CHAPTER 2

REVIEW OF RELATED LITERATURE
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2.1.0.0 Introduction

This chapter contains the review of related literature. The purpose of the review is to gain an understanding of the existing literature on values-based leadership and business ethics in the context of the pharmaceutical industry in India. The review also covers the current status of ethical violations in the pharmaceutical industry in India as well as reviews literature on values-based leadership development.

Classification of Review of Related Literature

The review of related literature is based upon key aspects of the research related to values-based leadership, business ethics, values-based leadership development and values-based leadership in the pharmaceutical industry in India. Thus, the review of literature is classified as under:

2.1.1.0 Review of literature related to leadership and values

2.1.2.0 Review of literature related to business ethics

2.1.3.0. Review of literature related to leadership and business ethics

2.1.4.0 Review of literature related to values-based leadership

2.1.5.0 Review of literature related to values-based leadership development

2.1.6.0 Review of values based leadership institutes and programs globally and in India

2.1.7.0 Review of literature related to context of values based leadership and the pharmaceutical industry

At the end of each section, observations have been drawn about the conclusions from the literature review related to that section.
2.1.1.0 Review Of Literature Related To Leadership And Values

This section reviews the literature available on leadership and values.

Rokeach, Milton (1973), in ‘The Nature of Human Values’ defined a value as “an enduring belief” that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. Values are the essence of “who” people are as human beings. Values help individuals select their careers, their friends, their relationships, and, ultimately, the groups and organizations they lead. Values are defined as “one’s principles or standards; one’s judgment of what is valuable or important in life”.

Fairholm, Gilbert W. (2000), in the book ‘Perspectives on Leadership: From the Science of Management to Its Spiritual Heart’ while tracing the intellectual roots of business leadership over the last one hundred years, argues that until recently, spirit and soul have been absent from major leadership models. The study begins with scientific management and traces the evolution of leadership ideas through the quality movement, on to values based, culture based, and trust based leadership models, and concludes with an emphasis on spirit in the workplace. The author advocates that people are spiritual by nature and are longing for a spiritual foundation in life. The author suggests that the leader in the twenty-first century will need to embrace a leadership style based on the main premise of each model along with a focus on ethics, community, service, and spirituality.

Ciulla, Joanne B., (2004), in the working paper ‘What is good leadership?’ published by the Centre for Public Leadership, discusses that good leadership has to be assessed on two dimensions: morally good and technically good or effective. The problem however is that it is difficult to find both qualities in the same person. The article explores the meaning of morally good and concludes that the issue is not that leaders should be held to a higher moral standard, but that they should be held to the same standards as the rest of us. What we want and hope for are leaders who have a higher rate of success at living up to those standards than the average person. On the other hand, an effective leader is one who is able to bring about change, for better or worse. This creates a divide between the ethics of a leader and the ethics of what the leader
does. With various examples ranging from Machiavelli to Mahatma Gandhi, the author explores the classic problem of ends justifying immoral means. The author concludes that leadership requires a mixture of confidence and humility. Good leadership calls for people who are confident enough to ask for help, admit they are wrong, and invite debate and discussion.

**Barrett, Richard (2006)**, in the article ‘The Seven Levels of Leadership Consciousness’ discusses that values-based leaders can best be described by reference to the Seven Levels of Leadership Model depicted in figure 2.1 below. Each level of leadership corresponds to a level of consciousness that together address the entire individual and collective human needs.

![Figure 2.1 The Seven Levels Of Leadership Consciousness](source: Barrett R. (2006))

1. **Level 1** deals with issues regarding survival and safety. This is the level of the Crisis Director/Accountant. The values we see leaders displaying at this level of consciousness are profit, financial stability, and self-discipline and employee safety.
2. **Level 2** addresses issues regarding relationships and communication. This is the level of the Relationship Manager/Communicator. The values leaders’ exhibit are conflict resolution, employee recognition, customer satisfaction and open communication.

3. **Level 3** speaks to issues regarding performance and best practice. This is the level of the Manager/Organizer. Typical values at this level of consciousness are results orientation, efficiency, productivity and quality.

4. **Level 4** deals with issues regarding adaptability and employee participation in decision-making. This is the level of the Facilitator/Influencer. The values we see leaders displaying at this level of consciousness are courage, innovation, teamwork, and accountability.

5. **Level 5** involves shared values and shared vision. This is the level of the Integrator/Inspirer. The values displayed at this level of consciousness are enthusiasm, fairness, trust and integrity.

6. **Level 6** addresses issues regarding community involvement and strategic alliances. This is the level of the Mentor/Partner. The values shown at this level of consciousness are environmental stewardship, customer collaboration, employee fulfilment and mentoring.

7. **Level 7** deals with issues regarding ethics and social responsibility. This is the level of the Wisdom/Visionary. The values we see leaders displaying at this level of consciousness are compassion, forgiveness, humility, and ease with uncertainty.

Full-spectrum leaders display positive values at all seven levels of consciousness.

**Bennis, Warren (2007),** in the article ‘*The challenges of leadership in the modern world*’ reflects on the contemporary trends in leadership theory and its current status and the social context that has shaped leadership studies. The author believes that leadership affects the quality of our lives and good or bad leaders can determine whether our drugs are safe, and whether our courts protect the rights of minorities and the powerless and whether we live peacefully or in turbulent times. The author surmises that leadership is ultimately about “values” and every leader has an agenda, an aim, an intent to achieve that aim based on the foundation of his or her values. Values therefore are part of the very fabric of the phenomenon of leadership. The author also asserts that the 4 major
thrusts to world stability are a nuclear/biological catastrophe, a worldwide pandemic, tribalism, and the leadership of human institutions. Without exemplary leadership, solving the problems stemming from the first 3 threats will be impossible.

**Duggar, Jan Warren (2009),** in the paper ‘The role of integrity in individual and effective corporate leadership’ focuses on the issue of the integrity of the individual and its importance at the corporate level in creating a culture of integrity. Individuals with integrity are defined as ones that can be counted upon to do what is “right” and what is expected of them consistently. Such individuals are reliable and predictable in dealing with others and with issues, and defend what is fair, just, and acceptable. Thus at an individual level, integrity is about the character of the person and the trust and belief in this individual. At the corporate level, integrity is about leaders that have created a corporate culture of integrity that provides consistency, trust, and predictable results. Integrity is a prerequisite to personal success and for developing leadership skills. The author’s analysis of company performance shows that corporations with a culture of integrity tend to be leaders in their industries; they tend to outperform other firms and produce long-term financial performance. They are good firms to work for, to work with, and to own. Thus, this paper maintains that integrity, both in individuals as leaders and in the corporate culture, is necessary for long-term success and corporate sustainability.

**George, B., Sims, P., McLean, A., and Mayer, D., (2007),** in their article ‘Discovering Your Authentic Leadership’ emphasize the need for a new kind of leader for the 21st century – the authentic leader. The authors conducted a large leadership development study by interviewing 125 business leaders from different racial, religious, national, and socioeconomic backgrounds to understand how leaders become and remain authentic. Their interviews showed that you do not have to be born with any particular characteristics or traits to lead. You also do not have to be at the top of your organization. Anyone can learn to be an authentic leader.

Each leader’s leadership journey begins with an understanding of their life stories. Authentic leaders frame their stories in ways that allow them to see themselves not as passive observers but as individuals who learn from their experiences. These leaders
make time to examine and reflect on their experiences, and in doing so they grow as individuals and as leaders. Authentic leaders also work hard at developing self-awareness through persistent and often courageous self-exploration. Denial can be the greatest hurdle that leaders face in becoming self-aware, but authentic leaders ask for, and listen to, honest feedback. They also use formal and informal support networks to help them stay grounded and lead integrated lives. The authors argue that achieving business results over a sustained period of time is the ultimate mark of authentic leadership. It may be possible to drive short-term outcomes without being authentic, but authentic leadership is the only way to create long-term results.

