HIGH SCHOOL EDITION
Journal of Student Research
Volume 14 Issue 1 (2025)

The Pivotal Role of Ethics in Contemporary Business: An Empirical Analysis & Case Study Exploration

Yash Sawhney

Winchester College, United Kingdom

ABSTRACT

The paper "The Pivotal Role of Ethics in Contemporary Business: An Empirical Analysis and Case Study Exploration" delves into the critical importance of ethics in modern business practices. Ethics, as defined in this study, represents a commitment to principles of integrity, fairness, and responsibility, guiding both individual and collective decision-making processes in business. The study employs a combination of data collection through surveys and interviews with business people in India, along with international cases from the Harvard Business School, to analyse the impact of ethical considerations on company reputation, stakeholder trust, and key business metrics. The research methodology includes a detailed analysis of survey results and interview insights, providing a comprehensive view of the ethical practices followed by businesses and their effects on customer satisfaction, employee retention, productivity, and profitability. The paper also explores the impact of COVID-19 on ethical business practices. One of the key findings is the significant correlation between ethical practices and positive business outcomes, highlighting the importance of ethics in the contemporary business environment. The paper also examines greenwashing, providing a critical analysis of superficial ethical practices and their implications for genuine ethical change. Case studies on social businesses and microfinance further illustrate the practical application of ethical principles in business. The conclusion reiterates the significance of ethics in business and offers recommendations for businesses to enhance their ethical practices, emphasising the importance of continual ethical training and review.

Introduction

History paints a picture of how the world progressed as trade and commerce began to develop and cross borders. Impacting the lives of numerous individuals daily, business has been instrumental in building the world we live in. The term business is defined as "usually a commercial or mercantile activity engaged in as a means of livelihood" (Merriam-Webster, n.d., Definition 1).

The impact of these businesses have led to the establishment of new trade routes, discovering new lands, new products, inventions and much more. However, underlying trade is the business of human relations and how does one trust a business partner. It is at this point that ethics unavoidably comes into the equation.

Businesses cannot solely rely on the quality of their products or services; the ethical integrity of a company is paramount, shaping its identity and influencing its future. As Badaracco (1992) points out, the ethical landscape in business is not just about adhering to a set of rules, but it also plays a crucial role in executive decision-making and organisational culture. Ethics is a systematic attempt to understand our individual and collective moral experiences, aiming to establish the principles that should guide human behaviour, identify values that are worth striving for, and determine the character traits that should be cultivated in life (De George, 2010)

The significance of ethics in business is multi-layered. On the surface, it acts as a moral guide, steering companies in their interactions with various stakeholders, including consumers, employees, shareholders, and competitors. On a deeper level, ethics is more than just a facade for public display; it is a fundamental value system that infuses an organisation's culture, decision-making processes, and ultimately, its long-term sustainability and success.

Boatright (2000) underscores the evolution of ethical considerations in business in the global context, highlighting its impact on both the identity and operational success of organisations.

In today's fast-paced world, where news spreads instantly, the significance of ethical conduct in business has never been greater. A single ethical misstep can seriously damage a company's reputation, often requiring years to recover. Conversely, businesses that prioritise ethical values tend to reap benefits beyond mere profits, such as enhanced brand loyalty, a more motivated workforce, and a strong corporate image.

Despite the acknowledged importance of ethics in the business realm, it's essential to explore its tangible effects. This paper will therefore seek to answer the following questions:

(i) How do business leaders perceive the role of ethics in their organisations?

(ii) What impact do ethical practices have on key business outcomes such as customer satisfaction, employee retention, productivity, and profitability?

(iii) How have the ethical perspectives of businesses changed in response to the COVID-19 pandemic?

(iv) What are the challenges and implications of greenwashing in contemporary business practices?

(v) How do social businesses and microfinance initiatives exemplify the application of ethical principles in addressing societal challenges?

To accomplish this, the study will utilise a comprehensive methodology, encompassing primary surveys, in-depth interviews with seasoned industry leaders, and thorough analyses of case studies from the Harvard Business School. Through this extensive exploration, readers will gain a broad understanding of the interplay between ethics and business in the modern era, underscoring their significance for a sustainable future.

Methodology

In order to comprehensively understand the influence of ethical considerations on modern business practices, a combination of both primary and secondary research methods were employed, and are detailed in the section below:

Description of Research Methods

Surveys

A thoroughly designed questionnaire was answered by a range of professionals in the corporate sector to assess the perception, awareness, and implementation of ethical practices in their respective organisations. Both closed-ended (for quantitative analysis) and open-ended questions (for qualitative insights) were included to gain an extensive set of responses. More information gathered from the surveys can be found in Appendix 2.

