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Emerging Trends in Management: Business Ethics

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Abstract: ***Ethics is more essential than ever in today's business world. The way companies operate has changed a lot because of globalization and new technology. Companies are not just judged on how money they make. It is also about how they do things in an honest way.***
This means that ethics is a part of how companies are run nowadays. This chapter is based on information from books, articles, reports and things found online. The research found that companies that do things in a way tend to do better. They get a reputation and people trust them. Ethics is a part of decision making in most companies. The study found that companies that follow ethical standards do better than others.
When companies act in a way it makes them more transparent, accountable and responsible. This helps them have good relationships with their employees, customers, investors and the community. Technology can help companies become more efficient, productive and innovative as they try to do things in an ethical way. This paper is about how ethics affects the decisions and plans that companies make. Good leadership taking care of responsibilities and doing things in a fair way all help companies grow in a way that is good for everyone. Ethics, leadership and social initiatives all work together to help companies grow and make an impact, on society.
Keywords: Business Ethics, Corporate Social Responsibility, Ethical Leadership, Corporate Governance and Sustainability.

I. INTRODUCTION

Patrick and Quinn (1997) defined it as the study of individual and collective moral awareness. Ethics, according to Manuel G Velasquez, "is a study of moral standards whose explicit purpose is to determine as far as possible whether a given moral standard (or moral judgment based on that standard) is more or less correct. Business ethics, on the other hand, is the application of general ethical ideas to business behaviour.

Ethical business behaviour is expected by the public; it facilitates and promotes good to society, improves profitability, fosters business relations and employee productivity, reduces penalties from public authorities and regulators, and protects businesses against unscrupulous employees and competitors. (Fernando, 2009). To be precise, Business ethics is the art and discipline of applying ethical principles to examine and solve complex moral dilemmas. Business ethics is based on the principle of integrity and fairness and concentrates on the benefits to the shareholders, both internal and external

II. IMPORTANCE AND NEED FOR BUSINESS ETHICS

When we hear or use the term 'Business ethics" many people have in mind what we call ethics in business. The realization that ethics applies in business is as old as business itself. As soon as commercial transactions started, people had a sense of what was fair and did not want to be cheated. The Ten Commandments found in the Old Testament contain injunctions to truthfulness and honesty and prohibitions against that many people can and do apply to business. Ethics is also closely related to trust. Personal ethics refers to the set of moral values that form the character and conduct of a person. Organization ethics, on the other hand, describes what constitutes right and wrong or good or bad, in human conduct in the context of an organization. It is concerned with the issue of morality that arises in any situation where employers and employees come together for the specific purpose of producing commodities or rendering services for the purpose of making a profit. Earlier it was said that 'business of business is business". Now there is a sudden change in the slogan. However, now ethics has got its due importance, and the slogan has taken the form "the business of business is ethical business".

According to World Economic Survey conducted in ten countries Japan found to be very poor on the issue Public trust in corporate indicated by 70.5% followed by South Korea by 61.1% and Taiwan by 60.2% of the respondents. Other demographic findings reveal young people having more faith than old and men trusting more their companies than women across Asia.

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Public Trust (% level) in Business

COUNTRY	TRUST	DON'T TRUST	DON'T KNOW
Hong kong	52.9	42.7	4.4
India	71.2	28.0	0.8
Indonesia	62.9	34.4	2.7
Japan	26.6	70.5	2,9
South Korea	34.4	61.1	4.4
Malaysia	55.4	28.8	15.8
Philipines	74.8	24.7	0.5
Singapore	59.4	29.4	11.3
Taiwan	31.0	60.2	8.7
Vietnam	83.6	14.0	2.4

Source: World Economic Forum Survey

Business ethics is currently a highly important topic in business, and the debate and dilemmas surrounding it have garnered considerable attention from various quarters. Pressure groups and consumers have increasingly demanded that businesses should be more ethical in their business. Moreover, business ethics can provide us with the ability to assess the benefits and problems associated with different ways of managing ethics in an organization. (Andrew crane and Dirk Matten ,2004) .

