/MADAM**

Please find my submission of manuscript entitled ' \_\_\_\_\_ ' for possible publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to their inclusion of names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

**NAME OF CORRESPONDING AUTHOR** :

Designation :

Institution/College/University with full address & Pin Code :

Residential address with Pin Code :

Mobile Number (s) with country ISD code :

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :

Landline Number (s) with country ISD code :

E-mail Address :

Alternate E-mail Address :

Nationality :

**NOTES:**

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
  - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**  
**New Manuscript for Review in the area of** (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/Education/Psychology/Law/Math/other, please specify)
  - c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
  - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
  - e) **Abstract alone will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
  - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty four hours** and in case of non-receipt of acknowledgement from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
  - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be **bold typed, centered and fully capitalised**.
  3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
  4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
  5. **ABSTRACT:** Abstract should be in **fully italicized text**, ranging between **150 to 300 words**. The abstract must be informative and explain the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
  6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations.
  7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at [www.aeaweb.org/econlit/jelCodes.php](http://www.aeaweb.org/econlit/jelCodes.php), however, mentioning JEL Code is not mandatory.
  8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
  9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
  10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
  11. **MAIN TEXT:**

**THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:****INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably range from 2000 to 5000 WORDS.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** *It should be ensured that the tables/figures are referred to from the main text.*
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section: Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they are supposed to follow Harvard Style of Referencing. **Also check to make sure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parenthesis.
  - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders after the references.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

**UNPUBLISHED DISSERTATIONS**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



## WHY SHOULD BUSINESSMEN BE ETHICAL?

**BILAL AHMAD RATHER**  
**LECTURER**  
**UNIVERSITY OF KASHMIR (NORTH CAMPUS)**  
**KASHMIR**

### ABSTRACT

All of us agree that a businessman should understand Marketing and Finance, or for that matter, anything that affects his business. However, very few of us ask the question, "Should he understand ethics"? For the most part, the reaction to this question comes as, What reasons does a businessman have to be ethical? He is there to make profit and as long as he is doing so legally, he should be good. A businessman knows being Ethical is to be proactive towards the care and concern of the stakeholders of a business and it is nothing that laws and regulations can force him to do. Rather, what laws can only do is to encourage his ethical conduct and discourage the other side of it. However it lies upon him whether to actually adopt this conduct or go otherwise. Now many of us ask the same question, Why should a businessman whose prime objective is to make money be worried about the Business Ethics, given that he already abides by the enormous laws designed to regulate his business operations? These laws and regulations dictate what a corporate entity can do and what it can't. In this reading we try to answer this question and learn what pushes an entrepreneur towards developing an ethical code of conduct for his business entity. Is it something that satisfies him personally or he is really seeing something for his business in exhibiting high ethical standards? We will take a look at some companies that regularly adopt the ethical practices and see how it helps them be successful. The reading draws its input from various books, journals, research articles, annual reports, magazines etc.

### KEYWORDS

business ethics, entrepreneur, stakeholders, ethical code of conduct.

### INTRODUCTION

We start our reading with a statement made by John Hooker in One of his articles –WhyBusiness Ethics? (Carnegie Mellon University, April, 2003). John says there is something already odd about the questions, "why should one be ethical"? It is like asking, "Why are bachelors unmarried?" They are unmarried by definition. If they were married, they would not be bachelors. It is the same with ethics. To say that one should do something is another way of saying it is ethical. If it is not ethical, then one should not do it. In contrast to the statement made by John, Milton Friedman, the noted Economist in his essay "The Social Responsibility of Business Is to Increase its Profits" says, a businessman should not care about ethics and social responsibility. The best thing a businessman can do is to be a good businessman, that means to make maximum profits. They should be confined to finance and marketing rather than waste time on ethics. Friedman no doubt had many takers, and the essay went so popular that business schools made it mandatory for their students to read it. However, the corporate world knew there is something beyond what he suggested.