Interviews

One-on-one interviews were conducted with senior executives, business owners, and employees across multiple industries to grant deeper insights into personal experiences, organisational cultures, and real-world challenges associated with business ethics (Murphy, 1988). This was done in a semi-structured manner with predominantly open-ended questions in pursuit of obtaining a clear judgement.

Harvard Business School Case Studies

Harvard Business School's extensive repository of case studies provided a vast selection of secondary data for further analysis. These case studies highlighted repercussions of ethical lapses made by leading transnational corporations, and insinuated the power of adhering to principal ethical standards, as highlighted in Lynch et al. (2016) regarding the Volkswagen Emissions Scandal.

The landscape of business ethics, intricate and multifaceted, is displaced not only through numbers or theoretical constructs of ethical considerations but also via real-world examples aimed at portraying the need for ethical practices. Harvard Business School (HBS) case studies delve deep into tangible business scenarios across time, industries, and geographies for various global corporations. HBS's case studies, acclaimed globally, provide a distinct capability to study business ethics. Through rigorous research, the case studies highlight the challenges, dilemmas, decisions, and consequences that organisations face in the realm of ethics. As they provide a balanced view, detailing both missteps and triumphs, readers are able to recognize patterns, extract lessons, and formulate the ideal practices to apply for a business.

Analysis of Individual Case Studies

Case Study 1: What's the Matter with Business Ethics?

Business ethics is a crucial part of successful businesses, laying the groundwork for trust and respect between businesses and their stakeholders. Business ethics includes the standards of behaviour that businesses follow in their everyday operations, ensuring integrity, accountability, and moral conduct (Stark, 1993). These principles, such as leadership, honesty, lawfulness, and environmental concern, guide ethical behaviour in businesses and are vital for keeping a moral direction. Ethical businesses have distinct benefits as they can gain a competitive advantage, build long-lasting relationships, and attract and keep top talent. Leadership, a clear code of ethics, educating employees, and open channels for reporting concerns are key to creating an ethical business. However, challenges like fear of retaliation and corporate culture can be a barrier to achieving this goal. Companies should focus on honesty, reward ethical behaviour, and protect those who report wrongdoing to overcome these challenges (Vaccaro & Kusyk, 2012).
In summary, business ethics is essential for the success and sustainability of businesses.

For an extended analysis of Case Study 1, please refer to Appendix 4.

Case Study 2: Airbnb: The Fight Against Racial Discrimination

Airbnb has changed the travel industry by offering different types of places to stay all over the world. However, the platform has had problems with racial discrimination. Around 2015 and 2016, the hashtag *#AirbnbWhileBlack* showed how Black users were often denied bookings or faced discrimination because of their profiles. Luca et al. (2020) pointed out the platform's struggle with discrimination and its attempts to stop it.

In 2021, Airbnb admitted there was a racial bias in the booking system. Wherein, users seen as White had a success rate of 94.1%, while those seen as Black had a success rate of 91.4%. In 2016, Airbnb made changes to combat this issue. They started checking for racial bias, created a team to focus on bias, and promoted diversity. Although there are still differences in booking success rates, the company's effort to check itself, reduce racial discrimination and aim for fairness shows how important it is for businesses to watch for and correct biases, especially on tech platforms. Airbnb's experience teaches us that diversity and inclusion internally and regular checks, feedback from users, and openness externally are important in dealing with such deep-rooted issues. This reminds us that technology can both continue and fix biases

For an extended analysis of Case Study 2, please refer to Appendix 4.

Case Study 3: Volkswagen: Emission Scandal and Corporate Ethics

In 2015, Volkswagen went through a major crisis when it was found that the company had put "defeat devices" in its diesel vehicles to cheat on emission tests. This was against the Clean Air Act. The devices made it seem like the vehicles passed emission standards during tests, but after successfully passing the tests, the vehicles released pollutants up to 40 times over the allowed limit. The scandal had serious ethical and legal problems for Volkswagen (Lynch et al., 2016). In January 2017, Volkswagen admitted guilt to criminal charges, showing that the dishonesty was a planned action by top executives. It led to a big drop in stock value, anger from the public, and investigations in many countries. By June 2020, the scandal had cost Volkswagen an enormous $33.3 billion in fines, settlements, and buybacks.