Heifetz, R., Grashow, A., and Linsky, M., (2009), in their article ‘Leadership in a (Permanent) Crisis’ propose that leadership will require new skills tailored to an environment of urgency, high stakes, and uncertainty especially after the economic crisis the world is facing since 2008 is over. According to the authors, leaders will have to:

i. **Foster adaptation**: Help people develop the “next practices” that will enable the organization to thrive in a new world, even as they continue with the best practices necessary for current success.

ii. **Embrace disequilibrium**: Keep people in a state that creates enough discomfort to induce change but not so much that they fight, flee, or freeze.

iii. **Generate leadership**: Give people at all levels of the organization the opportunity to lead experiments that will help it adapt to changing times.

The authors also state that the work of leadership demands to manage the critical adaptive responses within and surrounding the business along with one’s own thinking and emotions. Leadership cannot be achieved by sacrificing to the cause. One firstly needs to be both optimistic and realistic to create a healthy tension that keeps optimism from turning into denial and realism from devolving into cynicism. Secondly leaders need to find sanctuaries to reflect on events and regain perspective. Thirdly, leaders need to reach out to confidants with whom debriefing of the workday can be discussed. Fourthly, they need to bring more of the emotional self to the workplace as displays of emotion can be an effective tool for change.
The authors conclude that leaders who practice “adaptive leadership” seize the opportunity of moments like the economic crisis to hit the organization’s reset button. They use the turbulence of the present to build on and bring closure to the past, thus changing key rules of the game, reshaping parts of the organization and redefining the work people do.

**Gentile, Mary (2010),** in the book, ‘*Giving Voice to Values: How to speak your mind when you know what’s right*,’ describes, “a theory of value actualization in which the act of voicing values becomes part of who we are.” Acknowledging that, “values conflicts are a normal part of organizational life,” Gentile provokes us to consider our personal style and create scripts for responding to values conflicts that play to our strengths. Challenging the assumptions about business ethics at companies and business schools, the author argues that often the issue isn’t distinguishing what is right or wrong, but knowing how to act on your values despite opposing pressure. Using the lens of identity, the author summarizes the giving voice to values technique as a powerful tool for changing “aspects of the workgroup or organizational identity, either by enabling the formation a new shared identity premised around consensus on that value or by creating a new culture premised upon a super ordinate norm for respectful and responsible free speech about values.”

**Low, P.K.C., (2011),** in the article ‘*Inner Leadership – What It Takes to Be a Leader?*’ discusses what makes a leader, and highlights the core values and highest principles of a leader, coming from within and extending out to reach and impact the leader’s followers. The author states that inner leadership comes from within, is anchored on values and experiences and is based on self-awareness, which helps personal transformation. The author states that values are the key beliefs and/or convictions of a person and drive and motivate us to achieve things we consider critical to us. The core values that leaders uphold supply them the ethical code when leading and makes a leader stands out from others. The paper also speaks of the 4 benefits of inner leadership, which include “being guided by purpose, being true to oneself, doing things passionately and being role models”.
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Dolan, Simon L., and Altman, Yochanan (2012), in their paper ‘Managing by Values: The Leadership Spirituality Connection’ propose a quadraxial values model: economic-pragmatic, ethical-social, emotional-developmental and spiritual. The authors argue that in today’s context, not only must any organization answer critical questions about its identity like “what business we are in”, but each employee in the organizational pyramid must also address deeper and more personal questions like “Who am I? What do I stand for? How does what I do fit into this picture of myself?” The extent, to which leaders are willing and able to obtain buy-in of these four axes values, is reflective of their leadership effectiveness. The four axial model presented by the authors, posits an inherent task for leadership: crafting, modelling and facilitating the four bundles of values, which are complementary but also conflicting, within their organization's culture.

Lichtenstein, Scott (2012), in the article ‘The Role of Values in Leadership: How Leaders Values Shape Value Creation’ focuses on the role of values in leadership and how this invisible force creates or stymies visible results. The author examines the impact of values on leaders and also explores the link between leaders’ values and value creation. Using two cases of leaders from Hewlett-Packard and 3M, the author illustrates how the dynamic between the values of a leader and organisational culture impact sustainable business performance.

Observations Related To Review Of Literature On Leadership And Values

The review of literature linked to leadership and values reveals that values are the essence of “who” people are as human beings and leadership is ultimately about “values. Good leadership will have to be assessed on two dimensions - morally good and technically effective. Value conflicts are a normal part of organizational life and leaders will need to assess their personal leadership styles and create scripts for responding to values conflicts. In order to respond to the complexity of the challenges posed by the environment of urgency, high stakes, and uncertainty, leaders will need to learn new skills to build organizations. Leaders in the modern era will need to achieve their intent for the organization with a strong focus on integrity, ethics, built on the foundation of values, all of which are necessary for long term success and corporate sustainability.
2.1.2.0. Review Of Literature Related To Business Ethics

This section reviews the literature on Business Ethics and ethical behavior.

Gellerman, Saul (1986), in the article ‘Why Good Managers make Bad Ethical Choices’ dwells on the key question “How can usually honest, intelligent, compassionate human beings act in ways that are callous, duplicitous, dishonest, and wrongheaded?” The author discusses many cases and concludes that unethical behavior is prevalent, and leaders’ decisions can ruin people's lives, destroy institutions, and give business as a whole a bad name. Gellerman has identified four rationalizations that lead to bad decisions. The author states that managers believe that:

- The action is not really unethical or immoral (“everyone does it”);
- The action is in the best interests of the company (growth, profits, maximizing shareholder value);
- The action is unlikely to be detected (possibly the worst assumption); and
- Because the action helps the company, the organization will condone and even defend such action.

Maxwell, John C. (2003), in the book ‘There's No Such Thing as "Business" Ethics: There's Only One Rule for Making Decisions' develops a primary thesis that there is no such thing as business ethics - there's only ethics. The author argues that it is important to understand that "ethics is never a business issue or a social issue or a political issue. It is a personal issue." Therefore, the author suggests that in business decisions, just as in our personal life, there is only one rule for making decisions: the Golden Rule. And since the Golden Rule begins with each person, each person needs to ask themselves the question "How would I like to be treated in this situation?"

According to him, while more people want to be ethical, they do not know how to make the transition. The author contends that when faced with an ethical dilemma (an undesirable or unpleasant choice relating to a moral principle or practice), people make unethical choices for one of three reasons:

- They do what's most convenient: giving themselves permission to cut corners.
They do what they must to win: many people think they must choose between being ethical and winning.

They rationalize their choices with relativism: deciding what is "right" at the moment, according to their circumstances.

Hence, the golden rule can help decision-making and can serve as an integrity guideline for decision making in any situation. Maxwell also argues that each individual’s answer to the golden rule is based on things all human beings have in common. Each human being:

- Wants to be valued.
- Wants to be appreciated.
- Wants to be trusted.
- Wants to be respected.
- Wants to be understood.
- Does not want others to take advantage.

The author recommends that it is important to adopt the Golden Rule as the basis for decision-making because:

- It is accepted by most people and can be used to create common ground with any reasonable person.
- It is easy to understand.
- It is a win-win philosophy.
- It is a compass when you need direction.

McNamara, Carter (n.d.) in the ‘Complete Guide to Ethics Management: An Ethics Toolkit for Managers’, states that business ethics covers two broad areas:

- **Managerial mischief**: includes “illegal, unethical, or questionable practices of individual managers or organizations, as well as the causes and remedies to eradicate them.” Business ethics is a matter of dealing with dilemmas that have no clear indication of what is right or wrong.
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➢ **Moral mazes:** The other broad area of business ethics is "moral mazes of management" and includes the numerous ethical problems that managers must deal with on a daily basis, such as potential conflicts of interest, wrongful use of resources, mismanagement of contracts and agreements, to name a few.

Seshadri D.V. R., Raghavan, A., and Hegde, S., (2007), in their work ‘Business Ethics: The Next Frontier for Globalizing Indian Companies’ argue that in view of the increasingly stringent legal and regulatory frameworks adopted by the western world especially the USA, Indian companies with global aspirations must create an ethically sound working environment within the organization and model ethical leadership at all levels. Research suggests that it makes good long-term business sense to be ethical.

