

Impact of Business Ethics on Employee Turnover

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Abstract: *Business ethics and the employee turnover are two important aspects of every business entity. Business ethics and employee ethics are often correlated. Also the employee ethics and attrition rate are also correlated. Unethical practices are unwanted, so is the high employee turnover. Unethical practices and high employee turnover in business is ubiquitous. No consensus exists on defining ethics. Employee turnover is well defined, but there is no consensus on when employee turnover is disadvantageous for the company. The Golden Rule or ethic of reciprocity, a maxim states that either one should treat others as one would like others to treat oneself or one should not treat others in ways that one would not like to be treated. A direct, inverse relationship exists between high job satisfaction, high organizational commitment and employee turnover; the higher the job satisfaction and organizational commitment, the lower the staff turnover. Indeed job satisfaction leads to organizational commitment*

Keywords: Business ethics, employee ethics, attrition rate, employee turnover ratio