Volkswagen took responsibility by holding executives responsible, bringing in new leaders, and putting a lot of money into electric vehicle technology. This demonstrated a promise to cleaner transportation and better ethical

HIGH SCHOOL EDITION
Journal of Student Research
Volume 14 Issue 1 (2025)

standards. The emission scandal is a clear warning about the financial costs of unethical business actions and the need for openness and honesty. The Volkswagen case highlights the need for ethical leadership, the risks of giving up principles for short-term gains, and the long-term benefits of sticking to ethical business practices.
For an extended analysis of Case Study 3, please refer to Appendix 4.

Case Study 4: H&M: The Greenwashing Controversy

H&M, a well-known fashion retailer, was accused of greenwashing for possibly making false claims about the environmental benefits of its products, especially with its "Conscious Collection." Chen and Chang (2013) discuss the difficulties of balancing marketing and real efforts towards sustainability in the context of greenwashing in the industry. Critics claimed that H&M's sustainability claims were too strong or misleading, pointing out the limited use of sustainable materials in the collection and the naturally unsustainable nature of the fast-fashion model.

The H&M greenwashing controversy shows the challenges brands have in balancing sustainability and affordability at a time when consumers want both. It underlines the need for a real commitment to environmental responsibility and the importance of clear communication to make sure marketing claims match reality. This case is a valuable lesson for brands around the world, showing that being authentic and making real efforts towards sustainability are key to keeping trust and loyalty with consumers and stakeholders.
For an extended analysis of Case Study 4, please refer to Appendix 4.

Case Study 5: The Pink Tax: Gender-Based Pricing Disparities

The Pink Tax refers to the higher prices often charged for products marketed towards women compared to those for men. Krishna (2016) draws attention to gender-based pricing disparities across different product categories. Research by the Department of Consumer Affairs in New York revealed that women pay an additional 7% for essential goods compared to men, with the gap increasing to 13% for personal care items.

The reasons provided by companies and retailers for these pricing discrepancies are often unsatisfactory and unsubstantiated. Marketing strategies often exploit gender-based pricing, highlighting deep-seated gender biases in society and assuming that women are less rational consumers. Moreover, the Pink Tax extends to the Period Tax, where essential menstrual products are taxed as luxury items in various regions, leading to significant societal impacts. This case study emphasises the importance of consumer awareness and collective action in eliminating discriminatory practices.

By challenging unfair pricing practices and demanding transparency, consumers can contribute to a more equitable marketplace. It is crucial for companies to recognize the ethical implications of their pricing strategies to avoid alienating a significant portion of their customer base. Ultimately, addressing the Pink Tax requires a concerted effort from both businesses and consumers to ensure that pricing practices are fair and reflective of the true value of products and free of related biases.

For an extended analysis of Case Study 5, please refer to Appendix 4.

Case Study 6: Credit for the Poor: Poverty as Distant History

Muhammad Yunus, founder of Grameen Bank and Nobel Peace Prize laureate, pioneered a microfinance model to reduce poverty by providing small loans to the poor, particularly women, enabling them to improve their lives. This has also contributed to the social empowerment of the underprivileged, particularly for women, by providing access to financial resources and opportunities.The success of Grameen Bank highlights the potential of social businesses to achieve sustainable social goals, challenging traditional profit-driven models by demonstrating that financial stability and social impact can coexist. The Grameen Bank model has inspired similar initiatives worldwide, showcasing the scalability and adaptability of microfinance in various cultural and economic contexts.

The Grameen-Danone partnership between Yunus's Grameen Bank and Danone is an excellent example of how social business can address societal issues through innovative business solutions. This partnership directly addressed the issue of malnutrition of children in Bangladesh, showcasing the powerful effect of combining corporate resources with social objectives to create sustainable, impactful change.The success of the Grameen-Danone partnership highlights the importance of collaboration between different sectors to tackle complex social issues, showing that businesses and social organisations can leverage their respective strengths to create innovative solutions that benefit society as a whole.

For an extended analysis of Case Study 6, please refer to Appendix 4.

Research and Findings

Perceptions of Business Ethics Among Business Leaders

While exploring the role of ethics in contemporary business, it is important to first understand the perceptions of business leaders regarding the role of ethics in their companies. This exploration of ethics in business is crucial as it significantly shapes company culture and influences the decision-making process. The question that this section of the paper intends to answer is: How do business leaders in India perceive the role of ethics in their organisations?