For a company’s ethics policy to be successfully implemented, it is essential that:

➢ The code of ethics is clearly communicated to employees.
➢ Employees are formally trained in it.
➢ They are told how to deal with ethical challenges.
➢ The code is implemented strongly.
➢ The code is contemporary.
➢ The company leadership adheres to the highest ethical standards.

Going beyond the disciplinary legal-compliance approach and combining it with a value-based approach is what is required to implement a strong ethics programme in organizations. A value-based ethics programme is much more holistic in that it enables self-governance and responsible conduct by all employees of the organization, thereby bringing to life the organization’s guiding values.

Moreover, a value-based ethics initiative accentuates the personal commitment and credibility of leaders at all levels, putting them under intense spotlight and scrutiny by other employees of the organization. The responsible actions of leaders, their willingness to act on the values they espouse, and their continual demonstration of integrity, honesty, transparency, and consistency are keys to channel organizational in the ethical direction.
When the company’s leadership falters on ethical values, employees are likely to become sceptical and cynical about the relevance of ethics in their day-to-day functioning, resulting in the eventual abandonment of the ethics programme.

**Saee, John, (2008),** in a paper titled *‘Ethical paradigm shift for enterprises operating within global economy in the 3rd millennium’* postulates that in an increasingly globalized world, if modern businesses have to be sustainable, they need to be conducted in a socially and ethically responsible manner internationally. Global entrepreneurs and international organizations of today not only have an obligation to abide by sound ethical considerations, but also to preserve the ecological well-being of the planet, respect the host culture and discharge their social responsibility consistent with a socio-economic view. In this research article, an examination is made of ethical practices and propensities across nations that have considerable implications for modern organizations. Finally, the author proposes a new global ethical paradigm. The author suggests that there is a need for a comprehensive, cohesive, and universal code of conduct and a common ground of precepts upon which to base decisions, for entrepreneurs and organizations doing business internationally.

**Webley, Simon and Werner, Andrea (2008),** in their paper *“Corporate codes of ethics: Necessary but not sufficient”* state that there is a gap between the stated intention by companies to conduct their business in line with an ethics policy and their ability to ensure that this is happening as evident from the well publicized cases of ethical violations. The paper suggests that two basic reasons appear to be at the heart of the problem: ineffective ethics programmes and deficiencies in corporate culture.

The authors propose that in order to encourage high levels of ethical behavior, companies need to develop and conduct formal ethics programmes and ensure that they nurture an ethical culture on a continuing basis. The authors propose a plan for creating such a culture that includes:

- Agreement on explicit core values
- A relevant and ‘user friendly’ code of ethics
- Continuous training and ‘awareness raising’ programmes
- Means for employees to raise issues without fear of retaliation
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- Employee engagement (consultation and feedback)
- Consistent communication and exemplary from both top and other levels of management
- Regular surveys of stakeholder opinions
- Board level oversight and reporting

The authors suggest that unless there is explicit and sustained leadership from the chairman and the board, the apparent gap between policy and practice in many organizations is unlikely to be bridged. The paper concludes that successfully embedded corporate ethical values requires well-designed ethics policies, sustained ethical leadership and incorporation of ethics in organizational processes and strategy as part of an ethical culture at all levels of the organization.

Albuquerque, Daniel (2010), in the book ‘Business Ethics’, argues that business ethics is not a pure science but a professional practice. In this book the author provides an insight into the crucial role played by ethics in managerial decision-making and the impact of such decisions on organizations. The author states that the term business ethics is generally used to portray two different concepts. First, it describes the relationship of civil society to the business sector. Second, it involves the interaction of business entities with their main constituents: employees, customers, suppliers and shareholders, categorized as stakeholders.

The author begins with a broad classical overview of the meaning and scope of ethics, the development of ethical thought, and the applications of ethical standards to business areas such as corporate governance, marketing and brand management, advertising, and finance. The book also discusses issues of workplace ethics and consumer rights with a special focus on ethical choices related to the environment, cyber space, and criminal intimidation. The author suggests that the purpose of business ethics is to guide business practice and add to the shareholders value without compromising the interests of any stakeholder in and of society.
Observations Related To Review Of Literature On Business Ethics

The review of literature linked to business ethics indicates that unethical behavior is widely prevalent, and leaders’ decisions can ruin people's lives, destroy institutions, and give business a bad name. Business ethics plays a crucial role in managerial decision making in organizations.

The reality is that people make unethical choices either because it is convenient, or because they want to win or because they rationalize their choices with relativism. However, in business decisions, the Golden Rule is to answer the question: "How would I like to be treated in this situation?"

The review of literature makes a strong case for ethics to be taught in corporates, since ethical behavior depends not only on one’s moral compass but also on the ability to recognize the ethical dilemmas that are likely to arise in corporate jobs. Moreover, in view of the increasingly stringent legal and regulatory frameworks adopted by the western world, Indian companies with global aspirations must create an ethically sound working environment within the organization and model ethical leadership at all levels.

2.1.3.0. Review Of Literature Related To Leadership And Business Ethics

In this section, the researcher has reviewed literature related to leadership in conjunction with Business Ethics.

In ‘The Ethics of Leadership’ Ciulla, Joanne B., (2002), focuses on the ethical challenges that are distinctive to leaders and leadership. According to the author, ethics is the heart of leadership. Organized around themes such as power and the public and private morality of leaders, the book explores the ethical issues of leadership in a variety of contexts including, business, NGOs, and government. It integrates material on ethics and leadership from the great Eastern and Western philosophers with leadership literature and case studies.

Bandsuch, M., Pate, L., and Thies, J., (2008), in their paper ‘Rebuilding stakeholder trust in business: An examination of principle-centered leadership and organizational transparency in corporate governance’ postulate that the primary benefit and purpose
for cultivating principle-centered leadership and transparency in corporate governance is to rebuild the trust that business stakeholders lost during the corporate scandals. The authors argue that “Trust is an invaluable asset that impacts and sustains not only an individual business (formally recognized as “goodwill” in some financial statements), but also arguably the entire free market system”.

The authors propose that since stakeholders require an increased level of confidence in business to counteract their post scandal suspicions of business, transparency, principle-centered leadership and corporate governance should improve business relationships with external stakeholders.

**Fluker, Walter E., (2009)** in ‘Ethical Leadership: The Quest for Character, Civility, and Community’ argues that ethical leaders are “spiritually disciplined, morally anchored, and socially engaged.” Fluker describes the barriers to ethical leadership as “self destructive, poor decision-making, diminished life skills, arrested development in emotional intelligence, faulty communication skills, severe limitations in conduct, and the absence of trust, duty, and responsibility to others and the universe;” these the author says “are all signs of a ruptured ethical center.” Fluker goes on to say that ethical leadership “has to be put into practice to be mastered.”

**Freeman, Edward R. and Stewart, Lisa (2006),** in their article ‘Developing Ethical Leadership’ based on their research over two decades and their experiences therein, create a framework for developing ethical leadership. While the common understanding is that ‘ethical leadership is simply a matter of leaders having good character and strong values’ the authors propose that the reality of ethical leadership is far more complex. Contrary to the commonly held nothing that business executives are greedy and highly competitive, the authors suggest that in their experience, most executives want to be effective in their jobs and to leave their companies and the world a better place, creating value for those whose lives they affect.

The paper goes on to discuss that ethical leaders should be able to:

- Articulate and embody the purpose and values of the organization.
- Focus on organizational success rather than on personal ego.
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- Find the best people and develop them.
- Create a living conversation about ethics, values and the creation of value for stakeholders.
- Create mechanisms of dissent.
- Take a charitable understanding of others’ values.
- Make tough calls while being imaginative.
- Know the limits of the values and ethical principles they live.
- Frame actions in ethical terms.
- Connect the basic value proposition to stakeholder support and societal legitimacy.

