Individual Behavior – Sankhya Theory and Transactional Analysis

Individuals behave differently, take decision in a different way and they also differ in their perceptions from other. People also develop emotional instability, frustration, or dissatisfaction and further they also develop inability to cope with such problems. There are large numbers of factors influencing the mental and physical environment of individuals. There are differences of opinions, believes and approaches among the individuals. An effort is made to discuss all these things in this study. Indian philosophy gives more stress on internal factors responsible for behavioral differences among individuals rather than external environmental factors. Indian philosophy discusses internal factors, which are associated with individual’s personality. Each individual is a unique personality. Man is made up of body and soul. This material body consists of 24 gross elements of material world, which are as following.

<table>
<thead>
<tr>
<th>5 Mahabuta (Dull Matters)</th>
<th>Earth (Prathvi)</th>
<th>Water (Jal)</th>
<th>Fire (Agni/Taij)</th>
<th>Air (Vayu)</th>
<th>Ether (Akash)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Tanmatra (Objects of Senses)</td>
<td>Smell (Gandha)</td>
<td>Taste (Ras)</td>
<td>Sight (Drashya/Rupah)</td>
<td>Touch (Sparsha)</td>
<td>Sound (Sadbha)</td>
</tr>
<tr>
<td>5 Gyanaindriya (Sense organs)</td>
<td>Nose</td>
<td>Tongue</td>
<td>Eyes</td>
<td>Skin</td>
<td>Ears</td>
</tr>
<tr>
<td>5 Karmaindriya (Organs of Action)</td>
<td>Hands (Hastha)</td>
<td>Mouth (Mukh)</td>
<td>Feet (Pada)</td>
<td>Anus (Payu)</td>
<td>Genitals (Upastha)</td>
</tr>
</tbody>
</table>

The above constitute physical body, called Keshtra or Prakriti.

<table>
<thead>
<tr>
<th>4 Antahakaran (Feelings)</th>
<th>Consciousness (Chitta)</th>
<th>Ego (Ahamkar)</th>
<th>Intellect (Buddhi)</th>
<th>Mind (Mann)</th>
</tr>
</thead>
</table>

Table-4.1

24 Elements of Human Body according to Sankhya Philosophy (Table-4.1)

And the 25th element is Atma/Bhrahma/Keshtragya – Proprietor of the body (Soul) is the most important.
The process of psychic pollution begins with *chitta*. When there are disturbances with *chitta* it results in ego. There are three types of ego:

(1) *Tejas* or *Sattvic Ego*: The intellect and ten senses written above originate from this *tejas ahamkar* (ego).

(2) *Vaikaric* or *Rajas Ego*: The mind originates from *rajsi* ego.

(3) *Tamas Ego*: All the five dull matters and their five respective qualities (object of senses) originates from this *tamas* ego.

Mind is the centre of all *Indirya* Activities. All the stimuli from the worlds object reach the mind through five senses. The effect of all these stimuli assails the mind and develops six *vikaras* (vices/disturbances). These *vikaras* are six enemies of body and mind as given below:

(1) *Kama* (desires/lust)

(2) *Krodha* (Wrath and Anger)

(3) *Madh, Ahamkar* (Ego)

(4) *Lobha* (Greed)

(5) *Moha* (Attachment)

(6) *Matser* (Envy and jealousy)

When one develops attachment, which further transforms into rest of the five *vikaras* (vices), his psyche becomes polluted. These vices constitute all the sorrows of men, on the other hand western management suggested only one factor that is *ego*. According to Sigmond Freud philosophy (which was further developed as transactional analysis by Eric Berne, 1961), people has neuroses or disorders of their total personality, unethical behavior or various conflicts and anxieties – and that all these originate with the sexual impulse. According to Indian philosophy as the gross senses are controlled by the mind and mind is under control of intellect and intellect is controlled by ego. So if the ego is false then anything based on this false idea is also false. This
is called *maya* (*ma*+*ya*, *ma* = which is not, *ya* = that) or illusion. Sigmond Freud divided the men’s personality into three departments on the bases of false ego. The basic principle of three-ego system is false, since Sigmond Freud has no conception of the soul existing beyond the body. Yogic science aims at getting off this false ego platform and coming to real spiritual platform, and that is the state of transcendental equilibrium. As senses and sense objects disturb equilibrium of mind, we should give up sense gratification. Yoga suggests the art of performing work as duty through concentrating mind upon God and by controlling the senses. Mind and intellect are center of all activities in human beings, intellect dictates good and bad action by controlling the mind, and soul (Supreme God, Brahma) governs this intellect, which is *poorna* (perfect) in himself. This is the inherent true nature of soul but lost to us because of ignorance (*avidya* or *maya*).