The role of ethics in business is complex; on the surface, it acts as a moral guide steering companies in their interactions with various stakeholders, including consumers, employees, shareholders, and competitors. On a deeper level, ethics is a core value system that infuses an organisation's culture, decision-making processes, and ultimately its long-term sustainability and success (Boatright, 2000). In today's world, a single ethical mistake can seriously harm a company's reputation, often taking years to recover. On the other hand, businesses that prioritise ethical values tend to enjoy benefits beyond profits, such as improved brand loyalty, a more motivated workforce, and a strong corporate image.

This idea aligns with the perspectives of Badaracco (1992) and Boatright (2000), who highlight the importance of ethics in shaping executive decision-making and organisational culture. The survey conducted showed that a majority of business leaders (85%) highlighted the significance of ethical guidelines at the start of their company, emphasising the fundamental role of ethics in business (Sawhney, 2023, unpublished data).

Interviews with business leaders further confirmed these results. For example, leaders of companies focusing on sustainable and ethically sourced food consistently prioritise ethics, stressing the commitment to openness, the welfare of all involved, and ensuring that every product or service offered aligns with these values. However, the interviews showed the real conflict between ethical standards and profit-making, highlighting the challenges of upholding a strong ethical stance amid financial pressures.

The impact of the COVID-19 pandemic shifted businesses towards a comprehensive, people-centred approach to business ethics, reflecting a growing recognition of the importance of ethical leadership and the need for businesses to adapt to changing societal expectations (Enderle, 2015; Sawhney, 2023, personal communication).

This research agrees with the findings of Bishop (2013), who pointed out the strategic importance of ethics in modern organisations, emphasising that ethical practices are not just morally right but also good for business outcomes. As businesses navigate the complexities of today's market, incorporating ethics into their fundamental strategies becomes increasingly vital, not just for keeping a good reputation but also for encouraging sustainable growth and success (Badaracco, 1992; Boatright, 2000; Bishop, 2013; Sawhney, 2023, personal communication; Sawhney, 2023, unpublished data). Overall, the surveys found that business ethics is a vital cornerstone to a business's success both internally and externally. It must be added that ethics within these organisations exist as an informal principle rather than a structuralized and instituted one. However, this mindset is changing due to the impact of COVID-19 and more businesses are recognizing the need for a formalised structure for ethics to adapt to the ever developing needs of society.

Impact of Ethical Practices on Business Outcomes

Evaluating the impact of ethical practices on business outcomes is crucial to understanding their importance beyond moral considerations. This section aims to answer the question: What impact do ethical practices have on key business outcomes such as customer satisfaction, employee retention, productivity, and profitability?

The analysis of the impact of ethical practices on business outcomes suggests that these practices are not just morally right but also beneficial for business outcomes, reinforcing the importance of integrating ethics into business strategies. The quantitative analysis of survey data indicated a strong correlation between ethical practices and key business outcomes such as customer satisfaction, employee retention, and productivity, all of which are essential for long-term success. This finding aligns with the insights of Bishop (2013), who emphasised the strategic importance of ethics in modern organisations, suggesting that ethical practices can lead to enhanced brand loyalty, a more motivated workforce, and a strong corporate image.

Case studies, such as the Grameen Bank and its microfinance initiatives, further illustrate the positive impact of ethical practices on business outcomes. This case study highlights the importance of aligning business objectives with ethical principles to create sustainable and responsible practices that contribute to societal well-being.

The analysis of the findings underscores the tangible benefits of ethical practices in business. Businesses that prioritise ethical values are more likely to build trust with their stakeholders, foster a positive organisational culture, and achieve long-term success. This is consistent with the views of Badaracco (1992) and Boatright (2000), who emphasised the role of ethics in shaping executive decision-making and organisational culture.

Furthermore, the impact of the COVID-19 pandemic on business ethics has highlighted the need for businesses to be agile and considerate in their ethical decision-making. The pandemic has prompted many businesses to adapt their ethical practices to address the challenges posed by the crisis, with a greater emphasis on social responsibility and stakeholder welfare (Sawhney, 2023, unpublished data). This shift towards a more comprehensive, people-centred approach to business ethics reflects the evolving expectations of society and the growing recognition of the importance of ethical leadership.

