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Ethical conduct in business: a case study analysis using Bangladesh experiences

Abstract

It is argued that the process of business, domestically and internationally, should be guided by appropriate norms of ethical conduct. Appropriate regulatory structures and processes cognizant of the nature of organizations and considering the perspective of the country where the business process occurs should be developed, and be properly implemented if acceptable ethical standards in business are to be achieved. Introducing and adhering to strong government, organizational structures and professional codes of conduct that are designed to support ethical processes can have positive implications for perceptions about country-specific corrupt practices. In this paper case studies are used to contrast the unethical conduct that can and does occur in some developing countries, and to demonstrate the organizational and regulatory structures that have been implemented to discourage unethical business practices. Lessons learned from the Bangladesh experience can be applied across international borders to improve business conduct in other developing economies.

Keywords: ethical standards in business, codes of conduct, corrupt practices, case studies, developing economies, Bangladesh.

JEL Classification: M14.

Introduction

Business involves a number of objectives including profit maximization within a framework of social and other obligations. Ethics in business is related to national factors as well as global perspectives, varies from country to country, and potentially it is affected by many factors including the strength of legal, business regulation and human characteristics such as ethnicity, gender, level of education and socio-cultural environment. There is often a conflict between the pursuit of profit and the exercise of ethical conduct in business as managers pursue profit to maximize returns to investors and often to maximize their own self-interest. Carr (2004) argues that most executives, from time to time, are almost compelled in the interests of their companies or themselves, to practice some form of deception when negotiating with customers, dealers, labor unions, governmental officials, or even other departments of their own companies. Ahmed (2009) describes this as a moral hazard that arises when agents (managers) are tempted to act in their own self-interest and not those of the principal (usually equity and debt investors). However, investors are no longer regarded as the only stakeholders in business organizations and managers must be cognizant of the, sometimes conflicting, interests of other parties such as government, employees, and various other social groups that may be affected by business operations and activities. Under competitive conditions when a free market economy prevails, managers make choices to maximize short-run profit, but to be sustainable in the long-run business organizations must usually satisfy both profit expectations and acceptable norms of ethical business practice.

As the globalization process takes hold and the world begins to resemble a global village, so business ethics has become an international issue. The United Nations (UN) (United Nations, 2003) has produced a document proclaiming norms for conduct and operations of transnational corporations and other business enterprises. These norms cover general obligations to promote human rights as well as recognizing international and national law, including the rights of indigenous peoples and other vulnerable groups such as consumers and workers, and also have regard to environmental protection.

A low level of ethics in the business sector is a part of wider socio-economic and political problems faced by many countries: often loopholes in legal and business regulation contribute to the corruption that can plague business operations. Transparency International Bangladesh, which has been campaigning against corruption since 1996, estimates that the country loses about $1.5 billion which is about 2% of its gross domestic product (GDP) to corruption every year. World Bank and International Finance Corporation surveys have indicated that 91.8% of firms in Bangladesh report having to pay bribes. International development organizations have long complained that widespread corruption is the main obstacle to economic growth in Bangladesh. In fact, Millennium Challenge Corporation, which provides assistance for poor countries, has excluded Bangladesh from the list of beneficiaries for the past two years, citing corruption as the reason.

Some studies have been conducted that rank nations and organizations according to their ethical conduct and stance. Generally, emerging economies such as Bangladesh do not rank highly. For example, the World Bank’s “ease of doing business” indicators
In this paper we present a range of significant case studies based on ethical issues in business in Bangladesh and other countries. We use this set of case studies to illustrate the different ethical conduct that occurs within a country and across international borders. Our concern is that the business practices, observed in Bangladesh, indicate a general need for strengthening of business regulation and more stringent monitoring and control if the country is to meet international norms for ethical business conduct. We commence with a review of the literature to outline relevant perspectives on business ethics. This is followed by an outline of the research method used. Then a selection of illustrative case studies is presented and discussed. Finally, we make a set of recommendations directed at strengthening the legal and business regulatory process in Bangladesh with the aim of improving the standard of ethical conduct in business and, hence, its international reputation.