III. ETHICAL THEORIES IN RELATION TO BUSINESS

A. Egoism

The view that associates morality with self-interest is referred to as egoism" Therefore, it can be said that egoism is an ethical theory that treats self-interest as the foundation of morality. Egoists make use of their self interest as the measuring rod of their actions. Decisions based on egoism mainly are intended to provide positive consequences to a given party's interest without considering the consequence to the other parties. Philosophers distinguish between two kinds of egoism: Personal and impersonal. The Personalist theory argues that persons should pursue their long-term interest, and do not dictate what others should do. Impersonal egoists argue that everyone should follow their best long-term interest. When an organization performs or safeguard their interest without hurting the interest of others, then we can say that the organization acts ethically.

B. Psychological Egoism

Egoism asserts that the only moral obligation we have is to ourselves, though it does not openly suggest that we should not render any help to others. However, we should act in the interests of others, if that is the only way to promote our own self-interest.

C. Ethical Models That Guide Decision Making

There are several ethical theories that have been developed by philosophies over the years. These theories offer certain benchmarks to set organizational or professional standards, and more importantly, help develop a basis for normative judgment that could transcend organizational or professional witness. The right –based theories were advocated by Immanuel Kant who stressed personal rights. According to ethicists the following individual rights would include the rights to free consent, freedom of conscience, privacy, free speech and due process. These moral rights are important, normative, justifiable, claims and are derived from the nature of the members of the moral community. In today's World, business of business is ethical business. Real -type situation show that use of ethical practices in business creates high returns for companies, for example, Tata steel and Infosys. Besides, running business ethically is good for sustaining business.

D. Justice Theories

In the modern context, ethical decisions should result in a situation where all human beings are treated equally and in case some are treated unequally, it must be based on some defensible reasons. For example, a supreme court working in the construction industry cannot be treated equals in terms of salary, accommodation, protocol and status in the society.

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E. Utilitarianism

This theory is based on economic postulates and can be treated to the thinking of such classical economists as Adam Smith, David Ricardo, Jeremy Bentham and John Stuart, though it was the latter duo who formalized the ethical theory. "Utilitarianism asserts that behaviour or actions should be evaluated in terms of their consequences. That is, the behaviour that produces the greatest net gain for all affected groups is considered moral. The motto "greatest good of ht good number" was first voiced by Francis Hutcheson. The theory of utilitarianism is sometimes interpreted in terms of cost and benefit analysis (CBA). An action is acceptable if the net benefit (benefit minus cost) is the greatest in a project as compared to other available projects or policies. There are basically two variants of Utilitarianism – Act Utilitarianism and Rule utilitarianism (Brandt, 1959, pp.253-54, & Smart and William, 1973, p.4).Utilitarianism based on the principle of CBA is an important part of decision-making in modern organizations and institutions. However, the concept of Utilitarianism has a number of conceptual problems. Firstly, one needs to define utility in a unique manner. Secondly, another tricky issue is thre measurement of utility. Many people believe that being a subjective content, utility is not measurable. However, there are two important ways to measure utility. Alfred Marshall, the leader of the neoclassical school of economics, said that the utility that one is expecting from a commodity can be indirectly measured by the amount of money he is prepared to pay for it.

Limitations of Utilitarianism:

- The theory is incoherent simply because you cannot maximize two numbers at the same time (great happiness and greatest number)
- Utility is essentially a subjective concept. There is no acceptable definition of "good".
- The concept (happiness) means different things to different people. There are also multiple meanings of the concept of utilitarianism.
- In the case of utilitarianism, the end justifies the means. This idea has been vehemently criticized by many. It is said by critics that for a moral action, both the end and the means must be good.
- Utilitarianism does not consider individuals or minorities. It does not care for individual entitlements, rights and distributive justice.

However, inspite of its many conceptual limitations, the movement of utilitarianism has been instrumental in saving the conditions of common people. The philosophy of utilitarianism stood for the aspirations of the middle class.

IV. WHO IS RESPONSIBLE FOR ETHICAL CONDUCT IN BUSINESS?

The US is typically said to exhibit a strong culture of individualism, suggesting that individuals are responsible for their own success. In Asia, however hierarchy is much more important and so top management is typically seen as responsible for ethical conduct.