In conclusion, the findings from the survey data, case studies, and analysis suggest that ethical practices are not only morally right but also beneficial for business outcomes. The positive associations between ethical practices and key business outcomes underscore the importance of integrating ethics into business strategies. As businesses navigate the complexities of the modern market, the role of ethics in shaping sustainable and responsible practices becomes increasingly crucial. The emphasis on ethics among leaders suggests a strong correlation between ethical practices and the development of a positive organisational culture, which can contribute to long-term success.

Changes in Ethical Perspectives Due to COVID-19

The COVID-19 pandemic has prompted businesses to reevaluate their ethical perspectives and practices, leading to a significant shift in how companies approach ethics in the face of unprecedented challenges. This section aims to answer the question: How have the ethical perspectives of businesses changed in response to the COVID-19 pandemic?

The pandemic has underscored the importance of social responsibility and stakeholder welfare, prompting businesses to reevaluate their priorities and values in response to unprecedented challenges. This analysis aims to explore how the pandemic has influenced ethical perspectives and practices in the business world.

The pandemic has emphasised the importance of adaptability in ethical decision-making. Businesses have had to quickly adjust their operations and strategies in response to the evolving situation, with ethical considerations playing a crucial role in guiding these decisions. This adaptability is essential in ensuring that businesses can respond effectively to challenges while maintaining their ethical commitments.

Transparency is crucial in building trust and maintaining a positive reputation, especially in times of crisis when stakeholders are seeking reassurance and clarity. The emphasis on transparency reflects the growing recognition of its role in fostering a culture of accountability and integrity within organisations.

A compassionate approach aligns with Srinivasan's (2011) discussion on the importance of ethical business conduct in addressing employee needs and well-being. Businesses have had to prioritise the health and safety of their employees, provide support to customers facing difficulties, and contribute to community efforts to combat the pandemic.

The pandemic has also brought attention to the role of businesses in supporting local communities and partners. This aligns with Wilson and Post's (2013) emphasis on the importance of ethical considerations in business operations, especially in challenging times .

In conclusion, the analysis reveals that the COVID-19 pandemic has highlighted the need for businesses to be more flexible and considerate in their ethical decision-making, with a greater emphasis on social responsibility and stakeholder welfare. The pandemic has underscored the importance of adaptability, transparency, and compassion in ethical practices, underscoring the need for businesses to integrate these principles into their strategies as they navigate the post-pandemic landscape. As businesses continue to evolve in response to the challenges posed by the pandemic, the role of ethics in shaping sustainable and responsible practices remains crucial.

Challenges of Greenwashing

Greenwashing presents significant challenges for businesses attempting to demonstrate genuine ethical commitment. This section aims to address the question: What are the challenges and implications of greenwashing in contemporary business practices?

Greenwashing, as described by Chen and Chang (2013), is a deceptive practice where businesses falsely claim their products or policies are environmentally friendly, leading to consumer confusion and a potential loss of trust. This practice is particularly harmful as it undermines the genuine efforts of companies working towards real environmental sustainability and can mislead consumers who want to make ethical purchasing decisions.

The critical examination of these phenomena goes beyond environmental contexts. It extends to broader corporate social responsibility (CSR) initiatives where companies often claim to be dedicated to various social causes, but their actions may not always match their words. This gap between what they say and what they do leads to scepticism and cynicism among consumers and stakeholders, making them question the authenticity of CSR efforts.

The challenges of greenwashing in contemporary business practices are multifaceted, impacting consumer trust and emphasising the importance of transparency and authenticity in corporate social responsibility (CSR) efforts. The analysis of these practices reveals that they not only mislead consumers but also detract from the genuine efforts of businesses striving for sustainability and ethical conduct. Greenwashing has become increasingly prevalent in an era where environmental consciousness is on the rise (Chen & Chang, 2013). This deceptive practice can lead to consumer scepticism and erode trust, which is a crucial asset for any brand.

The negative repercussions of greenwashing extend beyond consumer trust. They can lead to public relations crises, legal challenges, and long-term damage to brand reputation. As such, businesses need to ensure that their ethical claims are backed by tangible actions. This alignment between claims and actions is crucial for building and maintaining trust with consumers, investors, and other stakeholders (Hoffman, 2014).

In conclusion, business ethics will uphold transparency and authenticity which are key in addressing the challenges of greenwashing. Businesses must be honest and open about their practices, providing clear and verifiable information about their sustainability efforts and ethical conduct. This transparency helps build credibility and trust, which are essential for long-term success. Moreover, authentic CSR efforts that genuinely seek to make a positive impact on society and the environment are more likely to resonate with consumers and stakeholders, fostering loyalty and support.

