

ETHICAL BUSINESS PRACTICES: A KEY TO SUCCESSFUL EXPORT TRADE

(A study of TYNOR Orthotics Ltd, Mohali, Punjab)

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ABSTRACT

“Ethics is not definable, is not implementable, because it is not conscious; it involves not only our thinking , but also our feelings” - Waldemar W.Setzer

The term ethics in simple layman’s words can be described as moral philosophy. The dictionary however says that the word “ethics” is derived from the Greek word “Ethikos” meaning customs or character. Since ethics is described as moral philosophy it could be elaborated by calling it a branch of philosophy and is considered a normative science because it is concerned with the norms of human conduct, as distinguished from formal sciences such as mathematics and logic, physical sciences such as chemistry and empirical sciences such as economics or psychology. The ethical practices in conducting the business may sounds to be difficult but in long run its fruits can be reaped by generations to come. In this paper, “Ethical Business Practices: A Key to successful export trade” an effort has been made to highlight the business practices at Tynor Orthotics Ltd having worldwide acceptability of the products which is the basic requirement for sustainability in the today’s global economy. The primary data has been collected directly through discussions with the officials related to Tynor and the secondary data has been collected from reports of Tynor and website. The ethical business practices followed at the Tynor has contributed a lot in the world wide acceptability of its products.

Key words: Ethics, Values, International Market, Stakeholders, Sustainability.

INTRODUCTION

As science, ethics must follow the same rigours of logical reasoning as may be with other sciences. Ethics is conception of right and wrong behaviour. It defines our actions as moral or immoral. Ethics is also closely related to trust. We would all agree that in order to build up trust, our behaviour must be ethical. And our behaviour is guided by our personal ethics. Personal ethics are the moral foundation on which people build their lives. They assist in decision making, guiding us to participate in actions that meet our internal moral standards. Ethics represent the core value system we use for every day problem solving. Ethics are developed throughout life and are based on a wide variety of factors. They are not absolute rules; there are several aspects of personal ethics which can vary greatly from person to person. Broken down, personal ethics impact behaviours which generally fall into the following framework

1. Value of others
2. Value of self ,and very importantly
3. Value of society-this includes compliance with the law, confirming to generally accepted societal norms and contributing to the society.

Values are however almost always over simplified which can rarely be applied uniformly. Just as an employee cannot always be absolutely loyal to his employer to rise, same way many people dream of acquiring wealth using undue means. But wealth cannot be acquired just by dreaming. People really need to know what it takes to get wealthy. They do not understand what money really is and how should it be used. The acquisition of wealth requires a burning desire to accumulate it without sacrificing ethics. Creating wealth is much the same as cultivating a garden. The seeds after plantation require feeding with fertilizer and water. Similarly, wealth creation requires a good deal of work and efforts before results are produced. Just like a garden, those initial investments bring a tenfold return. This is where we look back to the phase when we spoke of about building trust.

It is extremely unfortunate to see that most people believe that money's sole purpose is to buy wealth but to learn how to use money more wisely, it is necessary to ensure that it is used properly. Putting heart and soul into a business translates into wealth. This is where one truly needs to understand the importance and need of business ethics. Business ethics is a form of applied ethics that scrutinizes ethical principles and moral and ethical problems that occur every now and then in the business environment. It demands that a company examines its behaviour towards the outside world. It takes into consideration morality, ethical reasoning and ethics application. For instance, the business manager's moral philosophy of situation does effects the managers ethical believes and

hence his actions. Ethical theories and concepts are important to resolving moral problems confronting business.

Hence, it is the need of the hour for the employees, managers and most importantly the owners to integrate moral concerns into their decision making process.

Today, business ethics has developed into a new field of study. By ethically resolving moral problems confronting the business, the corporate houses are better able to understand and classify their own moral beliefs and are better equipped to develop a critical and reflective corporate morality. Business ethics though gaining a lot of relevance in the 21st century, we can trace back its history in the catholic teachings, where Papal Encyclicals emphasized the need for morality in business, such as workers' rights and living wages.