The authors argue that ethical leaders must consider and take responsibility for the effects of their actions on customers, suppliers, employees, communities and other stakeholders. They also propose that companies should strengthen their leadership development programs by adding the idea of “ethical leadership.” It is important to engage participants in a conversation about what they see as “ethical leadership.”

Trevino, Linda K. and Nelson, Katherine A., (2006) in their book ‘Managing Business Ethics: Straight Talk About How To Do It Right’ discuss how one can develop values based leaders by training them on ethical decision-making processes which involve three basic steps:

- Moral awareness (recognizing the existence of an ethical dilemma),
- Moral judgment (deciding what’s right), and
- Ethical behavior (taking action to do the right thing).

They also advocate that ethics needs to be taught in corporates, since ethical behavior depends not only on one’s moral compass but also on the ability to recognize the ethical dilemmas that are likely to arise in corporate jobs; the rules, laws, and norms that apply in that context; reasoning strategies that can be used to arrive at the best ethical decision; and an understanding of the complexities of organizational life that can conflict with one’s desire to do the right thing.
Hester, Joseph and Killian, R. Don (2010), in their article ‘The Moral Foundations of Ethical Leadership’ state that principled leadership does not require discarding past practices. The authors propose a new metaphor - moral human ecology- for grasping the importance of ethical leadership in a world beset with a diversity of values. The authors use the metaphor “ecology” with reference to the development of a moral balance within human organizations - be they families, churches, businesses, governments or schools. This metaphor while being complex is also rich like human relationships and entails dialogic civility- an active dialogue with others about the values we share. They believe that dialogic civility provides a foundation from which purposeful ethical leadership can be strengthened.

The authors emphasize the importance of using what is good about the past, excising self-interest, and injecting passion into contemporary, values-based leadership. In this article the authors examines values, morals, and civility for building a foundation for ethical leadership in a diverse and changing business/organization environment.

O’Toole, James and Mayer, Don (2010) in a collection of essays ‘Good Business: Exercising Effective and Ethical Leadership’ the editors address the increasingly important topics of corporate ethics, social responsibility, and sustainability in the context of effective global business strategies. Instead of condemning business, or exhorting corporate leaders to "do good," the authors of the various essays deal with the "hot button" issues of our time in rational manner, seeing them as opportunities rather than as problems. The authors illustrate that is not necessary for business leaders to trade-off between doing the right thing and the profitable thing. They demonstrate that ethics and good citizenship are at the heart of all good business strategies, decisions and organizational cultures and that ethics is not peripheral, rather it is central to the concerns of business.

Waggoner, Jessica (2010), in the paper ‘Ethics and Leadership: How Personal Ethics Produce Effective Leaders’ analyzes the importance of personal ethics in leadership and how ethics produce effective leaders. This paper traces the path of how personal ethics are built from virtues, morals, values, and principles. The importance of understanding ethics, motivation to act as a role model and developing a plan of action for an
organization are discussed in the context of good leadership. The author suggests that personal ethics positively affect leadership. Consciously addressing individual ethics will establish good leadership, which will produce more ethical organizations and eventually instil the social responsibility missing in today’s culture.

Hannah, Sean T, Avolio, Bruce J, and Walumbwa, Fred O. (2011), in their paper titled ‘Relationships between Authentic Leadership, Moral Courage, and Ethical and Pro-Social behaviours’ argue that organizations constitute morally complex environments, requiring organization members to possess levels of moral courage sufficient to promote their ethical action, while refraining from unethical actions when faced with temptations or pressures. The authors researched the concept of the antecedents and consequences of moral courage using a sample drawn from a military context. Their results demonstrated that authentic leadership was positively related to followers’ displays of moral courage. They found that moral courage is positively related to the extent to which followers behave ethically and restrain from unethical acts and demonstrate positive social acts carried out to produce the well-being and integrity of others in the organization - pro-social. Moreover, to promote moral courage, it is important that leaders demonstrate moral perspective, self-awareness, and establish transparency and openness with their followers - authentic leadership. Finally, these findings suggest that moral courage is an important intervening mechanism linking authentic leadership to followers' pro-social and ethical behaviors.

Schaubroeck, J. M., Hannah, S. T., Avolio B. J., Kozlowski S. W., Lord Robert G., Treviño L. K., Dimotakis N., and Peng A. C., (2011), in their extensive research work ‘Embedding Ethical Leadership Within And Across Organization Levels’ collected data from 2,572 U.S. Army soldiers representing three organizational levels deployed in combat. The authors developed and tested a model linking ethical leadership with unit ethical culture, both across and within organizational levels, examining how both leadership and culture relate to ethical cognitions of lower-level followers. Their findings provide limited support for simple trickle-down mechanisms of ethical leadership but broader support for a multilevel model that takes into account how leaders embed shared understanding through their influence on the ethical culture of units at various levels, which in turn influences followers’ ethical cognitions. The influences of
ethical leadership occur not only directly, among immediate followers within a unit, but also indirectly, across hierarchical levels, through the cascading of ethical culture and senior leaders' influences on subordinate leaders.

Alexander, John M., and Buckingham, Jane (2011), in their paper titled “Common Good Leadership In Business Management: An Ethical Model From The Indian Tradition” draw on ancient leadership tradition to develop a common good approach, which asserts the necessity of creating ‘tangible’ and ‘intangible’ assets of benefit not only to economic leadership but to the broader society.

The authors argue that the leadership thinking of Kautilya and Ashoka embodies this principle as manifested in Kautilya’s Arthasastra which is a training manual in leadership and Ashoka’s Edicts which represent the efforts of a king to apply moral leadership in the fourth century BC Mauryan Empire. Both Kautilya and Ashoka insist that the king’s prosperity and power is dependent on the welfare of his people. Only an ethical leadership, committed to the common good of the people within and even beyond the empire, can achieve security for the king.

The authors of the paper define “common good” as ‘tangible’ and ‘intangible’ assets shared by the individual and community, the possession of which benefits everyone in society. The authors argue that the complex process of re-orienting corporate priorities towards the common good requires alertness and concerted effort if both business and society are to truly benefit.

The authors investigate the connection between economic development and the role of business communities in contributing to the common good. They also point out that ongoing education and training is necessary for a leader to identify and promote the common good and that such knowledge is essential to building future business prosperity. The Kautilya–Ashoka approach proposes three key insights into the contemporary formulation of a common good business ethics. First, ethical leadership at all levels of society is essential if wealth creation is to be sustainable and of genuine social benefit. Second, to be truly effective, leaders must be alert to the opportunity to implement common good approaches in all aspects of corporate decision-making and inspire others to do the same. Third, common good leadership ability requires a
combination of innate and learned qualities and is best nurtured by on-going moral leadership education, based in reflection upon lived experience and action committed to social benefit.

Shao, P., Resick, C. J., and Schaubroeck, J.M., (2011), in their research study titled ‘Ethical leadership and motivation: examining promotion and prevention regulatory foci’ highlight the role of ethics-based leadership in arousing ethics related motivation in their employees and establishing the tone for moral conduct in the workplace. Brown and colleagues (2005) defined ethical leadership as the “demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”.

The authors propose the construct of ethical regulatory focus to study ethics-related motivation, and examine its relationships with ethics-based leadership and ethical/unethical conduct. The fact that leadership is an important contextual factor that shapes employees’ ethical conduct in the workplace (e.g., Grojean, Resick, Dickson, & Smith, 2004) and the growing body of research demonstrating the positive impact of ethical leadership on employee behavior and beliefs (e.g., Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Walumbwa & Schaubroeck, 2009) has been proved by various researchers. The authors have researched the psychological mechanisms through which ethical leaders motivate the engagement in ethical conduct or avoidance of unethical conduct. The authors propose that ethical leadership (EL) induces an ethical prevention focus and an ethical promotion focus in employees, and that charismatic ethical leadership (CEL) moderates the relationship between ethical leadership and employee ethical promotion focus. They believe that ethical prevention focus motivates the avoidance of unethical conduct, whereas ethical promotion focus motivates ethical conduct.