Role of Social Businesses and Microfinance in Ethical Practices

This section of the paper aims to answer the question: How do social businesses and microfinance initiatives exemplify the application of ethical principles in addressing societal challenges?

For the purpose of this paper, we shall be studying Muhammad Yunus' model of Social businesses which are designed to solve social problems using business methods, with the primary goal being social impact rather than profit maximisation (Yunus, 2007). These enterprises operate on ethical principles such as fairness, transparency, and accountability, focusing on creating sustainable solutions to issues like poverty, health care, and environmental sustainability. By prioritising social goals, social businesses demonstrate a commitment to ethical practices that extend beyond traditional business objectives.

Microfinance institutions are another example of how ethical principles are applied in addressing societal challenges. These institutions provide financial services, including loans, savings, and insurance, to low-income individuals or groups who lack access to traditional banking services. The ethical foundation of microfinance lies in its mission to empower the economically disadvantaged, particularly women, by providing them with the means to improve their livelihoods and achieve financial independence. This approach is rooted in principles of inclusivity, empowerment, and social justice.

Social businesses and microfinance initiatives also face ethical challenges, such as ensuring transparency in their operations, maintaining the balance between social goals and financial sustainability, and addressing the risk of over-indebtedness among borrowers. These challenges require a strong commitment to ethical principles and continuous efforts to align business practices with social objectives.

Social businesses and microfinance institutions operate on the idea that financial success and social impact can go hand in hand. By prioritising social goals such as reducing poverty, improving education, and healthcare, these models show a commitment to ethical practices that go beyond just making a profit. The Grameen Bank, for example, has shown that giving small loans to the poor without needing collateral can lead to sustainable poverty reduction (Yunus, 2007). This approach challenges traditional banking models and highlights the potential of ethical business practices to create positive social change.

The success of social businesses and microfinance initiatives is not just limited to their social impact; they also show financial viability. The Grameen Bank's model has proven to be sustainable, with high repayment rates and the ability to expand its services. This financial sustainability ensures that the bank can continue its mission of poverty alleviation and serve as a model for other institutions aiming to combine ethical practices with financial success.

Furthermore, these models contribute to societal well-being by addressing systemic issues such as inequality, access to finance, and economic empowerment. By providing financial services to those traditionally excluded from the banking system, microfinance institutions help level the playing field and promote economic inclusion. Social businesses, on the other hand, address a range of societal challenges through innovative solutions, from affordable healthcare to sustainable agriculture.

The benchmark set by social businesses and microfinance for ethical practices in the business world is significant. They show that ethical considerations can be integrated into business models to achieve a balance between financial objectives and social impact. This balance is crucial in today's business environment, where stakeholders increasingly demand transparency, accountability, and a commitment to social and environmental responsibility.

In conclusion, as the business community continues to face complex social and economic challenges, the importance of ethical business practices becomes increasingly evident. Social businesses and microfinance institutions offer valuable insights into how businesses can operate ethically while achieving their objectives, providing a blueprint for others to follow in their pursuit of sustainable and responsible business practices.

Conclusion

In the dynamic landscape of contemporary business, the formalisation of ethical guidelines is paramount. As Murphy (1988) emphasised in "Implementing Business Ethics," the clarity provided by written guidelines is not merely about adherence to a set of rules but is a declaration of a company's commitment to integrity. Business ethics, as defined in this study, refers to the principles and standards that guide behaviour within the business context, emphasising the importance of integrity, fairness, transparency, and social responsibility. It involves the systematic application of moral values to business practices, ensuring that decisions and actions contribute positively to both the organisation and society at large.The comprehensive exploration of business ethics, encompassing surveys, interviews, and case studies, has showcased several critical truths. From the Indian businesses surveyed, it is evident that ethics is not merely an afterthought, but an integral part of a company's identity, resonating with Murphy's (1988) perspective on the essential role of ethics in business practices. A significant 85% of businesses underscored the fundamental importance of ethical guidelines from inception, with two-thirds adhering to these initial principles throughout, underscoring their enduring relevance. Furthermore, the impact of ethics on aspects such as customer satisfaction and employee retention substantiates the real-world benefits of ethical practices. The onset of the pandemic has only increased this focus, with 60% of businesses recalibrating their ethical stances in response to global challenges.

