
Study of Importance of Ethics and Values in Banking

Dr.Sudhir K. Narnaware

Associate Professor

Department of Commerce

Shree Pandharinath Arts & Commerce College,

Narkhed, Dist. Nagpur

Abstract :

Ethical behavior is a process and a communal exercise that concerns the moral behavior of an individual based on an established and spoken standard of individual values. Ethical behavior may permit workers to feel an alignment between their personal value and the values of the business. The feeling makes workplace ethics an integral part of development increased productivity and teamwork among employees. Ethical behavioral guidelines in the workplace often include placing a right high level of reputation on dedication and the belief that all organizational leaders specify what acceptable behavior is and what it is not when hiring employees. This paper focuses on the role of ethics and values in the banking organisation.

Keywords : ethics, values, bank

Introduction :

Ethics means right things to attain maximum growth. Ethical activity literally related to serve the society. Ethics always assist to positivity and truth. In this study we come to know regarding how ethical practices are helpful to achieve the goals of organisation. It shows a fair trade, a perfect code of conduct. Ethical business is considered one of several forms of alternative business. It deals with sustainability, inner and outer ethical banking practices. The examination of various ethical policies and how to run banking more effectively. The study focuses on how work ethics is a useful tool to recall the customers and to enhance the goodwill of banking industry. This study makes a guideline to overcome challenges and effective utilisation of opportunities in financial sector.

Ethics :

Ethics, also known as moral philosophy, the discipline concerned with what is morally good and bad and morally right and wrong. The term ethics is also applied to any system or theory of moral values or principles. Ethics deals with these types of questions at all levels. Its subject consists of the basic issue of practical decision making, and its major concerns include the nature of ultimate value and the standards by which human activities can be judged right or wrong.

Ethics of long lasting Development:

Environment is a crucial focus amongst ethical banks as well as amongst many conventional banks that wish to appear more ethically oriented or that see switching to more environmental practices to be to their advantage. While the desire to not interfere in the business of the client is valid, one could also note that banks are required to interfere in the business of their clients frequently to ensure that the clients' business plan is viable before issuing them a loan

Ethics in financial sector:

Internal ethics are concerned with the wellbeing of employees, employee and customer gratification, benefits, wages, fair sex and race representation, and the banks environmental standing. Environmentally the potential collective effect of banks switching to more environmentally friendly practices is huge. Many times such energy well-organized changes are not based on moral concern but on cost efficiency.

Outer organisation Ethics:

External ethics are concerned with the wider consequences of banks actions. External ethics looks at the impacts that their business performs, such as which they loan to or invest in, will have on society and the environment. In applying external ethics, one looks at how the products of banks can be used unfairly, for example how borrowers use the money that is lent out by the bank. In general banks are unwilling to broaden the scope of their external ethics policies because it would require that the bank interfere with the activities of its clients and/or screen its potential

clients. External ethics can be seen as much more imperative than internal ethics because the potential that the bank has internally to cause huge social or environmental damage is minimal whereas many companies that banks fund have great potential to cause widespread damage. Internal ethics, such as swapping to energy efficient light bulbs, are relatively insignificant if the bank is, for example, simultaneously funding the unsustainable harvest of natural resources.

Ethical banking is a comparatively new sector; along with this fact come problems. These problems fall under two categories; the first apprehensions depositors, and the second concerns ethical banks

Ethical code of conduct:

The other issue in this category is that of codes. Many ethical banks as well as traditional banks voluntarily join larger bodies that put forth certain rules that, according to the rules set by the body, should be followed by members. Such outside bodies could act as all-embracing institutions that could guarantee a certain level of conformance with certain regulations.

To Restructuring Business:

Losing business to banks that do not screen so severely is a problem for ethical banks. Many times ethical banks must work with much inferior budgets because of this. Ethical banks exclusion of unethical borrowers often results in the borrowers going to other banks, this gives the position of industry wide regulations. One way of rising the industry wide regulations would be for citizens to apply pressure on banks. Without this rise it is difficult to impede unethical businesses from discovery a bank to finance their projects. A rise in regulations that deal with ethical topics is not out of the question. The current industry wide codes, for example, exclude the financing of illegal drug production. This reflects the protruding societal morals against such drugs.

Consumer orientation:

Ethical banks cannot solely trust upon the legal system to determine whether or not a potential client has acted unethically or whether or not their future plans are unethical. This is because of the wide range of laws through the world. While a business may be legal in the international

setting, this does not mean that the laws were up to the moral standards in which the bank initiates. For example, extensive pollution and labour laws that would not be careful lawful in many developed countries are allowable in many lesser-developed countries.

Conclusion

Ethics at workplace is an emerging terminology to enhance the business. Every person whether he is customer or businessman having his own ethics to live life or doing work. Ethical things always are directional towards positivity and rationality. In banking business ethics regulate the moral and right future forecasting, trust and a feeling of belongingness among each other. It always is helpful to make wide regulations with effective associations of policies, to regulate inner and outer ethics and also to restore sustainability in business. In such a manner ethics is a great utility oriented tactics in competitive environment. Ethical decision making is the key to building the levels of trust required for project leaders with limited authority to motivate followers to achieve project success. By following ethical values in the banking organisation, organisation can be progress thus organisational development can be achieved.

References :

- Avolio, B. J., Gardner, W. L., & Walumbwa, F. O. (2007). Authentic leadership questionnaire. Retrieved with permission from <http://www.mindgarden.com>
- Bennis, W., & Nanus, B. (1985). Leaders: the strategies for taking control. New York, NY: Harper and Row.
- Covey, S. (2006). The speed of trust: the one thing that changes everything. New York, NY: Free Press.
- Ennis, R. (2003). Critical Thinking Assessment. Critical thinking and reasoning: Current research, theory, and practice. New York, NY: Hampton Press.
- Facione, P. (2011). Critical thinking: what it is and why it counts. Millbrae, CA: The California Academic Press.



-
- Fukuyama, F. (1996). Trust: the social virtues and the creation of prosperity. New York, NY: Free Press.
 - Juli, T. (2011). Leadership principles for project success. Boca Raton, FL: CRC Press.
 - <https://core.ac.uk/download/pdf/147834381.pdf>
 - <https://www.pmi.org/learning/library/leaders-choice-ethical-decision-making-6031>