1. Literature review

We commence with an outline of the term “business ethics” and then examine various perspectives on ethical behavior in business.

Business ethics examines ethical issues within a commercial context, that is the various moral or ethical problems that can arise in a business setting and any special duties or obligations that apply to persons who are engaged in commerce. Generally speaking, business ethics is a normative discipline (Boatright, 2009), whereby, particular ethical standards are assumed and then applied. Judgments are made about what is right or wrong.

Ferrell, Fraedrich and Ferrell (2004) suggest that business ethics comprises moral principles and standards that guide behavior in the world of business. Whether a specific behavior is right or wrong, ethical or unethical is often determined by the public as embodied in the mass media, interest groups and business organizations as well as through individuals, personal morals and values. Thus, ethics in business is directly related to social values, norms and global business trends and is negatively related to corruption in society. In this research, evidence of social discontent with business conduct is sought through a review of significant business issues reported publicly as unethical practice.

1.1. What is ethical behavior in business?

Sobhan (2000) argues that the supreme ethics in any society must be founded on the principle of justice. A society, which deprivs its most productive citizens of resources despite their proven integrity in the use of such resources, is likely to perpetuate poverty as well as underdevelopment and will in the process erode the foundations of a democratic society. Wood (1992) suggests that ethical actions are not, in the final analysis, the responsibility of the individual alone. Instead, most actions are the result of managers and employees following the norms of accepted behavior in the companies in which they work. As Bangladesh is an economy in transition the evolutionary process of transforming its business ethical values, norms and moralities has greatly hampered its organizational development. Business organizations are not yet fully implementing international standards or codes of ethics.

Trevino and Nelson (1995) define ethics as the principles, norms and standards of conduct governing an individual or group. They also comment that two types of factors influence ethical behavior: characteristics of the individual and the characteristics of the organization. England (2006) suggests that ethical decisions are made by business people, based on the following considerations: 1) how employees can feel fulfilled professionally; 2) how customers can be satisfied; 3) how profit be assured for the stakeholders or shareholders; and 4) how the community can be served. Trevino and Weaver (1997) linked the matter of concern about ethics in business practices to three factors: a) ethical failures diminish reputation; b) articulating ethical standards now makes it easier to respond to criticism later; and c) adoption of ethical standards is a hallmark of a profession.

Shafiique (1996) commented that ethical behavior appears to be largely influenced by a range of factors including the law, government regulation, social pressure, industry sector, ethical codes and personal standards. He observed that banking, despite being a highly regulated industry in most countries, has not gone untouched by ethical crises. He identified some unfortunate examples of unethical practices including abuse of inside information for personal gain, theft, discrimination, embezzlement, pursuit of profitability at the customer’s expense, money-laundering and insider-loans. Boatright (2004) observes that the fi-
1.2. Regulatory costs. Vickers (2005) suggests that although society wants companies to create many and well-paying jobs, those same organizations also want to limit compensation costs and raise productivity levels. On the other hand, customers want to purchase goods and services at low prices; this creates a conflict with businesses that have a fundamental objective of operating to maximize profits. A further conflict arises between societal demands to reduce pollution costs, carbon emissions and businesses that want to minimize the cost that environmental regulations may add to their operations.

1.3. Stakeholder and political pressures. Afful (2002) observes that ethical issues in decision-making have often created a dilemma for managers. He argues that managers may be influenced by self-interest when they make decisions, and self-interest also governs whether the decision will be effectively implemented. Cramton and Dees (2002) argue that in a competitive and morally imperfect world, business people are confronted with serious ethical challenges. Sydeuzzaman (2002) notes that in some cases banks have sanctioned loans more in consideration of political expediency than viable financial fundamentals. This type of organizational culture adversely impacts the ethical perception of the corporation as well as having implications for acceptability of certain individual ethical behaviors.

