Business Ethics and Women Empowerment

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Abstract--- The business ethics has a great impact on women empowerment. Business ethics can be visible in its functional areas of marketing, finance and human resource management. Further, business ethics can be visible in CSR and leadership of corporates. The paper is an attempt to examine how business ethics impacts women empowerment in India. Businesses in India has not been very keen and careful to adopt business ethics, which is evident from the fact that women in India are less empowered than the women of developed countries. It is important that women in India must be empowered and businesses in India have to follow ethical principles in all functional areas possible to enhance women empowerment.

Keywords--- Ethical Marketing, Ethical Finance, Ethical Human Resource Management, Corporate Social Responsibility, Ethical Leadership.

Introduction

Ethics distinguishes between right and wrong behavior. Ethics is moral principles that govern a person or the conduct of an activity. Business ethics (also known as corporate ethics) as defined by Wikipedia is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations. The principles of personal ethics have to concern on respect for the autonomy of others, honesty and integrity to comply with the law of the land, fairness and ability not to take undue advantage of others and benevolence and preventing any harms to others (Chonko, 2012). The professional ethics principles according to Fernando in 2017 are impartiality, openness, confidentiality, due diligence, fidelity to professional responsibilities and avoiding potential conflict of interest. All these personal and professional ethical principles if followed genuinely in corporate life would enhance women empowerment. Ethics in business does empower women, while unethical practices of corporates can weaken women. The ethical practices of corporates can be visible in their functional areas and each functional area of corporate can positively or negatively impact women empowerment. Based on personal and professional principles of ethics, women need to be treated equally which demands gender equity. Today, in India, gender equity is still a distant dream. Also, corporates have a vital role in contributing towards gender equity and thereby empowering women.

The paper is an attempt to see how corporate ethics can improve women empowerment. The paper attempts to see the ethical and unethical practices of corporates and their impact on women based on secondary inputs.
Objectives

- Identify how the functional areas of marketing, human resources and finance impact women empowerment
- Examine how CSR, the handmaid of business ethics, impact women empowerment
- Analyze how corporate governance contribute to women empowerment
- Review the leadership’s ethical values to promote women empowerment

Marketing Ethics & Women Empowerment

The concept of ethical marketing refers to the process by which companies market their goods and services by focusing not only on how their products benefit customers, but also how they benefit socially as well as environmentally. Moreover, marketing ethics is an area of applied ethics that deals with moral principles behind the 4Ps of marketing, viz., Product, Place, Price and Promotion. Marketing has a positive role developing and delivering products that empower women – kitchen gadgets that make life easier for women, mobile phones that connect women, access to internet that makes them more aware of the options they have in career and employment. Marketing empower women with product availability at their doorstep – E-Commerce has empowered women to buy things staying at the comfort of home or office.

The marketing ethics has not been visible in pricing and promotion. Furthermore, even in products and services there has been unethical marketing leading to women that is seen as weak and less powerful. The products such as Women’s Horlicks and Horlicks for pregnant and lactating mothers are not ethical and empowering; in the sense that women can be strong and healthy even without Horlicks. It is a psychological myth that the product developed does empower women. There are several other products available in the market developed targeting women that are not truly required for women or empowering women. The advertisements are made to sound as if the product or service is empowering women. Women gladly listen and watch such advertisements and get carried away by those. Ultimately, women are only being deceived by the marketers and not empowered by them. ‘Shrink it and pink it’ was a concept used by marketers to make smaller versions with shades of pink for women. The concept assumed women would be satisfied with products that fit their size and of pink shade stereotyping women.

Social marketing is an effort by marketers to bring positive social change. United Colors of Benetton has taken up women equality in its latest integrated campaign. The ‘United by half’ is a television spot made by advertising agency named Creative Land Asia. It highlights why women must be treated equally in all spheres of life. The 45-second spot begins with a young bride standing next to her husband as the voiceover says “We are not the better halves, definitely not the weaker halves,” and the camera focuses on a young girl winning a wrist fight with a boy. The film goes on to show women across age groups in different vocations standing up for equal pay, for equal work and achieving success in whatever they are choosing to do in life. It ends with a powerful message that women have been denied their equal half for far too long and it’s time to unite for their equal half. The campaign is a part of Benetton Group’s Women Empowerment Programme aimed at supporting the empowerment of women.
worldwide and is being promoted across television, print, digital and radio. The company is working towards the five key priorities for gender equality: sustainable livelihood, non-discrimination and equal opportunities, quality education, access to healthcare and combating violence.

