Conclusions and Suggestions

The study reported in this research work tested three hypotheses with the help of secondary and primary data acquired from a few selected organizations. The results suggest that the hypotheses proposed had a significant fit with the data. In the light of the problem regarding the search of universally applicable principles and theories of ethics the researcher in this study tried to analyze the vedantic Indian ethos in different areas of management and compared them with their respective western theories in chapter III&IV. In support of the first hypothesis Indian vedantic ethos are based on ‘duties and responsibilities’, interconnecting and interrelating individuals with each other. In Indian philosophy duties are emphasized and rights are spelt out. The duty of the citizen is the right of the state. The duty of the employer is the right of the employees. Similarly, the duty of employees is the right of employers. In this way our duties and the rights of others limit rights. A duty is our responsibility to take specific steps e.g. pay taxes, follow rules, obey law, etc. moral rules as the rules of behavior resolves the disagreements and establish mutual relationship among individuals to attain goals. We consider that all human beings are having the same divine element in themselves. It is manager’s duty to develop this element and help people in their growth and development by providing them effective leadership along with other things. Similarly, every individual performs his work considering it his duty, offering it to the Supreme, almighty authority for his own growth and development. If duty is performed accordingly, all the rights will be taken care by the law of nature. Such is the unique vision of Indian philosophy based on Vedanta.

In Chapter III concept of true self and various guidelines based on Indian vedantic ethos have been suggested for self-management. Theory of leadership based on four major qualities – exemplary conduct, emotional maturity, self-management and holistic vision, is discussed. The leaders by acquiring these four qualities can become the master of all the situations at all times and at all
the places. The Indian theory of motivation is also based on ‘Giving’ or ‘Duty’ or ‘Obligation’ in comparison to Western theories which stresses on ‘Rights. The Indian plan of human development begins with the assumption that a man is born with debts and not for rights. Indian religion also focuses the idea of truth and integrity. The debts system and four ashram system are designed to ensure a steady inculcation of a mode of thinking, a process of living in which everything revolves around the discharge of graded duties. One, who has learned an art of managing self, becomes able to manage the organization and its people effectively and efficiently without feeling any kind of stress and strain in all kinds of circumstances.

Chapter IV also discusses Indian Sankhya philosophy and Guna theory in comparison to western transactional theory to describe the individual unethical behavior in the organizations in support of the first hypothesis. Ethics of individual depends on one’s own personal attitude and belief concerning what is right or wrong, good or bad. Individual differs in their perceptions, regarding ethical and unethical, behave differently and take decision in a different way. Indian philosophy gives more stress on internal factors responsible for individual behavior than situational factors. Selfishness is described as a major cause of all kind of dilemmas in the organizational and individual life. An effort is made to identify the common ethical issues and ethical dilemmas faced by managers and to identify the areas and environment where most ethical problems arise. These problems are discussed in detailed.

Individual can link himself to the cosmos through self-awareness, self-development and through his contribution to social welfare. An integrated human personality of self developed manager and worker can assure best and competent management of any enterprise. The refined and higher consciousness will adopt holistic attitude. It will bring out the divine in man and help in achieving excellence and perfection in all sectors of work. The holistic aspect of man & universe indicates that your “I” and the entire nature are closely interconnected, interdependent and the only law (Dharma) of life is
service to others. I am not a single and solitary individual but I am a part of the whole universe. And this universe is nothing but the manifestation of the Lord in different forms. “I cannot cheat you and Nature, without cheating myself”. All of us are interrelated with each other and every one of us has certain role to play, certain responsibilities to exercise towards society. As having close match with duties Indian ethical theories are applicable in all kinds of situation, places and times and hence universal in nature.

Karma yoga theory as an important part of Indian value oriented holistic management is complimentary to TQM, which incorporates many concepts of value, based holistic management. Chapter V analyses key elements of the Value based management system and total quality management system of a few select organizations in support of claim made by the second hypothesis the concepts and principles of Indian ethos are being applied to the various areas of management by the organizations.