Badaracco (2003) notes that most companies are enmeshed in networks of on-going relationships. Strategic alliances link organizations with their customers, suppliers and even with their competitors. Many companies also have complicated dealings with media, government regulators, local communities and various interest groups. These network relationships are also networks of managerial responsibility. Taken together a company’s business partners and stakeholders have a wide range of legitimate claims but no company is likely to be able to satisfy all of them. At times, a manager’s stakeholder responsibilities may conflict with their personal and organizational obligations. Uddin (2009) concluded that in Bangladesh, some personnel at top management level, politicians, civil bureaucrats and other influential persons do not want banks to take action against such unethical practices for fear of unforeseen or adverse consequences.

1.4. Rule of law and regulation. In countries, where the legal and regulatory system does function efficiently, there is a negative flow-on effect for the business sector. Ethical dilemmas can occur for a variety of reasons in business including the agent/principal conflict explained by Ahmed (2009). For example, if excessive powers are used in the sanctioning of loans by corporate officers or if inefficient personnel are recruited, then conflicts of interest between principals and agents arise. Paine (2003) argues that while regulatory compliance is based on avoiding legal sanctions, organizational integrity is based on the concept of self-governance in accordance with a set of guiding principles. From the perspective of integrity, the task of ethical business management is to define and give life to an organization’s guiding values, to create an environment that supports ethically sound behavior and to instill a sense of shared accountability among employees. The need to obey the law is viewed as a positive aspect of organizational life, rather than an unwelcome constraint imposed by external authorities.

Woof (2006) suggests that one significant result of the Enron collapse in the U.S. has been the strengthening of the case for international accounting standards (IAS) as the pre-eminent set of standards for global accounting practices to report business profits and financial outcomes. The chief competitor, U.S. generally accepted accounting principles (U.S. GAAP), continues to draw its key strength from its rule-based approach which is directed to the accommodation of the growing complexity of business management procedures and technological development. IASs have gained some ground against U.S. GAAP, because of the principles-based approach upon which IASs are based, which may create a structural framework of ethical business practice better able to restore public confidence in corporate conduct. However, given the rapid development of innovations in financial services over the past quarter century to accommodate the growth of global business, some commentators are beginning to argue that IASs are inadequate. For example, the mark-to-market rule creates significant volatility in the reported profits and balance sheets of organizations. Regulatory agencies cannot keep pace with the accelerated rate of change in financial services and instruments with the result that “loopholes” in the regulations are able to be exploited by “creative” preparers of financial reports.

1.5. Corruption and bribery. Qudus (2001) comments that corruption introduces uncertainty as it gives extraordinary power to a few and reduces confidence in the fairness of the outcome. This leads to lower participation by ethical entrepreneurs and may
result in markets that are highly inefficient, and eventually to the demise of industries. This is a matter which should be of considerable concern to regulators in developing countries such as Bangladesh. According to Hurther and Shah (2002) in countries, where corruption and poor governance are matters of serious concern, the priorities in anti-corruption efforts should be to establish the rule of law, to strengthen institutions of regulation and accountability, and to encourage government interventions to focus on improving ethical practices.

Bribery is also closely related to unethical practices and has considerable potential to provide unfair advantages and disadvantages. Some nations have introduced regulation aimed at making the practice illegal. The issue of bribery is addressed in the Tibor-Scitovsky double test. In this theoretical approach there is a provision: where compensation is not actually paid, it is sometimes possible for the losers to bribe the gainers to abandon the proposed changed. In the double test criteria, tests are based on an implicit value judgment and assume that actual compensation is not being paid. If compensation is paid, then welfare can be attained in accordance with Pareto criteria.