Regional differences from a business ethics perspective: the example of Europe, North America, and Asia

	EUROPE	NORTH AMERICA	ASIA
Who is responsible for ethical conduct in business?	Social Control by the collective	The Individual	Top management
Who is the key actor in business ethics?	Government, trade unions, corporate associations	The corporation	Government, corporations
What are the key guidelines for ethical behaviour	Negotiated legal framework of business	Corporate codes of ethics	Managerial discretion
What are the key issues in business ethics?	Social issues in organizing the framework of business	Misconduct and immortality in single decisions situations	Corporate governance and accountability
What is the dominant stakeholder	Formalized multiple stakeholder approach	Focus on shareholder value	Implicit multiple stakeholder approach,
management approach?			benign managerialism

V. VIRTUE ETHICS

Virtue ethics is a special branch of ethics founded by Plato and his disciple, Aristotle. The traditional theories of ethics are based on actions. For instance, the theory of Utilitarianism observes that an action which maximizes net utility of the society is the right kind of action. This idea is the same as the theory of consequentialism which says that a right action is the one which leads to good consequences. The theory of deontology believes that a right action is to be judged in terms of duty. Hence, what is needed is a combination of both right action as well as correct character.

VI. INTERNATIONAL BUSINESS

International Business has become an important economic force during the second half of the 20thCentury.Today few countries, if any can claim to be economically self – sufficient. India, even with her vast human and natural reasons cannot insulate herself from the world economy. Though there was tremendous political opposition from within, India opened up her economy and joined the World Trade organization (Fernando, 2009).

VII. FACTORS OF GLOBALIZATION

In recent years many factors play a facilitating role to promote and foster international trade. Many developing countries adopted protectionist. Many developing countries adopted protectionist policies and raised huge Tariff barriers for decades to protect their vulnerable home industries from foreign goods. Global business opportunities were also limited poor communication facilities, slow develop of infrastructure, inordinate delays in travel and shipping and a host of non-tariff trade barriers. Key global issues for business are the employment dilemma, collaboration and partnerships for action, trust, honesty and transparency, sustainable practices and values. Business in the present global society are carried on by multinational or transitional corporations, most of which are based in the developed countries. Global business operated within the context of international and where necessary regional rules and regulations set up by appropriate government agents. As technology improves, international business and international corporate activities will expand.

VIII. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social responsibility (CSR) is a gesture of showing the company's concern and commitment towards a society's sustainability and development.CSR reporting is a method of communicating with the society of the company's desired action or the action actually performed by it. On the basis of such feedbacks, the company can mould, change or partially or wholly modify its contemplated CSR plan. The reporting has triple bottom liner that can be expressed by three Ps (Profit, People and Planet). One of the best principles for discharging CSR is to have respect for human rights. This respect should be explicitly shown in discrimination and social capital formation. Most of the models (except the Friedman model) emphasise on the commitment and ethicality of the company. Many Indian companies are motivated by CSR programmes. Perhaps the foremost in the area of CSR's in India are the Tata's. It has many types of social activities and programmes. In the year 2007, the company was awarded Andrew Carnegie medal of philanthropy by the Carnegie Corporation of the United States. CSR initiatives include environmental sustainability, fair labour practices, Community development, and ethical sourcing. Studies suggest that socially responsible firms experience e enhanced reputation, improved stakeholders relationships and competitive advantage (Porter, Kramer, 2006). CSR also enables organization to align business objectives with societal expectation and sustainable development goals.