We can do the comparative study of TA (transactional analysis) with GD (*Guna Dynamics* and *Sanskar theory*), which is associated with the name of Kapil muni during 700 BC or earlier popularly known as *Sankya theory*. A comparison between the two gives the reason of ‘why’ and ‘how’ of human interactions and behaviors, which are the results of our inner mental contents.

In the words of Dale Carnegie: ‘Business executives are evaluated by four things: by what they do, how they do, and what they say, and how they say’. To understand their behaviours there are two assumptions in transactional analysis that (a) human brain is similar to tape recorder where all the experiences one goes in life are recorded and stored. These experiences can be remembered and relieved at least to some extent. (b) when a child is born, he has a feeling of helplessness and powerlessness.(not Ok feeling) as he grows he can either continue to have this feeling or change his views about himself and others depending on the treatment he gets from his environment in childhood. The ego is more appealing factor for shaping the behaviors of people. People behave differently because individuals have child, adult and
parent state of mind called three ego states as suggested by Freud. These three elements, the Id, The Ego, and The Super Ego are present in every individual in varying proportions. The human is striving for gratification of his impulses and is seeking pleasure (instinctive drives). There is something in the value system of the society (super ego). It is the function of the ego to sense the outcomes of the unlimited freedom, which his instinctive drives demand and get help from the super ego where necessary. In away human being is goaded by the id, hemmed in by the super ego and rebuffed by reality. One should try to strengthen his ego and keep the balance between the id and super ego, to meet the reality.

(1) *The Id*: The Child or felt ego state. A child does not tolerate uncomfortable level of tension. He releases the tension irrationally. In the same way people behave irrationally because of this Id state.

(2) *The Ego*: The Adult or thinking ego state. Ego makes people feel rewarding and satisfaction over an act in accordance with his moral thinking, although in reality it may not be very correct. The ego is one’s state of body and as instinct in adult for self-protection. The adult is rational, objective, responsible and free.

(3) *Super Ego*: The parent or taught ego state. Super Ego evaluates the morality of solution in relation to practical needs. Super ego considers the solution in a way, which is morally and really correct. It represents the moral restrictions of parents and other authorities. If Super ego confirms the behavior as morally and practically correct, it is accepted as formal behavior.

The engraving and storage of impressions from experience in one’s psychic receptacle, called recordings. Recalling past positive experiences and releasing the negative experiences, and making the mind empty, is the guideline suggested in this theory to emancipate the adult.


Sankhya Philosophy or GD Theory

Human personality constitute of three gunas (qualities or modes of nature). According to Sankya philosophy the entire physical universe including the human mind is manifestation of mula prakriti or primordial prakriti. These guna keep us in bondage throughout of our life. Guna influence human mind and intellect and influence their thoughts, emotions, passions, feelings, attitude, actions, behaviors, character and nature. External actions of human beings are the effects of internal thoughts and feelings. External life faithfully displays what we are within. We can interpret three gunas not as substances or ingredients but as attributes also. Gita gives vivid description of influence of three gunas of prakriti on knowledge and intellect. It says that prikriti consists of ever changing combination of sattwic, rajsic and tamsic gunas. Human life is molded by permutations and combinations of these three gunas. SRT model corresponds to SDM sukha, dukha, and moha. On the basis of these three gunas we can understand the individual behavior and develop action programs for self-growth accordingly.

(1) Sattwa (Mode of goodness): Good character manifests value based dominant sattwa guna. Such a person will have good thoughts, feelings, good speech, good action and good conduct. This state is identified by purity, light and illumination and makes the person free from ego and ignorance. Such a person belongs to first class, enjoys peace of mind and harmony. He works without attachment of results. A sattwic person easily distinguishes moral from immoral acts. He has strong discrimination power. Sattwic person perceives holism and oneness among individual, and thinks as they are. Those who abide in sattwa go upward. It is the foundation of discipline. Fruit of sattwa is sukha (bliss), light (prakash) and felicity (Prasad).

(2) Rajas (Mode of Passion): When person develops rajas and tamas, sattwa plays a minor role. Rajsic person displays violence, greed, jealousy, and
arrogance. It is the state of activity, desire and attachment, identified by lust, greed and pride. No doubt rajas make a person very active but leads to adharma, vices or unethical values and produces bad character. Dynamic energy of rajas is essential for execution of any work. Rajas knowledge perceives duality, multiplication and separation. He has a distorted vision. Rajas binds, a person by attachment to work and makes a person very selfish and egoistic. The fruit of rajsic action is pain and sorrow (dukha). Those who abide in rajas stay in the middle.

