

ETHICS IN GLOBAL PERSPECTIVE: AN INSEPARABLE ELEMENT OF ENTREPRENEURSHIP

DR. GOUR GOPAL BANIK

Associate Professor,
Department of Accountancy,
(Under-graduate and PG Classes)
GAUHATI COMMERCE COLLEGE,
(Affiliated to GAUHATI UNIVERSITY).
Guwahati-781021.
E-mail: ggbanik@gmail.co

Abstract

The word 'Entrepreneurship' starts with "E" which stands for Ethics. There is an inseparable connectivity between Ethics and Entrepreneurship. It is only recently that Ethics have become almost a public issue and have started getting favourable responses from the corporations, government agencies, shareholders, employees, suppliers, customers, competitors, the news media and the society as a whole; although it was there for centuries in some latent form and it is still there and will remain there so long as the human civilization remains. In fact, all over the world, such ethical considerations are being given due emphasis. All great men of the universe have spoken in favour of ethics. It is true not only in religious sort of grounds, but it is equally true in business, profession and in any form of Entrepreneurship. In fact, ethics and Entrepreneurship go hand in hand. This paper plans to make an exploratory study of Ethics as an inseparable element of Entrepreneurship on Global Perspectives.

KEYWORDS: *Entrepreneurship, Ethical Issues, Unethical Practices, Moral Behaviour, Moral Judgement, Ethical Dilemma.*

Introduction

Promotion of entrepreneurship is treated as one of the greatest world-recognised developmental approaches. It can be regarded as 'all healing' remedy for the issues concerning the economy. It is considered to be a panacea for creating wealth, generating employment and providing new and better goods and services. It is the centrepiece to dealing with present day needs. During the past two decades or more, there has been a tremendous explosion of new interest in entrepreneurs and their activities. Yet only recently have there been serious research attentions devoted to the ethical problems encountered by entrepreneurs and their organizations. It is a globally accepted fact that without a strong ethical foundation, no entrepreneurial venture can last long. Many business houses have collapsed just due to unethical practices. Whereas some are still the leaders in the business world just because of their strict quality control and strong base of ethical practices. No organization can exist and function for long except on strong moral foundation. Without due considerations to ethics, no entrepreneurial venture can achieve the ultimate success. Many business houses have collapsed just due to unethical practices. Whereas some are still the leaders in the business

world just because of their strict quality control and strong base of ethical practices. So, it is the spirit of ethics that ultimately rules. This is the inevitable eternal truth.

What is Ethics?

The word ETHICS has come from the word *ethos* which means character or manner. In Latin it is called *ethicus* and in Greek it is called *ethikos*. ETHICS may be defined as character, norms, morals and ideals prevailing in an individual or a group or the society at large. Ethics is a mass of moral principles or set of values about what conduct ought to be. Ethics may be defined as some standardised form of conduct which may be used to determine what is right or what is wrong, what is true or what is false, what is just or what is unjust, what is proper or what is improper and what is fair or what is unfair. The purity of behavioural responses is a reflection of the character of a person. Many people have the conception that Ethics were invented by some religion and/or philosophy. It is just a misconception. In fact, ethics were not invented by any religion or philosophy. Ethics were there much before religion or philosophy were invented just as Gold was there much before economic systems e.g. barter, money etc were invented to use gold; and animals existed before zoology was invented to study them. Ethics and morals are rather the sources of religion and/or philosophy. Hence, it is also true that ethics were there much before entrepreneurship was started. Ethics and morals are the eternal truth. As such, without due consideration to Ethics and morals, no entrepreneur can achieve the ultimate success. "Ethics may be defined as some standardised form of conduct which may be used to determine what is good or what is bad, what is right or what is wrong, what is true or what is false, what is just or what is unjust, what is proper or what is improper, what is fair or what is unfair and what should be done and what should not be done" (Banik, 2008).

According to en.wikipedia.org/wiki/Ethics, "Ethics (also known as moral philosophy) is a branch of philosophy which seeks to address questions about morality; that is, about concepts like good and bad, right and wrong, justice, virtue, etc." A person's true character eventually will always show through in the manner in which they conduct themselves in every aspect of their life.

Thus, the following module can be formed:

ETHICS = TRUTHFULNESS + TRANSPARENCY + RIGHTEOUSNESS + MORALITY

III. Who is an entrepreneur?

Entrepreneurs are self-starters who make the commitment to bring their good ideas into existence. By dint of perseverance and trial and error, the entrepreneur produces something of value. The entrepreneur is ambitious and gutsy, and takes the initiative in developing the idea into a new enterprise. He or she takes on a leadership role in showing consumers the value of the new product and in showing new employees how to make it. The entrepreneur must continually educate himself/herself to become an expert about the products and services that he/she offers so that he/she may provide increased value to customers and visitors to his business. Whenever the words such as organizing, managing, risk-taking etc come to mind, one can only think of one name that is an entrepreneur. The word *entrepreneur* originates from the French word, *entreprendre*, which means "to undertake." In a business context, it means to start a business. The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organizes, manages, and assumes the risks of a business or

enterprise. The concept of entrepreneurship has a wide range of meanings. On the one extreme, an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

In the words of Ralph Waldo Emerson (1841), “If our young men miscarry in their first enterprises, they lose all heart. If the young merchant fails, men may say he is ruined. If the finest genius studies at one of our colleges and is not installed in an office within one year afterwards in the cities or suburbs of Boston or New York, it seems to his friends and to himself that he is right in being disheartened and in complaining the rest of his life . Such was the comment made by Emerson on the socio-economic mind-set of the American people long back in 1841—i.e. a little more than one and half century ago. Over the years, America has changed her mind-set and today the world witnesses where she stands.