IX. CORPORATE GOVERNANCE

Corporate Governance in India is the outcome of a long process of evolution, metamorphosis and refinement. The evolution of corporate governance in India has a long history that dates back from the days of the British period. Basically, the period of development of corporate governance in India can be decomposed into four distinct periods; The British Period (1850-1955) ; The period of Controlled development(1956-1990); the Liberalization Period; the First Phase (1991-1999) and the Modern Period that started since 2000. This periodisation is based on the temporal progress of corporate governance. The ancient period (British period) is marked by the working of the managing Agency System (MAS). It was not a progressive period. Since the 1950s, through industrial regulations and controlled development, attempts were made to develop corporate governance in India. At the government level, there is a n active attempt to provide an enabling environment for better corporate governance. It provides a level playing firms to be engaged in corporate social responsibilities. The government rules, regulations and laws are all in favour of improving the ethical standards of corporate houses. However, the bigger challenge for India is the proper and effective implementation of the normative rules, as most prudent norms can be hoodwinked by corrupt practices.

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X. CORPORATE GOVERNANCE AND BUSINESS ETHICS

Corporate governance is defined as holding the balance between economic and social goals and between individual and communal goals. The governance is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources (Cadbury committee: Choudhury 1992). The board structure of corporate governance consists of a fourfold interconnected system. These are the shareholders (Owners) at the top, the board of Directors next, and then the corporate manager and at the bottom end, the employees (Ghosh, 2012). Corporate Governance is based on a number of theories like agency theory, stewardship theory, political theory, transaction theory, stakeholder's theory, dependency theory and ethical theory.

A. *How ethics can make Corporate Governance some more meaningful*

1) All stakeholders, creditors, distributors, customers, employees and even competitors and dealt with in a fair manner.- Corporate governance is meant to run companies ethically.
2) Good Governance should look at all stakeholders and not just shareholders alone.
3) Corporate Governance is not something which regulators have to impose on a management. It should come from within.
4) There are number of grey areas where the law is silent or where the regulatory framework is weak. These are manipulated by unscrupulous persons like Ketan Parekh and Harshad Mehta(Fernando, 2009)
5) The Serious Fraud investigation office (SIFO) is the department of Company affairs (DCA) has been investigating several 'Vanishing Companies". In 2003 SEBI has identified and 29 "Vanishing Companies" – which trapped the capital Market , collected funds from the public and subsequently became untraceable (Fernando, 2009)
6) So, business organization has to compete for a share in the global market on its own internal strength, in particular, on the strength of its human resource and on the good will of its other stakeholders.
7) The Ethics of Corporate Governance has come under increased scrutiny as a result of the scandals that took place during 2001-2003

B. *The Enron Case*

The Enron case has become a standard case study[1] of a business failure for many reasons. It had repercussions around the world, in part because Enron was the Seventh largest corporation in the United States, in part because the accounting firm of Arthur Anderson as well as the financial institutions. JP Morgan, Citi group and Merrill Lynch were also involved in its Questionable financial maneuvers[2] and in part because its demise was so swift. In addition, the Enron story has the trapping of a Greek tragedy because Enron, until the financial dealings of its top executives became known, was one of the most respected corporations in America. It was listed among the top ten of Fortunes' most admired companies, it was rated as one of the best places to work, and Fortune named its board as one of the top five. It had a period of astounding growth in the 1990s. Several aspects of the Enron case are noteworthy. One is that some of the financial instruments used by Enron were not explicitly illegal, even though they resulted in misrepresentation and were unethical. A Second is that the swift, strong and negative public reaction was not to alleged illegality so much so as to the clearly unethical behaviour of the executives, both in misrepresenting the assets of the company and in personally profiting while ultimately allowing their stockholders, employees, and creditors to suffer the adverse consequences of their deals. A third is that the company was enabled to carry off its schemes because of the complicity of financial institutions and its auditors. And a fourth is that the various safety checks that American society believed were in place to protect it against such cases obviously did not work. Clearly there was both an absence of ethical behaviour on the part of individuals and an absence of procedural restraints and checks. The first is a matter of character and corporate culture, both of the individual firm and of the giants of industry; the latter is arguably a matter of legislation Congress was swift to react, and the result was the passage of the Sarbanes-Oxley Act. The legislation –joined by pressure from the SEC, from rating agencies, from shareholders, and from the public-has demonstrated changes required in corporate governance. Enron revealed the dangers of insisting on ever increasing quarterly profits, and the incentives of CEOs to attempt to manage, if not manipulate, the stock price to take advantage of their options or shares

