



FUTURE OF BUSINESS ETHICS IN INDIAN ORGANIZATIONS: ROLE OF MANAGEMENT INSTITUTIONS

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Abstract

Startups are the hope of futuristic success of any economy. In India, these startups usually come into existence after the students complete their UG or PG study from higher education institutes and enter the corporate world. Many of them are absorbed by already existing companies in the job market but there are many who start a new business out of their innovative or already existing idea. In India these startups cover almost all the industries and all geographical areas of our country every year. Hence their study is of utmost importance. The proposed study focuses on the performance related to ethical or unethical behavior of future and existing enterprises which flourish with the help of knowledge gained during the entrepreneur's study at management institute. Students understanding of the ethics in theoretical terms will be studied and their ability to apply these ethics in their jobs or enterprises will be analyzed.

Keywords - Ethics, business ethics, enterprises, entrepreneurship, Management College, business school, future startups, organizations

Introduction

Ethics are an unavoidable need of the society, because in their absence the economy will be profit oriented only and lose the vision of societal welfare. The ethics learning behavior is proactive in our childhood, remains active when we start learning through education in schools. We still remember the lectures of moral science in our pre-middle sessions, but in UG and PG, the students need a different approach. The

subjects need to cover philosophic as well as applied approaches of the concept of ethics and morality in life and business environment. This will be the focus of proposed study.

It would be appropriate to start this article with a question – Can you be a good manager, if you are not a good person? Whenever this question asked in my classes of PG graduates, the straight answer was no. The answer indicates towards basic morality of human beings. Everyone wants to be a good human being first and keeps looking for the characteristics in:

- Explanations given by religious philosophies
- System of values learnt from our parents and educators
- Moral standards by the environment around us.

This learning behavior is proactive in our childhood, remains active when we start learning through education in schools. We still remember the lectures of moral science in our pre-middle sessions, but in UG and PG, the students need a different approach. The subjects need to cover philosophic as well as applied approaches of the concept of ethics and morality in life and business environment.

Objective

- Objective of the proposed study is to analyze the future of business ethics in organizations of India. A survey of understanding of applied ethics in management graduates will help to achieve this objective.
- A comprehensive analysis of the business ethics course coverage will also be one of the objectives of this paper. This will help us in visualizing the understanding of ethics in the educated youth who are ready to be employed.

Research Methodology

The research is exploratory by nature. Survey is conducted to collect primary data from management students who have studied/are studying business ethics as a subject from their institute. Survey tool is used through a structured questionnaire for management graduates. Secondary data has been collected from previous reports, similar researches, books, newspapers and journals etc. Various management institutes have been contacted to get clear picture of the topics covered in their syllabi. Sample size is 50 and convenience sampling is used to collect the data from the students of management

institutes of India. Research is a blend of quantitative as well as qualitative design. Personal interviews have also been used to collect primary data. Secondary data has been collected from magazines and newspapers.

Coverage of the topic ‘Business ethics’ in Management courses

The general course curriculum of Business ethics starts with Introduction to ethics and explains the three types of ethics-Meta ethics, normative ethics and applied ethics. Business ethics is introduced as an applied branch of ethics. Corporate Social Responsibility and Corporate Governance become the important ingredient of the syllabus mix. Most of the Indian management colleges have started including Indian perspective of business ethics also in their course curriculum. This is a new approach to make the youth study Bhagawad Gita, Vivekananda’s philosophy, Gandhian management and other religious philosophies which enable them to understand the inclination towards the individual benefits and benefits of the society. Otherwise these values were implanted in the childhood by parents/grandparents and uprooted in the young age, if the business schools teach them to shift their focus from mere profits to societal welfare, we can think of a better future of mankind. A general outline of the course of ethics may differ from institution to institution, but the broad outline of the topics covered is given below:

- Meaning, nature and scope of ethics
- Classification of ethics
- Introduction to business ethics
- Business ethics and moral obligations
- Business ethics and moral standards
- Ethical Vision of management : Indian approach
- Features, types and relevance of values
- Human Values for Indian Managers
- The doctrine of Karma
- The concept of Swadharma
- Salient features of Indian ethos



- Evolution of Indian Management Thought
- Difference between Western and Indian Management thought
- Spiritual and Secular interpretations
- Ethics and Religion(s)
- An overview of Bhagawad Gita with study of relevant extracts
- Relevance of Gita Philosophy in Modern Corporate World
- The Ethics of Vivekananda
- The ethics of Gandhi
- The ethics of Ravindra Nath Tagore
- Relevance of Indian Ethos in Modern Corporates
- Uniqueness of Gandhi's interpretation of Satya and Ahimsa
- Gandhian management
- Corporate social responsibility
- Ethics and the environment
- Professional ethics
- Unethical behavior by individuals in organizations
- Making moral decisions
- Ethics in Management
- HRM and ethics
- Ethics in Marketing
- Ethics of advertising
- Ethics in Advertisements
- Ethics in Finance
- Ethics in Investments

- Ethics in Technology
- Ethical salesmanship
- Ethical teamwork
- Corporate Social responsibility for business
- Corporate governance
- Ethical Decision Making
- Secular v/s Spiritual Values in management
- Rational brain v/s Holistic spiritual brain

All the above concepts , if understood well, will help in the upliftment of the society and the economy at both the fronts- upliftment of individuals spiritually and upliftment of the economy with sincere and genuine effort giving human beings who act as a more productive resource for the organizations.