In the rapidly evolving contemporary business ecosystem, ethics emerges as a stabilising force, aligning with Boatright's (2000) insights on the role of ethics in guiding business leaders, their decision-making and the shaping of organisational cultures. The revelation that only half of the surveyed businesses possess formal ethics training programs highlights a glaring area for enhancement, echoing Bishop's (2013) findings on the imperative of integrating ethical practices into modern business environments. The integration of ethical practices into the very fabric of organisational culture is equally crucial. Leadership should not merely advocate for ethical behaviour but set a standard for all employees to emulate. This top-down influence, as discussed by Bishop (2013),ensures that ethical behaviour is a core component of the organisational ethos.

Enderle (2015) highlighted that there is a need for the continuous development of ethical guidelines to adapt to changing landscapes and societal expectations. This paper recommends that regular assessment, reassessment and adaptation of ethical guidelines and practices be implemented and to ensure that all members of the organisation are well-versed in the company's ethical expectations. Additionally, engaging all stakeholders, including employees, suppliers, investors, customers, and competitors in ethical discussions can provide valuable insights into potential ethical issues and areas for improvement. Creating a transparent system for ethical reporting is vital. This can be supported through whistleblower policies, anonymous tip lines, and open-door policies.

The analysis of ethics in the realm of business is not merely an academic exercise but a practical one that has far-reaching implications for the sustainability and success of organisations. Ethical practices serve as the foundation of trust, which once eroded can be challenging to restore. This trust extends beyond the walls of the organisation, influencing consumer behaviour, investment decisions, and the overall perception of the business in the marketplace. It is a strategic feature that can differentiate a business from its competitors to not only its consumers and partners but also its employees. As found by the survey data (more information found in Appendices 2, 3, & 4), customer satisfaction, employee retention and productibility were all more positive for ethical businesses. This in turn also leads to higher profitability along with customer and employee loyalty. Incorporating ethics into performance metrics and rewarding individuals and teams that demonstrate ethical behaviour emphasises the importance of such practices.

COVID-19 was the catalyst for many businesses to focus on community-centric approaches and employee well-being (Sawhney, 2023, unpublished data). During the pandemic, businesses began adopting a more ethical stance, prioritising employee welfare and needs especially during times of crisis. This period also created the awareness of the role a business plays in its local community and partners. This paper recommends that all stakeholders, ranging from investors to consumers, consider ethics as a key factor in their decision-making processes. By fostering a perspective which considers ethics as a core driver of business strategies and success, issues like the disruptions in supply chain management could have been avoided. Aligning business practices with global ethical standards and certifications, not only enhances a company's international reputation but also ensures adherence to the best global practices (Boatright, 2000). Ethical supply chain management is also critical, given the complexities of global supply chains. Ensuring that partners and suppliers follow strict ethical standards, as discussed by Wilson & Post (2013) in their work on social business models, can help prevent unintended ethical breaches.

The long term consequences of greenwashing as an unethical business practice have demonstrated the issues these practices bring to light from an ethical perspective. The loss of public trust, public relations crises, legal challenges, long-term damage to brand reputation and mistrust in CSR initiatives show the importance of genuine efforts and that authentic claims backed by transparency and authenticity are vital from an ethical standpoint. To build and maintain credibility and trust, this paper suggests sincere CSR initiatives which have a positive impact on society and to ensure that the information being supplied comes from an ethical business framework.

Grameen Bank's success and the following microfinance organisations set up show that societal welfare and change can be at the centre of businesses without having to forego business goals. The models set up have proved to be scalable, replicable and adaptable to the unique situation of the people and region they operate in. By combining societal needs with microfunding, business and ethics come together to alleviate some societal problems like hunger, poverty, and gender equality. With ethics at the core, society and business can prosper and continue facing new challenges without faltering.

In conclusion, ethics in business is not a one-time task but an ongoing journey. As businesses grow, diversify, and enter new markets, they encounter varying challenges. With ethics as the foundation, as companies expand their operations across borders, their knowledge will support them in navigating new markets, customs and regulations. It necessitates a commitment to ethical principles that are adaptable yet consistent, ensuring that businesses can operate with integrity in varied contexts. This approach to ethics not only enhances a company's ability to operate in different markets but also contributes to the broader goal of fostering a more ethical and responsible business community.

Limitations

The surveys intentionally excluded gender information to protect respondents' identities. This decision prevents analysis from a gender-based perspective, which could have provided insights into how perceptions and impacts of business ethics vary across different demographics.