1.6. Codes of ethical behavior for business. Though many business organizations in Bangladesh have their own service rules which operate as a code of conduct, this does not satisfy the need for a professional, independently developed code of conduct. In the absence of a code of conduct, staff of business organizations, facing workplace dilemmas, have no benchmark or rules to guide their conduct. This may lead to some personnel being tempted by bribes or becoming involved in corrupt practices.

Kast and Rosenzweig (1981) suggest that codes of ethics are prescriptions for what a person’s values should be rather than descriptions of what they actually are. Srivastava, Johri and Chaddha (2005) suggest that organizations need to deal with the sources of ethical dilemma to address the problem. A better process for understanding and dealing with ethical dilemmas faced by managers stems from the development and use of codes of conduct, where relationships, situations and decisions are viewed from a variety of stakeholders’ perspectives, and consideration is given to the interactions of multiple systems that exist within an organizational and institutional context that reflects contemporary society. Rahman (2009) suggests that embracing social and environmental obligations in codes of conduct together with enhanced transparency, accountability enabling effective market discipline and supervisory oversight will be the way forward in ensuring the deeper ingraining of ethical conduct in developing economies such as Bangladesh.

2. Methodology

In this paper a range of case studies based on events in Bangladesh and in other countries is used to contrast the different ethical conduct that occurs both within a country and across international borders.

2.1. The case study research method. The case study method is a “preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context” (Yin, 1989, p.13).

In this study the contemporary event under investigation is whether the conduct of business operations conforms to acceptable ethical norms. That is, “how” are organizations, particularly Bangladesh organizations, conducting business operations in accordance with ethical norms (i.e. ethically) or not? In this regard, this research adopts a descriptive case study approach as opposed to an exploratory case study approach in which the focus would be on “why” businesses are conducting their operations in a particular manner.

Further, the event under study is beyond the control of the researchers. According to Yin (1989) suitable research methods, where the focus is on a contemporary event that is not under the control of the researchers would include the survey method, archival research or the case study method. A survey would be unsuitable given the sensitive nature of the questioning (ethical business practices) as the risk that data would be unreliable, is unacceptably high. A case study approach is suitable and in this study it proceeds by using data obtained from publicly available (secondary) data sources such as newspaper and electronic media (Internet) reports.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioral events</th>
<th>Focuses on contemporary events</th>
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<td>Survey</td>
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<tr>
<td>Archival analysis</td>
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<td>History</td>
<td>how, why</td>
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<tr>
<td>Case study</td>
<td>how, why</td>
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3. Selected case studies

Yin (1989, p.146) argues that case study reporting should focus on significant individual cases which are either unusual or of general public interest, and/or the issues are nationally important either in theoretical, policy or practical terms. We now consider a selection of case studies that indicate a general need for strengthening of business regulation in order for businesses to meet acceptable norms of ethical business conduct. These cases serve to illustrate how emerging economies can learn from and be proactive in anticipating and regulating to avoid the occurrence (or recurrence) of such situations in their own jurisdictions.

Case study 1: NAICOM may sanction operators on unethical practices in insurance industry (Guardian, 2009).

This case illustrates the potential for regulators to monitor the corporate behavior occurring in an industry or sector and to take positive action to limit or eliminate the potential for unethical behavior to occur.

“The national insurance commission (NAICOM) has warned operators of insurance business in Nigeria to desist from all forms of unethical practices as machinery has been set up to deal with all cases of malpractices in the industry. The commissioner for insurance, Mr. Fola Daniel, while declaring open the African insurance brokers association conference in Lagos, said that henceforth, the commission will closely monitor the activities of operators, especially on rate cutting, premium purchase and non-settlement of genuine claims among others. The NAICOM boss said that despite the global economic meltdown, the industry operators were not supposed to take advantage of the financial crisis to make money by way of doubling their premium income, because those who understand the benefits of insurance would want to insure their assets in the present circumstances. But he regretted that due to unhealthy competition among practitioners, there are wide spread unethical practices in the system. For instance, fire insurance policy is being given for nothing, while 90% discount is granted on motor insurance. He said: “My worry is that the present global economic meltdown is an opportunity for the industry to exploit and increase our premium. Private individuals and corporate organizations who understand the importance and benefits of insurance as a shock absorber in the economy will always insure their assets” (Guardian, 2009).

