

Is There a Necessary Prerequisite to Follow Ethical Issues in Entrepreneurship and Business ?

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Abstract

Liberalization of the economy has cemented the open road for many to become entrepreneurs. The possibilities created by today’s comprehensive awareness together with the unfettering of indigenous ventures, has laid a fertile ground for entrepreneurship to thrive on in India. There are several challenges faced by entrepreneurs today and study reveals that most of challenges are because of ethical issues in growing entrepreneurship. The main objective of this research paper is to investigate the entrepreneurship and business developments and their intrinsic relationship with the concept of ethics. Currently, the linkage between entrepreneurship and business ethics is a growing challenge with multidimensional implications.

Key words: entrepreneurship, business ethics, customer satisfaction, sustainable development, global economy

J.E.L. classification: G10, G11, G15

1. Introduction

This research paper aims to investigate important aspects about ethical issues in entrepreneurship and business. The etymology of the word “ethics” has as source of origin the Greek word “ethos” which means morality, set of moral norms, character and habits, but also fundamental values. Market opportunity is the biggest motivational factor for an individual to choose the entrepreneurship perspective. For instance, Spulbar and Birau (2019) suggested that the dynamics of global economy highlights a strong interconnection with a profitable, but also competitive banking system. However, Zulfiqar et al. (2020) have conducted an empirical study and concluded that there is a significant linkage between high quality of governance and higher returns on stock, while it is very important to consider sustainable development.

2. Literature review

Ma et al. (2020) investigated if entrepreneurial ethics has the ability to improve entrepreneurial performance in the case of new and innovative ventures. The empirical findings suggested that entrepreneurial ethics is hostile to the survival and development of new ventures but favorable with respect to their sustainable growth. Pallavi (2015) provided a complex definition for the concept of business ethics which is perceived as a certain category of applied ethics and is considered as “application of moral or ethical norms to business”. Donaldson and Fafaliou (2003) investigated

relevant aspects about business ethics, corporate social responsibility and corporate governance dynamics and argued that represent a "growing sense of corporate wrongdoing".

Donaldson (2001) suggested have the ability to highlight a reliable coexistence in the same community, while some of these are dominant in contrast to others. Ethical responsibility represents a significant concept in achieving a sustainable level of growth and development of modern companies. Sroka and Lőrinczy (2015) investigated a wide range of important aspects regarding ethics in business and concluded that business ethics represents a key pillar in achieving both profit and success for companies in the current period. Jamnik (2011) argued that managers have a very frequent interaction with ethical issues in their current activities. Paliwal (2006) examined the concept of ethical behavior in its dynamics and concluded that is based on the following: "honesty, integrity, morality and good management practices". As a very recent research study, Batool et al. (2020) have discussed the magnitude of economic disruptions generated by COVID-19 pandemic. This global health crisis has also determined some potential opportunities so that business thrives in the context of the sharing economy. Implicitly business ethics is essential in this case.

3. Research methodology

The research methodology is based on a qualitative analysis. The ethical issues in entrepreneurship and business represent certain extremely important aspects in the context of the global economy. In this regard, the existing literature was briefly examined and the implications were investigated. During the primary research of the area reveals that any small, medium and developed entrepreneurship faces high stress environment even in successful entrepreneurs. On the other hand, Nethravathi et al. (2020) have empirically analyzed the implications of the concept of business intelligence and have highlighted the fact that its fundamental principle is based on the necessity of understanding consumer behavior. In this regards, a very important aspect is the prediction of consumer purchase pattern. As an interesting feature regarding the consumer behavior that can affect business dynamics, Ullal et al. (2021) argued that emotional reviews and responses have a significant contribution in increasing sales, while the negative reviews, have a much more significant impact on utility framework compared to the luxury aspect.

4. Findings

Social entrepreneurship and ethics represent two essential concepts. In the context of the changing global scenario, it also requires to change in policy to certain business to grow with balancing direction. Business ethics includes the main set of rules or principles that any organization should follow in order to achieve performance. Ethics sets a standard for the organization to impose a certain type of behavior.

The ethics which is developed in a company, corporation or organization is based on creating a sustainable organizational culture. The code of conduct is a concept with significant implications for business. Every businessman should always be prepared to take responsibility for his actions and decisions because business ethics is an essential aspect of leadership. Business ethics is one of the specialized directions of applied ethics which is focused on moral principles. Moral values and ethical behavior represent the cornerstone of a sustainable development of entrepreneurship and business ethics.

5. Conclusions

It is concluded that a joint ventures and partnerships may present different variety of test when they filter under the ethics of businesses. Most of ethical questions always two alternatives "do" or "don't" and at the end after the implementation of the decision, it finally impacts on the "worker" and the "consumer" when it ends to the delivery of the product. Even in non-monetary decisions it produced the same impact since there would be compromise in quality of product and it does impact on health issues.

The ethical leadership is a very interesting concept that ensures balance in a business organization. Any emerging business in terms of entrepreneurship is directly related with the concern society and work as being part of the same society. The corporate reputation is very important in the context of business ethics.

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