The findings show that training programs and codes of conduct are likely to impact both ethical promotion and prevent focus mind-sets. Selecting and developing ethics-driven leaders will provide roles models of appropriate conduct who establish clear ethical expectations and hold themselves and others accountable and these individuals are
likely to have a substantial impact on levels of ethical and unethical behavior by impacting how employees regulate the promotion and prevention of ethics-related behavior.

Mayer, D. M., Aquino, K., Greenbaum, R. I., and Kuenzi, M., (2012), in their research paper “Who Displays Ethical Leadership, And Why Does It Matter? An Examination Of Antecedents And Consequences Of Ethical Leadership” attempt to answer the question “What effect does leadership have on the behavior of followers? Scholars have considered two follower behaviors that are influenced by leadership are ethical behavior and interpersonal conflict, both of which have been linked directly to bottom-line performance. The authors examine whether a new leadership construct, ethical leadership may be explain unethical behavior and interpersonal conflict in work units.

Since organizations are interested in decreasing the unethical behavior and relationship conflict, the present research suggests that leaders can play a pivotal role in reducing such negative outcomes. Leaders set the ethical tone of an organization and are instrumental in encouraging ethical behavior and reducing interpersonal conflict from their subordinates. However, more importantly, the authors suggest that not only do leaders have to be moral individuals, but also have to go one step further and actively model ethical behaviors and use reward and punishment systems to influence followers’ behaviors. Thus, companies that can hire and/or train ethical leaders are more likely to create ethical and interpersonally harmonious work environments.

Rowe, W. G., and Guerrero, Laura (2012), in their book ‘Cases in Leadership – the Ivey Casebook series (2012)’, have compiled a unique collection of 32 real-world leadership cases with 16 practitioner readings which help one gain a better understanding of leadership. In the chapter Ethical Leadership, the authors present five principles that lead to the development of ethical leadership. These are respect for others, service to others, justice for others, honesty toward others, and building community with others. The authors postulate that it is easier to become an ethical leader if one integrates the following questions into one’s thinking:

- Is this the right and fair thing to do?
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- Is this what a good person would do?
- Am I respectful to others?
- Do I treat others generously?
- Am I honest toward others?
- Am I serving the community?

They state that ethical leaders must be concerned with more than running their businesses. They must be concerned with their employees, their customers, their suppliers, their communities, their shareholders, and themselves. They believe that while leadership is influencing people to achieve communal goals, ethical leadership is achieving those goals in a way that is fair and just to one’s employees, customers, suppliers, communities, shareholders, and to oneself.

Observations Related To Review Of Literature Related To Leadership And Business Ethics

The review of literature related to leadership and business ethics suggests that ‘ethics is at the heart of leadership’. Thus, personal ethics positively affects leadership. If organizations consciously address individual ethics, this will establish good leadership, which will produce more ethical organizations.

Leadership is an important factor that shapes employees’ ethical conduct in the workplace and the growing body of research demonstrates the positive impact of ethical leadership on employee behavior and beliefs. In order to encourage ethical behavior, companies need to develop and conduct formal ethics programmes and nurture an ethical culture on an on-going basis.

The challenge for ethical leadership is the “intersection” between one’s internal and external worlds, where only an intact ethical center will enable ethical action. Ethical leadership “has to be put into practice to be mastered”. While, most executives want to be effective in their jobs and to leave their companies and the world a better place, they must learn to consider and take responsibility for the effects of their actions on customers, suppliers, employees, communities and other stakeholders.
Organizations on the other hand must also work to strengthen their leadership development programs by adding the idea of “ethical leadership”. Training and on-going formation is key to identifying and promoting the common good and ethical behavior.

2.1.4.0. Review Of Literature Related To Values-Based Leadership

The following section reviews the aspects of values based leadership and the literature related to it.

Collins, Jim (2001), in the article ‘Level 5 Leadership – The Triumph of Humility and Fierce Resolve’ published in the Harvard Business Review counters the generally held view that in order to transform a company from good to great the chief executive must have an extreme personality, in other words be ‘egocentric’.

Leadership expert Collins states that the essential ingredient for taking a company to greatness is having a "Level 5" leader, an executive in whom extreme personal humility blends paradoxically with intense professional will. In this article, Collins paints a compelling portrait of the skills and personality traits necessary for effective leadership depicted in Figure 2.2.

The author defines the 5 levels of leadership, where level 5 is the highest level as follows:

- Level 1: Highly capable individual
- Level 2: Contributing team member
- Level 3: Competent manager
- Level 4: Effective leader
- Level 5: Executive who builds enduring greatness through a paradoxical combination of personal humility and enduring will.
The author identifies the characteristics common to Level 5 leaders: humility, will, ferocious resolve, and the tendency to give credit to others while assigning blame to themselves. Collins fleshes out his Level 5 theory by telling powerful stories about 11 such leaders from recent business history. Using the findings from his research, Collins suggests that organizations can strive for Level 5 by getting the right people on board and creating a culture of discipline.

**Rue Bob (2001)** in the article ‘Values-Based Leadership: Determining Our Personal Values’ discusses that values are the essence of who we are as human beings. The author reiterates that our values get us out of bed every morning, help us select the work we do, the company we keep, the relationships we build, and, ultimately, the groups and
organizations we lead. Our values influence every decision and move we make, even to the point of how we choose to make our decisions. The author also distinguishes between values and qualities. According to him, values are who you are, while qualities are what you do in order to honour your values. For example, one is honest (quality) because one’s values personal integrity; one engages with people (quality) because one values their diverse viewpoints. For leaders, understanding their personal values gives them a great range of choices to make in shaping their organizational culture. The author points out that leaders, who exercise their personal values, set a clear example and have an internal guiding beacon when they have to make tough choices.

**Bethel Sheila Murray (2003)** in her article ‘Values Based Leadership Essentials for the 21st Century’ defines the 12 essential qualities that a leader should possess in order to survive in the 21st Century. The author states that values based leadership has two parts. First is the desire to serve, to be a servant-leader. Second is the understanding that we lead first by example. Everything we say or do sends a message, sets a tone, or teaches people what to do or not to do.

The twelve essential qualities for serving more effectively and setting powerful examples that motivate and inspire others are:

1. Have a mission that matters.
2. Be a big thinker.
3. Be ethical.
4. Be a change-master.
5. Be sensitive.
7. Be a decision maker.
8. Use power wisely.
9. Be a communicator.
10. Be a team builder.
11. Be courageous.
12. Be committed.
Garg, Garima and Krishnan, R. Venkat (2003), in their article ‘*Transformational Leadership and Organizational Structure: The Role of Value-Based Leadership*’ discuss their study on the role of values-based leadership in the relationship between organizational structure and transformational leadership. Considering that in the modern day scenario, leadership is taking wider and newer dimensions than ever before, leadership is no longer the privilege of the anointed few. In their study on a sample of 100 employees of a leading software-consulting firm in India, they concluded that in the digital world, everyone is a leader, charged with creating an environment for collective gain and success, and the mark of a leader would be to create other leaders within the organization - disciples, of a sort, who are empowered to act. This is the essence of transformational leadership.

In the context of the rapid changes in the environment, the importance of values-based leadership has only increased. True leadership cannot exist if it is not values-based and ethical in character. Thus, organizations must understand that the effectiveness of transformational leadership exists only so long as it is also values-based.

Preziosi, Robert (2004), in the article ‘*Value-Based Leadership for the 21st Century*’ focuses on what a leader needs to believe and do in order to promote the high performance required to succeed in the 21st century. The author deliberates on the point that leader values are guiding principles that determine how leaders behave and these in turn motivate and guide follower behavior. According to the author, there are twenty attitudes and behaviors that leaders need to demonstrate. The end result is the high performance required for an organization to achieve competitive advantage and future success.

Dean, W. Katherine (2008), in her article ‘*Values-Based Leadership: How Our Personal Values Impact the Workplace*’ states that individual’s personal values ostensibly impacts others and influences their actions and that values-based leaders can benefit greatly by exercising their values to develop a vision and to inspire others.