But it is a pity that most of us could not get rid of the similar type of mind-set. We still cannot look beyond white colour jobs. Of course, it is not the overall reflection of our country as a whole. India is basically a country of entrepreneurship. Our *Upanishad* already had a vision beyond the popular English proverb Where There Is A Will, There Is A Way. In this proverb, the two most important words are Will and Way. But for success in any field, only these two words are not sufficient. We need a third word i.e. Effort.

Hence, the module can be put as

SUCCESS = WILL + WAY + EFFORT.

This EFFORT part of the module is related to ENTREPRENEURSHIP. Therefore, our Upanishad had long back pronounced: UDYOMENOHI SIDDHANTI KARYANI NO MONOROTHOI, NO HI SUPTASYA SINGHASYA PRABISYANTI MUKHE MRIGA.... It means that the work can be completed only by Effort i.e. applying the Force and not merely by Will. A sleeping lion can never catch the prey. Here, the Upanishad must have referred to what we call ENTREPRENEURSHIP.

But the history of entrepreneurship over the centuries has proved that even the module SUCCESS=WILL+WAY+EFFORT does not reflect the true foundation of the superstructure of entrepreneurship. It misses out one more vital parameter, i.e., ETHICS. Hence, the module can be best put as

SUCCESS = WILL + WAY + EFFORT + ETHICS.

An entrepreneur must have the entrepreneurial skills such as Self-Motivation, Self-Confidence, Time Management and above all ethics & Morals (Carla Michelle, 2009). Economic development and individual development of a firm is definitely the responsibility of an entrepreneur/leader but it shall never be done at the cost of ethics or morality.

IV. THE CONCEPT OF ETHICAL DILEMMA :

Ethical dilemma refers to the situation where it is very difficult to choose what is right and what is wrong. In such a situation, there are significant value conflicts among different interest groups and at the same time, the alternatives seem to be equally judicious.

In this connection, the recent Singur case may be cited as an appropriate example. The Singur farmers were protesting against the forced acquisition of their lands by the government. Such forced acquisition was to help Tata’s latest dream project i.e. building India’s “one lakh car”

(100,000 rupees or just over \$2000) to become a reality. Here, on one side, there was the interest of the poor farmers and at the same time, on the other hand, it was Tata's latest dream project.

Although, Tata has cultivated, and now enjoys, an outstanding image in India, and beyond, of being a socially responsible group and besides all the usual business innovations and consistent growth, Tata's name is associated with nation building, ethical practice and philanthropy; but when the Singur farmers' interest was projected, Tata's name was reflected just as a villain.

Managers and small business owners are often at a disadvantage when faced with an ethical business dilemma. Whereas their corporate counterparts may be guided by a company code or an established corporate culture that safeguards them from having to make morally significant decisions alone, the small business owner-manager has no such backstop (Robinson, 2006). At the very least, corporate managers have a person higher up the hierarchy that they can refer to, but the small business owner-manager must often face the stark reality of a dilemma all alone.

In the case of Ethical Dilemma, the following "**10-Point Ethics Checklist**" recently posted in website by Michael Fortin may be found relevant. It was submitted by a student of his, Darrin Clement. It firmly supports the role of Ethics in a person's long term business success.

Here is Darrin's 10-Point Ethics Checklist:

1. **The Golden Rule:** Would I want people to do this to me?
2. **The Fairness Test:** Who might be affected and how? Is this fair to everyone?
3. **The 'What if everybody did this?' Test:** Would I want everyone to do this? Would I want to live in that kind of world?
4. **The Truth Test:** Does this action represent the whole truth and nothing but the truth?
5. **The Parents Test:** How would my parents feel if they found out about this? What advice would they give me?
6. **The Children Test:** Would I be willing to explain everything about this to my kids and expect them to act in the same way?
7. **The Religion Test:** Does this go against my religion?
8. **The Conscience Test:** Does this go against my conscience? Will I feel guilty?
9. **The Consequences Test:** Are there possible consequences of this action that would be bad? Would I regret doing this?

The Front Page Test: How would I feel if my action were reported on the front page of my hometown paper?

V. Those Who Changed The Face of India:

This entrepreneurial streak runs in almost every Indian. Let us salute this Great Indian entrepreneurial Spirit which is based on a strong foundation of Ethics. Indian business firms are making acquisitions abroad and spreading their tentacles in various corners of the world. Entrepreneurship is a critical element of a growth economy. Here is a brief profile of some of the famous Indian entrepreneurs/CEOs(in alphabetical order) whose endeavours have inspired the entire nation:

1. **Anil D Ambani:** Anil was born on June 4, 1959. He is the fourth richest Indian today, with a net worth of about \$13.5 billion, Anil Ambani is chairman of Reliance

Communications, Reliance Capital, Reliance Energy and Reliance Natural Resources Limited. Before the Reliance Empire split, he was vice chairman and managing director of Reliance Industries Limited. The Reliance group was founded by his father late Dhirubhai Ambani.