[1] *For many of the official documents relating to the case as well as for articles dealing with it, see "Enron Reports compiled by D. Boje" at http:// cbae.nmsu.edu/-dboje/enron/reports.htm. For details of the financial dealings, see Bethany McLean and Peter Elkind, "Partners in Crime", Fortune, October 27, 2003,pp. 78-100. For a chronology of events in 2001, see Kurt Eichenwald with Diana B.Henriques, "Web of Details Did Enron in as Warnings Went Unheeded, "The New York Times, February 10, 2002, p.*

[2] *The three companies paid$366 million in fines for their involvement with Enron deals.*

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XI. BUSINESS ETHICS AND INTERNATIONAL BUSINESS

Success in International business needs proper direction, aim and focus. It requires proper planning for products, places, prices and presentation. In the days of globalization since the 1980s, most of the companies are going global and virtually there is now the end of geography. Several factors are responsible for the unprecedented growth of international business in the present century. Most of these factors are associated with the growth of globalization. Globalization stands for Unification and integration of many factors the totality of which is immensely useful for the growth of international business. Many factors and forces including the unprecedented expansion of trade, capital mobility, technological development, expansions of knowledge, expansion of communication facilities, possibilities of outsourcing of men and materials have helped to expand international business. However, there are many unethical practices in international business. None is very sure whether or not these practices are the causes or the effects of globalization, nor can one vouch for the fact that these practices are all brought about by MNCs in different countries. But in varying degrees, these unethical practices are still continuing: Some of these practices are : human rights violation, bribery and kickbacks, prevalence of racial and gender discrimination, the use of child labour, selling of harmful products, dumping, violation of intellectual property rights and environmental pollution. A serious Dilemma in IB is the cultural dichotomy. The culture of the domestic country of the businessman may not be the same as that of the host country. For instance, the social and business cultures in India and Saudi Arabia are not the same. There are indeed many cross-country differences in terms of religious taboos, body language and cultural perspectives. Needless to say, many International companies are now showing more response and interest in global social responsibilities in carrying on international business. Some of these business houses are preparing their own core values that can prevent future ethical dilemmas and cross-cultural conflicts.

XII. FUNCTIONAL AREAS IN BUSINESS MANAGEMENT: SOME ETHICAL ISSUES

A. Ethical Dilemmas in Marketing

Marketing is not simply about selling but it has a broad connotation of treating a socioeconomic relationship between buyers and sellers while discharging some social responsibilities. The process of marketing involves many types of ethical issues or questions. For instance, suppose a consumer wants to consume a product which is not good for his health, should the marketer supply it? Opinions differ in this type of situation and will say that since it is a harmful product, the marketer should not supply it; others will say it is quite ethical to supply a product, when it is demanded (Koltler, 2004)

B. Unethical Practices in Marketing

In the process of product market we should take into account the whole range of issues related to product, pricing, packaging, and promotion and placing.

1) Products: These are not always safe and harmless. There may be some substances that affect our health negatively. The customers may be ignorant about this. In many medical products, the warning signals are not given and the impact on the children is not mentioned. As news item often disclose; chemists are in the habit of selling expired medicines to uneducated, rural people.
2) Dealers: Sometimes manufactures often indulge in charging unethical prices and not just prices. The retailers may charge higher than what is written as MRP on the label.
3) Packaging: Sometimes the safety institutions or level and no expiry date may be mentioned. Harmful materials plastics may be used for packaging
4) Placing (Distribution): The copyright act may be pirated or violated for the products that are distributed in the market. An artificial scarcity is also created by the dealers to charge higher prices.
5) Promotion: (Advertisements) this is the most unethical part of marketing. As H.G wells once remarked, advertisements is a sort of legalized lying. Surrogate advertisements are also used.

C. Ethics of Consumer issues:

The following three types of human values are embedded in a profession:

1) Human values on which the profession is based and the professional values which a person is expected to respect and observe.
2) The impact of professional values, actions on the values of the client recipient or the victim
3) Professional values and socio-cultural values.

