

Ethical Differentiation of Intermediaries in Business

M Mahi Uddin¹

¹ Assistant Professor, Dept. of Business Administration, International Islamic University Chittagong (IIUC)

Abstract: *The author explored the difference of ethical issues in different forms of business. The persons in different forms of business are industrialist, contractor, retailer, dispensary owner and farmer. From each category, 15 persons were taken from Dhaka and Laxmipur district and thus a total of 75 persons formed the sample. The scale used was 'Business Ethics Inventory'. It was developed by Venkatapathy. In this scale there were 26 factors. Among them, 17 were positive and rests were negative. There was insignificant difference among the average ethical values of different forms of business. Some recommendations were made and some of them are proper scale should be introduced, government should be firm in terms of rules and their implications, proper facilities should be provided to upgrade the ethical issues in business, monetary cells need to be developed for constant vigilance, the philosophies of WTO should be changed specially for the LDCs, proper education should be provided for people of all ages and so forth. It is expected by all to be in better position in the society. This cannot be achieved by individual efforts rather group efforts are needed. When people will be adequately educated then automatically they implement their consensus.*

Keywords: *Ethics, Business Ethics, Ethical Differentiation.*

1 Introduction

The word ethics comes from the Greek word ethos, means custom. Today, the word is used to refer to the distinguishing disposition, character or attitude of specific people, culture or group. Ethics which is a branch of philosophy deals fundamentally with the rules of human conduct from moral point of view (Khan, 2000). Ethics is the discipline that examines one's moral standards or the moral standards of the society (Velasquez, 2002).

By studying the above mentioned definitions, it can be said that ethics is the study of rightness or wrongness of human which is driven by both him and by the society. There are at least four types of techniques to study ethics and these are descriptive, normative, metaethics and special ethics. This study is based on descriptive techniques. In this type, the ethics is closely related to anthropology, sociology and psychology, describes the morality of a group of people and compares as well as contrasts different moral systems, codes, practices, beliefs, principles and values.

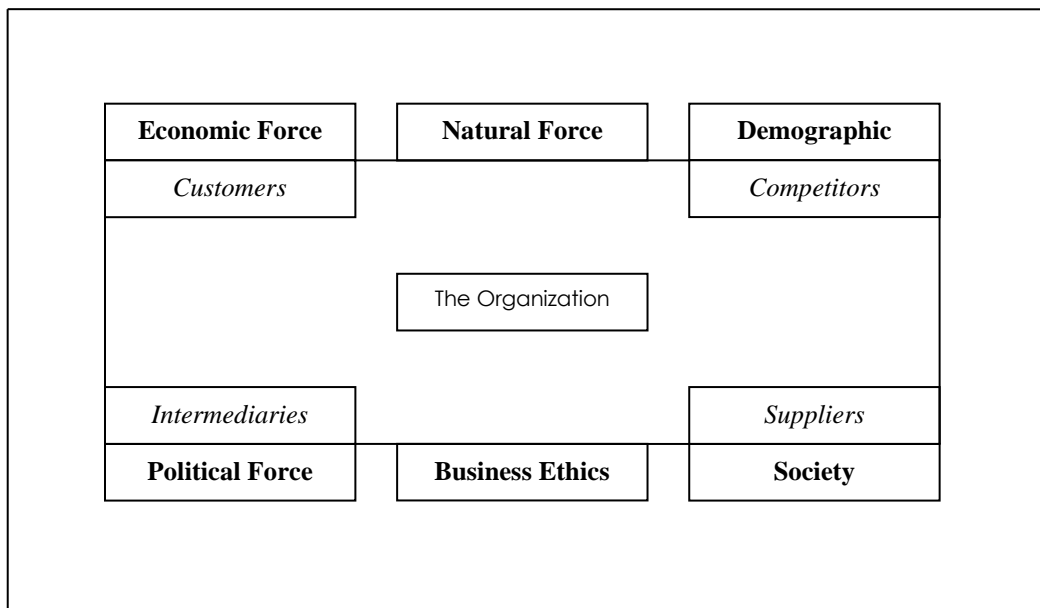
Business ethics is a part of general ethics. But it does not mean that this type of ethics deals with only the profit, loss, trade and such business activities, rather it encompasses the overall activities of dealing with people.

Business Ethics is concerned with truth and justice and has a variety of aspects such as the expectations of society, fair competition, advertising, public relations, social responsibilities, consumer autonomy, and corporate behavior in the home country as well as abroad (Weirich, H. & Koontz, H. 1994).

Business ethics is a specialized study of moral right and wrong. It concentrates on moral standards as they apply to business policies, institutions, and behavior (Velasquez, 2002).

By studying the above mentioned definitions it can be said that Business ethics are those ethics which are developed by day to day business practices in the society and are driven by both the practitioner him or herself as well as the stakeholders. Here it is important to know that the stakeholders are those persons who have interest on the business organization and the organization has interest on them. In management, sometimes they are called claimants(Shamim,2016).