2. Azim Hashim Premji: Born on July 24, 1945, Premji was studying Electrical Engineering at Stanford University, USA when due to the sudden demise of his father, he was called upon to handle the family business at the age of 21. Chairman of Wipro Technologies, he is an icon among Indian businessmen, especially in the software industry. Richest Indian for the past several years; honoured with Padma Bhushan in 2005. Azim Premji is Chairman of Wipro Technologies, one of the largest software companies in India. He is an icon among Indian businessmen and his success story is a source of inspiration to a number of budding entrepreneurs. Azim Premji has regularly featured in the Forbes' list of the world's richest people. He was also rated among the world's 100 most influential people by the Time magazine.

3. Dhirubhai Ambani: Dhiru Bhai Ambani built India's largest private sector company and created an equity cult in the Indian capital market. Dhirubhai Ambani was the most enterprising Indian entrepreneur. His life journey is reminiscent of the rags to riches story. He is remembered as the one who rewrote Indian corporate history and built a truly global corporate up.

4. JRD Tata: He had the honour of being India's first pilot; was Chairman of Tata & Sons for 50 years; launched Air India International as India's first international airline; received Bharat Ratna in 1992. JRD Tata was one of the most enterprising Indian entrepreneurs. He was a pioneer aviator and built one of the largest industrial houses of India.

5. K V Kamath: Kundapur Vaman Kamath is the managing director and CEO of ICICI Bank, the largest private bank in India. Kamath, born on December 2, 1947, began his career with ICICI -- the parent body of ICICI Bank -- in 1971 and has since then worked to take ICICI places. He has helped the financial institution evolve into a modern, tech-savvy organisation. In 1988, he joined the Asian Development Bank, Manila in their private sector department. He worked in most of the developing countries in the region including China, Thailand, Philippines, Indonesia and Vietnam. He is a graduate of the Indian Institute of Management, Ahmedabad.

6. Kumar Mangalam Birla: Kumar Mangalam Birla, born on June 14, 1967, is among the richest persons in India and the eighth youngest billionaire outside India. He is the chairman of the Aditya Birla Group, one of India's largest business groups. Some of the AV Birla group's companies are: Grasim, Hindalco, UltraTech Cement, Aditya Birla Nuvo and Idea Cellular. He took over as the chairman of the group in 1995, at the age of 28, after the sudden demise of his father, Aditya Birla. In the 11 years that he has led the group, he has won admiration, recognition and praise for his management acumen and contribution to the industry.

7. Lakshmi N Mittal: Steel tycoon Lakshmi Niwas Mittal is the richest Indian in the world, with an estimated wealth of \$25 billion. He resides in London, has his company registered in the Netherlands, but still holds an Indian passport. L N Mittal left India in the mid-1970s to start his career. He was sent to Indonesia by his father to shut down the family's ailing steel plant and sell the land. Instead, young Mittal saw an opportunity and turned the plant into a

profit-making one. Thus, LN Mittal legend was born.

8. M.S. Oberoi: Founder of the Oberoi Group of Hotels; Honoured with Padma Bhushan in 2001. M.S. Oberoi can be aptly termed as the father of the Indian hotel industry. Rai Bahadur Mohan Singh Oberoi was among the first to recognize the potential of the tourism industry, its ability to contribute to India's economic growth and generate direct and indirect employment. He worked tirelessly to put Indian hotel industry on global tourism map.

9. Dr. Monkombu S. Swaminathan: He is an outstanding world statesman and visionary in the agricultural and natural resources arena. Trained as a plant breeder and cytogeneticist in India, the United Kingdom, and the United States, he is acclaimed as the "Father of the Green Revolution in Asia."

10. Mukesh D Ambani: Mukesh Ambani, the chairman and managing director of India's largest private sector enterprise -- Reliance Industries Limited -- was born on April 19, 1957. His father, the legendary Dhirubhai Ambani, was then a small businessman who later on rose to become one of the legends of Indian industry. Mukesh joined Reliance Industries in 1981 and was the brain behind Reliance's backward integration from textiles into polyester fibres and into petrochemicals. During the process of backward integration, Mukesh Ambani led the creation of 51 new, world-class manufacturing facilities involving diverse technologies that raised Reliance's manufacturing capacities manifold. The world's largest grassroots petroleum refinery at Jamnagar is his brainchild.

11. Nandan Nilekani: Nandan Nilekani is the CEO and managing director of Infosys Technologies. Born in Bangalore to Durga and Mohan Rao Nilekani, he graduated from the Indian Institute of Technology, Bombay. After graduation, he met Narayana Murthy, who then led Patni Computer Systems's software group, seeking a job. Murthy hired the young engineer. He became the chief executive officer of Infosys in March 2002. In 2006, he was awarded the Padma Bhushan by the Government of India. He is regarded by Time magazine as one of the 100 most influential people in the world in its issue of May 2006.

