



In Light of Technology Invasion in Business Processes, Should We Redefine Ethics?

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ABSTRACT

The way business operations are carried today, are quite different than they were carried till 20th century. Large number of business use technology as integral part of its operation. It is difficult to imagine the scenario of today's high volume transactions in absence of technology. Technology has distinct advantage of fast & accurate transactions, real time operation, secured and sustainable recording system without much damaging environment and so on. Technology requires least human intervention in business processes. Any small lapse whether intentional or unintentional, the damage may be very large. Individuals acquire greater independence and reach in technological environment. These developments call for new structures for ethics. In light of the above, we attempt to redefine ethics in business largely depending on technology. We study IT & IT enabled industry along with service industry banking on IT & ITe like banking & insurance.

Keywords : Technology, ethics, IT & IT enabled industry

Introduction

The way business operations are carried today, are quite different than they were carried till 20th century. Large number of business use technology as integral part of its operation. It is difficult to imagine the scenario of today's high volume transactions in absence of technology. Technology has distinct advantage of fast & accurate transactions, real time operation, secured and sustainable recording system without much damaging environment and so on. Technology requires least human intervention in business processes. Any small lapse whether intentional or unintentional, the damage may be very large. The people behind development of technology and those who supervise business operation within technology environment require different set of ethical norms, e.g. to check secured environment, the programmers have to test it through ethical hacking. Individuals acquire greater independence and reach in technological environment. These developments call for new structures for ethics. In light of the above, we attempt to redefine ethics in business largely depending on technology. We study IT & IT enabled industry along with service industry banking on IT & ITe like banking & insurance. Business can improve employee morale to reduce employee turnover. Strong ethical values enhance loyalty of the employee towards employers and their work, thus reducing the employee turnover. Data indicates that technology industries and people working on technology have higher turnover rate. Does it indicate that IT professional and people working on technology have low ethical values, or do we need to redefine the ethics? Ethics is situational and except core value of ethics, definition of ethics change over period of time and among different places.

Business ethics and the employee turnover are important research area in business. Unethical practices are unwanted, so is the high employee turnover. Unethical practices and high employee turnover in business is ubiquitous. No consensus exists on defining ethics, while employee turnover is well defined. Several theories have been used to explain the relationship between organizational commitment and corporate ethical values. Individuals select organization they work for that best matches their own characteristics. Tom (1971) concluded that a person's preference for an organization

showed vary with degree of similarities between his self-concept & his image of the organization. Thus, ideally high ethical companies should have low employee turnover and low ethical companies should have high employee turnover because of similarities in ideology of employer and employee. The perception of similarities & match at the time of joining employment generally built after smaller interactions, which get tested once employee works for reasonable period with the company¹.

Ethical values are also contextual to business activities. The corporate ethical values are not just the underpinning of all other values relating to product and service quality, advertising content, selection of distribution channels, and treatment of customers, but also help establish and maintain the standards that describe the 'right' thing to do and the things 'worth doing' (Jansen and Von Glinow, 1985). What is right and wrong for a bank may or may not be same for producer or technology companies. People make the place and so is the culture of the company. People working in different business activities are different in many aspects and hence their morale and ethical dimensions are different. Business of technology and business highly relying on technology have set of people who are different than others, hence the morale and ethics are different. What is right for them is their morale and standard of ethics. If the stakeholders accept this as acceptable standard of ethics, it cannot be said that moral or ethical values of such business employee is low. In light of the discussion, we coin that value of ethics or definition of ethics should be redefined specific to the business environment in which it operates.

Business ethical behavior encompasses several factors including fairness, justice, and neutral managerial actions. Studies show that not only job satisfaction and organizational commitment reduce turnover, but corporate ethical practices lead to reduced turnover, increased job satisfaction and organizational commitment. Organizational commitment is reciprocal. An overwhelming majority of employees recently surveyed emphasized that it is important that the company they work for is ethical. Ethics is such an important consideration. Large numbers of employees were willing to be paid less

and work for a company with ethical business practices than receive higher pay at a company with questionable ethics. While doing the right thing is and always should be its own reward, there are real financial benefits for employers to embrace ethics in the workplace. An ethical climate can reduce costly employee turnover as well as provide an incentive for employees to stay where they are when tempted by more lucrative but more ethically challenging work elsewhere.