How to inculcate ethics in students

In the modern materialistic era, to inculcate ethics in students is a real challenge. In the process of inculcating ethics and values in the mature students, one should start from William Lillie's statement in his book 'An Introduction to Ethics' – "There are certain sciences in which we describe human conduct without expressing any opinion about its value or making judgment about it... These three sciences – psychology , sociology and anthropology all provide us with facts about human conduct; and a general knowledge of such facts is necessary preliminary to making true judgments about human conduct." According to Lillie, the science sociology is describing facts but not judging them or evaluating them in a specific way. Hence we can conclude that ethics study is different from studies related to sociology.

Various approaches have been discussed by the previous scholars to inculcate ethics in students – Evocative approach, awareness approach , inculcation approach , moral reasoning approach, analysis approach, commitment approach and the union approach (Supreka, 1986). Evocative approach is the process of making spontaneously free choices, awareness approach presents value laden system. Inculcation approach demands positive and negative reinforcement from the teacher. Moral reasoning approach sets up learning approaches which facilitates moral developments. Analysis

approach resembles the case study approach while commitment approach makes the learner an inner relative member of the system. Union approach treats the organizations as part of interrelated whole.

Career options for students

Though the management institutes are not offering any specialization on Business ethics' as of now but the knowledge gained in treating it as a compulsory subject for the students will enable them with skills equivalent to that of sociology graduates. They will be in a position to understand and get involved in corporate social responsibilities of the companies they join. This will also familiarize them with the knowledge of rules and regulations laid down by the government to carry out such responsibilities. Giant players of Indian industries are hiring social workers who have management skills. Sociologists are not equipped with management skills, hence if the management institutes offer specialization in business ethics, we can open door to a new designation- In-house social worker.

Significance of theoretical and applied ethics for a student

The education system of our country has always emphasized on raising the moral standards for the students even in the schools. NCERT has published the qualities like in a good course curriculum, ethics are defined according to the dynamic needs of the society and the economy. These ethics if absorbed genuinely may change the focus of businesses of Indian economy, from profits to the society up-liftment. Rules and regulations of their institutes also teach them ethics. Such studies will teach students to understand the concept of 'good and bad', 'right or wrong', 'justice and crime' etc. and apply them accordingly in the situations presented to them by the environment. If knowledge of applied ethics is missing then there are less chances that the students will use them in their job or business later. Primary data collected from the management graduates of various colleges gave us the following results:

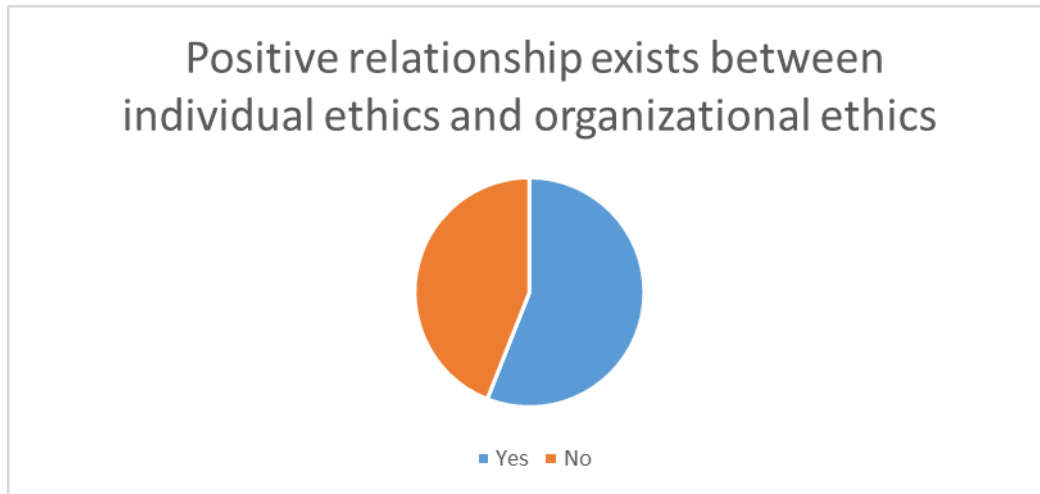
- The first question was asked about the knowledge gained from their management institutes (in India) on the particular subject – Business ethics. The data has been displayed below which clearly indicates that the management institutes of India are just average in providing the knowledge of business ethics.