12. Narayana Murthy: One of the founders of Infosys Technologies Limited; Chosen as the World Entrepreneur of the Year - 2003 by Ernst and Young, Narayana Murthy is the Non-Executive Chairman and Chief Mentor of Infosys Technologies Limited. He is a living legend and an epitome of the fact that honesty, transparency, and moral integrity are not at variance with business acumen. He set new standards in corporate governance and morality.

13. Rahul Bajaj: Rahul Bajaj is the Chairman of the Bajaj Group, which ranks among the top 10 business houses in India. The Bajaj Group has diversified interests ranging from automobiles, home appliances, lighting, iron and steel, insurance, travel and finance. Rahul Bajaj is one of India's most distinguished business leaders and internationally respected for his business acumen and entrepreneurial spirit. He took over the reins of Bajaj group in 1965. Under his leadership, the turnover of the Bajaj Auto the flagship company has risen from Rs 72 million to Rs 46.16 billion.

14. Ratan Tata: Ratan Naval Tata is the chairman of the Tata Group, India's most respected conglomerate. He joined the family business in 1962 and worked with many of his group's companies. He took over as group chairman from the legendary J R D Tata in 1991. Since then, he has been instrumental in boosting the fortunes of the Tata Group, which has amongst the largest market capitalisations in the Indian stock markets. Tata Motors developed the Tata

Indica in 1998. He has also done the Advanced Management Program from Harvard Business School in 1974-1975. Ratan Tata was honoured with one of India's highest civilian awards, the Padma Bhushan, on January 26, 2000.

15. Sunil Mittal: A first generation entrepreneur, he started his first business in 1976 with a capital investment of Rs 20,000. By 1979, Sunil Mittal realised that his ambitions could not be fulfilled in Ludhiana, so he moved out to Mumbai. He initially founded a number of trading concerns, and established the first company to manufacture push button telephones in India. He was honoured with the IT Man of the Year Award 2002 from Dataquest and CEO of the Year, 2002 Award from World HRD Congress.

16. Verghese Kurien: Winner of Ramon Magsaysay Award; Awarded with Padma Shri (1965), Padma Bhushan (1966), and Padma Vibhushan (1999). Dr. Verghese Kurien is better known as the “father of the white revolution” in India. He is also called as the Milkman of India. Dr. Varghese Kurien was the architect behind the success of the largest dairy development program in the world, christened as Operation Flood.

VI. The Greatest Entrepreneurs history has ever seen— an opinion poll: (MSNBC.com SPECIAL REPORT)

Philipp Harper, a freelance journalist of South Georgia, conducted an opinion poll in America to determine as to who is the greatest entrepreneur of America. He arbitrarily selected 10 greatest entrepreneurs as follows:

(1) King Croesus, (2) Pope Sixtus IV, (3) Benjamin Franklin, (4) P.T. Barnum, (5) Thomas Edison, (6) Henry Ford, (7) Benjamin Siegel, (8) Ray Kroc, (9) H. Ross Perot and (10) Steve Jobs & Steve Wozniak.

A brief description of the 10 greatest entrepreneurs:

1. King Croesus: Croesus, who ruled the Asia Minor kingdom of Lydia in the sixth century B.C., is owed a huge debt of gratitude for minting the world's first coinage, thereby creating in a single stroke the lifeblood of every business: liquidity and cash flow.

2. Pope Sixtus IV: Sixtus gets the nod for realizing that the “wages of sin” meant more than unpleasant repercussions. There was money to be made in damnation, and Sixtus mined it by opening up a new market -- the dead -- for the indulgences the church had been selling for years. Relatives of the deceased quickly filled the Vatican's coffers with payments intended to lessen the time their loved ones spent in purgatory. In 1478 Sixtus “grew his market” by authorizing the Spanish Inquisition, which swelled purgatory's ranks by 100,000 souls in 15 years. He also was the first pope to license brothels.

3. Benjamin Franklin: In a real sense, Franklin was America's first entrepreneur. Franklin truly was a model of what many of us would become. Beneath the statesman's mantle resided a popular author, a printer, an inventor (the lightning rod, bifocals) and a very savvy businessman who knew how to commercialize the fruits of his fertile mind.

4. P.T. Barnum: He played on our fascination with the bizarre and freakish with sideshow acts ranging from the midget Tom Thumb to Jumbo the giant elephant. In between was a host of more dubious curiosities. He created the Barnum and Bailey Circus as a showcase for all this wonderment, and dubbed it “the Greatest Show on Earth.” Along the way he invented

modern advertising and became rich.

5. Thomas Edison: He was the man who gave the world the electric light, the phonograph, talking motion pictures and more than 1,300 other patented inventions. He was certainly the world's greatest inventor. But he was also able to exploit the profit potential in his creations, an entrepreneurial bent that asserted itself when Edison was a teen-ager, printing a newspaper in the baggage car of a rolling train and then selling copies to passengers. As a combination of inventive genius and entrepreneurial flair, he stands alone.

6. Henry Ford: Ford also fundamentally changed human lifestyles by making available a vehicle, the Model T that vastly extended people's range of movement. The moving assembly line he designed to build his cars was the signal breakthrough of the Industrial Age. Ford earned the seed capital for his enterprise by working as an engineer at the Edison Illuminating Company in Detroit.