A business is not working in the interest of the society, while only making profits, rather how it makes those profits and then distributes them to the concerned. This is the reason we have ethics. Business Ethics is application of the moral principles to the conduct of a business, the concern about the right and wrong in every aspect of your business while dealing with its stakeholders. Being ethical is being human and it is not forced on someone, rather it can just be encouraged by rewards, recognitions and image that an organisation carries over long run. The world has come up with enormous laws at regional, national and international levels to regulate the corporate Entities. Say for instance, New York City government is considering laws that need the restaurants to display the caloric information next to the food item they serve. The aim of the law is to protect the consumers from gaining abnormal weight and save them from obesity. To prevent the child exploitation, some laws limit the advertisement you can show during a Children's TV program. The businesses strictly adhere to these norms and laws for the social benefit. Now, since the laws are already there and a corporate unit finds no option but to obey and follow them, why would they still be concerned about what's morally right? Businesses do accept the legal word saying, "All that's not allowed is forbidden", but doesn't another legal standard say, "All that's not forbidden is allowed"? (Schiffman et.al.)

The research findings on the subject suggest that all that's not forbidden by law may not be in the best interest of the people, and for that matter, not even in the interest of the company itself. This is the point where business ethics takes the turn away from the regulations imposed by law, because law may allow you certain activities but they won't be in the best interest of the society. For example, pre-Civil war slavery laws and the old apartheid laws of present-day South Africa obviously deviate from what is ethical. Ethics is twofold and proves itself to be above the law, for in the first place it checks whether a particular conduct is allowed and then assures it is in the fine interest of the concerned. But then we ask ourselves, why do I have to be so much a saviour and think of the society's best? Can't I just go ahead making money by doing what's allowed and not burden my policy makers by something that seems absurd from the business perspective?

### OBJECTIVE OF THE STUDY

By the end of this reading, one should be able to answer the question, "What reasons does a businessman have to follow ethics? One should be able to explain why ethics is so much of a game in business and why global companies are considering creating a separate department to look after the fair treatment of all stakeholders, how ethical code of conduct within an organisation becomes the driving force for the success. Rather the objective of the present study is the answer to the question, Why ethics?

### LITERATURE REVIEW

Companies have become increasingly aware of the advantages being ethically conscious has to offer, especially in the global economy. Companies find that ethical business practices increase their competitiveness in their respective industries, helping to further substantiate the notion that a culture of ethics is crucial to sustainable excellence (Alex Brigham, 2013). To say that one should do something is another way of saying it is ethical. If it is not ethical, then one should not do it (John Hooker, 2003). Companies with codes of ethics are consistently recorded as being more admired by their peer group in the Most Admired Companies list published by Management Today, than those with no code. Also the companies that train their staff in ethical standards financially outperform those that don't. (Simon & Elise, 2004). It is good for staff morale to work in an open culture, with possible benefits of increased productivity and staff loyalty. These are vital ingredients in the current climate when staff may be pushed to the limit. An organisation known for fair and responsible practice is likely to attract high quality employees and 'stand out from the crowd' (Katherine Bradshaw 2010). Richard K. Davis, CEO of one of the America's best known bank (US Bank) while addressing the huge crowd including students, faculty and other bankers at Belmont university (2012) said, Ethics can be learned now. What I can't drill into your head is when a lot of people are doing little things wrong, you will want to draw the line on when it will end. You can draw the line in the sand now that you will adhere to as you begin practicing business. Joseph Joshua (2000) in his article "Ethics in the workplace" lists the potential benefits of an effective ethics programme and they are:

- Recruiting and retaining top-quality people;
- Fostering a more satisfying and productive working environment;
- Building and sustaining your association's reputation within the communities in which you operate;
- Maintaining the trust of members to ensure continued self-regulation;



- Legitimizing open discussion of ethical issues;
- Providing ethical guidance and resources for employees prior to making difficult decisions; and
- Aligning the work efforts of staff with the association's broader mission and vision.