The assumption that business and ethics are adversaries and their co-existence is impossible; no longer holds true; in today’s globally competitive corporate landscape. Business does have ethics and responsibilities towards the society. If the values and ethics are observed in individual life, the same will be naturally observed in business life too. Every society has its own culture, values and ethical norms, and business organizations as a member of society cannot escape from values, and ethics and it must define its business goals and clarify its responsibility towards the society at large to gain the status. Peter Drucker has also described business enterprise as society’s instrument for wealth and well-being. Business ethics matters because there is plenty of evidence that unethical behavior can cost a company its reputation and hard cash and reduce its stock price. It is argued that business exists because it satisfies the needs of society. If business at any time fails to live up to society’s expectations, it may extinct. As good citizen corporations have civic duties and responsibilities and they must discharge these voluntarily. Business has debts, which it owes to society as duty- of gratitude.
More over companies that are perceived as ethical are more likely to build trust among their shareholders, employees, customers and the wider community and this surely is good for business. A large number of companies today are choosing ethics over profits. Businesses are under pressure to define their standards and codes of practice for ethical behavior is the best long-term business strategy for a company- a view that has become increasingly accepted during the last few years. Ethical behavior creates the kind of good will and reputation that expands opportunity for profits. As a customer we are more likely to buy from a business that we know is honest and trust worthy, than to buy from one that has earned reputation for being dishonest and crooked. As an employee we are more likely to serve loyally a company, which is fair and respectful.

The social responsibility of business involves ethics, which is reflected in the philosophy, objectives, policies, and practices of organization. Corporate social responsibility is multidimensional. Many business organizations are voluntarily accepting it, prompted by their own growing social and moral consciousness. Such voluntary acceptance of social responsibility finds expressions in a number of corporate activities, which go much beyond that demanded by law. CSR is visible in form of social marketing, green marketing, employee welfare programs, community development programs, good governance, vision and mission statements of the organizations, corporate citizenship etc. Social marketing is one way of applying marketing socially beneficial ideas and causes to a particular group of people or community as a whole. Research results indicates that many organization are using marketing concepts and techniques to promote social ideas such as public health campaigns to reduce smoking, alcoholism, drug abuse, and immunization; environmental campaigns to promote wilderness protection, clean air, and energy conservation; and other campaigns such as family planning, human rights, and racial equality, higher literacy, fund raising etc. One form of social marketing is ecological marketing or Green marketing where a firm that is intended to create a positive impact or
to lessen the negative impact of a product on the environment and as a result capitalize on consumer’s concern for environmental issues. It encompasses everything from using recyclable material in making a product to claims on advertising or on package labels. Green marketing strategies include the development and production of products with biodegradable packages use of recycled material and design and marketing of products that are environmentally safe to produce and use and reduce air pollution.

Chapter VI discusses the various forms of CSR in detail and find support for the claim that **Business organizations are putting ethics into their business practices in various forms of ‘Corporate Social Responsibility’**. The major conclusion of the study is that organizations showed satisfactory results in support of this hypothesis and are found sensitive to ethical issues social and environmental. A better society would produce a better environment in which the business may aim at long-run profit maximization.

A firm protects the interests of the society through corporate governance, which advocates enhancing the accountability of the board of directors, chairman and chief executives to shareholders and a more transparent auditing. Social regulation of business is done in two ways. One is through the institution of regulatory bodies. The other is enactment of laws to punish those whose activities harm the society or which violate the commonly accepted moral norms of conduct. A large number of such laws have come into existence, dealing with things like, safeguarding the interests of labor, their working conditions, wages and employment practices; product quality and safety; economic offences and trade practices; environmental protection etc. The regulatory machinery setup for managing ethical performance is discussed in chapter VII. Though the framework for ethics is more comprehensive than being just legal, the regulatory bodies in India CII, DoC and SEBI are playing a significant role in improving the governance in corporations. In order to evaluate social responsiveness of the company social auditing (ethical auditing) and social reporting are elaborated in detail as powerful techniques in bringing
more transparent corporate governance. The more progressive companies are voluntarily accepting tougher accounting standards and more stringent disclosure norms than are mandated by law. They are also adapting more healthy governance practices. In India, companies like Tata Group, Infosys, Wipro, ONGC, NTPC, ITC, have overtime evolved sound system of governance, intertwining corporate governance with social responsibility. Business should discharge social responsibility for following reasons:

Business organizations implement special programs for social welfare to have a better community and to establish a better public image. Business should not forget that the power to utilize resources has been delegated to them by the society to generate more wealth for its betterment. The society will not tolerate their misdeeds in wasting away these resources and they must honor social obligations while exercising the delegated economic power. The research to date indicates that corporate social performance is generally positively associated with business performance reduces the riskiness of the firm, by raise the stock market valuation of company. It is recognized that prevention is better than cure. Business has vast pool of resources (man, talents, money, functional and professional expertise, etc.) and is in better position to deal with social problems and work for social goals.

Corporate social performance can also bind customer and employees more closely to the company. Corporate Ethicality can in fact be quite beneficial for staff moral. Surveys have indicated that ethical organization elicit high employee loyalty (Joyner and Payne, 2002). The perceived integrity of the leader is correlated with the level of motivation of the followers (Parry and Procter/Thomson, 2002). An effective management can convert the bonus from corporate ethicality, in terms of stronger staff bonding with the organization and stronger motivation, into higher productivity, better product quality, better and faster implementation of needed changes and innovations etc.
A considerable body of research suggests that participative management is associated with high productivity, job satisfaction and organizational effectiveness. Corporate democracy may confer substantial competitive advantage in securing high quality human resources in the emerging knowledge economy. In a hyper-competitive world if ethics, social responsibility, spirituality, stakeholder management, corporate democracy are properly managed they enhance the profitability of organizations. It has been recognized that long-term growth of businesses is not possible without generating sufficient social capital or goodwill. The quality of life of workers cannot be insulted from the quality of life of other people whom they provide or make quality products and services. Social capital is generated through corporate social responsibility.

In the face of globalization the biggest challenge is sustainability. Good business and sustainable development go hand in hand. Sustainability depends to a great extent on the enhancement of social capital. And ethics and values are the foundation of sustainability. Values need to be seen as a source of competitive advantage, as underpinning corporate reputation and reinforcing risk management, and as a part of business intangible asset of the business. A focus on traditional ethics will not only provide stability and consistency in the face of globalization but also enable organizations to command greater trust of become more successful. Their commitment to contribute to sustainable development holds the key to their long-term success. Businesses that do not invest in building trust will be rejected over time by the market investors, by customers and by employees.

The policies of the organization should incorporate ethics so that members could voluntarily accept it. As every company is selective, in what corporate social responsibility activities to engage in, it needs to identify projects, allocate resources and develop executions, monitoring and review mechanisms according. The ethical and unethical behavior of individuals in work organizations is greatly influenced by organization’s culture. Organizational
culture provides collective norms, standards of behavior and a value system that guides behavior. Organizational culture is created and maintained by a complex interplay of formal and informal organizational system. Changing and developing organizational ethics requires change in the components of culture that reinforce ethical and unethical behavior in the organization. I offer a few suggestions for more holistic developments to corporations, in this regard.

**Right leadership,** integrity, proficiency, and commitment to social values of a manager can change the expected behavior of individuals. Preference should be given to the courageous, knowledgeable, strong-willed man with a high emotional quotient while selecting and recruiting ministers and officials or board of directors. It becomes imperative to evolve a policy, which would attract better quality of persons – man and women of character and competence to public service and enable them to assume corporate responsibility and leadership roles at various levels. This is a stupendous responsibility and calls for education in the values and responsibility of good and responsive governance. The corporate leaders should be role models of value-based leadership. Such leadership results in employees giving the organization their loyalty and superior performance. Corporate leaders have now recognized that they cannot ensure long-term growth for their business without generating sufficient social capital or good will. It they do so, an enlarged social conscience can be emerged.