7. Benjamin Siegel: Known as "Bugsy" to his friends, Siegel was a notorious mobster with a touch of the visionary. Legend has it that he single-handedly invented Las Vegas, and that's a stretch. But he was the first to see what the town could become: a lush oasis of pleasure where gambling was just one of the attractions. He also proved adept at attracting other people's money to build his iconic resort, The Flamingo. Trouble was, some of those other people belonged to an outfit called Murder Inc., and Siegel was gunned down in 1947 amid rumors he had stolen from his partners. But give the devil his due: Before there was the Bellagio, there was Bugsy.

8. Ray Kroc: Nothing says entrepreneur like persistence, and nothings says persistence like Ray Kroc, the kitchen wares salesman who in 1954, at age 52 and in poor health, had his imagination hijacked by a family-run restaurant in the desert outside Los Angeles. Once he had bought out the McDonald brothers, Kroc proceeded to take their concept of a limited menu, fast service and low prices and expand it nationally, in the process creating the fast-food industry and dramatically affecting America's lifestyle and, sadly, collective health.

9. H. Ross Perot: Within every entrepreneur lurks a touch of the cowboy, and there's no better example of the strain than Perot, the diminutive Texan who has become best known in recent years as a political gadfly. Before that, though, he was all business, using a \$1,000 loan from his wife in 1962 to launch Electronic Data Systems. Perot's winning idea was that large corporations and organizations needed data-processing help if they were to take full advantage of computer technology. When in the mid-'60s he won contracts with two new federal health-care programs -- Medicare and Medicaid -- EDS was off and running and Perot was on his way to being one of America's richest citizens.

10. Jobs & Wozniak: Apple Computer's two Steves weren't the first Silicon Valley entrepreneurs to launch a billion-dollar business from a Palo Alto garage -- Hewlett and Packard were there before them -- but they were the first to democratize computing by creating a machine whose use was so wonderfully intuitive that even technophobes embraced it. Combine the elegance of Wozniak's operating system design with Jobs' marketing savvy (remember Apple's "1984" ad?) and the result was a true phenomenon. Yes, the Apple was eclipsed by the PC, but only after Microsoft (behind the vision of two other notable entrepreneurs, Bill Gates and Paul Allen) developed Windows to ape its rival's ease of use.

There were altogether 36155 responses and the result was as follows:

Serial No.	Name of the Candidates	Vote in Percentage (%)
1.	King Croesus	4.1%
2.	Pope Sixtus IV	3%
3.	Benjamin Franklin	12%
4.	P.T. Barnum	2.2%
5.	Thomas Edison *	34%
6.	Henry Ford	22%
7.	Benjamin Siegel	1.9%
8.	Ray Kroc	6.5%
9.	H. Ross Perot	5.7%
10.	Steve Jobs & Steve Wozniak	8.8%

Results may not total 100% due to rounding; and the highest score goes to none else than **Thomas Edison (34%)**. This must be due to his thinking for the society, working for the man-kind and worship for the positive attitude towards the ethics and morality.

VII. Ethics in Entrepreneurship—a review:

After stepping down as Executive Chairman, while evaluating the performance of a diverse group of 80 companies, Ratan Tata boldly said “We never compromised on ethics.” Thus, it is clear that it was ethics which helped him in getting a diverse group of 80 companies into shape which generally is never an easy task.

As a tribute to late Mr. J R D Tata, the month of July is celebrated as Ethics Month. This has helped in reinforcing employee involvement and passion in the Management of Business Ethics (MBE) over the years. The policy encourages the employees to raise their concerns, without fear to the Ethics Counsellor and/or the Chairman of the Audit Committee. In order to promote and uniformly deploy the MBE Process in associate companies, a Central Forum for Ethics was formed with Ethics Counsellor of the Company as Convenor and all the Ethics Counsellors of the associate companies as members.

Ethics and morals are, in fact, the foundation of every good entrepreneur. Business Ethics are the rules of business conduct, by which the propriety of business activities may be judged. Today most CEOs and corporations are at least aware of the softer issues of ethics, conscience and values. This leads to the premise that values and business objectives are not mutually exclusive. Doing business with a strong sense of values is a win-win game for all.

Customers, employees, suppliers and investors trust organisations that live by a clear set of values. (Kumar Mangalam Birla, 2007). Ethical principles are dictated by the society. Such principles attempt to ascertain the ethical obligations of the business. These shall be well embedded in his basic instincts so that at any instance he may not become unscrupulous and corrupt. This is like a virus that distorts the entire structure. If one strays too far from one's morals, one will give oneself and the business a bad name. No one wants to do business with someone who will not stand up for their own morals. At the business level, take the example of the housing sector in India. Until even a decade ago, it was like the 'Wild West' — unscrupulous builders, poor construction quality, unofficial payments and flimsy or non-existent consumer rights and questionable lending practices. These unethical practices stunted the housing sector, despite the huge potential demand. HDFC introduced order, transparency and ethical practices into the housing industry to a considerable extent. (Kumar Mangalam Birla, 2007).