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XIII. TEN HABITS OF STRONG ETHICAL LEADERS

Stephen Covey's classic book (1989), A.B Carroll (2003) formulated seven habits of highly moral leaders, which Ferrell et al. (2003) have adopted to characterise strong ethical leaders.

1) An ethical leader always works and feels for the good of the people in general.
2) He/ she should show principle of care, compassion and kindness
3) Should give dignity and respect to human beings
4) Should be very trustworthy in all matters
5) Should be guided by the policy of truth, honesty and integrity.
6) Should be devoted to his duty and only perform those activities which are morally right
7) Should always follow the principles of transparency and accountability

XIV. WHISTLE BLOWING

Whistle blowing is a mechanism of protesting against the misdeeds of the manager, some employees or any one of the corporate bosses. It is a method of publicly exposing either the covert or the overt unethical or immoral activity of a person. In India the public interest disclosures and the protection to persons making the disclosures bill of 2010is the outcome of the supreme Court's strong pitch for a mechanism to protect the whistle blowers (The Hindu, 2 Sept, 2010) .The Right to information Act (RTI) of 2005 is one of the most powerful laws enacted in India. But many whistle blowers who are exposing the corrupt officials involved in land scam, sand scam and so on are being killed (The Hindu, Sept.20, 2010)

XV. LATEST TRENDS AND CHALLENGES IN BUSINESS ETHICS

Business ethics is a complex and ever-evolving field, as businesses face new ethical challenges all the time. Some of the key trends and challenges in business ethics include:

1) Increased focus on ESG: ESG stands for environmental, social, and governance. Businesses are increasingly being held accountable for their impact on the environment, society, and the way they are governed. This is due to a growing awareness of the importance of sustainability and the need for businesses to act responsibly.
2) Growing importance of diversity and inclusion: Businesses are also recognizing the importance of creating a diverse and inclusive workplace. This means promoting diversity of thought, race, gender, sexual orientation, and other factors. Diversity and inclusion is not only ethically important, but it also makes good business sense. Businesses with a more diverse workforce are more innovative and productive.
3) Greater transparency and accountability: Businesses are also expected to be more transparent and accountable to their stakeholders. This includes disclosing information about their financial performance, environmental impact, and social responsibility initiatives. Transparency and accountability help to build trust with stakeholders and ensure that businesses are operating responsibly and ethically.
4) Ethical implications on society: New technologies, such as artificial intelligence and machine learning, are raising new ethical challenges for businesses. Businesses need to consider how to use these technologies ethically. For example, they need to ensure that AI systems are not biased and that machine learning algorithms are used in a way that protects people's privacy and rights.
5) Global supply chain risks: Businesses are increasingly operating in complex global supply chains. This exposes them to a variety of ethical risks, such as labor exploitation and environmental damage. Businesses need to carefully manage their supply chains and conduct due diligence on their suppliers to ensure that they are operating ethically.
6) Geopolitical tensions: such as the war in Ukraine, are creating new challenges for businesses. Businesses need to operate responsibly in these environments and avoid engaging in unethical or illegal behavior. For example, they need to ensure that they are not complicit in human rights abuses or corruption.

XVI. LITERATURE REVIEW

Marraim –Webster (2014) defines ethics as rule of behaviour based on ideas about what is morally good and bad. Oats and Dalman (2013) defines ethics as" the body of knowledge that deals with the study of Universal principles that determine right from wrong ". A Scrutiny of existing literature shows that substantial opportunities still persist for further research in the field of business ethics, particularly concerning ethical leadership. To be precise "Business ethics is the art and discipline of applying ethical principles to examine and solve complex moral dilemmas.