(3) Tamas (Mode of ignorance): This state is identified by indolence, laziness, darkness, delusion and obscurity, negligence (pramad). Tamas leads to destruction. Tamas develops vices in addition to those created by rajas. The fruit of tams is ignorance (moha). Tamsic person represents the state of psychic pollution, which prevents him from seeing the things as they are. He perceives things opposite, moral as immoral and immoral as moral. Tamas takes you downwards.

The above three gunas are present in every individual and found in varying proportion in each individual. These are also known as three modes of material nature. Individual personality is the compound of above three qualities. The ideal combination we should SRT in ratio of 60:30:10.

Harri’s well known book, ‘I am Ok, You are Ok’, and Berne’s book, ‘Games People Play’ reflects the TA theory. Shri Aurobindo’s book, ‘The Message of the Gita’ and Swami Vivekananda’s ‘Rajyoga’ reflects Indian philosophy, GD or Sankhya theory. Rajyog is based on patanjali’s ‘Yogasutra’, which is also derived from Sankhya theory.

Sigmond Freud suggested the idea that all types of personality disorders originate with the sexual impulse, this idea is better described in Gita by Lord Krishna. Though the soul (purush or Brahma) is basically pure and full of bliss yet when he comes with contact with material creation the body (prikriti) his pure consciousness becomes contaminated. When one
contemplates his mind on objects of sense he develops attachment (moha) and from such attachment lust (kama) develops. Lust is found in different people in varying degrees and covers the real knowledge of living beings. Lust which is born of contact with the material mode of passion, is never satisfying enemy of man. Lust is the perverted form of eternal love. When lust is unsatisfied, it turns into wrath (krodha); wrath is transformed into illusion; and bewilderment of memory arises from delusion. When memory is bewildered, intellect (buddhi) is lost, and when intellect is lost ones falls down, this character is lost. He makes wrong decisions, perceives immoral as moral and acts in many sinful ways without any hesitation. (*Gita*, Ch II: 62, 63; Ch III: 36, 37)

The process of psychic pollution begins with chitta, the process of purification (cleansing process) also beings with chitta that is why in Indian philosophy emphasis is given on chittasuddhi through yoga. When one’s consciousness or chitta becomes pure and steady one become free from all the above three types of ego. At this state soul (purusha) becomes free from material contamination (prikriti) one can achieve the state of true emancipation by following the patanjali’s eight gradual steps (*Astangyogasutra* See Appendix I) that is to the way of fixing mind and intelligence on Supreme Personality.

One may say that when we die our soul (purusha) automatically becomes free from the bondage of body (prakriti). So there is no need to make his soul free from the attachment with his body but anybody who dies, after his death all his deeds through help of the senses during his life are recorded in to his mind. And senses merge into mind and mind with these recordings merges into intellect. And intellect merges into the soul. Soul (with these recordings known as sanskars) transforms into another body. This cycle goes on and one never becomes free from the clutches of this material world.
Chapter-4: Individual in the Organisation

The Guna, Karma and Sanskar are interlinked. Sanskar plays a very important role in the development of human character, as we know that sattwa guna generates patience and compassion, rajas generates greed and pride, and tamas generates anger and ignorance. They directly influence our thought pattern and create impressions. These impressions are accumulated in our psyche. These latent accumulated impressions are manifested in our outward actions. If we perform more ethical acts it creates good impressions on our soul and better quality, good sanskars are formed. And we show more wholesome behavior. People behave in different manner in the same situation just because of these sanskars. It is said that our behavior is governed by unseen but powerful accumulated latent tendencies of past birth or inner potentialities (root impressions).

There are two types of sanskars: First, psychologically innate sanskar (Sansakars of previous birth) and second is socially acquired sanskars. The first one gradually takes on the character of second one. Just because of these sanskars people makes the selves more ideal or bad to handle the similar type of situation in different ways. The reason for the failure of various short term courses on team building, organizational development, conflict resolution and the like is the barrier of these sanskars because people have to fight against the barrier of contrary sanskaras which play very important role in building team spirit. Without the ethical process being duly protected, no mind can attain samattwa or equipoise or can absorb better quality sanskar. We can make S stronger through ethical sensitivity observance and reducing our attachment from personal gains, aversion and personal loses. It is the most full proof prescription for the gradual attainment of samattwa. (Equanimity of mind)
Ethical Issues, Dilemmas And Decision Making

There are situation when managers have no clear guideline either in law or in religion to make a choice between two equally balanced and often equally unpleasant alternatives. Ethical dilemmas are complex judgments on the balance between the economic performance and the social performance of an organization.” an ethical dilemma exists when one is faced with having to make a choice among following alternatives-

1. Significant value conflicts among differing interests,

2. Real alternatives that are equally justifiable, and

3. Significant consequences on ‘stakeholder’ in the situation.

In dilemma there is a straight choice between two ‘rights’. Four such genuine dilemmas are

- Truth versus loyalty.
- Individual versus community.
- Short-term versus long-term.
- Justice versus mercy.