When a company's ethical compass is pointing true north, everything else falls into line. This isn't to say that companies with great ethics don't fail. But it does seem to indicate that companies without good ethics are far more likely to fail due to their inability to sustain or hear an inner voice to guide them through the dark times to the light (Vivek Wadhwa, 2009). Although ethics is not the same as self interest, business executives often want to be assured that it is the same. They want to make certain that "one can do well by doing good," meaning that one can succeed in business by being ethical (John Hooker). Peter Drucker (1981) observed, "There is neither a separate ethics of business nor is one needed", implying that standards of personal ethics cover all business situations.

## BUSINESS ETHICS AT A GLIMPSE

Ethics is a practice that if followed can bring laurels to the business. It develops confidence between employer and the employee, between public and the corporation. Ethics brings equality by enforcing the ethical code of conduct equitably on everyone, no matter who is involved in the violation. Today the organisations provide the training to their employees to make sure ethical guidelines are well understood. As such, its mandatory for all the employees to attend the intensive ethics training programmes run by their organisations. Caterpillar, A US based major manufacturer of mining and construction equipment is known to hire an outside agency to provide ethical training to thousands of its employees (Thilmany, 2007). The government of United States has also been reported to undergo the ethics training for the employees of various federal agencies annually and semi-annually ((United States Office of Government Ethics, 1994). Now we may ask ourselves, why do organisations spend millions of dollars for an abstract concept like ethics, which many noted scholars like Milton Friedman don't even consider thinking about? This money could be spent on some other business opportunity that could result in conceivable benefit. This I believe is the right argument. But given to the fact what ethics actually does to your business, this question becomes irrelevant. In the long run this investment in abstract brings manifold returns and that too tangible and conceivable. This happens in many ways. We try to explain this under following headings.

### ETHICS BEAUTIFIES THE WORK ENVIRONMENT

The ethical code of conduct is adopted to ensure that certain level of trust exists between various levels inside the organisation. The superior-subordinate relation is defined on the basis of this trust. For example, your growth prospects inside the organisation doesn't depend totally upon your hard and smart work, rather a significant contribution to it comes from feedback your superior furnishes about you. Organisational politics is not the alien concept in the modern organizations, even the world's biggest corporate gains are victim to this disease developing by human interactions and preferences. Your contribution to the organisation doesn't even show up, if your superior doesn't attend to it. Now there could be thousand reasons for your boss not to recognize your work. He may, based upon his personal preferences, want to attribute this work to someone else (organizational politics), or he may desert you because of your ethnicity or something he doesn't like (discrimination). Either way, you are the victim and no one wants to be victimized beyond a tolerance level. This victimization often leads to frequent attritions, low employee morale, work avoidance (Theory X of Motivation) and abnoxious organisational culture which is fatal to any business entity. However, if a code of conduct is in the place that promotes the fair review of ones performance, unbiased evaluation and appraisals, a code that appeals the conscience of the human, the tables can be turned. This will not just boost the morale of the concerned employee, but will serve as determining move to the evolution of a healthy culture at the workplace. A culture that invites everyone to contribute the maximum and secure a fair share in the success of the organisation. .... According to the Better Business Bureau, 36 percent of employees in a recent survey said that they had become distracted at the office by incidences of poor ethics in the workplace. Not only are unethical practices wrong in the objective sense, but they impact company success when employees are unable to focus on their work because of unethical behavior or company practices. Better ethics result in employees with better focus, thus improving the company's productivity and bottom line. When management does not pay attention to ethical issues, distracting situations can grow. Research found that workers witnessing an incident having ethical concerns tell an average of eight other people. (Better Business Bureau: What Employees Say About the Need for Ethics)