NAICOM sent further warning signals to the industry when it vowed to take severe action against operators who failed to comply with the code of conduct guidelines in the course of doing their insurance business (Guardian, 2009).

Case study 2: Unethical and unauthorized medical practice – an alarming situation (Chowdhury & Alam, 2007).

In addition, to revealing some of the malpractices occurring in the medical sector in Bangladesh, this case illustrates an ethical dilemma: how to provide quality medical assistance to a large rural population given a scarcity of resources? The lack of an effective oversight and monitoring framework has enabled corrupt practices to occur.

“Bangladesh is a land of vast population which is nearly 15 crore. At present, there are approximately 40,000 registered physicians working in both the public and private sector. But this is a very meager in the context of population. In our country the doctor-patient ratio is about 1:4719. There are only 25 specialized hospitals and 6 post graduate hospital. The number of total hospital bed is 40,773 in which over 29,000 belong to government hospital. It is very difficult to give quality service to all with this strength of doctors. That’s why in the early eighties the necessity of paramedics or “pollychikitshok” was felt to help the medical graduates in the primary level hospital and also to provide primary health care to the rural people. Subsequently, a post was created in the Union and Upazilla health complex namely sub-assistant community medical officer (SACMO).

In our country 77% people still live in the rural areas. So, the rural people are a great concern for our health system. For lack of registered doctors, most of the villagers depend on the quack and paramedics (“Polly chikitshok”) including SACMO, whose main work is to assist the doctor and to give primary advice to patients. They are given requisite training for the same. It is undeniable that paramedics or “pollychikitshok” are the part and parcel of our health system. It is also true that many of them are giving dedicated service for the ill-fitted patients but a large number of them are engaged in unethical and illegal practice by prescribing medicine which is not entitled. Even some of them are using “doctor” in their names. It is very much harmful for our health sector.

It is obvious that they are not the substitute of doctors rather they are the helping hand. It is seen that they posed themselves as full-fledged practitioner. This is an absolute breach of Bangladesh medical and dental council (BMDC) rules and regulation as we know that no body can practice without the registration of BMDC. These quack and paramedics prescribe many nameless medicines to the villagers, and by taking this low quality medicine the villagers are facing many adverse drug related problems. The government needs to take strong regulatory steps
Regarding control of this practice. If the prescribing of drug by these paramedics can be controlled, pharmaceutical company will not use the paramedics for their promotional activities.

Recently, another new thing is emerging in Bangladesh. Some medical related bachelor degree holders also begin to practice like physiotherapists and psychotherapist, etc. In fact, they are the technical hands who can give suggestion to the patient but are not entitled to prescribe medicine. In many cases they are using “doctor” in their names. This is also a breach of law which should be monitored strictly by the appropriate authority. … The government has to be very strict to combat this mal practice” (Chowdhury & Alam, 2007).

Noting the capacity for these incidents of malpractice to adversely affect the health and welfare of rural peoples, and conscious that the UN norms on the responsibility of transnational corporations (United Nations, 2003) promote basic human rights of vulnerable groups, the Bangladesh medical and dental council and other regulatory agencies, including government, has an ethical obligation to take action against cases of malpractice. This could be similar to the action taken by NAICOM of requiring registered health workers to adhere the code of conduct and practice guidelines.


This case recognizes the power and sometimes, unpredictable, impact of regulatory initiatives to maintain an efficient market. Rumors that the Bangladesh SEC would be targeting margin loans had a volatile effect on the Dhaka Stock Exchange as investors anticipated the economic consequences of regulatory action on equity values. The unforeseen economic or other consequences of an investigation of business behavior that has the potential to be perceived as unethical, and the public reporting of that investigation can often be sufficient incentive for individuals or organizations to alter their behavior.