The author argues that being aware of one’s own values becomes critical in sound decision making and being able to identify an employer’s corporate values will assist in determining an employee’s job performance and allegiance. The author points out the
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connection between the manner in which we conduct business and the principles to which we personally ascribe to show that we are inextricably impacted by our respective familial upbringings, social environments and academic influences.

The author defines values based leadership as ‘leading by example, which is, doing the right thing for the right reasons and not compromising core principles’. Using personal examples, the author demonstrates how, in a changing world, values are absolute, non-negotiable and unchanging. The author concludes that values are the fundamental underpinnings which shape our capacity to lead.

Graber, R. David and Kilpatrick, Osborne Anne (2008), in their article ‘Establishing Values-Based Leadership and value systems in healthcare organizations’ states that possessing strong or inspiring values is increasingly considered to be a key quality of successful leaders. The article describes theoretical literature on organizational values. The authors also discuss the cultural and religious influences on Americans and how they may influence expectations from healthcare providers. Organizational cultures, training and socialization of the numerous professional groups in healthcare contribute to other challenges confronting healthcare managers - competing or conflicting values within a unit or the entire organization. Often organizations fail to reward members who uphold or enact the organization’s values, which could lead to lack of motivation and commitment towards the organization. The authors conclude by giving four key elements of values based leadership for healthcare managers who want to develop as values-based leaders.

- Recognize your personal and professional values
- Determine what you expect from the larger organization and what you can implement within your sphere of influence
- Understand and incorporate the values of internal stakeholders
- Commit to values-based leadership.

Millick, Charles A. (2009), in the article ‘Values-Based Leadership and Happiness-Enlightened Leadership Improves the Return on People’ discusses how enlightened leaders regard the human element as an integral part of the organization’s future success.
by understanding the challenges employees face. This paper also discusses how values-based enlightened leadership — understanding the challenges faced and using the proper tools — can lead the organization to become a flourishing (happy) enterprise with a strong return on people and finances. The article also focuses on the keys to success in a corporation, which are:

i. Values based leadership
ii. Employees as Stakeholders
iii. Positive Psychology
iv. Employee Motivation – Needs, Levers and Actions
v. Balanced Scorecard
vi. Leadership Centered Culture.

The article concludes that values-based leaders must understand that in order to develop and maintain continuously flourishing, high-performance enterprises and workplaces, they must enable employees to use their full potential, be engaged and dedicated, and ultimately flourish to achieve happiness.

Viinamäki, Olli-Pekka (2009), in the article ‘Intra-Organizational Challenges Of Values-Based Leadership’ elaborates the challenges in leadership of large organizations, especially in the context of the current emphasis on values and ethics in leadership. It is proposed that if challenges were not identified, it would lead to unintended consequences, such as insignificant value-statements, inappropriate use of values and illegitimate leadership practices. The discussion deals with intra-organizational leadership challenges, namely changes in organizational structures and authority, participation, communication, image and perceptions, and integration of values.

The author also states that it is important to analyze challenges that are often faced in regards to values-based leadership. The potential challenges faced by Values-Based Leaders in large organizations can be listed as follows:

- Traditional power is becoming powerless in flat and professional organizations
- Participation of stakeholders is suggested to be intensive and extensive
- New forms of control and feedback are needed
Communication of values should be clear and straightforward
Leadership stands for fostering good image and perceptions
Integration of values and actions are vital for organizations and development.

Kraemer, Harry (2011), in the book ‘From Values to Action: The Four Principles of Values-Based Leadership’ describes leadership as a “journey with many twists and turns providing many interesting learning opportunities.” The author argues that today's business environment demands values-based leaders who, in "doing the right thing," deliver outstanding and lasting results. The journey to becoming a values-based leader starts with self-reflection which is the first of four principles that guide leaders to make choices that are aligned with their values. The author asks, "If you are not self-reflective, how can you know yourself? If you do not know yourself, how can you lead yourself? If you cannot lead yourself, how can you lead others?"

In summary the four essential principles are:

- **Self-Reflection**: The ability to reflect and identify what you stand for, what your values are, and what matters most.
- **Balance**: The ability to see situations from multiple perspectives, including differing viewpoints, to gain a holistic understanding.
- **True Self-Confidence**: More than mastery of certain skills, true self-confidence enables you to accept yourself as you are, recognizing your strengths and your weaknesses, and focusing on continuous improvement.
- **Genuine Humility**: The ability never to forget who you are, to appreciate the value of each person in the organization, and to treat everyone respectfully.

Johnson, Homer H., (2012), in the book ‘Becoming a Values-Based Leader’ attempts to answer fundamental questions like ‘What is Values-Based Leadership? How does one become a Values-Based Leader?’ It is widely recognized that effective leaders from Martin Luther King through political leaders and corporate executives, have clearly defined the values that drive their decision-making and their life. This book addresses the definition of Values-Based Leadership, and proposes a method for developing
Values-Based Leaders. The author explains how values-based leadership leads to effective groups, families and organizations and provides a process to help discover one’s life values and leadership values.

The key principles that underline a values-based approach are:

- Values are the foundation of leadership.
- People who have a strong personal values base will make an important contribution to the world around them.
- Since values and leadership emerge from within an individual understanding self is key.
- Values-based leadership is both processes and outcomes.
- Organizations do espouse values, which reflect in their policies and procedures. Organizations that have strong values are more likely to be successful in the long run.
- Values based leaders influence their surroundings by the standards they set, the behaviors they exhibit and the philosophy they espouse.
- When personal values and organizational values are in sync, people are the most motivated and fulfilled.

Viinamäki, Olli-Pekka (2012) in the article ‘Why Leaders Fail in Introducing Values-Based Leadership? An Elaboration of Feasible Steps, Challenges, and Suggestions for Practitioners’ postulates that value based leadership competence can be tested in practice, based on how well leaders are able to use values and ethics in leadership. In the background of the current debate on the strong emphasis on values and ethics in organizations, the author elaborates on the benefits and challenges in the integration of values into leadership actions, most notably in regards to appraisals of Values-Based Leadership. The article contributes to a more specified understanding of the interrelation of stages in the Values-Based Leadership and the pitfalls in each step. A key argument is that if the critical issues and challenges in the introduction of Values-Based Leadership are not identified, this would lead to unintended consequences in organizations, such as insignificant value-statements, inappropriate use of values, and illegitimate leadership practice. Contrary to many developmental suggestions of more virtuous and ethical or
values-based leadership qualities, this article proposes leadership actions for leaders to undertake an effective, sound, and sustainable values-based leadership practices.

Observations Related To Review Of Literature On Values Based Leadership

The review of related literature related to values based leadership reveals that in the context of the rapid changes in the business environment, values-based leadership has assumed great importance. True leadership cannot exist if it is not values-based and ethical in character. Values are the fundamental underpinnings that shape the capacity to lead.

Values based leadership can be defined as leading by example, doing the right thing for the right reasons and not compromising core principles. Values based leadership has two parts: the desire to be a servant-leader and the understanding that we lead first by example. The journey to becoming a values-based leader starts with self-reflection. The four aspects of becoming a values based leader include Self-Reflection, Balance, True Self-Confidence and Genuine Humility.

Effective values based leaders demonstrate the following key principles:

- Values are the foundation of leadership.
- People who have a strong personal values base will make an important contribution to the world around them.
- Understanding self is key.
- Values-based leadership is both processes and outcomes.
- Organizations do espouse values, which reflect in their policies and procedures.
- Organizations that have strong values are more likely to be successful in the long run.
- Values based leaders influence their surroundings by the standards they set, the behaviors they exhibit and the philosophy they espouse.
- When personal values and organizational values are in sync, people are the most motivated and fulfilled.
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It is important to analyze challenges that are often faced in regards to values-based leadership. If challenges are not identified, it would lead to unintended consequences, such as insignificant value statements, inappropriate use of values and illegitimate leadership practices.