**Ethical Marketing**

The ethical marketing with a Conscience’ by Shewan in 2017 in the Word Stream Blog, which presents the five companies with ethical marketing. The companies presented are TOMS, Everlane, Dr. Bronners, Conscious Coffees and Farmer Direct Co-op. TOMS helps a needy person on every purchase of its product. It’s not an empty gesture but philosophy of the company. Everlane is committed to ethical manufacturing of its garments and is transparent on the costing of products. It also facilitates the cause of its labor. The concept adopted by Dr. Bronners is Benefit Corporation (or B-Corp), a designation that states such companies must be for profit operations that have a “positive impact on society and the environment according to legally defined goals.” Everything about Conscious Coffees, from its name to its logo, reinforces the company’s mission and ethical production philosophy so much that Conscious Coffees involves in wide range of community outreach activities. Ethical marketing lies at the heart of Farmer Direct’s operations. In addition to its vibrant, active social media presence (through which Farmer Direct offers a range of healthy eating tips, recipes, and other fun content), Farmer Direct maintains a lively blog and newsletter, both of which serve as further opportunities to help people make better decisions about their food and live a more conscientious lifestyle as consumers. All these companies contribute to women empowerment directly and indirectly through their ethical marketing.

**Financial Ethics & Women Empowerment**

Ethical financial markets, ethical financial services and ethical financial professionals constitute Ethical Finance. Ethical finance is expected to help create a fairer, more inclusive and socially responsible financial system as well as improved environment, social and governance performances of businesses. Sustainable, Responsible and Impact Investing (SRI) is an appropriate example of ethical finance. Sustainable, responsible and impact investing (SRI) is an investment discipline that considers Environmental, Social and Corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact. The ESG criteria ensure that women empowerment is a result of such investments. Ethical finance ensures women are included in the financial system.

Microfinance as designed by Mohammed Yunus was to empower women economically and give them a social standing (Bateman, 2014). Unfortunately, today microfinance has turned out to be another unethical financial institution exploiting the poor to make the rich richer. In India, many microfinance institutions have gone for IPO and are listed in stock exchanges making the promoters rich and doing minimal good to the poor and the downtrodden, thereby increasing their debt burden. The suicides in Andhra Pradesh and Maharashtra are live examples as to how unethical finance can impact the society and women especially.
Ethical financial system will be devoid of frauds. Indian financial system is seeing frauds time and again. Most often unregistered and unlicensed, NBFCs involve in fraudulent practices and the victims to a larger extent are women who work hard to earn little money and try to hide it from their demanding and irresponsible husbands. The regulators of financial system have not been able to prevent frauds over the years, and thus unethical practices in finance are prevalent widely. Financial system should be able to build financial institution with value-based culture rather than rule-based culture. Furthermore, in 2015 Lagarde, Managing Director of IMF rightly expressed that, we need more individual accountability. Good corporate governance is forged by ethics of its individuals.

Indian financial markets, financial services and financial professionals have not been able to include women in the mainstream financial system despite the initiatives of NREGA scheme. Women have always found it difficult to open a bank account to deposit or borrow without her spouse involvement. The part-time income and the unorganized workforce income that majority of women earn cannot be saved, invested or traded in the mainstream financial system of the country. Ethical finance can be achieved only if women can be included in the organized labor and earn a regular income. They must be allowed to have their bank accounts to save, invest and trade on financial products and services. Women must be given financial literacy to have financial empowerment and enjoy financial freedom.

**Human Resources Ethics & Women Empowerment**

Human resource management is engaged in the process of identification and development of suitable manpower resources within the parameters of the socio-legal framework of organizations. The scope of HRM is so wide that it includes seven sub-functions, viz., determining human resource needs, attracting potential employees, choosing employees, teaching/preparing employees, rewarding employees, evaluating performance and creating a positive work environment. HRM-related ethical issues arise out of the employer-employee relationships such as the rights-duties owed between them. Some of the specific HRM ethical issues are discrimination issues, suppression of democratization in the workplace, privacy issues, safety and health issues, performance appraisal issues, etc. The discrimination with regard to gender has been a common ethical issue of businesses. Women for various reasons are avoided by corporate based on marital status, children at home, dependents at home, etc. Most often with equally qualified men and women with equal abilities, given a choice, corporates prefer men over women. This discrimination acts as a deterrent on women empowerment. There are corporates that have gender equity as a policy. The gender discrimination is prevalent in corporates even in the form of pay disparity of professionals. Surprisingly, such corporates promote women empowerment (Ki-Moon, 2012).

The women being few in number in work places are not often able to join together to have a common forum for themselves to take care of their welfare; such democratization efforts are seen as anti-management, and hence women most of the time are less powerful to demand what is due to them rightfully. The common platforms being male dominated and they do not bother or consider important issues pertaining to women. There is no opportunity for women to voice their issues. The women suffer privacy issues in the cover of recruitment and selection, performance
tracking, electronic surveillance, etc. Women undergo psychological and physiological security issues in corporates. Most women find their security threatened under various pretexts. Women tend to discontinue their career when they are continuously threatened in this regard. Performance appraisal issues are plenty for women as they have to prove themselves doubly effective and efficient to get good appraisals, and there are bosses who give poor performance appraisal as women do not oblige to the favors they seek. HRM gives enough room for unethical issues, and therefore HRM has a significant role to establish ethical organization with ethical institutional culture empowering women. Trainings for female staff to increase opportunities for promotion, improved social benefits, open door days targeting women and safe working conditions are just a few ideas to increase gender equality.