### ETHICS BRINGS PRAISE

The word praise has a very deep meaning in the corporate world. Praise entails acceptance by the people, of your products, processes, methods and for that matter, acceptance of your business conduct. In this era of societal marketing concept, praise is what an entrepreneur demands from all the stakeholders. Adopting an ethical code of conduct brings enormous praise for the business and this can very well be exemplified by US Bancorp, one of the largest commercial banks in USA. The company operates in 25 states of USA with almost 60,000 employees (Belmont University, 2012). Now what makes this company special on the ethical parameters is, it doesn't make any loans to the organizations that deal in pornography, weaponry, or other industries that run against the company's ethical standards. In recognition of his focus on business ethics, US Bancorp chairman and CEO **Richard K. Davis** has been honored with the **Hendrickson Medal** for Ethical Leadership and was granted the title of "**Banker of the Year**" by American Banker Magazine. While most of the financial institutions were involved in rampant unethical behaviour in the years following the US economic crises, US Bancorp has created a value for itself in the banking industry by strengthening their ethical standards. Indeed, Bancorp has proved itself as an ethical poster child for generations to come. Besides, modern businesses are turning more towards the CSR programmes and the reason for them getting involved in these activities is that they don't want any public relation nightmares. The societal marketing concept, being the need of the hour demands a business to show its ethical face to the world and shun off the double-dealing to enjoy the good reputation.

### ETHICS ATTRACTS INVESTMENT

A person doesn't invest in a particular stock following his gut feeling, rather there are many things he takes into account before selecting the fate of his hard earned money. Besides the quantitative assessment of the company on the basis of net worth, sales of the previous periods and the like, an investor most of the times prefers assessment of the company on qualitative basis. This may include the public image and the CSR programmes that the company is involved in. The investor (Individual and institutional) today is informed and updated and before making any decision he takes all the relevant information about the concerned company into account. An investor prefers knowing about the existing investors and the conduct of the business towards them. While the investor is at checking the business conduct, he also likes to know about the rest of the stakeholders and their assessment of the company. Generally the company which is ethical shows positive reviews from all parties of interest. The companies with strong reputations in the field of ethical business behavior are also companies that tend to attract more investment from people that are new into the market.

Further, the investors feels up by investing in a company that has significant prospect of working in alliances and joint ventures with other related and non related business. Being able to strike the alliances and joint ventures is taken as a sign of growth and it needs a company to join hands with good partners. The only way to secure a space with good partners is to have a fair reputation in terms of what you have done in the past and in terms of your overall business conduct and this reputation is possible only if your company has the strong tradition of the ethical business behaviour.

### ETHICS HELPS YOU SURVIVE IN ADVERSE BUSINESS SITUATIONS

Ethics is not just one time phenomenon, rather it has to be in place everytime and everywhere in the organisation. Many companies start speaking the ethical behaviour once they encounter some problem, which is a mistake. They should realise an image takes decades to build but can be lost overnight by one small ethical lapse. Companies adopting the ethical culture find themselves safe from the economic downturn with their image and integrity intact. **Michael Beer** the author of the business ethics book **High Commitment, High Performance**, and a **Harvard Business School professor**, while working on the reasons that led to the collapse of many of the Wall Street companies during the subprime mortgage crisis of 2008, says, many of these companies collapsed in part due to their propensity to over prioritize profits at the expense of commonly accepted ethical practices. According to Beer, companies such as **Bank of America** and **Citigroup** have also suffered in their business, besides other reasons, due to their parochial objectives which are focused only on increasing profits (a poor strategy in a time of high unemployment and low consumer confidence). These behaviors indicate poor ethical judgment and show a disconnect between the companies and the customers that they serve (Beer, Michael. High Commitment, High Performance., 2009.)