Today’s business environment demands values-based leaders who, in "doing the right thing," deliver outstanding and lasting results. Values based leadership leads to building effective groups, families and organizations, and provides a process to help discover one’s life values and leadership values.

2.1.5.0. Review Of Literature Related To Values-Based Leadership Development

Values-based Leadership Development is an important part of ensuring values based leadership in corporates. In this section, the researcher has reviewed the literature related to values based leadership development.

**Sandmann, R. Lorilee and Vandenberg, Lela (1995),** in their article ‘A Framework for 21st Century Leadership’ summarize the definition, driving forces, values, and principles of the framework. Leadership development for the 21st century requires a change in personal practice, conceptual thinking, and organizational application. From the point of view of this framework, leadership development shifts from individual-centered to collective centered; from packaged curriculum to an evolving, customized educational process focused on building relationships; and from discrete leadership development programs to leadership development embedded in concrete issues identified by the participants in the process.

**Smith, Peter A.C. (2000),** in the paper ‘Developing the Adult Leader’ has set out leadership fundamentals that are necessary for an organization to be successful in current and future business environments. The author discusses the critical aspects of leadership development including the impact of business contexts on leaders, the relationship between managing and leading, the role of the leader and the skills that exemplary leaders might employ as they attempt to successfully discharge this role. The author also states that if organisations have to grow, they have to develop leadership at all levels.
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The author postulates that ‘adult leaders‘ need to collaborate in strategy formulation, co-develop plans to support business strategy implementation, lead individuals and teams in implementing plans and ensure continuous improvement. Based on his experience in leadership development, the author outlines the important skills that leaders need to develop in order to lead organisations into the future. His list of skills includes:

- The ability to identify and implement current organizational strategies whilst designing the future.
- The ability to get things done within the organization's cultural and political norms through organizational "savvy".
- The ability to make decisions and act in today's shorter and shorter business time frames.
- The courage to contribute to organizational learning by confronting old patterns and spearheading new ones.
- The thinking skill to differentiate puzzles (having an answer) from labyrinthine problems (having many answers), identify the critical problems, ask the right questions and forge innovative solutions.
- The values to act ethically and with courage in conditions of ambiguity, complexity and risk.
- The ability to humanize the organization and strengthen "heart" by setting high values and modelling them.

Bisoux, Tricia (2005), in her article “What Makes Leaders Great?” dwells on the problem that educators face in developing leadership skill sets in students. The author states that leadership can only be discovered. Considering the leadership void that exists today, perhaps leadership is the hardest “soft” skill for business schools and students to tackle. The author emphasizes that educators must help students discover and adopt the 10 essential behaviors that all leaders share which include:

1. **Self-awareness**: Asking oneself two important questions ‘Who am I at this moment? What do I want? Do I really want to lead? Am I willing to make the sacrifices leaders must make?’
ii. **Personal conviction:** Leadership stems not just from who people are, but from what they believe. The need is to develop principled leaders who know, and follow, their own convictions.

iii. **Courage:** Leaders must have the courage to act on their beliefs no matter what the circumstance. The key questions which need answering are, ‘Do I have the courage to lead this charge despite resistance? Do I have the courage to have my beliefs questioned?’

iv. **Creativity:** Leaders must develop their creativity to lead effectively by developing innovative solutions. In any situation they must ask themselves: ‘Here I am. What do I do now?’

v. **Curiosity:** Leadership requires regularly thinking of the questions that affect the world we live in. Those questions can create the opportunity to make a difference in the world and create something that is fundamentally better than what is already there.

vi. **Ability to inspire:** Students need to find, explore, and activate their own abilities to inspire and earn the trust of others.

vii. **Ability to listen:** Great leaders often do their best when they stop communicating and start listening.

viii. **Ability to innovate:** Leaders need to know not just how to lead, but how to drive change in an organization and convince an entire organization to do things differently.

ix. **Eagerness to experience:** Students have to learn by doing.

x. **Willingness to reflect:** Students of leadership don’t just learn by doing but also by reflecting on what they’ve done.

**Jain, Uma (2005),** in her research article ‘Leadership Competencies for the challenges in the Global Era: A Research Study’ presents the findings of a research study on leadership in Indian organizations in the context of the globalized economy. The study attempts to identify the challenges being faced by the Indian managers, competencies required to deal with them and the initiatives being undertaken to develop the leadership competencies. The study has generated data on the challenges and competencies in the context of task, issues, interpersonal relationships and the change in
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the environment. This exploratory study brings out certain crucial factors that can give
direction to the developmental interventions, and can also be used to design more in-
depth or comparative research in specific areas of significance emerging from this
research.

The author proposes the following shifts in the organization’s way of looking at
leadership competencies and leadership development to meet the challenges of the new
environment.

- Capability to deal with paradoxes, polarities and contrary demands
- Widespread leadership where leadership is seen as a shared responsibility of all
  and competencies are widespread across the organization
- Valuing and utilizing diversity in the organization and teams
- Strong value base for contributing to the organization and society using value-
  based leadership
- Balancing internal and external focus, viz., dealing with stakeholders, building
  partnerships, networking and collaborations
- Self-awareness and interpersonal skills
- Continuous real-time learning and application, while listening and interacting.

Bannon, S., Ford, K., and Meltzer, L., (2010), in their article “How To Instil A Strong
Ethical Culture—Economic Downturns Present An Opportunity”, discuss how difficult
economic conditions strengthen workplace ethics. As a corollary, this could also mean
that when the economy recovers, ethics will again decline, so managers should take
steps now to improve the ethical cultures of their companies. The authors conclude that
in order to establish and sustain the right tone, management must lead by example,
provide a safe mechanism for reporting violations, and reward integrity. The authors
propose that a robust ethical culture can be achieved by implementing training and other
programs that tie a company to its community. They suggest that managements should
consider the following points when designing an effective ethics training program:

- Training should begin during initial new employee orientation to give a strong
  first impression that the organization is committed to ethical behavior.
Employees should be tested on the information presented during training sessions to assess how well employees have understood what they have heard.

Surveys are another tool to understand how employees perceive a company’s culture.

Programs must be updated regularly and new communication technology must be used for reinforcing the key messages.

Management must pre-empt employee misconduct by constantly communicating through words and actions about the need for strong ethical values throughout the organization.

**Crossan, M., Mazutis, D., Seijts, G., and Gandz J., (2013)**, in their essay ‘*Developing Leadership Character In Business Programs*’ discuss the role of character as a contributing culprit in the apparent decline of ethical leadership, as evident by the numerous scandals in business, public administration, cultural organizations and religious institutions. The authors quote from the Economist issue which commented ‘Most of the people at the heart of the crisis - from Dick Fuld at Lehman Brothers to John Thain at Merrill Lynch to Andy Hornby at HBOS—had MBAs after their name . . .

In recent years about 40% of the graduates of America’s best business schools ended up on Wall Street, where they assiduously applied the techniques that they had spent a small fortune learning. You cannot both claim that your mission is “to educate leaders who make a difference in the world” . . . and then wash your hands of your alumni when the difference they make is malign’ (*Economist*, September 24, 2009: on-line edition).

The authors therefore conclude that the key is to encourage and enable leadership character development in business education. To do this they attempt to answer the question “How are we changing the way we educate leaders today to ensure that they make a more positive difference in the world tomorrow?”

Building on a model of character strengths and their link to virtues, values, and ethical decision-making, they describe an approach to develop leadership character at the individual, group, and organizational levels. This approach is depicted in Figure 2.3.
This approach is contrasted with existing practices that have focused on teaching functional content over character and addresses how business educators can enable leadership character development through their own behaviors, relationships, and structures. The authors also provide concrete suggestions on how to integrate a focus on character development into existing business programs, both in terms of individual courses as well as the overall curriculum. They emphasize character development training programs, increased training in ethical decision making, experiential methods, reflection, mentoring and effective signalling by the faculty through how they lead themselves, others and their organizations as key tools in character formation.