‘Promoting gender equality is smart economics, and the right thing to do – we cannot transform our world unless the place of women within it is transformed’ has been righteously expressed by Julie Bishop, the Australian minister for Foreign Affairs. This made an impact in the Australian government, which has established four priorities to guide their gender equality initiatives: Enhancing women’s voice in decision making, leadership and peace building; promoting women’s economic empowerment; ending violence against women and girls. Based on the priorities for gender equity, Australian government has made four commitments and adopted a twin-track approach. 1) Defines gender equality and women’s empowerment as a priority in Australia’s foreign policy. 2) Economic diplomacy and development program and promote gender equality in their corporate operations, particularly through their “Women in Leadership work”. This is a perfect model for India and its corporates to follow.

Corporate Social Responsibility (CSR) & Women Empowerment

Corporate Social Responsibility (CSR) is about how corporates manage the business process to produce an overall positive impact on the society. According to A. C. Fernando, CSR is the handmaid of business ethics as CSR acts as a tool to implement the ethical responsibilities of corporates. Today, CSR has become an essential aspect of corporates as the responsibility of business is ethical business, being accountable to the society and indebted to the society. The theoretical justification for CSR comes from theories such as Trusteeship Model, Social Entity Theory and Pluralistic Model. The models of CSR implementation are Ethical Model, Statist Model, Liberal Model and Stakeholder Model.

India has the lowest percentage of women employees (23 percent) according to the Corporate Gender Gap report brought out by the World Economic Forum. India has fallen from 87th rank in 2016 to 107th rank in 2017 in WEF’s Gender Index. The gap between men and women’s achievement and wellbeing has widened during the year, which is the first time in 11 years. It is said, at this rate, India would take 100 years to bridge the gap. India requires serious and concrete efforts to empower women and achieve gender equity.

HUL’s SHAKTI is a popular women empowerment of Hindustan Unilever Ltd. SHAKTI means ‘Strength’. Project SHAKTI is HUL’s initiative to upliftment of standard of living in rural India by creating income-generating capabilities for underprivileged rural women by providing small-scale enterprise opportunity, and to improve rural lives through health and hygiene awareness. Project SHAKTI is taken up in rural areas...
only, where women are the distributors for HUL products and are called “Shakti Ammas”. This identity is ushering prosperity in their lives and most importantly self-respect.

Project DRISHTI is a project where Procter & Gamble (P & G) helped to restore eyesight of 250 blind girls through corneal transplant operations, in which P&G contributed Re. 1 for every pack of whisper sold. Project Open Minds of P&G supports and educate girl children across Australia, ASEAN and the Indian (AAI) region. For every large size pack of Vicks Vaporub, Whisper, Ariel Power Compact, Head & Shoulders and Pantene purchased by consumers, a certain proportion was contributed towards the cause.

Oxigen in India has established its CSR initiatives with the thrust on rural women empowerment. The women empowerment programme conducts skill development in areas such as, stitching and tailoring, computer operation, beauty and grooming skills for women and also provides secure livelihood for the future. The learning centres of Oxigen empower women by providing the skills required and then training them to start their own businesses ensuring a steady flow of income and economic empowerment.

Ministry of Corporate Affairs has emphasized women empowerment as a significant activity for CSR. Many corporates are taking the route of SHG to bring about women empowerment and sustained income for livelihood of women. According to a research study, one of the proven ways to improve women empowerment in rural India has been the SHG approach, credit and other support for microenterprise development (Kabeer, 2001). Self-help groups and Micro finance are very closely linked, in that the former is used as a medium to generate and distribute financial capability so as to help deprived people to move up the income ladder (Kadrolkar, 2014). SHG can empower poor women by providing facilities like savings and credit in the economic development process of the society (Borah, 2014). In the rural areas, microenterprise activities that generate self-employment would include off-farm activities like processing and packaging the produce, milling of grains, etc. Self-employed in rural areas may include craftsmen and artisans, blacksmiths, carpenters, cobblers, tailors, peddlers, teashop owners, small retailers and so on.

According to Abraham in 2013, empowering women and encouraging their entrepreneurial spirit was a vital aspect of CSR for business houses like the Tatas, HUL, Vedanta, Hindalco, Jindals and many others. The interventions were mostly carried out in the surrounding areas of the main operational regions, particularly in villages situated closer to the factory location.