During the 1960s we see the rise of social issues in business. During this period many business practices came under social scrutiny. President J.F Kennedy's Consumer Bill of Rights reflected a new era of consumerism. Only during the 1970's we see business ethics as an emerging field. It was during this period that professors and academicians started teaching business ethics and also wrote about it. Businessmen too became more concerned about their public image and addressed the issue of ethics more directly. Earlier it was said that "business of business is business" now there was a change in the contemporary scenario where ethics got its due importance and now the slogan had changed into "business of business is ethical business"

OBJECTIVES OF STUDY

1. To study the ethical practices at Tynor Orthotics Ltd
2. To find out how the ethical practices on the part of Tynor Industries has made their products acceptable in the international market.

METHODOLOGY OF STUDY

The objectives of any research paper can be achieved by the methodology used by the researcher in the paper. The data for the purpose of achieving the objectives may be collected from two ways, primary and secondary. Primary data required for the study has been collected through discussions with the officials associated with Tynor Industries. The brochures and published data of Tynor Industries have also been used in this study.

TYNOR ORTHOTICS Ltd, MOHALI,PUNJAB

Tynor Orthotics Ltd. was conceived at a time when Orthopedic products available to the Indian patient were either of a very low quality if produced in India or they were very expensive and not

affordable if they were imported. To achieve the goal of high quality and affordability, Tynor focused on

- High operational efficiency
- The state of art manufacturing facility
- Systematic approach to manufacturing
- 3- D computer designing,
- Team of committed professionals

Within a span of 15 years Tynor has grown to become one of the top two brands in India for Orthopedic appliances with 500 dealers spread across the country and overseas dealers in about 30 countries. Tynor is poised for a major expansion in the next three years with an expected investment of Rs. 100 crore and employment to more than 1000 persons.

The Vision of Tynor is to provide high quality health care products at affordable prices to the masses and to become one of the top 10 manufacturing companies of Orthopedic appliances in the world. Tynor is committed to become market leaders,

1. By adopting highest industry standards.
2. By continual improvement in production efficiency, quality, cost effectiveness and delivery of products.
3. By improving human resource, through team spirit and better work environment.

Tynor is perhaps the most certified company in India in this trade. The certifications have been taken to ensure a wholesome improvement of the company. The certifications include

1) ISO 13485: 2003:-ISO 13485:2003 specifies requirements for a quality management system where an organization needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services.

2) ISO 9001: 2008:-ISO 9001:2008 specifies requirements for a quality management system where an organization

- needs to demonstrate its ability to consistently provide product that meets customer and applicable statutory and regulatory requirements, and
- aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

3) WHO GMP:-WHO Good manufacturing practice (GMP) is that part of quality assurance which ensures that products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorization. GMP is aimed primarily at

diminishing the risks inherent in any pharmaceutical production, which may broadly be categorized in two groups: cross contamination/mix-ups and false labelling. Above all, manufacturers must not place patients at risk due to inadequate safety, quality or efficacy; for this reason, risk assessment has come to play an important role in WHO quality assurance guidelines.

4) US FDA:-US Food and Drug Administration (FDA or USFDA) is a federal agency of the United States Department of Health and Human Services, one of the United States federal executive departments. The FDA is responsible for protecting and promoting public health through the regulation and supervision of food safety, tobacco products, dietary supplements, prescription and over-the-counter pharmaceutical drugs (medications), vaccines, biopharmaceuticals, blood transfusions, medical devices, electromagnetic radiation emitting devices (ERED), cosmetics, animal foods & feed and veterinary products.

