

Ethics and Social Responsibilities of an Entrepreneur

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Abstract : Entrepreneurship is the process of identifying opportunities in the marketplace marshalling the resources required to pursue these opportunities and investing the resources to exploit the opportunities of long-term gain. The successful entrepreneur should maintain a strict discipline in their business. It is necessary for an entrepreneur to know the values and important of business ethics. Doing business ethically means holding right things right and wrong things wrong in business. Frederick and Lawrence define business ethics as “application of general ethical ideas in business”. Business ethics are centrally concentrated with the business conduct. A value is something that has worth or importance to an individual, it contains a judgment elemental in that it carries individual, ideas as to what is right, good or desirable. Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. This paper defines the detailed view of Social Responsibility and its importance for an Entrepreneur.

Keywords: Entrepreneurship, Business Conduct, Individual, Workforce, Society

1. ENTREPRENEUR - MEANING

An entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and business/or procedures.

2. ENTREPRENEUR – DEFINITION

Stevenson's definition:

Entrepreneurship is the pursuit of opportunity beyond resources controlled. ... Merriam-Webster gives a definition that's closer to what most of us would probably offer the English learner: an entrepreneur is “a person who starts a business and is willing to risk loss in order to make money.”

W.Fredrick definition “Values are a relatively permanent desire that seems to be good in them”. Social Responsibility implies that business man should oversee the operation of an economic system that fulfils the expectations of the public. -

Values for an Entrepreneur :

Values of entrepreneur depend on socio-cultural factors obtained in a given society

• Core Values of an Entrepreneur:

Core Values that are considered as crucial by majority of an entrepreneur are: o Integrity o Trust o Achievement motivation o Truthfulness o Humility and Contentment

• Personal Traits of an Entrepreneur

Personal Traits are enduring characteristics of an individual by which he/she can be identified and also to a certain extent differentiated from others. Every entrepreneur has certain personal traits which make him/her successful and efficient. The following dominant traits are: 1. Stability 2. Skill 3. Creativity 4. Achievement 5. Flexibility

• Goals of an Entrepreneur

Value of an entrepreneur will have a direct influence on the goals and objective the sets. The following are the goals of a typical entrepreneur are:

1. Customer Satisfaction 2. Achievement of departmental and organizational goal 3. Employee Motivation

1) Important Personal Qualities of an Entrepreneur

Certain personal qualities (heights, complexion, voice, dressing habit, gregariousness, versatility etc.) should supplement and stand in good steads of an individual to accomplish all-around success.

The following four qualities are important for a typical Entrepreneur are:

1. Self-control 2. Sociability 3. Articulation abilities 4. Physical stature

3. CAUSES OF GROWING CONCERN FOR SOCIAL RESPONSIBILITY

Social responsibility is a very effective exercise of public relations. → Image building of a business house in a society. → Two-way activities, CSR make the upliftment of society, which in turn will co-operate with business firm in achieving their business goals.

- To make the best use of natural resources so as to raise the level of national income and standard living of people.

- To create more and more employment opportunities for semiskilled people

- To protect the ecology of nation.

- To contribute to the economic development of backward region of the country.

4. NEED OF ETHICS TO AN ENTREPRENEUR

The social dimensions of business ethics cannot be overlooked because many problems arise from the relationship of business to the boarder society. Ethical considerations are significant for managers due to the following reasons: For every individual job is the Centre of life. Unless job values are in harmony with the rest of life, he cannot be happy and healthy person. Modern society is an industrial society. Therefore, business value becomes the value of the society as a whole. An entrepreneur must take into moral and social consideration because these are the real motivating factors. When an organization fails to behave in accordance with the social expectations, it may lose not only its image and market share but it's very right to exist. The study of business ethics insulates high level of integrity to an entrepreneur. Ethical knowledge will help the entrepreneur in setting highly responsible tone for the organization in individual judgements and decisions whether ethical or not

Social Responsibility of an Entrepreneur Towards Different Sections of The Society

- Responsibility Towards Employees:
 1. Fair wages and salaries
 2. Adequate Basic Facilities like safe drinking water, electricity, canteen, hygienic toilets.
 3. Skill development programmes.
 4. Good and safe working environment.
 5. Retirement benefits and pension schemes
 6. Collective bargaining
 7. Insurance cover
 8. Medical facilities
- Responsibility Towards Customers:
 1. Charge reasonable price for products or services.
 2. Supply of right quality of goods in right quantity.
 3. No use of manipulated or false advertisements.
 4. Avoid unfair selling practices.
 5. Fair guarantee of product
- Responsibility Towards Shareholders:

1. A fair return on investment.
2. Safety of invested capital.
3. Regular and complete information about the performance and progress of the company.
4. Regular Payment if dividend

- Responsibility Towards Suppliers, Creditors:
 1. Maintain healthy and co-operative inter-business relationship between different businesses.
 2. Provide accurate and relevant information to creditors.
 3. Payment of price of materials on time.
 4. Prompt payment of interest on borrowed funds.
 5. Producing original documents for credit processing.
- Responsibility Towards Public in General:
 1. Help the weaker section of the society.
 2. Creation of job opportunities.
 3. Improvement in living standards.
 4. Building of basic infrastructure like roads, sewerage.
 5. Health and educational development schemes.
 6. To make best use of society's resources for their welfare.
- Responsibility towards Government:
 1. Payment of corporate tax in correct amount with no manipulation of profit figures.
 2. To avoid corrupting public servants by offering bribe.
 3. To encourage fair trade practices.
 4. To avoid monopoly practices.
 5. To improve national income.

5. CONCLUSION

All the Entrepreneurs should consider ethics and social responsibility as their part of life. Doing business legally and ethically will lead a development to the country. The entrepreneur should do business without affecting the society. We all have an image of our better selves-of how we are when we act ethically or are "at our best". We probably also have an image of what an ethical community, an ethical business an ethical government, or an ethical society should be. Creating ethical organizations and governments makes our society as a whole ethical in the way it treats everyone. The government also should take necessary steps for the development and welfare of Entrepreneurs.

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