**Corporate Governance & Women Empowerment**

According to International Finance Corporation (IFC), Corporate Governance refers to the structures and processes by which companies are directed and controlled. The good corporate governance helps firms improve performance, drive growth, manage risks, attract and retain investors and weather and financial crises. To be truly effective, a board requires diversity of skills, cultures and views to make smart decisions with lasting impact. IFC has also gathered from a growing body of research that a broad set of business benefits is associated with gender diversity on corporate boards, and these include improved financial performance and shareholder value,
increased customer and employee satisfaction, rising investor confidence, greater market knowledge and reputation.

Provisions in Indian Companies Act, 2013, Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 requires at least one woman director in the Board for those companies with paid-up share capital of one hundred crore rupees or more or turnover of three hundred crore rupees or more. Mahalakshmi and Narayana in 2017 in their study ‘Corporate Governance and Presence of Women Director on Boards’, found that of the 10 Fortune 500 companies of India, only 8 had at least one woman on the Board. Two of them had two, making the average women on Board as 1 in the Fortune 500 companies. The study also found that women required to fill vacancies of Directorship in PSUs is only 350 against the available 65.3 million women. Despite the available talents, women were not appointed as Directors in PSU Boards.

More women on Board does not only mean the mode to attract sales and production, but also to create positive public image (Goyal & Agarwal, 2014). It does increase financial return as well rather than mere media attention as found in many researches. In terms of financial returns, it is represented by return on equity (ROE) increases for firms with women in the Board. The study reveals that the board of a private sector company run by a professional CEO with a mix of both men and women helped ROE rise by 4.4 percent in 2014. In contrast, a similar company with a men-only board saw its ROE rise by a mere 1.8 percent in the same period. Certain other examples would be Chanda Kochhar, who heads ICICI bank and Kiran Mazumdar Shaw, director of Biocon Limited has shown a positive difference on return on equity.

**Leadership Ethics & Women Empowerment**

The ethical and empowering leadership and leader effectiveness research by Hassanet al in 2012 has been carried out with the purpose to examine how ethical leadership and empowering leadership are related to leader-member exchange relations (LMX), effective commitment and leader effectiveness.

The study was carried out among 259 public and private sector managers using a questionnaire and analyzed the relationship using structural equation modeling. This was the first study to examine the independent and joint relationships of empowering leadership and ethical leadership with leadership effectiveness and the mediating role of LMX.

Men, Women and Ethical Leadership – a research report from the National Business Ethics Survey, Ethical Compliance Initiative, found that ethical leadership can make a difference by promoting equality and diversity, soliciting employee feedback on how the workplace experience can be equalized, prioritizing values through deeds as well as words and demonstrating accountability by addressing employee concerns, especially reports of misconduct. Leaders set the tone for workplace and choose organizational priorities. Employees, in turn, read their leaders’ cues and respond accordingly. If leaders recognize inequality in their workplace, they have the ability to mitigate the problem by attending to it and making sure that employees get the message.
The leadership with ethical principles promotes women empowerment through gender equity. The corporates, wherein leaders are ethical, give opportunity for women equally as to men through right policies and procedures in the organization. India needs more ethical leaders who in turn can promote gender equity and women empowerment.

**Suggestions**

Business ethics in its functional areas need great attention in order to have women empowerment. Ethical Marketing, Ethical Finance and Ethical Human Resource Management would bring about a drastic positive change in women empowerment. The Corporate Social Responsibility of Indian companies have started to pay attention to women empowerment, yet many more initiatives and many more companies need to take up the initiative. CSR initiatives towards women empowerment must begin with girl children and their education. Education in its true sense alone can empower women. SFGs have exhibited mixed result; there is evidence for their failure financially and culturally, though many corporates and banks consider them to be the only means of women empowerment.

The corporate governance with its true ethical perspective can empower women, and hence more women must be inducted into the Boards of companies. Women in India are well qualified to be members of Board, and their power to influence the companies for ethical and financial performance is great. Moreover, ethical leadership of corporates can improve gender equity and lead to women empowerment. The leadership roles at corporates must genuinely follow ethical principles of being unbiased or non-discriminatory. Special policies to recruit, retain, nurture, promote and support women must be formulated by corporate leaders, and thereby gender equity and women empowerment should become a reality in India.

**Conclusion**

India’s latest rank in the Gender Gap Index (GGI) of World Economic Forum (WEF) demands that Indian corporates to take serious efforts to bring in gender equity and women empowerment (Colby, 2017). Business ethics in all its form need to be practiced in Indian corporates to ensure that India is not at the rock bottom of the Gender Gap Index of WEF. India should prove it wrong that it would take 100 years to bring about gender equity in India, and that would be possible only if corporates adapt business ethics. Indian corporates adapting business ethics can help Indian women enjoy gender equity and women empowerment, thereby making India place itself on the top in GGI of WEF.

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