5) CE:-Existing in its present form since 1995, the CE marking indicates the compliance with EU legislation of a product, wherever in the world manufactured, and enables its free movement within the European market. By affixing the CE marking on a product, a manufacturer is declaring, at its sole responsibility, conformity with all of the legal requirements to achieve CE marking which allows free movement and sale of the product throughout the European Economic Area. CE marking is intended for national market surveillance enforcement authorities. The manufacturer of CE-marked goods has verified that the product complies with all applicable EU requirements, such as safety, health, and environmental protection, and, if stipulated in any EU product legislation, has had them examined by a Notified Body or produces according to a certified production quality system.

FINDINGS

All the above stated certifications prove the level of standard and quality maintained at Tynor Industries. The high level of maintenance of quality itself certifies the ethical business practices carried out on the part of the unit. The ethical practices resulting in the above certifications paved the way for the export of its products in the global economy. The ethical practices include the working in the society by using its resources, for the benefit of the society, applying total quality management at all the levels throughout the organisation without jeopardising with safety of the final users of the products and lastly keeping in to mind the interest of all its stakeholders. The Tynor is exporting its products in about 30 countries. There are some notable achievements of Tynor Industries like,

- First to start organized marketing of Orthopedic appliances in India.
- First to call on doctors for such products.
- First to be ISO 9000, ISO 13485 & WHO GMP Certified CO. certified in Orthopedic appliances in India.

- Fully air conditioned manufacturing facility.
- One of the top 2 brands of Orthopedic appliances in India.
- All modern tools of production, like Toyota Production system, 5S, 3M, pokayoke, Kaizen SMED etc fully implemented .
- Fastest growing company in Orthopedic appliances in India.
- First to have a foreign equity.
- Exports to 30 countries.
- Manufacturing is done on lines of 'Toyota Production System' which ensure excellent quality of the produce, lean and faster production, cleaner environment, with low reject & quick change over's resulting in low manufacturing cost and high motivation amongst workers.
- Cleaner production, a thorough implementation of Japanese '5 S' and streamlined movement of material and men results in reduction of bio-burden of the product.
- Continual improvement is a way of life contributed by every level of hierarchy, through a series of 'Kaizen' and 'Poka yoke'.
- Competence and skills of every worker is improved through regular training, tests and competitions

SUGGESTIONS

1. Irrespective of the size of business, for long term sustainability in the national and international market efforts must be made to build goodwill through ethical practices.
2. Application of fair corporate governance from top to bottom in the hierarchy will boost the morale of the workforce therefore leading to the production of quality product
3. For Quality product, healthy work culture and working condition is desirable. The Tynor is providing very appropriate working conditions inside the plant. In order to compete in the global market, industrial units must strive to give insight into the existing working conditions
4. Ethical practices leads to Quality Product which in turns leads to Certification from international bodies resulting in the Expansion of trade at national and international level. Thus all the organizations must strive to build their niche in the global economy through ethical practices.

SIGNIFICANCE OF STUDY

The study will be helpful to all the existing and prospective units to consider the ethical practices in carrying out their businesses. In today's highly competitive business environment where the business can be carried out freely beyond the political boundaries, the sustainability for a longer period will not be possible without satisfying the requirements of the "King" the "Consumers". The

health conscious consumers first read all the instructions given on the packing of the product and the certification from the international bodies win the confidence of the consumers. The certification is given on the basis of quality and regulatory norms. Quality can be maintained not only through investment in workforce and latest techniques in production but also healthy work culture. Quality products certified by various institutions are capable to find place in foreign market.

CONCLUSION

When an organization behaves ethically, more positive attitude is developed among the customers about the firm, its products, and its services. On the other hand when the organization's market practices depart from the standard or when the ethical practices are not applied, this may lead to dissatisfied customers, bad publicity, lack of trust, lost business or sometimes may be even legal actions. Thus most organizations are very sensitive to the needs and opinions of their customers and look forward to protect/enhance their long term profitability. The ethical practices leading to quality products are helpful in enhancing goodwill in the national and international market and thereby promote foreign trade.

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