Some researchers attempt to distinguish ethics from morality. In their view, morality refers to human conduct and values, and ethics refers to the study of those areas (Khan, 2000). Morality and ethics are interchangeably use in most of the books. Morality came from a Latin word Mores means which came from custom and behavior. In business, morality or ethics means keeping the promise made by the organizations towards the



community in terms of standard good and services. All the business organizations maintain some ethical code of conducts in their routine and contingent activities. In this research, the authors use both the terms interchangeably. In business ethics or morality exists everywhere. Some of them are discussed in the following statements. The missions, goals, objectives and issues should be harmless and contribute to the humanity in the social structure. Products are required to be harmless, whatever those do. Environmental issues should always get priority in terms of location, operation, waste management, transportation and so forth. Proper information need to be provided to the consumer and buyers. In 1960, Kennedy made three rights to practice. The right to ask, the right to choose and the right to be informed about a particular product while purchasing. Moreover, the taxes, VAT, other contributions, Industry's codes, professional codes etc. all are the scope of ethical issues in term of business. A conceptual framework can show the status of business ethics.

The authors explored the difference of ethical issues in different forms of business. The persons in different forms of business are industrialists, contractors, retailers, dispensary owners and farmers.

It is very essential to be informed about the nature of Contractors, industrialists, retailers, dispensary owners and farmers as they are the main variables in this study. Industrialists are the entrepreneurs who either start or

buy a manufacturing or such organization. Their organizations can be large, medium or small. Most of the cases, the starters are quite educated and have the confidence on what they are going to do. Contractors are those persons who take responsibility to complete a job or jobs on behalf of others. Retailers are those persons who have outlets to deal directly with the customers. Dispensary owners own outlets to sell medicine and provide some extra services to customers. Farmers are those persons who cultivate their own or some other persons' lands.

1.1 Objectives

1. To know the difference of ethical issues in different forms of business.

1.2 Importance

Bangladesh is a big country. People of different profession continuously perform their activities in different fields. Some activities are praise worthy and some are blameworthy in their ethical performance. The research will help the concerns about the ethical behavior they are getting from the relevant persons.

1.3 Hypothesis

A hypothesis is an assumption to be tested (Gupta and Gupta, 2001). It has its two forms, null and alternative. Here, the null hypothesis is that there is no significant difference in ethical issues in different forms of business. The independent variables are forms of business (Contractor, Industrialist, Retailer, Dispensary Owner and Farmer). The dependent variable is the ethics in business.

1.4 Methodology

The researchers used secondary data. Secondary data are data collected for some purpose other than the problem in hand (Malhotra, 2003). The authors selected five forms of business persons from Dhaka and Laxmipur district, and they are contractor, industrialist, retailer, dispensary owner and farmer. From each category, 15 persons were taken and thus a total of 75 persons formed the sample of the study. The scale which was used is 'Business Ethics Inventory', invented by R. Venkatapathy, Professor of Psychology, University of Madras. In this scale there were 26 factors. Among them, 17 were positive and rests were negative. Secondary data were collected from different books of different authors. Also internet is used to have an insight on the phenomenon. Some experts' opinions were also taken which was followed by a qualitative research. As analysis tools, mean (measure of central tendency) and ANOVA are used. Measures of central tendency show the tendency of some central value around which data tends to cluster (Gupta and Gupta, 2001). ANOVA is a statistical technique for examining the differences among means for two or more populations (Malhotra, 2003).

1.5 Limitations

No research is free from limitation. This research has some drawbacks which are discussed below.

1. The scale used in the study was made in Indian perspective and thus it could not provide the expected result for Bangladeshi people.
2. Sampling technique is non-probable and thus it may not represent the population.
3. Sample size is too low against the population.
4. Lack of experience.

5. Lack of time and money.
6. It is assumed that the respondents sometimes misguided the surveyers in providing answers.

2 Analysis

The value of F in different forms of business:

Table 01: ANOVA Test

SV	SS	df	MS	F
A	19.54	A-1=5-1=4	4.88	1.84
S/A	186.01	N-A=75-5=70	2.65	
Total	205.55	N-1=75-1=74	x	

$\alpha = .05$

According to $df_1=4$, $df_2=70$ and $\alpha = .05$, the value from the table is 2.50 [In the F Table, degrees of freedom for denominator is 70 and degrees of freedom for numerator is 04]. According to the analysis, the value of F is 1.84. The value is less than that of the table. So, H_0 is accepted since null hypothesis is assumed that there is no significant difference in ethical issues in different forms of business.

Table 02: The average of the ethics in different forms of business:

Form of business	$\sum X$	N	Mean
Industrialist	677	15	48.26
Farmer	683	15	45.53
Retailer	700	15	46.66
Dispensary Owner	684	15	45.60
Contractor	684	15	45.60

2.1 Decision

There is insignificant difference among the average ethical values of different forms of business.