Business ethics is based on the principle of integrity and fairness and concentrates on the benefits to the stakeholders both internal and external. Nowadays the concern for Business Ethics is growing rapidly in the business community around the world. Business Ethics are focused on the judgements of decision taken by managers and their behaviours. Fisman and Sevenson (2007) find that bribery is negatively correlated with firm growth. UV et al... (2018) find that the intensity of bribery is negatively correlated with SME firm's financial performance. In a survey more than 300 SME's in Burkina Faso, and Parfait (2014) identify a negative relationship between corruption and firm productivity. Mc Murrain and Matulich (2016) argue that unethical practices diminish trust among stakeholders (such as customers, employees and partners). Nguyen et al.(2016) find that corruption has harmful effects on a firms strategic capability by eroding the integrity culture, demotivating innovation and risking the firm's reputation .Beyond impact on business performance, some studies have suggested that companies with a strong, values-based corporate culture showed improved employee engagement and significantly reduced employee turnover.(APEC: Asia-pacific Economic Corporation : The benefits of embracing ethical business conduct) Business Ethics literature examines how moral principles guide organizational decisions balancing profit with stakeholder welfare. Ethical issues in family businesses become increasingly relevant for businesses, societies and, consequently, organization scholars which manifests in a growing number of publications in the field over the years. Considerable knowledge generated in the area needs to be systematically structured and synthesized. This study reviewed 162 articles published over the last three decades (1989–2023) to map the intellectual and conceptual structure, and future research opportunities in the family business ethics field. Sentiment analysis revealed that scholars explored more positive than negative terms associated with family business ethics. Finally, co-occurrence network analysis suggested the emerging keywords and potential research questions, organized into five research themes, for further development of the family business ethics field

XVII. METHODOLOGY

The research is primarily based on secondary sources of data**.** Relevant information was collected from academic books, peer-reviewed journal articles, reports of international organizations, and credible online publications. Important theoretical perspectives developed by scholars such as Manuel G. Velasquez, Andrew Crane, Dirk Matten and Archie B. Carroll were reviewed to understand ethical theories and their application in modern organizations. The collected literature was analyzed using **a** qualitative analytical approach.. The study also reviews examples of corporate ethical practices and ethical failures to highlight the significance of ethical leadership and responsible decision-making. Through systematic review and interpretation of the literature, the research aims to present a comprehensive understanding of the importance, challenges, and evolving role of business ethics in modern business organizations.

XVIII. RESULTS AND DISCUSSION

The research findings suggested that business ethics significantly and positively influence organizational performance. Previous studies, especially in Pakistan and India, also demonstrated that business ethics are always paramount for an ethical organization, distinguishing it from other organizations (Zaman, 2017). Business ethics always enhance corporate image, long-term sustainability, and competitive advantage (Park, 2022). Suppose the organization is transparent in its governing matters and provides true information regarding its practices toward taxation, philanthropic projects, profitability, corporate social responsibility, environmental protection, and other related matters to the stakeholders, including shareholders, government institutions, and the general public. In that case, the firm must be declared transparent and will gain more confidence from its shareholders and the general public, enhancing its corporate image and long-term sustainability, efficiency, and competitive advantages. (Al Halibuts, H.Tang, T.L.P.; Williams, K.A.; Ramayah, 2022) The outcomes of previous studies that were conducted across the globe, including India, Pakistan, and Bangladesh, also confirmed that ethics in sales and marketing are crucial for any firm, increase the brand image and trust in the firm's credibility, and encourage people buy its brands without any hesitation, ultimately increasing its competitive advantage and long-term sustainability (Aravik, H.; Amri, H.; Febrianti,, 2022). Finally, the study showed that technological change affirmatively and potently moderates the association between business ethics and organizational performance. Previous studies also confirmed that technological change positively and significantly increases an organization's productivity, efficiency, competitive advantage, and performance (Ribeiro-Navarrete, S.; Saura, J.R.; Palacios-Marqués, D, 2021)

