

INSTITUTIONAL ETHICS AND ENTREPRENEURSHIP: INFLUENCE, INTERPRETATIONS AND INSIGHTS

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Entrepreneurship is generally the quality of being innovative by undertaking risk in order to maximise profit. Nevertheless, its ethical dimension has not been fully investigated. This study evaluates the effect of institutional ethics on entrepreneurial practices in India based on a span of 24 years (2001-2024). The results of multivariate regression analysis indicate that an increase in institutional ethics, as indicated by corruption control, has a positive and significant impact on entrepreneurial activities. Two qualitative case studies of Infosys and Satyam Computer Services also complement the results. On the one hand, the ethical governing model of Infosys provides its entrepreneurs with a competitive edge in the form of capital access and resilience. Conversely, Satyam demonstrates the use of ethical malpractices, which can result in business failure. On the basis of these results, the study proposes enhancing the credibility of enforcement by the adoption of favourable policies so that entrepreneurs may introduce ethical practices into their respective enterprises to fill the institutional gap that prevails in the Indian entrepreneurial ecosystem.

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