It is thought that ethical issues in management are opposed to each other, i.e. financial returns versus social costs, for example cause some air pollution but avoid the costs of installing pollution control equipment, and for example design a slightly unsafe product, but reduce the material and labour costs of manufacture. The decisions have an impact upon others both within the organization and within the society. That is beyond their control and therefore should be considered when decisions are made, e. g. bribes change government processes, pollution affects environmental health, and unsafe products destroy individual lives.
Most of the ethically questionable situations in business involves either outright illegal activities; such as the application of personal expenses to contract budgets, the stealing of company products, or practices which compromise a recognized corporate code or policy like gift-giving or practices like dumping of toxic wastes into a local river. These practices deal with the breaking of laws and rules or causing harm. Thus, these situations offer a clear choice between doing right and doing wrong. These are ethical concerns (issues) expressed in company policies and company values. In order to resolve ethical issues like bribery, fair treatment of employees, worker safety, and environment pollution right course is clearly prescribed in company policy.

People’s interpretations are different in following situations. Some strongly oppose it; others may take it lightly and may consider it acceptable behaviors.

1. Taking office supplies home for personal use;
2. Searching the web for job opportunities on company time;
3. Going to a pornographic Web site during your lunch break;
4. Using the phone for personal use on company time;
5. Calling in sick when you are healthy;
6. Putting a personal item in your expense report as a business expense;
7. Having your assistant tell someone that you’re in a meeting when you’re not.

There is no easy answer to ethical problems (dilemmas), it depends on circumstances. Here we are faced with difficult choices and where no clear – cut right answer existed. Even if the person has good intention he may not be able to make a decision. E.g. it is right to close the plant or to be honest with employees.
A study carried out by leading expert Barbara Ley Toffler, Harvard Business School in book titled ‘Tough Choices Managers Talk Ethics ’ indicated the following areas in which most of ethical problems arise:

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Managing Human resources and processes (e.g. performance evaluation, hiring, firing, promotions, and administrative personnel systems, managing relationship on-the-job).</td>
<td>66%</td>
</tr>
<tr>
<td>b. Managing external constituents (e.g. Customer and Suppliers, purchasing, sales, etc.)</td>
<td>17%</td>
</tr>
<tr>
<td>c. Managing personal risks versus company loyalty (e.g. pressure from a superior to act against one’s own values and beliefs, making a personal sacrifice for the good of the company, managing the work/home conflicts.)</td>
<td>12%</td>
</tr>
<tr>
<td>d. Others.</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table-4.2

The behavior of the individuals in a work organization is determined to a great extent by the norms and values or the society to which they belong. In small sized organizations members are more likely to be in homogenous group and likely to develop strong personalized and affiliate relationships, leading to trust and cohesiveness. This increases better understanding among themselves and increases interaction between the head of the organization and its members. And the members are likely to exert more influence in decisions and the decision making process. This kind of dependence proneness of subordinates is likely to push the actual decision making upwards and thus result in centralization.

In large sized organizations, the opportunity for personalize relationships becomes restricted and the group is also not homogenous. This leads to formalization of decision-making process and decentralization of authority. In the Indian conditions, decisions are likely to be centralized, irrespective of the size of the organization.
Dr. Subhash Sharma has added a new dimension to the western model of rational decision-making. Rationality is an attribute by which the present western-educated generations swear. The model proposed by him is based on cognitive inference system. The source of system is Sankhya Philosophy, operationalized by Patanjli in his book Yogasutra. This cognitive inference system is subdivided into three subsystems, namely, The Desire Subsystem, The Though Subsystem and the Action Subsystem. The Desire subsystem outlines the desires, which in the case of an organization may be expressed in terms of organizational values, mission, and ideals. In the case of an individual manager, it may refer to what he desires out of a decision outcome. The Thought subsystem refers to the use ‘Intelligence’ or analytical methods that a manager employs to arrive at a decision. The Action subsystem refers to a specific action initiated by the manager to achieve the ‘desire’.