The best way to keep up with the morality is to lay down a set of values, the deviation from which shall lead to self penalty. Morality is relevant in 2 ways (1) It takes the entrepreneur ahead of others in a long run when he is in a market place (2) Morality serves as an internal check system, which promotes rationality in thinking and taking decisions.

Ethics in the work place attempt to sensitize all employees including the management as to how they should behave and act within the moral tracks and do not slip over out of its orbit. Business ethics are concerned with truth and have a variety of aspects such as fair competition, fair advertising, public relations, consumer autonomy, corporate behaviour, social responsibilities and above all, expectations of the society from the business. Ethics are a classic example of something that rests on a slippery slope. When an aspiring entrepreneur breaks any of these moral virtues or is deceitful in their business practice, the bottom line of their business ultimately reflects this. Therefore, an entrepreneur must follow an entrepreneurial code for business ethics so as to assure the respect of their employees, investors and customers.

There is a very intricate relation between morality in entrepreneurial activities performed by a leader and values that they cannot survive without each other. When there are no spots on the character of an entrepreneurial leader, he tends to develop morality in his actions as well as monitor the actions of his subordinates and colleagues. These are very important for entrepreneurship. Academic dishonesty is positively correlated to students' attitudes towards unethical managers' behaviors in the business context.

Business schools need to empower students internalized code of ethics towards the development of more socially responsible future managers and leaders (Karassavidou and Glaveli, 2006).

In his book titled "**The Speed of Trust**" available at Amazon.com., **Stephen Covey** talks about how trust flows throughout our lives and directly impacts our relationships in everything that we do. Covey argues that this essence is integrated into one's personal and professional life and is largely responsible for one's successes and failures.

Covey states that business success is traditionally illustrated with the formula:

$$\boxed{\text{Strategy} \times \text{Execution} = \text{Results}}$$

Covey illustrates the role of **ethics or trust** by adding **Trust** as a variable to this equation:

$$\boxed{(\text{Strategy} \times \text{Execution}) \times \text{Trust} = \text{Results}}$$

Trust is invaluable and is intrinsic to building a strong brand equity, which commands a premium. Within the same industry, companies that enjoy a score higher on ethics and principles also seem to command more respect, which leads to long-term gains — by way of higher customer trust, greater market share, higher stock valuations. Most important, good corporate behaviour tends to attract the best talent to work for an organisation. So being good is not only good in itself, but also very good for business growth and sustainability. (Kumar Mangalam Birla, 2007).

Bill Gates, the founder of the Microsoft computer empire, is, in the year 2003, the world's wealthiest person, as well as the founder of the world's largest philanthropic foundation. An unabashed optimist about the future, Gates believes technological “doomsayers vastly underestimate the potential of technology to help us overcome problems” caused by technology (Gates 1996, p. 291).

It is very interesting and also fascinating to note moral issues getting lead-story placement in the New York Times Magazine. In a January, 2008 issue, a very long piece (7823 words) under the caption *Is Bill Gates More Moral Than Mother Teresa?* Was published in the New York Times Magazine where **Steven Pinker**, a Harvard professor, made the case that Bill Gates might be more moral than Mother Teresa—because he’s using his fortune to deal with problems like malaria in developing countries.

Tom Morris, a former professor of philosophy at Notre Dame, after having done exhaustive research to prepare for business ethics consultation, sums it up this way “... for a long time, too many people seem to have misunderstood what ethics are all about.....They think that ethics are about restriction and constraint. Until we shake ourselves free of this illusion, we will not appreciate one of the most important foundations for positive corporate spirit and sustainable success in our work.”

Morris's book *If Aristotle ran General Motors* discusses ethics at length. The four dimensions of the human experience according to Morris are:

1. The Intellectual Dimension, which aims at truth.
2. The Aesthetic Dimension, which aims at beauty.
3. The Moral Dimension, which aims at goodness.
4. The Spiritual Dimension, which aims at unity.

Business ethics are taught at both the college and university levels throughout Canada. The essence of business must never be viewed as the attempt to move money from other people's pockets into our own. It should be viewed as a performance art, the creation and core of structures within which people can join together in partnerships for living well. (Morris, 1997).

“What does ethics have to do with international business? The quick and easy answer that many people both in and out of business would have given some years ago was, "Nothing." Today that answer would be both naive and out of touch with what has been going on in the world of globalization and international.”(By DeGeorge, Richard T, 2000).

VIII. Lesson of ethics from gita:

Perhaps no study of Ethics may be complete without a relevant reference to the Gita. In Bhagawad Gita, Lord Krishna gives many useful suggestions as to how to manage his company successfully. These suggestions can be used for solving the ethical dilemmas and

working for success in any kind of entrepreneurship—big or small. The following are some of the qualifications that the entrepreneur shall require for this purpose:-

1. **Jnanam:** *Jnanam* means vision. The entrepreneur must have clear vision of his entire unit.
2. **Buddhi:** *Buddhi* means ability. The entrepreneur must have ability for fighting against the problems, obstacles and difficulties which stand in the way of success while translating the vision into reality.
3. **Dhriti:** *Dhriti* means patience. The entrepreneur must have extreme patience to win over all the problems, obstacles and difficulties so as to achieve the goal.
4. **Karma:** *Karma* means actions. Just as Sri Krishna convinces Arjuna to shed weakness and act, take the responsibility and fight in the battlefield, the entrepreneur also must act like fighting in the battlefield.
5. **Dhyanam:** *Dhyanam* means meditation. Any entrepreneur can make his/her body, mind and intellect ready for higher flights through the path of meditation.