**Top management** commitment, leadership examples are crucial to corporate ethics/culture. This commitment is communicated in many ways such as speeches, directives, company publications, policy statements and most important actions. Top management should establish clear policies that encourage ethical behavior among the members of the organization. The Chief executives are required to establish a culture, which encourages responsible behavior enabling employees to release the creative potential. Management must also assume responsibility for disciplining wrong doers.
It is possible to humanize the environment within and outside the firm. Corporate leaders should listen to their inner voice and harmonize it with the public voices. Accountability to one’s self is enough if only the leaders of the corporations listen to their inner voice. It can deliver larger corporate social responsibility. The only way authenticity can be achieved is by harmonizing one’s inner & public voices. Breakthrough, in life occurs when cutting corners becomes impossible because of watchful inner eyes. Future leaders will perhaps have the courage to look inwards so that they can relate to the world outside creatively, and with compassion, collaboration, and healthy respect for dissent, diversity, and a more holistic development.

All the major business institutions of the society need to be democratized. **Democratization** means, robust system of grievances redressal, staff participation in management, a participative style of management decision making, and institutionalization of such ‘basic’ rights as the right to criticize management decisions without being victimized, the right to information about how well or ill the company is faring and about company’s strategies and plans, the right to form associations, the right to empowerment through training, carrier planning, and counseling, the right to appeal against ‘arbitrary’ decisions of superiors (such as concerning one’s promotions, transfer etc.) or ill treatment and victimization by them, the right to heard when a grievance arises, etc. Managerial rights and freedom are associated with perceived organizational excellence (Khandwalla, 1995; Levin & D’Andrae Tyson, 1990; Likent, 1961; Verma, 2002; Veswesar Vasan & Ones, 2002). Corporate democracy may confer substantial competitive advantage in securing high quality human resources in the emerging knowledge society.

**Institutionalizing ethics** in business is as vital as a function of management. In professional management paradigm top management needs to listen responsibly as much too all the stakeholders- vendors, customers, regulatory agencies, minority shareholders, the leaders of the local communities in which the company is operating, workers, white collar staff, junior and middle level
managers as to promoters and financial analysts. It also includes that marketing managers need to get as skilled in assessing and discharging corporate social responsibility as in developing and evaluating investment proposals. Institutionalizing a code of conduct requires that managers and other staff members are assessed on how they have performed vis-à-vis code of conduct and suitably rewarded and punished. It also requires change in the whole organizational culture by weaving ethics and values into the very fabric of the organization. Managers do have a responsibility to create an organizational environment that fosters ethical decision-making by institutionalizing ethics. This means applying and integrating ethical concept into daily action. This can be accomplished in three ways:

a. By establishing appropriate company policy or a code of ethics.

b. By using a formally appointed ethics committees.

c. By teaching ethics in management development programs. The most common way to institutionalize ethics is to establish a code of ethics.

The code is a statement of policies, principals of rules of business enterprises that guide behavior of persons in all organizations and in everyday life. For ethical codes to effective, provisions must be made for their enforcement.

Business Ethics are the foundation of the institution of business. Most of the Fortune 500 companies have adapted a code of conduct that spells out what is appropriate ethical behavior toward its staff, customers, etc.; of its staff member's vis-à-vis each other and the company, and vis-à-vis their dealing with the company’s stakeholders. Merely adopting a code of conduct may not lead to more ethical conduct. There is a need to institutionalize the code of conduct, which generally spells out ethicality of company in its dealings towards its stakeholders, and code of conduct should be accepted by the rank-and-file with practical, measurable consequences. For e.g. training programs can be designed participatively, for educating the staff in what the code of conduct implies.
Institutionalizing a code of conduct requires that the managers and other staff members are assessed on how they have performed vis-à-vis the code of conduct and suitably rewarded and punished. (Mc Donald, 2000).