“The Dhaka Stock Exchange had a tumultuous ride in the past week with the general index declining by 1.91 per cent and turnover going down by a whopping 33 per cent as the stock regulator squeezed loans for investors and heightened monitoring of credit disbursement amid rumors of more regulatory measures. The market witnessed a bumpy ride throughout the week as the investors felt nervous amid rumors that the Securities and Exchange Commission would further curtail margin loans after the commission’s decision on lowering margin loan ratio to 1:1 from 1:1.5 had come into effect on the weeks first trading day on Sunday. The DSE benchmark general index closed the week at 6309.44 points, down by 123.06 points, or 1.91 per cent, from the previous week’s closing. The broader all shares price index was down by 96.95 points, or 1.81 per cent, to close at 5249.31 points. The weekly turnover at the country’s premier bourse declined by 33.11 per cent to Tk 7,244.22 crore from the previous week’s Tk 10,829.42 crore.

The DSE, which saw its general index rising every trading day in the first week of July, started negatively on the first day of the past week when the Securities and Exchange Commission’s decision on lowering the margin loans came into force. The regulator took the move to rein in a huge surge of liquidity on the capital market after the beginning of the new financial year. But the index gained nearly 1 per cent or 76 points in the next two trading days. The Securities and Exchange Commission, however, directed 26 brokerage houses and 31 merchant banks to submit statements of their 50 largest investors on Wednesday, the fourth trading day of the week, to make sure the brokerage houses and merchant banks were properly following margin lending rules. A rumor broke out the same day that the stock regulator would further squeeze margin loans. The move, however, resulted in a fall in share prices on the day while a volatile trading day on Thursday saw general index inching up by 2 points. Capital market analyst Salahuddin Ahmed Khan, who teaches finance in Dhaka University, said the market had been volatile in the past week lowering of the margin loan ratio. Besides, market operators said, the SEC move to look into the transaction of top investors also caused the fall in share prices. Former DSE President Rakibur Rahman said the investors had been jittery as rumors plagued the market. ‘Investors are confused whether they should buy or sell shares at this point,’ he said on Thursday. He said that rumors concerning the National Board of Revenue move to impose gain taxes on individual investors and the SEC move to curtail loans panicked many investors. ‘These are rumors. Investors should make investments based on company fundamentals and no rumors’. The share prices of major sectors such as banks, non-banking financial institutions, life insurance and general insurance companies declined by 1.90 per cent, 2.22 per cent, 4.73 per cent and 0.44 per cent” (New Age, The Daily Newspaper, 2010).

This case study illustrates the capacity for an effective regulatory regime to identify anomalous events and to take investigative action (The Bangladesh SEC proposed investigating compliance with margin trading rules). Such a regime enhances transparency and accountability and encourages ethical be-
behavior. The threat of regulatory control or of public reporting of investigative action by a regulatory organization has the potential to adversely impact the ethical perception of the corporation as well as having implications for acceptability of certain individual ethical behaviors and is likely to act as an inhibitor to unethical behavior.

**Case study 4: Corruption – Bangladesh counts graft’s costs** (Chhabara, 2007).

Bangladesh is one of a large number of countries that score very low ratings on international indices of corruption. These ratings have a negative impact on perceptions about the ease of conducting business in the low ranked jurisdictions, and, in turn, have adverse implications for the economy including the inflow of capital and foreign investment. This case illustrates action instigated by the Bangladeshi government in a move to arrest and reduce corruption and bribery in the country.

“For five years Bangladesh has held the dubious honour of being perceived as the world’s most corrupt country, according to anti-bribery watchdog Transparency International. To rehabilitate the nation’s poor reputation, the military-backed government has launched an unprecedented anti-corruption crackdown. A month after declaring a state of emergency and cancelling general elections, the army-installed administration signed up to the UN convention against corruption. Since then, more than 200 influential politicians, businessmen and bureaucrats – including two former prime ministers, a son of an ex-prime minister, several ministers, business leaders and most recently a UN human rights expert – have been charged and put behind bars” (Chhabara, 2007).