• Second and third questions were asked about the importance and practicality of ethics in businesses. Shocking fact that came into the researcher’s knowledge was that 80% students think that ethics are important and only 20% find them unimportant for the company operations. But 78% students feel that profits cannot be earned if their company follows ethical practices only and only 22% feel that ethical practices can bring profit to the company.



- Fourth question was asked about the relationship of individual and organizational ethics. 56 % believe that such a relationship exists while 44 % were of the view that there is no such relationship and they act and exist independently.



- In the next question, an attempt was made to analyze students' perception in applied ethics. The data collected has been interpreted in the following diagrams:



The above interpretation reflects that the students understand the importance of ethics theoretically but when it comes to actual application, they are deviated by the factors like, profit, revenue, sales and targets. The last question was about their acceptance of the ethics learnt in the college. The author tried to check what would be the decision of these students in various profit management related activities.

Individual v/s company ethics

The ethics learnt in the college are individual ethics, these individual ethics when brought together in an organization with employees from different backgrounds develop the organization's ethical culture. For example if the individuals in the company follow the practice of being punctual every day then the culture of the company has ethical characteristic of punctuality in the company and vice versa. A company of thieves cannot have ethics of honesty. Following analysis will help in understanding the actual scenario:

Zomato - Very recently a video of an employee from Zomato has become viral, in which he is shown unpacking the food packets of a customer and eating from the packet. After having some of the food item, he repacks it and it is shown ready for delivery. Such unethical practices of individuals make the image of the company doubtful as many customers would stop ordering from a company which is unable to control unethical practices of their employees and will shift to the competitor which has better controls over ethics of the company.

Later, the company came up with certain clarifications like, the food order was cancelled and the employee was having food from that food box which was prepared but not delivered to the customer. And they are coming up with untampered tapes on the food packets. The employee has been suspended was also heard.¹

ICICI Bank- Last year, Chanda Kochhar had resigned from the post of Chief executive officer from ICICI Bank, but recently she has been announced dismissed instead of treating her exit as simple resignation. "She separately faces criminal charges brought by the CBI over loans to the Videocon Group, with which her husband had a business relationship."²

An e-paper has given the news in the following words- "For the record, the news of her husband's alleged business nexus with a corporate house had done the first round in 2016 on social media, but the mainstream media did not pick that up. What has changed

since then? Well, the difference in 2018 is that CBI decided to look into it. That gave credence to the speculation and media lapped up the story even as the board of the bank stood behind her.”³

Online retailers – Online retailers like amazon and Flipkart also had to face these ethical issues at many fronts. Most common complaints by customers of these services was receiving false or faulty goods, benefits of scheme not given etc. Issue of selling brands/products exclusively on their portal was also raised and the Flipkart CEO had to write to the Indian Government- “Flipkart has already replaced the phrase ‘only on flipkart’ for the exclusive brands or products prominently displayed on its marketplace with ‘Just here’. Amazon too has started to downplay the ‘Amazon exclusive’ tag displayed for the exclusive brands or models on its marketplace.”⁴ Customers have been observed not receiving the full amount in their bank account for a returned item. The companies need to work on these ethical fronts. Myntra another online giant retailer had to reshuffle cabinet to comply with the FDI rules. “Myntra and other e commerce retailers like Amazon have been bringing on board new seller entities so as to not to flout the regulations which prohibit online marketplaces from owning equity stakes in sellers. Flipkart confirmed the restructuring to Economic Times in an e mailed response, “We did not have any equity ownership issue to contend with in our seller base. We are committed to full compliance with the new regulations.”⁵ This excerpt talks about the other side of the ethics in terms of rules laid down by the Government.

Opportunities for Management Institutes

If a specialization management program in Business ethics is introduced by PGDM Colleges, this will be an unexplored opportunity by the environment. As per legal requirements, each and every company has to spend a certain percentage of their profits for the society. MNCs having large funds need the staff to manage such departments, hence they prefer people from management background with a flair for ethics. If this opportunity is explored on time, the business departments will be in right hands who are equipped with business skills as well as morality and ethics. Though right now, this specialization is not popular but we can foresee the bright future of this course for management institutes. All those companies which are facing ethical issues from their employees will be ready to pick people from this ethics specialized program of business management.

Limitations of the Study

- The sample size was too small to generalize the results.
- Further exploration of relationship between the ethics learned from college and applied in businesses for more variables.

Conclusion

In the journey of discussion on ethics we have observed that ethics is more about self-management rather than managing others. Modern era is the era of decay of morality at all the platforms – be it individual, social or economic. If we do not make our students understand their ethical responsibility, the economy can be prosperous but the society will tend to become poorer. Hence such subjects like Business Ethics need to be promoted as a special choice among the students. Next step should be to check the applicability of ethics taught in the real business environment, only then we can hope for an ethical economy and prosperous society.

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