The process of institutionalizing ethics acquires momentum and greater effectiveness of the impact of efforts being made is monitored, evaluated and audited. **Value auditing** identifies the problem areas in value performance of the organizations. As it monitors and evaluate at regular intervals the social, human and the ethical performance, it can be an effective tool for promoting ethics and human values in organizations. Joint efforts of corporate world and the management academics should be harnessed for developing the principles and the methodology of value audit and for the development of the trained experts to carry out value audit. The organizations structure authority and responsibility relationship and rewards system can be designed implemented and evaluated properly that influences the ethical and unethical behavior of its members through specific rewards and punishments. Periodical audits or stocktaking of utilization of the code of conduct can be conducted for suitable modifications. An effective way of managing social responsibility is also through developing the corporate social performance score board.(Wastick & Coharan,1985;Wood 1991)

It is possible to humanize the environment within and outside the firm. After all, a person spends much more time outside the company than in the company. Quality of life of workers cannot be insulated from the other people amidst whom they live and the quality of the products they make or the services they provide. Company should be concerned about **quality of life of its workers.** Companies are now required to take the responsibility to ensure at least minimum and human standards to its work force & are required to review the employment practices of its local & overseas factories, so that there is no child labor or Job discrimination. Such exemplary conduct of humanizing practices can perhaps spurs other actors in the society to follow suit. Ethical concern should be made necessary and routine part of decisions by prescribed decision-
making processes in the organization. Management should give training/orientation programs explaining their organization’s code of ethic. There is a need to establish an organizational culture, which enables each employee to obtain personal fulfillment for outstanding performance.

Companies should provide mechanism for ‘Whistle Blowing’ as a matter of policy. Any employee who becomes aware of unethical behavior should be encouraged to report the incident to his superior. This mechanism of Whistle blowing can be emplaced and implemented in such a manner in the organization so that the breaches of code of conduct can be swiftly observed, reported and punished. 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.

As we know that shareholders are not the only stakeholders of the companies, there are several others like vendors, distributors, financial institutions, local community leaders and regulatory agencies etc. Usually the top management of large companies frequently gets distanced from the concerns of these minority shareholders and other stakeholders. Their concern, queries and suggestions need to reach the ears of the top management, and equally the vision, plans, and expectations of the top management need to reach the stakeholders. **Stakeholders’ council** is an effective way of ensuring this (Freeman and Reed, 1983). An effective way of designing interaction with stakeholders is to setup a council for each type of stakeholder. Each council should have representatives of the relevant stakeholders and should meet with the management of company periodically for a productive interaction. An MIS, centered on periodic survey of stakeholders for their expectations from the company and their satisfaction level can usefully supplement stakeholders’ councils. For this purpose the key requirements are the identification of the key stakeholders, their needs, their expectations from the company, their strategic importance to the company, the
resources that the company needs to devote to each stakeholder type and the effective implementation of the program aimed at stakeholder satisfaction. Effective management of the interface with the stakeholders can significantly increase the competitive advantage of the organization. (Jones, 1995)

From illiteracy promotion to the creation of sustainable livelihood, there is a world of opportunities for Indian Corporations. (It is predicted that by 2026 there will be an acute water shortage because of wastage and also because we have indiscriminately polluted our surface and ground water. Corporations can take a lead in harvesting rainwater, recycle, and reuse these precious vital resources) Prevention is much more cost effective in reducing corruption than investigation and prosecution, etc. By preventing corruption the worst seen consequences could be avoided. There should be strong compliance of legal rules and regulations of government in a company otherwise all the anticorruption training programs will become futile. Industry & government to gather need to find solutions that will meaningfully address problems of the community. The government through its various regulatory bodies tries to protect the interests of various stakeholders. (Govt. & business have been viewed as adversaries in different camps and there is a need to move away from this mindset, that which has formed for years.)