Acknowledging that corruption exists in the form of bribery is one step towards forcing countries to address the problem. Ratings agencies such as transparency international undertake regular reviews of corruption within countries and release the results globally. Bangladesh is now ranked 134th out of 178 countries according to the corruption perceptions index 2010 results (Transparency International, 2010), with a measure of 2.4 on a scale of 1-10, where 10 indicates a highly clean country and 1 indicates a highly corrupt country. While perceptions of Bangladesh, as an ethical business environment, have improved, clearly there is much more to be done.

**Summary and recommendations**

The case studies presented in Section 3 reveal just some of the ethical dilemmas that can occur in business. Potentially, they range across all business sectors and have the potential to damage all sectors of society. Some argue that the global financial crisis emerged from the failure of business reporting practices and lack of transparency and the failure to check unethical practices. In an ethical void business may be successful in the short time period, but sustainability in the long-run is dependent on the application of ethical norms and practices.

Recognizing that the business sector has the capacity to foster economic well-being (United Nations 2003), if business ethical standards can be improved, in turn it is likely that the economic welfare of a country can also be improved. As such ethical behavior within the business sector is very important, the mere earning of profit should not be the sole driving activity of an organization. If management establishes fair, proper rules and regulations, including an equitable reward and punitive system for personnel on the basis of their competence, ethical standards, discourage corruption and bribery, then ethics in the business process can be improved.

Society and the economy suffer under the yoke of numerous unethical business practices in Bangladesh and in many other countries, as noted in the corruption perceptions index 2010 (Transparency International, 2010). In such an environment crimes and irregularities such as bribery, money-laundering, black-marketing, profiteering and loan-defaulting related to unethical practices in business process tend to be largely overlooked. What is clear is that Bangladesh has undertaken a number of reforms with the intent of monitoring, controlling and diminishing the prevalence of corruption and unethical practice in business and society at large. However, the momentum needs to continue if further improvements in business ethics are to be achieved.

Other recommendations to improve ethical standards and norms in the business sector follow:

1. The appointment of national ombudsmen. Such appointees should be able to act independently to investigate complaints regarding business activities and provided with adequate discretionary power to investigate any allegation of corruption in the business sector and to facilitate proper recommendations is mandatory.

2. Moral education should be emphasized, particularly, innovative practices aimed at promoting a high standard of morals and ethics in business. Training institutes should be encouraged to arrange training courses, workshops and conferences on business ethics.

3. Ethical practices and processes within business organizations should be encouraged. This can be achieved in a variety of ways, including improv-
ing, reporting, transparency and strengthening business controls such as audit and internal management information systems.

4. Codes of ethics should be developed and utilized to motivate personnel, increase their capability, judgment power, and effective managerial skill. Personnel subject to professional and ethical codes of conduct of their respective organization should be encouraged to adhere to those codes.

5. Social prestige of ethical business personnel should be improved to so that they are motivated to continue the work in an ethical way for the organization.

6. Appropriate business regulations should be established and monitored so that organizations can operate free from political interference. Undue pressure from business owners, corporate boards and management should be discouraged. The audit/oversight function has a significant role in ensuring that ethical business conduct occurs from the top-down.

7. Services provided by business organizations should be improved. Customers should get proper and due services at a reasonable cost.

8. Multinational organizations should be reminded of their ethical responsibilities and they should be discouraged from engaging in unethical practices.

9. Appropriate recruitment and training policies within organizations can have a positive impact on the ethical profile of a business and its human resources and should be used in this manner.

Overall, much can be done to improve ethical business norms and practices around the globe. As long as sectors within business and society are unwilling to discourage unethical behavior, including law, order forces and political unfairness, it will remain difficult to establish ethical behavior in the business sector.

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