VIII. Some Globally famous institutes / sites of business ethics:

The concept of ethics is not a new one. It is as old as the history of human civilization. It was always there, it is there and it will always remain there in some form or the other. People all over the world, irrespective of castes, creed, religion or languages, have realized that ethics are the eternal truth which can at no cost be neglected for success in any form of entrepreneurship. Ethics are no longer confined to only religious institutions. Realizing the importance of ethics in entrepreneurship, almost all the countries of the world have set up institutes for ethics. In fact, there is a world-wide revolution for teaching, learning, preaching and training of business ethics. Following are some of the randomly selected institutes/sites of business ethics:

1. Institute of Business Ethics, UK: They help organizations to strengthen their ethics culture and encourage high standards of business behaviour based on ethical values. They assist in the development, implementation and embedding of effective and relevant ethics and corporate responsibility policies and programmes. This institute has the motto: *DOING BUSINESS ETHICALLYMAKES FOR BETTER BUSINESS*. The institute was established in 1986 to encourage high standards of business behaviour based on ethical values. They have the vision: **“TO LEAD THE DISSEMINATION OF KNOWLEDGE AND GOOD PRACTICE IN BUSINESS ETHICS.”**

2. Center for International Business Ethics (CIBE), Beijing, China: Using his insights into Chinese philosophy, Stephan Rothlin, general secretary of CIBE has developed a textbook in Chinese, **Becoming a Top-Notch-Player: 18 Rules of International Business Ethics** (Beijing: Renmin University Press, 2004). The book draws on Chinese experiences for case studies and examples.

3. The Business and Organizational Ethics Partnership, China : It brings together executives and scholars in a forum designed to increase the members’ knowledge about effectively managing ethics in their organizations. Founded in 2003, the partnership currently includes 14 business organizations and 10 faculty members who share the goals of honing ethics and compliance policies and practices, and advancing the state of business ethics knowledge.

4. European Business Ethics Network: The European Business Ethics Network, EBEN, is an international network dedicated to the promotion of business ethics in European private industry, public sector, voluntary organizations, and academia.

5. International Business Ethics Forum: Built by MBA students at the Joseph M Katz Graduate School of Business at the University of Pittsburgh, under the direction of Assistant Professor Bradley Agle, the site contains information pertaining to the business ethics climate in a number of countries in every region of the world. For each country covered, the information is divided into 5 topics: (1) cultural religious beliefs and traditions; (2) law, adjudication and enforcement; (3) stakeholders' priorities and corporate social responsibility; (4) major business ethics cases; (5) major multinational firms operating in the country.

6. International Society of Business, Economics, and Ethics: The International Society of Business, Economics, and Ethics (ISBEE) is a professional association focusing exclusively on the study of business, economics, and ethics. The site includes a newsletter, documents and the papers from their world congress.

7. Council for Ethics in Economics: The Council for Ethics in Economics is a worldwide association of leaders in business, education, and other professions working together to strengthen the ethical fabric of business and economic life. The site includes the quarterly publication "Ethics and Economics".

8. Center for Ethics and Business: The Center for Ethics and Business at Loyola Marymount University in Los Angeles aims to provide an environment for discussing issues related to the necessity, difficulty, costs and rewards of conducting business ethically. Recognizing the special challenges connected with discussing ethical issues on a multicultural planet at the dawn of the 21st century, the Center encourages a secular and philosophical approach to these matters.

9. Ethical Trading Initiative: The Ethical Trading Initiative (ETI) is an alliance of UK companies, non-governmental organizations (NGOs) and trade union organizations. Its objectives are to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions

10. Institute for Global Ethics: The mission of the Institute for Global Ethics is to promote ethical behavior in individuals, institutions, and nations through research, public discourse, and practical action.

11. Stanford University Biodesign Program: "Ethics and Policy" is one of three major teaching divisions within the Stanford University Biodesign Program, along with Innovation and Technology Transfer. They educate the students about the ethical implications of developing technologies by course work and by creating case studies with defined scenarios that encourage students to consider real-life situations and respond to challenging ethical dilemmas. Personal ethics surrounding working in interdisciplinary teams in new environments are many and varied. Ethical issues in medical innovation and medical investigation have special legal implications.

X. OBSERVATIONS AND SUMMARY:

Ethics makes for an efficient economy; ethics alone, not government or laws, can protect society. There is a growing realisation all over the world that ethics is vitally important for any business. For the progress of any society, ethical considerations are inevitable. Ethics is good in itself. **The Institute of Business Ethics, UK** does rightly have the motto: *“doing business ethicallymakes for better business.”* An ethically responsible company is one which has developed a culture of caring for people and for the environment; a culture which flows downwards from the top managers and leaders.