3 Discussion

According to the ANOVA and average, it can be easily noticed that there is no significant difference among the different forms of business. The Scale used in this research was of Indian origin. The culture of Bangladesh and India is quite same, though the Indians are a bit superior in terms of achievement.

The industrialists' ethical value is the highest because all of them are educated comparatively than that of other respondents. They have a tendency to keep their ethical privacy, though some of them are not that much ethical in their activities or philosophies. They do not want to be humiliated in front of others in the society. Again the macro environment has a significant impact on their activities. The government applies various regulations on their business, the Trade Unions keep them under pressure, the WTO regulates different policies etc. are some of the reasons from many in this respect. There is a rule which is given by J. F. Kennedy that the

consumers have the right to be informed, to choose and to ask about products they are willing to buy. Again The Chamber of Commerce imposes different rules like day-care centers for the children in the factories, wide staircase, fire extinguisher system and so forth. The industrialists have to maintain these for the sake of their business and thus they, though some do not want to, follow all the rules and regulations imposed by the stakeholders.

The ethical value of retailers was found higher because the business is long term and they have a direct relation with the end users. They have to maintain the price of the products they sell according to the manufacturer. They have a good number of competitors and thus discrimination on price is very insignificant. Again, consumer associations, now a day, are very active and they keep the restrain retailers from crossing their limits in terms of price and even behavior.

The ethical value of contractors was 45.6. The value is higher because this is also a long term business. A good number of competitors keep each other in the right track in term of pricing and quality. Bangladesh is a developing country and the works, both in the public and private sectors are huge. The contractors feel that if they provide better service they will not thrown from the market and thus they always try to be moral sincere and honest, to some extent.

The value of ethical issues of dispensary owners is same as of the contractors. They have to maintain the rules and regulations imposed by the governments and different associations. Moreover medical associations also try to keep them in the most ethical way as it the business is directly involve with life and death. The patent system and the social responsibility are two of the means in this respect.

The farmers' possess the lowest value in this study. The main reason behind this is lacking of education. They are not in a dignified profession, according to the so called societal system and thus they do not restrain themselves to expose their views, activities and even philosophies. Effective rules and regulations are inadequate in this sector. The domination by the superior classes in terms of fertilizer, irrigation, storage system, pricing and so many drives them to an unethical way of practice, to some extent. Former GATT and recent WTO, has facilitated the developed countries in terms of subsidies and such issues and thus depriving the poor agriculture based countries. The farmers directly are affected by the WTO in almost all the countries which belong in the LDC category. For this reason the farmers do not have the chance to think of the ethics. They do their activities to survive, and in doing this sometimes they do the right things and sometimes they do not. It can be easily said that the stakeholders are liable for the above mentioned scenario and the farmers are the victims.

4 Conclusion

It is expected by all to be in better position in the society. This cannot be achieved by individual efforts rather group efforts are needed. When people will be adequately educated then automatically they implement their consensus. In the high-context countries like USA or UK, Federal Trade Commission (FTC), Food and Drug Administration (FDA), Consumer Product Safety Commission, Interstate Commerce Commission (ICC), Federal Communications Commission's (FCC), Environmental Protection Agency (EPA), Federal Power Commission (FPC) and such entities are in constant vigilance towards the protection of the consumers rights. Lots of acts are also passed in this respect. If the third world countries like Bangladesh, Afghanistan, Vietnam or Ethiopia pass such acts, the overall scenario will be changed.

5 Recommendations

1. Proper scale should be introduced for these types of research.
2. Secondary data need to be studied to have insight concept.
3. Government should be active in terms of rules and their implications.
4. Proper facilities should be provided to upgrade the ethical issues in business.
5. Monetary cells need to be developed for constant vigilance.
6. The philosophies of WTO must be changed specially for the LDCs.
7. Proper education should be provided for people of all ages.
8. Acts on food, drug, cosmetics, hygiene and such issues should be properly implemented.

References

- Gupta, S. P. and Gupta, M. P. (2001), "*Business Statistics*", 12th Edition, Sultan Chand & Sons, Educational Publisher, New Delhi, p. 100.
- Ibid.* p. 583.
- Khan, A. R. (2000), "*Business Ethics*", 1st Edition, Ruby Publications, Dhaka, p. 1.
- Ibid.* p. 10.
- Malhotra, K. Naresh (2003), "*Marketing Research*", 3rd Edition, Prentice Hall International, Inc. p. 40
- Ibid.* p. 490.
- Shamim, M.M.I., (2016). Opportunities in BPO Sector for Youth: Study of Bangladesh. *Business Review Bangladesh*, 5(1), pp.25-30.
- Velasquez, M. G. (2002), "*Business Ethics*", 5th Edition, Pearson Education, Inc. p. 11.
- Ibid.* p. 13.
- Weirich, H. & Koontz, H. (1994), "*Management, A Global Perspective*", 10th Edition, McGraw-Hill, Inc. p. 70.