XIX. CONCLUSIONS

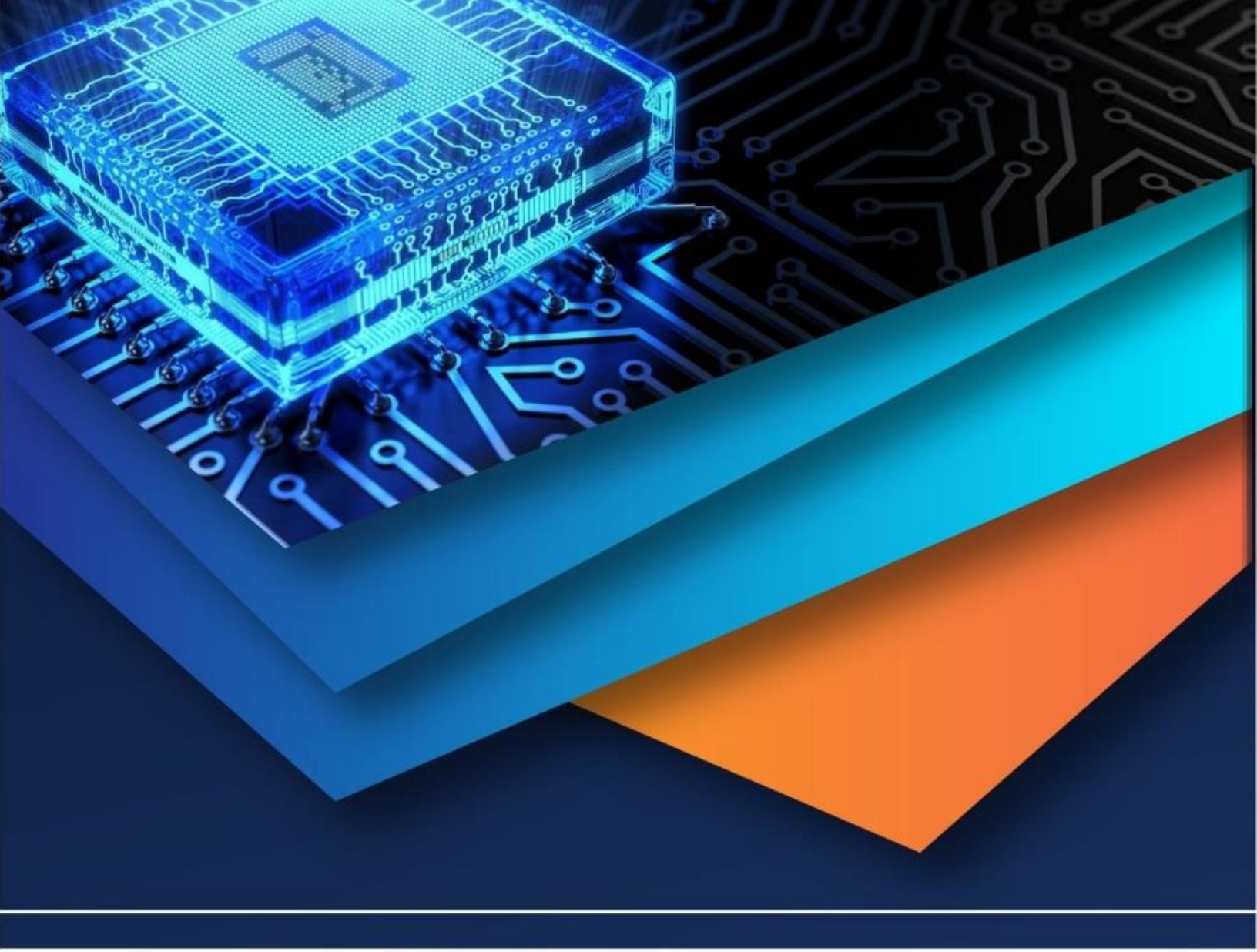
In our research, we've uncovered some valuable insights for managers who want to improve their company's performance through innovation. A society without justice, at least without justice in its basic institutions, cannot be a good society. These days, businesses are expected to not only generate profits but also act responsibly and uphold strong ethical standards.

According to Carroll (1991), "the social responsibility of business encompasses economic, legal, ethical, and philanthropic expectations that society has of organizations." When companies focus on ethics, they build trust, improve their reputation, and strengthen their relationships with everyone involved. Business ethics should have as a goal not only the teaching of moral reasoning, the presenting of moral arguments in defense of moral practices, and the motivating of people to act in accord with their consciences and their highest values.Firms that adopt ethical practices tend to enjoy long-lasting successe. In the words of Fernando *(2009),* "ethical practices in business lead to sustainable development and societal well-being."

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