Although Schumpeter (1950) and Kirzner (1978) were the pioneers in the study of entrepreneurship and their successors have generated a sizeable literature, but still, entrepreneurship has received less attention as a moral phenomenon and, correspondingly, less attention in the business ethics literature. Entrepreneurship is increasingly studied only as a fundamental and foundational economic phenomenon. Unethical practices may contribute to immediate gain but always at the cost of future prospects. (Shastri, 2005). Unethical behaviour does take place, due to several causes like lack of a foundation in ethics, greed, distinctions between activities at work and activities at home etc. Ethical issues assume that the individuals can do the right thing if they want to and have the intention. Entrepreneurs are challenged by the need to make business decisions each day to keep the company solvent. This calls for strong ethical backup.

Even though ethics present complex challenges for entrepreneurs, the value system of an owner-entrepreneur is the key to establishing an ethical organization. Entrepreneurs possess a strong potential to establish high ethical standards in all business decisions; and it has been suggested that entrepreneurs' personal integrity and ethical example will be the key to their employees' ethical performance. Entrepreneurs may make unethical decisions in running the business that they would not do in their personal life. Ethical decision-making is a challenge that confronts every entrepreneur involved in large or small enterprises. An owner has the unique opportunity to display honesty, integrity, and ethics in all key decisions. The owner's actions serve as a model for all other employees to follow.

Transparency assures vested parties that the firm is operating as it should, and creates trust in the relationships the company has developed. This requires strong moral support. Very often the entrepreneurs are faced with specific ethical dilemmas. These require lots of care and caution to handle the situations. Here the action or inaction acts as a precedent for others to face the similar situations if in future they occur again. The responsibility to stakeholders theme incorporates a more complete view of the network of relationships to which an entrepreneur belongs. Immoral or unethical attitudes on the part of the entrepreneur may bring such a situation to the company that threatens its long-term sustainability. Ethical decisions are complex judgements on the balance between the economic performance and the social performance of the entrepreneur; they are not merely simple choices between the right and wrong.

XI. Conclusion

Many business houses have collapsed just due to unethical practices. Whereas some are still the leaders in the business world just because of their strict quality control and strong base of ethical practices. No organization can exist and function for long except on moral foundations. In the broadest sense, ethics can provide the basic rules or parameters for conducting any activity in an acceptable manner. An entrepreneur must be aware of what are the moral and immoral activities in a business and accordingly pay good heed to his workings

in the organization which shall be kept free from all sorts of immorality. He must pay great attention to keep the organization free from any kind of immoral activities in the fraudulent and misleading world of today. Whether entrepreneurs are developing their business plans, dealing with investors, employees, competitors or customers, it is imperative that they have a strong foundation in ethical business practices. It is a globally accepted fact that without a strong ethical foundation, no entrepreneurial venture can last long.

References Books

Bhatia S.K. (2004): "Business Ethics and Corporate Governance." DEEP & DEEP PUBLICATIONS PVT. LTD., New Delhi,

Gates, Bill. (1996). *The Road Ahead*. New York: Penguin.

Kirzner, Israel. 1978: "Competition and Entrepreneurship", Chicago: University of Chicago Press.

Ninety ninth annual report 2005-06 of Tata Steel, "*Management of Business Ethics in Tata Steel.*"

Shastri Falguni C. (2005): "Corporate Governance" , BOOK ENCLAVE, Jaipur, (India).

Schumpeter, Joseph. 1950: "Capitalism, Socialism and Democracy", 3rd ed. New York: Harper & Brothers.

Journal and other articles

Birla Kumar Mangalam (2007) , *The Economic Times*, 8 Jan 2007

Emerson Ralph Waldo, (1841), "SELF-RELIANCE".

Karassavidou Eleonora and Glaveli Niki, (2006), *Towards the ethical or the unethical side?: An explorative research of Greek business students' attitudes*, International Journal of Educational Management, Vol. 20, 2006.

Sarkar Smritikumar (2007): "Deindustrialization under British Rule", YOJANA, August.

Conference papers

Banik G.G. (2008) : "Business Ethics and Corporate Governance-----An Inevitable Connectivity" Paper presented at the symposium organized by Darwin School of Business, Guwahati in the Vivekananda Kendra, Guwahati, Assam, 24th March.

Banik G.G. (2008): "Need and Importance of EDP in Promoting Entrepreneurship" Paper presented at the UGC Sponsored Seminar organised by Gauhati Commerce College, Guwahati, 19th March.

Online resources

Carla Michelle (2009), *Seven Must-Have Skills Every Entrepreneur Needs*, Article Edited & published by LSYoungblood (1 pt) on Oct 28, 2009.

Covey Stephen."The Speed of Trust" available at Amazon.com.

DeGeorge, Richard T (2000), *Ethics in international business--a contradiction in terms?*(Friday, September 1 2000).

Robinson David (2006), *Associate Professor of Entrepreneurship*, Bond University, a presentation delivered at the 8th West Lake International Conference on Small and Medium Business held in Hangzhou, China, 15-17 October 2006.

Scott Allen: Quotations from Famous Entrepreneurs on Entrepreneurship, About.com

Website

www.cednc.org

<http://www.inc.com/articles/2008/01/ethics.html>

www.entrepreneurs.com.

en.wikipedia.org/wiki/Ethics

<http://microsoft.com>.

www.cednc.org.