The paper acknowledges that participation in the surveys was voluntary, which could introduce bias. The findings might primarily reflect the views of individuals who are already inclined towards ethical practices, potentially skewing the results toward a more positive perception of ethics in business.

The paper relies heavily on Harvard Business School case studies, which may not be representative of all industries or regions.

The study mentions changes due to COVID-19, but these observations are based on limited data points and specific to certain industries. The pandemic's long-term impact on business ethics might require further research for a more comprehensive understanding.

Acknowledgments

I extend my heartfelt gratitude to Mr. Rakesh Ranjan, Senior Research Fellow at IIT Delhi, for his invaluable assistance and expertise in the statistical analysis of this study. His keen insights and meticulous approach have greatly contributed to the rigour and depth of the research. I am immensely thankful for his unwavering support and guidance throughout this project.

I extend my sincere gratitude to Dr. Benjamin T. Pennington, Head of Geography at Winchester College, for his invaluable assistance in reorganising, editing, and compiling this paper. His expertise has greatly contributed to the coherence and clarity of the research. I am deeply appreciative of his guidance and support throughout this project, which has been instrumental in shaping its final outcome.

I extend my heartfelt appreciation to Dr. G. Enderle for their meticulous proofreading, insightful suggestions, and valuable improvements to this paper. Their keen eye for detail and recommendations have significantly enhanced the quality and precision of the research. I am deeply grateful for their time, effort, and expertise, which have played a crucial role in refining this work.

References

Badaracco, J. L., Jr. (1992). Business ethics: Four spheres of executive responsibility. *California Management Review*. CMR036-PDF-ENG. Accessed through Harvard Business Review

Bishop, W. H. (2013). The role of ethics in 21st-century organizations. *Journal of Business Ethics, 118*(3), 635–637. http://www.jstor.org/stable/42921253

Boatright, J. R. (2000). Globalization and the ethics of business. *Business Ethics Quarterly, 10*(1), 1–6. https://doi.org/10.2307/3857689

Chen, Y. S., & Chang, C. H. (2013). Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk. *Journal of Business Ethics, 114*(3), 489–500. http://www.jstor.org/stable/23433794

De George, R. T. (2010). *Business ethics* (7th ed.). Upper Saddle River, NJ: Prentice Hall.

Enderle, G. (2015). Exploring and conceptualizing international business ethics. *Journal of Business Ethics, 127*(4), 723–735. http://www.jstor.org/stable/24702824

Hoffman, A. (2014). H&M's global supply chain management sustainability: Factories and fast fashion. WDI Publishing at the University of Michigan. W93C73-PDF-ENG. Accessed through Harvard Business Review.

Krishna, A. (2016). Pink tax: Gender and other price discrimination factors. WDI Publishing at the University of Michigan. W04C92-PDF-ENG. Accessed through Harvard Business Review.

Luca, M., Stern, S., Cook, D., & Kim, H. (2020). Racial discrimination on Airbnb (A). Harvard Business School. 920051-PDF-ENG. Accessed through Harvard Business Review.

Lynch, L. J., Cutro, C., & Bird, E. (2016). The Volkswagen emissions scandal. Darden School of Business. UV7245-PDF-ENG. Accessed through Harvard Business Review.

Merriam-Webster. (n.d.). *Business*. In Merriam-Webster.com dictionary. Retrieved June 15, 2024, from https://www.merriam-webster.com/dictionary/business

Murphy, P. E. (1988). Implementing business ethics. *Journal of Business Ethics, 7*(12), 907–915. http://www.jstor.org/stable/25071852

Sawhney, Y. D. (2023). Unpublished data.

Srinivasan, V. (2011). Business ethics in the South and South East Asia. *Journal of Business Ethics, 104*, 73–81. http://www.jstor.org/stable/41476059

Stark, A. (1993). What's the matter with business ethics? *Harvard Business Review*. 93311-PDF-ENG. Accessed through Harvard Business Review.

Vaccaro, A., & Kusyk, S. (2012). The trial of business ethics. IESE. IES379-PDF-ENG. Accessed through Harvard Business Review.

Wilson, F., & Post, J. E. (2013). Business models for people, planet (& profits): Exploring the phenomena of social business, a market-based approach to social value creation. *Small Business Economics, 40*(3), 715–737. http://www.jstor.org/stable/23360620

Yunus, M. (2007). Credit for the poor: Poverty as distant history. *Harvard International Review, 29*(3), 20–24. http://www.jstor.org/stable/43650208