The Cognitive inference system may be diagrammatically presented as under : (figure-4.3)

Dr. Sharma terms the above model as a MBA model of decision-making. Here the three alphabets stand for Mana (mind), Buddhi (intellect), Ahankar (ego) respectively. Mana does the preliminary screening of the information and also suggests alternative course of actions, Buddhi, undertakes a rational analysis of data, Ahankar, interferes in the Buddhi’s process of analysis. The major characteristics of the decisions influenced by Mana, Buddhi and Ahankar may be noted in the table given below:
In this model two other elements, *vrittis* and *sanskars* have also been introduced which makes the model a bit more complex. This model explains ‘rationality’ in the rational decision. Rationality is inferred with by *Mana*, which has emotion content, and by *Ahankar*, which has ego content. Thus there is a likelihood of irrationality and subjectivity in the so-called rational decision. In an increasingly rational society decisions tend to be more *Buddhi* and *Ahankar* driven. The fact that a number of decisions are *Ahankar* driven is quite pertinent. This model is quite natural and practical to explain ‘rationality’ in rational decisions. Our society is tool oriented and individualistic in character and decisions are generally *buddhi* driven thus the quantum of interference is likely to be more and correspondingly reduce the element of rationality in the rational decision. ‘Tools’ are undoubtedly important but the ‘men behind the tool’ is much more important.

Our right hemisphere of brain is responsible for holistic and intuitive understanding. It is usually in dormant state and under the dominance of right brain, which is responsible for rational and analytical processes of reasoning. In decision making combination of both is required. The ethics of business decision may be examined in the light of the following 12 questions:

1. Has the problem been defined accurately?

2. Had you been on the other side of the fence, how would you have defined the problem?

<table>
<thead>
<tr>
<th>Driven by</th>
<th>Major Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Mana</em></td>
<td>Intuitive, Holistic, Non-rational</td>
</tr>
<tr>
<td><em>Buddhi</em></td>
<td>Rational, Analytical, Objective</td>
</tr>
<tr>
<td><em>Ahankar</em></td>
<td>Irrational, ‘Subjective’</td>
</tr>
</tbody>
</table>

Table-4.4
3. How did this situation arise in the first place?

4. To whom and to what do you give your loyalty as a person and as a member of the management?

5. What is your intention in making this decision?

6. How does this intention compare with the probable results?

7. Whom could your decision of action injure?

8. Can you discuss the problem with the affected parties before you make your decision?

9. Are you confident of the validity of your decision over a period of time?

10. Can you disclose your decision or action to your boss, your CEO, the Board of Directors, your family, society, as a whole?

11. What is the symbolic potential of your action if understood? If misunderstood?

12. Under what conditions would you allow exceptions to your stand?

Root cause of all kinds of dilemmas in the organizations is selfishness and its bad mates like envy, jealousy, etc. In the mask of ambition, competitive rivalry, and search for excellence and the like, the individuals often play the game of self-centeredness and arrogant selfishness. It is the primary problem in human milieu today-particularly in the organized urban sector. The crux of phenomenon of selfishness lies in the nature of the concept of ‘self’ and ‘identity’ of individual that one imbibes. Through education, family upbringing, environmental influences and so on the notion of self internalized by the individual determines his multiples roles playing, in and out the organization. The modern mind is indeed so strongly conditioned by the body-centered conception of self, that it is mortally afraid of trying to even
consider a conception of Real Self which is by definition is need less, want less, and therefore positively poorna (perfect or fulfilled) our soul is sat-chit-anadamay itself. (Immortal-knowledge-bliss) Desire based identity of man or egotistic id entity of man is not his real self. This forever breeds all sorts of problems.

Gita says (Chapter II, 62&63) ‘in him whose mind dwells on the objects of senses with absorbing interest, attachment to them is formed; from attachment arises desire; from desire anger comes forth, anger leads to bewilderment; from bewilderment comes loss of memory; and that intelligence is destroyed; from destruction of intelligence he perishes’. We should use our intellect, reasoning, and emotions to reach a state beyond them—a state of true fulfillment, realization, and actualization. True self-awareness lies in being aware of the transcendent altruist self.

There are three classical approaches by western authors in resolving ethical dilemmas—ends based thinking (utilitarianism), rule-based thinking (Kantian theory), and care-based thinking (obligation to care for those with whom you have valuable close relationship. However there is no single approach to ethics is appropriate in all situations. Different principles or values pull us in opposite directions. Means (deontology) and ends (teleology) both must be considered.