To reduce employee turnover in technology business, employees should be motivated through special training after due research in root causes of factors affecting employee turnover. Education can only be additive to a company's ability to foster a strong ethical culture when it is additive to the role and job function of every individual conducting business on behalf of the company, including directors, executives, partners and joint ventures. Communications should be an outcome of viewing ethics as a business strategy, and like all business strategies, should be reinforced consistently so that the standard of conduct the company expects can be internalized within the company's culture. Aligning promotion, increments and other incentives with corporate values reinforce that the company embraces ethics and doing the right thing. The company should be communicating ethical expectations. The organizations should provide proper training to their employees for maintaining ethical standard. Visibly rewarding ethical acts and punishing unethical ones is an approach the company should opt for. The organizations should award their employees for the ethical act and punishment for the wrongdoing. As per Stephen Laser, the values have also bearing on employee turnover. Gordon Bowden argues that employee turnover has sole and combined causes. Ethics is aggregate while morale is individual based. Again causes of employee turnover are work related and non-work related. We argue that should ethics be redefined for technology business or any other remedies to compare turnover of technology and non-technology business?

Importance of ethical climate

Employee works within specific company environment. An employee's view regarding the values and norms, trails and other practices of an organization under the candle of ethics is called Ethical Climate² (Schwepker, 2001). Environment can interact with several other factors to influence employees' decisions to either act ethically or unethically (Bommer et al, 1987). It has been argued that organization's ethical orientation can affect employees' attitude. Robin and Reidenbach (1987) argued that the key to success of any corporate culture is the selection and implementation of an organizational profile identified by core values, which eventually becomes an integral part of the organizational mission. On the ethical dimension of corporate values, Hunt et al. (1989) concluded that corporate culture equals the aggregation of ethical values of individual managers, as well as the formal and informal policies of the organization on ethics. The corporate ethical val-

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Ethics affect organization in many ways. The clients will go away from the products and services of those organizations with unethical environment (Gilbert, 2003). Such practices are illegal, and consequently cause the firm's legal responsibility, economic risk, and expenses (Chan, 2002). Unethical environment affect employees through greater workplace stress, decreasing job satisfaction, also decreases job performance, and finally tends to turnover (Babin 2000). Schneider (1987) asserted that "the people make the place" and that organizational culture, climate and practices are determined by the people in the organization. Schneider contends that if an individual finds that they do not fit within the organization they selected, they will prefer to leave. When bottom line reflects higher costs, management begins to look ways to reduce the costs. Managers with high employee turnover and its associated costs are very high, but it also lowers organizational productivity. Thus ethics as exhibited good conduct & positive relationship with employees is a factor that enhances productivity. It is international concern & supported worldwide.

Organizational ethics encompass good conduct, equitable treatment and fair behavior among employees & between them & their employees. Since most individuals by their own decision rule strive to be ethical and successful, there exists positive relationship between the individual and perceptions of success and perceptions of support for ethical behaviour. It is likely that top managers reflect success in most organizations. Now, if there is a perception that top managers in an organization do not support ethical behavioral dissonance results. This dissonance contributes to dissatisfaction with existing conditions in the work place. Liking and disliking of something is a natural phenomenon. Mostly people like or dislike something because of a reason. This feeling of liking or disliking behaves in the shape of attitude. Researches supports that the results of attitudes is behavioral intentions (Ajzen, 2001). Because of this as satisfaction of jobs is that attitude which comes from the workers estimate about the conditions of their jobs, which is strongly attached with employee turnover intentions (Spector, 1997). Attitudes sometime lead to intentions, so if employee is dissatisfied in his job or he doesn't like the environment or his fellow worker will most probably go for intent to leave his job. This well established negative relationship between job satisfaction and turnover intentions is also endorsed by Mulki et al, 2006. In real life employer may have low or high ethical standard and employee may have preference of high or low ethical standard. So, along with similar likes and dislikes of low or high ethical standards, exceptions are also observed.

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