The Corporate sector can make a significant and measurable contribution towards improving the lot of the less fortunate works in partnership with governments & NGO's. The corporate sector has financial and organizational muscle in partnership with governments and NGOs and concerned citizens. It can make a significant and measurable contribution towards improving the lots of less fortune. The civil society, comprising of various associations, NGOs and also NGI (Non Government Individuals) bridges the social aspirations of large majority in the unorganized sector and privileged access to resources enjoyed by organized sector and the state bodies.
Corporations should incorporate social capital in the analysis of corporate purpose and profits. They must see social sector as a source of innovations, creativity, values, and perspectives that can improve motivations and efficiency of corporate sector. Social capital or goodwill is generated through trust, reciprocity, and tolerance of third party actions. There should be a new social contract between social and corporate sector. Such a contract can contribute to India becoming a competitive, collaborative, compassionate and creative society. The ethical environment, equality, excellence and efficiency dimensions of enterprise can be converged.

Many social enterprises need managerial inputs to improve their efficiency. Corporations can offer services in managing accounts & marketing and provide design and developmental support to such ventures. There are numerous grass roots innovators, inventors, and traditional knowledge holders, but economically poor people in the society whose ideas and creativity have huge potential to be commercialized. Corporations can share the benefits equitably through licensing them and incubating them and help in commercializing them. They can build a contract with them for mutual advantage. e.g. - The Honey Bee Network has identified many. Large corporations often have huge infrastructure, including R&D facilities, which frequently many not be utilized optimally within the boundaries of the firm. The small-scale sector, on the other hand does not have R&D facilities to solve its technological problems. Joints product development or leasing out R&D facilities of concessional terms to small enterprises may spawn new partnerships between the large and the small sectors.

As Business corporations have capability to manage knowledge in a distributed manner, it should influence the choice of project assignment given to the students in technology institutions and provide mentoring and monitoring support so that the projects carried out by technical students can solve real life problems and academic institutions can also play more significant role in terms of social responsibility and accountability. By offering course in business
ethics in MBA programs also helps in creating conscientious managers with a morally responsible approach to business.

The value performance of an individual is much more dependent on what he or she is internally, and value education for managers can play an important role in cultivating, refining, and enriching internal human goodness. Short duration formal educational programs including case studies at regular intervals can be conducted in the organizations. Such programs, not only help in providing conceptual clarity, but also help managers to learn how to practice values in the professional life. The team members in the organizations workers & leaders both must be regularly exposed to spiritualization (satsang of spiritual leaders) seminars and workshops, meditation, introspection, common prayers etc. The organization should inculcate the spirit of ‘giving’ rather than ‘taking’ in the work life. The individual are encouraged to subdue their ego, overcome to some extent, selfishness, anger, jealousy, greediness, hatred, partiality, and such other un-divine elements.

Every effort must be made by the top management in the organization to inculcate values, Values related to the internal domain of business i.e. interacting with employees, customers, suppliers, creditors, public etc. Success of organizations depends on using spiritual education and practices, e.g. concentration, meditation, lectures of spiritual leaders, mind stilling, intuition etc. Efforts must be made by the top management in the organization to inculcate values among individuals working with the organization, as human values not only helps in self development, managing interpersonal interactions, and achieving excellent performance but also in shaping the internal and external domains of business and enhancing the reputation and goodwill of the organization.

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. The ideal of all Indian ethos ‘Atmano Mokshartham Jagat Hitay
Chapter 8: Conclusions & Suggestions

Cha’ (for gaining perfection in individual life as well as for the welfare of the world). Under holistic approach, management works for the development of individuals, and it does not exploit shareholders, employees, customers, society and Nature.

However hypotheses proposed had a significant fit with the data in this research work, there is a need for future research. As most of research work is based on secondary data, which has their own limitations, further analysis, is required to improve the quality of findings so that the research constraints can be freed. The research opens following questions –

1. How to measure the impact of individual and corporate ethicality on managerial performance?

2. How to institutionalize ethical code of conduct in business organization in order to bring desirable change in the organizational culture?

3. How to measure the degree of relationship between social and financial performance of business organizations?

4. What is the difference between the value system of private and public sector organizations?

5. What are the changes in Indian ethos and managerial thinking due to globalization and development of technology?

6. How to design the value education programs for managers, their contents and ways to implement successfully?