Ethical decisions are easy to make when a person is not directly involved. They are much more difficult to make when a person is directly involved in the situation. Ethical choices are not simple choices between right and wrong. They are complex judgments on the balance between the economic performance and the social performance of an organization. Social benefits and costs as well as financial revenues and expenses are associated with almost all the alternatives in ethical choices.
Brain-stilling (decision making in silence)

The western management resorts to brainstorming, which was developed by Osborn. In brainstorming there is a freewheeling of ideas among the group members. Efforts are made to collect as many as numbers of ideas to solve any problem and no evaluation of ideas, is made during the entire session of brainstorming. In the end of the session evaluation is done. Indian philosophy suggests brain-stilling (mind-stilling) in order to make decisions to solve any problem. Preferably managers should have a small room of silence attached to his office where he may retire from busy life to meditate in silence over the burning problems in case of needs. In this method individuals are supposed to undergo through breathing and identity exercises. Stress, tension, or anxiety lies in our breathing process. Our thinking and breathing processes are positively co-related. Under these conditions our breaths become shorter and shallower. In brain stilling one is supposed to empty his mind from any thought flow. In the absence of thoughts individuals mind comes in to contact with higher consciousness and receives the intuition provided by the third eye of wisdom. It gives insight, vision and foresight to give reliable solution to solve problems. Rhythmic or cyclic mindful breathing process is suggested to cultivate sattwa-guna as an intrinsic stress preventer and stress reducer. According to guna theory dominance of rajsic and tamsic gunas in a man’s personality and varying combinations of their ingredients are the root cause of selfishness and jealousy. We can feel consciously that by the way of inhaling (pooraka) we breathe in sattvic qualities and by the way of exhaling (rechaka) we breath out rajsic and tamsic qualities and by the way of holding the breathe in or out (kumbhaka) our mind rest in peace and silence and the self within (soul) comes in contact with higher consciousness (super soul). This process of controlled breathing is known as pranayam. In identity exercise we become aware of our true self and our mind reaches to a nirdwandwic (free from dualities) or samattavam (evenness of mind) state where the mind is not disturbed by the pairs of opposites.
Unethical Behavior and Corrupt Practices

One of the definitions given to corruption is ‘giving something to someone with power so that he will abuse his power and act favoring the giver’. Another definition is ‘the offering, giving, soliciting and acceptance of an inducement or reward, which may influence the action of any person’.

Causes of Corruption

Unethical behavior is likely to occur in organizations for various reasons. One of the reasons is that manager's act in an unprofessional manner towards their constituents or put their own self interests before those of other members of the organization. Among the several causes of corruption, the important ones are greediness, circumstances, opportunities, misconception, petty excuses, special temptations, etc. Various socio-psychological factors may account for why individuals lose self-respect and personal motivation or develop negative attitudes towards other members of an organization.

There are several character disorders among the people. Some people are ‘sociopaths’ who have tendency to project blame onto others and a refusal to accept responsibility for their own failures. Such people also act impulsively and display lack of concern about the rights and privileges of others. Particular circumstances also provoke further demands for corruption and people get opportunities for taking bribes. People pay bribes because they think they have to, they think that officials will not do their job or take decision which they ought to take unless they are paid the bribe.

People say that corruption is a universal phenomenon and make such petty excuses. They say ‘it is common and very body does it’, ‘it is only something small and nobody is harmed’. Due to poor mindset thoughts and values, lack of ideology, people are morally deprived, suspect, and unreliable and influenced by illegal means and they suggests that the phenomenon of corruption is psychological. It is a crisis of intellectual, moral and spiritual
dimensions whether wherever and whichever forms the corruption and existing, it is so just because of unbalanced metabolism of the human mind. There are certain special temptations, which are peculiar and are different for different groups of peoples like:

- Politicians seek contributions to party funds or money to use for patronage.

- Politicians and officials who fear loss of office seek corrupt benefits as insurance.

- Officials need extra money to maintain their standards of living if salaries have not been raised to match inflation, to meet commitments for housing, car, school fees, etc.

- Employees feel resentment over bad management or pay levels. They think unfair.

- Employees who refuse to participate in a corruption ‘racket’ may be suspected and under threat from their colleagues or superiors.

Some seek status, not only for having more riches than their colleagues but because corrupt officials may be admired by friends and family for their skills on outwitting authority. Other groups of peoples have special motives or opportunities for corrupt gains.

**Unethical Practices of Individuals in the Organization**

There are some forms of unethical behavior by individual as discussed below:

1. **Lying**: Lying is the opposite of truth is condemned by all great religions of the world. Lying is defined as making a false statement to another person with the intension of misleading him. However in ethics, lying may sometimes be permissible when it is directed towards children, the
insane, thieves and unrighteous persons or when it is done for the public
good. Although it is generally unacceptable because it is regarded as
eroding the self respect of the individual and can lead to the undermining
of social institutions.

