

THE BUSINESS STANDARD

The value of business ethics: Why companies must prioritise integrity and transparency for sustainability

When businesses value ethics and integrity among their employees and in their operations, they may boost their profitability, their relationship with stakeholders, and the prospects for all parties involved

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When the Rana Plaza factory collapsed in 2013, it brought attention to the horrifying working conditions and lack of safety measures in many Bangladeshi enterprises. Photo: Reuters

It is hard to disregard the value of upholding strong moral and ethical standards in today's fast-paced corporate climate in order to assure sustainability.

In modern-day Bangladesh, business failure rumours in e-commerce and other financial crises in corporations and banks have demonstrated that a lack of ethical standards can have severe consequences for businesses and society as a whole.

Assuming businesses desire to earn the respect and trust of their stakeholders, increase their profitability, and contribute to a more sustainable and prosperous future for all, they must prioritise ethics and integrity in their activities.

Therefore, what do we mean when we talk about 'business ethics', and why is it necessary for a company to adhere to these principles?

In its most fundamental sense, the term 'business ethics' refers to a collection of directing values and concepts that regulate how businesses should conduct themselves and how they should engage with a variety of stakeholders, including customers, employees, and the broader public.

Openness, fairness, accountability, and stewardship of the environment are just a few of the many concepts that are embodied in this setting.

In recent years, Bangladesh has struggled to sustain corporate ethics, and these struggles have been frequent and severe. When the Rana Plaza factory collapsed in 2013, it brought attention to the horrifying working conditions and lack of safety measures in many Bangladeshi enterprises. More than 1,100 individuals lost their lives in the tragedy.

The Rana Plaza factory was located in Savar, quite near the country's capital Dhaka. Despite the building being declared unsafe earlier, employees were still brought in to work the day the building collapsed. This incident demonstrated how critical it is for businesses to prioritise ethics in workplace.

One of the most significant problems is that firms either do not comprehend or care about corporate ethics issues. It's probable that many businesses either don't appreciate the importance of ethical business practices or they only have a vague concept of acting ethically. This could result in a lack of dedication to moral norms and accountability for immoral behaviour.

Another problem is that Bangladesh does not have the appropriate legal and regulatory framework to promote ethical business practices in the private sector.

Consequently, it is more difficult for companies to maintain high ethical standards, which lessens the likelihood that they will refrain from engaging in immoral behaviour. When there is a lack of management and enforcement, it can be difficult for companies to sustain ethical standards in their business practices.

In addition to this, Bangladeshi businesses have to be able to contend with the cutthroat competition that exists in the international market. Because of the immense pressure, there is a possibility that decisions may be made with immediate monetary rewards in mind rather than taking into account any ethical factors. As a consequence, it is challenging for businesses to make progress in the area of workplace ethics.

One of the most critical challenges that some Bangladeshi businesses face is a lack of resources. It is possible that they do not have as much money as they want to devote into initiatives that encourage ethical behaviour, such as teaching and training.

As a result, encouraging moral behaviour can be a challenging task. Firms may find it difficult to foster an ethical workplace culture and hold employees accountable for their actions.

Businesses may struggle to act ethically in a place like Bangladesh, where bribes and kickbacks are common. When these become the norm in business, it becomes difficult for organisations to stick to their ethical principles. In order to maintain a competitive edge, some companies may resort to unethical actions or simply ignore the issue.

However, Bangladeshi enterprises who take the necessary steps to strengthen their compliance with ethical standards will see improvements.

To begin things rolling, it is important to develop a detailed code of ethics for the organisation that articulates the guiding ideals and values that it upholds. Every employee should be provided with their own copy of this code, and anyone who is interested in viewing it should be allowed to do so.

Instruction and assistance in ethical decision-making for staff members is an additional step that cannot be overlooked. When employees understand the significance of ethical conduct better, they will be in a better position to make decisions that adhere to ethical standards.

Additionally, businesses should make it a priority to cultivate an environment that values and promotes ethical conduct. This can be accomplished through top management setting a positive example, training staff to make moral choices, supporting open communication and transparency, and training workers to think morally about their decisions.

To guarantee that every employee is held accountable for their activities, businesses need to build a system that allows for the reporting and investigating of unethical behaviour and ensures that all employees are held responsible.

In addition to considering how their actions would affect shareholders, businesses also need to consider how their decisions will influence other stakeholders, such as consumers, employees, communities, and the environment.

Businesses should cooperate with a diverse group of stakeholders, including non-governmental organisations (NGOs), labour unions, and civil society organisations to advance ethical business practices and handle potential ethical challenges. They should encourage employees to ask the company for protection so they do not get in trouble for reporting unethical behaviour.

Ethical behaviour in workplace is essential for any organisation. This is the final and most crucial consideration.

When businesses value ethics and integrity among their employees and in their operations, they may boost their bottom line (profitability), their relationship with stakeholders, and the prospects for all parties involved. As a result, everyone may look forward to a brighter, more sustainable, and more wealthy future.

Therefore, businesses should constantly evaluate and raise the ethical bar, keeping in mind the opinions and values of everyone who might be affected by their decisions, develop a system for keeping tabs on ethical violations and dealing with them when they occur, draft a simple code of ethics, and

encourage a work environment where honesty and fair play are highly valued.



Illustration: TBS

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