In contrast, many of the financial institutions and banks such as **Charles Schwab** and **US Bancorp** performed otherwise. These two organizations chose to avoid the subprime mortgages that sparked the global financial collapse in 2008 because these high-risk loans did not fall in line with either's ethical business practice

policies. Due (in part) to these efforts in the line of ethics, Charles Schwab has consistently appeared as one of the top-rated securities firms on Fortune 500's annual list of America's largest corporations (2012), a distinction that is based on corporate revenues. Additionally, according to a recent survey conducted by Fortune Magazine, Charles Schwab ranked #1 as the "World's Most Admired Company" in the securities industry. (Ethics and Business Success -The Saylor Foundation (Page 3 & 4)

## CONCLUSION

The stakeholders of a business don't find it wise to keep their relation going if the concerned business doesn't follow the ethical standards. As a matter of exception a particular stakeholder may find it beneficial for him to support unethical conduct of the business at some instant of time, but it doesn't help him either in the long run. In contrast to that, a company adhering to the ethical code of conduct enjoys praise and prestige in the long run, confidence and trust of the interest parties in the short run. Spending resources to develop an ethical culture within the organisation is not a waste. The small investment today brings manifold gains in future. Ethics is one of those abstract qualitative factors that can't be shown in the financial statements but has the extensive bearing on the profitability of a business in the long run. It doesn't care about the type of industry, size of the organisation or for that matter the line of business you operate in. As long as an effective code of ethics is in place, success is inevitable.

Management has a detrimental role to play in building the ethical culture inside the organisation because it is the management that paves the way for how the entire organisation works on daily basis. If the management philosophy is based on ethical principles, the leaders inside the organisation can guide whole team by example and guide them to the right decision making. A business run on ethical practices attracts the workforce, helps in retaining them and creates the trust between employer and the employee. The consistent ethical behaviour brings the reputation and image which serves as decision criteria for potential investors to invest in your company. Developing an image could be comparatively easy but retaining it needs an organisation to be ethical on all business aspects that could be fair employee treatment, care for the environment, legitimate market practices and consumer concerns. An organisation must enjoy doing the right thing, because it is the right thing to do.

## REFERENCES

1. Beer, Michael. High Commitment, High Performance. San Francisco: Jossey-Bass, 2009. [David Creelman, Creelman Research (2010, Vol-3.02)]
2. Belmont University, "U.S. Bank Chairman Shares Views on Ethics at Belmont," March 28, 2012,
3. Bradshaw, Katherine - "Doing business ethically makes for better business"- E-Magazine (Institute for small businesses and Entrepreneurship, 2010)
4. Brigham, Alex. Ethisphere Institute, World's most ethical companies, March 6, 2013)
5. Drucker, P. (1981). "What is business Ethics?" The Public Interest Spring (63):18-36
6. Ethics and Business Success -The Saylor Foundation (Page 3 & 4) - Saylor URL: [www.saylor.org/bus208](http://www.saylor.org/bus208)
7. Friedman, Milton. "The Social Responsibility of Business Is to Increase its Profits," New York Times Magazine (September 13, 1970)
8. Hooker, John. Why Business Ethics?, Carnegie Mellon University – April, 2003
9. Jean Thilmany, "Supporting Ethical Employees," HR Magazine, Sept. 2007. (PP 105-112)
10. Joshua, Joseph. "Ethics in the Workplace", Ethics Resource Center, Executive Update, October 2000.
11. Manuel Velasquez, Claire Andre, Thomas Shanks, S.J., and Michael J. Meyer, "What is Ethics"– Santa Clara University. Issues in Ethics (IIE) V1 N1 (Fall 1987), Revised 2010.
12. Schiffman, Wisenblit, S.kumar – Marketing Ethics and Social Responsibility (Ch 14, Consumer Behaviour, PP-394-96), 11<sup>th</sup> Edition, Pearson Education.
13. Wadhwa, Vivek. "Why Be an Ethical Company? They're Stronger and Last Longer," Business Week, Aug. 17, 2009
14. Webley, Simon. More, Elise - Does Business Ethics Pay? (Publisher- Institute of Business Ethics, 2004)

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our E-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## **DISCLAIMER**

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