2. *Greediness*: Greed is a defect of character in which a person is unwilling
to restrain himself from taking more than his due. It is regarded as
immoral as it has possible ruinous and destructive effects on other people.
Despite its universal condemnation greed is regarded as pervasive in
society and occurs at all levels of human activity from the individual, the
group to the institutions. Examples of greediness are to pay less tax, to get
appointment or promotion, to win a contract, to get something done
quickly or to avoid fine, etc. In this way people want an unfair advantage
over others. Some examples which clearly reflect the feeling of greediness
are-

a. Transferor division is not allowed and adequate transfer price for its
   output used by a politically more powerful transferee division.

b. A top-level executive sells his holding of company shares in time,
   making use of his prior knowledge of certain corporate strategy
   secrets.

c. Rejecting the bids of domestic companies by so called rational
   argument, in favor of import of capital goods, so that a few trips to the
   supplier abroad can be managed.

d. A research-guide making surreptitious use of some of the striking
   discoveries of a researcher and publishing a paper there on in his own
   name.

e. Deliberate bias in the sphere of recruitment, promotion, appraisal etc.
   on the basis of region, language, caste, religion and so on.
f. Use by a company of its contracts with the bureaucracy to stall the award of fresh expansion or diversification licenses to a competitor.

g. In both public and private sector firms large groups of employees refrained from working at the expected of agreed pace only to earn more through overtime.

h. Sudden creation of scarcity in the distribution channel for certain essential items by traders to reap premium profits at the expense of hapless consumer.

In all the examples stated above we find that selfishness is the root cause of unethical behaviour.

3. Bribery: Bribe refers to illegal or improper favors obtained in exchange for the payment of money or something else of value. Bribery involves making such payments in return for somehow violating an obligation or duty. Bribery is regarded as inconsistence with efficiency because it aims to manipulate people into neglecting duties they have willingly taken upon themselves in a public or private proposition with inherent responsibilities. In instances we found that even if the candidate is suitable qualified he will not be selected for any post and just because of bribe the manager selects a less than best candidate and this makes the organization marginally less competitive. Nowadays it has become customary for moderate payments to be made to public officials for performing tasks such as issuing permits, licenses, visas etc.

4. Free riding: Free riding refers to behavior that allows an individual to enjoy a benefit produced by efforts of others without contributing a fare share and it is regarded as unethical because it threatens the success of cooperative endeavors among people. Free-riding means enjoying a benefit a no cost or the cost is borne by others. Two common forms of free riding occurs in organization when individuals are unwilling to
participate in group activities, yet draw benefits from this collective effort or when an individual exercise his right not to join a trade union or employee association but is content to obtain the benefits of union membership as a result of negations with management.

5. **Employee Crime**: One of the most serious problems is the rise in employee crime. Examples of employee crime include:

   i. An increase in incidence of managers establishing their own business in company thereby making the use of their employers’ resources.

   ii. Bank officials who keep deposits to pay off outstanding debts and write off the losses against the banks.

   iii. Store managers that steal items from incoming shipments and sell the goods.

   iv. A machinery manufacturer’s trusted employees selling equipment illegally and pocketing the proceeds.

6. **White Collar Crime**: White collar crimes are distinguished from other criminal activities in that they take place mostly at the work places and involve activities related to otherwise legitimate occupations; they also rarely involve use of violence. Such crime involves taking office supplies for personal use, theft of products intended for sale, manipulation of accounting records or legal documents for personal gain, alteration of terms of a business contract in company records with the aim of earning profit not agreed upon by the other contracting parties. Insider trading is also one of the white-collar crimes as it allows dealers in shares or bonds to use information before other dealers know it to make an illicit profit from their trading activities.

7. **Embezzlement and fraud**: either commission of omission can commit Embezzlement and fraud. An act of commission involves lying or making
some form of material misrepresentation, whereas an act of omission refers to any failure to disclose a significant fact that the law requires to be disclosed.

Most common unethical practices being followed in India in relating to different concern are:

1. **Relating to Consumers:**
   a. Adulterating of:
      - Food items causing health problems.
      - Deceptive weights and measures.
      - Poor quality of products.
   b. Spurious products in the market such as:
      - Life saving medicines
      - Life saving injections
   Duplicate of:
      - Soft drinks
      - Popular brands, e.g., jams, detergents, etc.
      - Variations in the packs.
   c. Supply of Injurious products for commercial gains is a major health hazards.
   d. Deceptive advertisements are made so that people are tempted to buy foods, etc. There are ‘sales’ offering-gifts and prices and rebates.
   e. Promotional contests.
   f. Higher prices.
2. Unethical Practices against Government and Community

a. Tax evasion and consequent black money.

b. Pollution of air, water and noise. Pollutions continue unabated by industries, automobiles.

c. Bribes have become a style today of business operations to get any normal things done otherwise nothing moves. Officials clear poor quality construction. There are certain set percentages paid to officials, through touts/agents/advocates, and their role is unbecoming.

3. Relating to Employees

There are certain ethical issues which are raised by policies of the organization that aim at preventing individuals from discriminating intentionally against other individuals. There has been a growing recognition of the various ways in which discrimination in employment occurs.

Recruitment Practices: Some firms rely solely on the word of mouth referrals of present employees to recruit new workers tend to recruit only from those racial and sexual groups that are already represented in their labor force and recruitment policies tend to discriminate against minorities and women. There advertisements are discriminatory.

Screening Practices: Aptitude of intelligence tests used to screen applicants become discriminatory when they serve to disqualify members from minority cultures just because not knowing the language. Sexual and racial stereotypes disqualify women and minorities from a job position.

Promotion Practices: Some times seniority systems are discriminatory and performance is not appraised on the bases of merit. People are not
provided with the desired training necessary for promotion. Sometimes there are subjective recommendations of seniors and supervisors.

Conditions of Employments: Wages and salaries are discriminatory to the extent that equal wages and salaries are not given to the people who are doing essentially the same work.

Discharge: Firing an employee on the bases of his or her race or sex is a clear form of discrimination. Minorities and women generally have lowest seniority because of past discrimination.

Sexual Harassment: Women are victims of a particularly troublesome kind of discrimination that is both overt and coercive. They are subjected to sexual to sexual harassment

All this can be summed up as below:

a. Low salaries.

b. Poor working conditions, inadequate light, ventilation, bare welfare facilities or safety measures.

c. Exploitation of:
   • Bonded labor still exists in India.
   • Getting receipts for salaries more than what is actually is paid.

4. National Economy:

a. Scandals, scams in banks, government.

b. Government expenditures on rise due to corrupt bureaucracy.

c. Political degradations.

The list of companies that usually indulge in unethical business practices perhaps exceeds the list of good companies. A few companies which have attained the dubious distinction of appearing in press are- NEPC Group, MS Shoes East Ltd. (arrest Pawan Sachdeva), Manu Chhabria Group,
Orkay Mills, Harshad Mehta epic stock scam, Sterling Group, JVJ, UTI 64 scam, and host of engaged in teak plantations. These companies have betrayed the trust and confidence by not fulfilling tall promises made to investors at the time of public issue.

Prevention is much more cost effective in reducing corruption than investigation and prosecution, etc. By preventing corruption the worst seen consequences could be avoided.

Values and ethics are important for all human beings. They are especially important for business, industrialists, bureaucrats, and politicians, as they are custodians of immense economic power vested by society. Major role of management is to harmonize the interest of organization that is made possible only with the development of values among individuals in the organization.

Ronald Berenbiem, who is the director of working groups on global business ethics principals in his paper on anticorruption (executive Excellence, July 2001) has stressed that most resistance to anticorruption efforts is based on three flawed axioms: Tolerance, Compliance and Whistle Blowing. While competing in global markets business practitioners need to be tolerant. There should be strong compliance of legal rules and regulations of government in a company otherwise all the anticorruption training programs will become futile. Whistle blowing system can help to achieve open communications when ordinary channels fail. It is a hotline system that plays a key role in anticorruption effort.

Whistle Blowing is an attempt by a member or former member of an organization to disclose wrongdoing in or by the organization. It can be internal or external. If the wrongdoing is reported only to those higher in the organization it is internal whistle blowing. When the wrongdoing is reported
to external individuals or bodies such as government agencies, newspapers, public interest groups, the whistle blowing is said to be external.

External whistle blowing is always morally justified on the ground that employees have right to freedom of speech. An employees right to freedom of speech is limited by the right of the employer and other parties because of the employer contract that employee will be loyal and keep all the aspects of business confidential and pursue the employers best interest, provided the employee is not there by forced to do anything immoral. Employee should not pass trade secrets and other proprietary information. There should be a confidential internal whistle blowing system in organization. External whistle blowing is morally justified if:

1. There is clear, substantiated, and reasonably comprehensive evidence that the organization is engaged in some activity that is seriously wronging or will seriously wrong other parties;

2. Reasonably serious attempts to prevent the wrong through internal whistle blowing have been tried and have failed;

3. It is reasonably certain that external whistle blowing will prevent the wrong; and

4. The wrong is serious enough to justify the injuries that external whistle blowing will probably inflict on oneself, one’s family, and other parties.

Some corporation has an ‘ethics hotline’ – a toll free telephone number that any employee can call to report suspected legal or ethical violation to an ethics officer whose full time responsibility is responding to any calls that come in. If the employee wishes to remain anonymous, he or she is assigned a number that can be used for identification in any future communications. The ethics officer is empowered to conduct a full investigation of the allegations and to take the results of the investigations to higher management or to the
audit committee of the board of directors ensuring that employees are not penalized for using the hotline.