**Observations Related to Review of Literature on Values Based Leadership Development**

The review of literature related to values based leadership development indicates the critical need for leadership development with a difference. Considering the leadership void that exists today, leadership is the hardest “soft” skill for business schools and
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students to tackle. However, it is clear that if organizations have to grow, they have to develop values-based leadership and encourage and enable leadership character development at all levels. Managements must pre-empt employee misconduct by constantly communicating through words and actions about the need for strong ethical values throughout the organization.

Leadership development for the 21st century requires a change in personal practice, conceptual thinking, and organizational application. Thus, leadership development has to shift from individual-centered to collective centered; from packaged curriculum to an evolving, customized educational process focused on building relationships; and from discrete leadership development programs to leadership development embedded in concrete issues identified by the participants in the process.

2.1.6.0. Review Of Values Based Leadership Institutes Globally And In India

This section reviews the various institutes across the globe and in India offering programs for values based leadership.

2.1.6.1 Global Scenario Of Values Based Leadership Development Institutes

This section reviews the global scenario of institutes offering programs on values based leadership development.

The Rutgers Institute for Ethical Leadership (n.d). The Rutgers Business School (Newark and New Brunswick, USA) has a section called Institute for Ethical Leadership which is aimed at strengthening ethical leadership to enhance civil society. The institute works with business and government entities, non-profit and philanthropic organizations, and with present and potential leaders to provide them with the education, training and critical-thinking tools needed to make ethical decisions for real-world challenges. The programs offer formal learning opportunities, practical training, coaching, and peer-to-peer support.

According to Glenn Shafer, Dean, Rutgers Business School, “The issue of unethical behavior is extensive in business, and the question that continues to surface is how can
business schools train and influence our future leaders to be more ethical? We strive, through both example and instruction, to instil ethics across all business disciplines at Rutgers to prepare our future business and community leaders. The Institute’s programs collectively underscore the significance of personal values and that the only way of doing business well is by doing it ethically.”

The institute offers programs for four sectors:

1. **Business and Government:***

   Seminars and conferences on topical issues related to ethics are held regularly for those in business and government. Typical topics include:
   - Creating an Ethical Organization Culture and Dealing with Ethical Issues
   - The Corporate Board's Responsibility for Ethics & Risk in a Time of Crisis
   - Harmonizing corporate managers' and attorneys' approaches to ethical dilemmas
   - Working effectively across cultures - ethical leadership and intercultural competence in global business
   - The Tyco story: past present & future – how to recover from unethical management behavior
   - State of ethics in our society

   An annual ethical leadership conference is also held which addresses ethical issues across all sectors and brings together leaders from corporate, non-profit, and government entities.

2. **Non Profit entities**

   The programs run for non-profit entities include certificate courses, peer group sessions, leadership development programs, capacity building conferences and workshops on leadership skill areas.

3. **Academic courses**

   Academic courses aimed at the ethical development of students include full-fledged graduate programs to short term case based courses on leadership. Typical programs include:
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- MBA Course: Personal and Leadership Development
- Ethical Leadership Course
- Business Forum Course
- Professional Accounting MBA Orientation

4. Customized training
The customized training offers customized training of in person, or group, full day or half day sessions with follow up tailored to the clients needs. Customized Ethical Leadership Education Programs aim to enable participants to learn and apply ethical leadership principles. Some topics covered include:

- Why Focus on Ethical Leadership?
- What Influences a person’s decision to report an ethical dilemma?
- Giving Voice to Values: How to use personal values to create positive behavior.
- Review of a Decision Making Model developed by the Institute.
- How to apply the Decision Making Model within your organization.

University of Texas Leadership and Ethics Institute (n.d). The University of Texas (Austin, Texas, USA) has a Leadership and Ethics Institute (LEI) which focuses on preparing the next generation of individuals to act responsibly and serve as peer mentors as well as serve the community. The Leadership and Ethics Institute promotes effective leadership and citizenship through experiential learning, training and resources.

The LEI Student Leadership Team and Committee members collaborate with the professional staff to coordinate LEI program initiatives.

The offerings of LEI include:
1. Leadership Trainings and workshops:

- Request a Leadership Workshop or Training
  The Leadership and Ethics Institute hosts’ trainings on a variety of leadership topics for student organizations, departments, and other groups on campus. They
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Offer over 13 workshop topics that range from icebreakers, to discovering personal leadership style to ethical decision making.

- **Peer Leadership Educators**

  Peer Leadership Educators facilitate leadership workshops for student organizations, promote leadership initiatives and serve as resources for leadership development for all students on campus.

2. **Academic Leadership Classes**

Student Organizational Leadership is a three credit academic course, and carries the Ethics and Leadership flag as part of core curriculum. It is designed to develop student leaders by providing both theoretical and practical knowledge and skills necessary to develop greater self-knowledge and leadership competence.

3. **Leadership education and progress (LEAP)**

Leadership Education and Progress (LEAP) is a first-year leadership development experience that provides an opportunity for participants to interact with active student leader mentors (LEAP Mentors) and build a foundation of ethical leadership practices.

**The Sanford C. Bernstein & Co. Center for Leadership and Ethics at Columbia Business School (May 2003).**

The Sanford C. Bernstein & Co. Center for Leadership and Ethics (New York, NY, USA) is the umbrella for leadership and ethics activities at the School and serves as an active forum for thought leadership for teaching and research on the ethics and governance challenges confronting the current and next generation of global business leaders. In addition to the individual, Business and Society the center focuses on 3 broad themes.
1. **Corporate Governance**

The study and teaching of governance include the workings and organizational dynamics of boards of directors and the distribution of rights and responsibilities among auditors, boards, executives, employees, shareholders and other stakeholders in specific national and industrial contexts. Along with a variety of topics it also includes sessions on executive compensation and strategic risk management and the impact of ethics and corruption on social welfare and economic development.

2. **Corporate Social Responsibility**

It is the integration by companies of their social and environmental concerns in their business strategies, operations and interaction with stakeholders. Topics include the social and environmental impact of business operations, business conducted in emerging markets, corruption, society's expectations of business and business leaders and the relationship between stakeholders and shareholder value.

3. **Values Based Leadership**

It is the relationship between the individual's values and the firm. Topics include the engagement of individuals in actively promoting and protecting integrity in the workplace, values-based leadership, corporate crime and the difficulty of blowing the whistle, the importance of recognizing the moment of ethical choice and avoiding the "slippery slope." The program helps in creating an organization that promotes and protects individual integrity is a corporate responsibility.

**Royal Roads University Institute for Values Based Leadership (1995).** The mission of the Royal Roads University Institute for Values Based Leadership (British Columbia, Canada) is to foster the development and visibility of leaders, organizations and communities that practice balancing healthy self-interest with common good. The institute functions through 3 verticals: Leadership education, Public forums and Research on values, culture and leadership. The Institute for Values-Based Leadership (IVBL), established in 2008, explores the theory and practice of "values based leadership", the exercise of influence to make a difference in relationships, teams,
organizations, and communities through choices and decisions guided by explicit and consistently practiced values.

Royal Roads University offers the following programs:

1. **Values Education**
   - **Certificate program**
     The institute provides accredited programs such as the Graduate Certificate in Values Based Leadership. This certificate program is a three-course, nine-credit program that could be completed in six months and is designed to enable professionals to continue to work while they learn.
     - Key courses offered as a part of the program are:
       - Values-based leadership: being best for the world
       - Values-based collaboration and partnerships
       - Leadership, culture and sustainability
   - **Other programs**
     - Professional development and customized programs
     - Individual Leadership Development and Professional Coaching Services
     - Organizational Leadership Development

2. **Public Forums**
   The Institute for Values Based Leadership fosters open dialogue about values, leadership, and cultural transformation through colloquia, conferences, presentations, think tanks, workshops and discussion forums.

3. **Research on Values, Culture and Leadership**
   Some of the key research initiatives of the institute for Values based leadership include tracking and influencing Canadian culture and profiling values based leaders.

**John Maxwell (n. d).** The John Maxwell institute of (The John Maxwell Company, Duluth, GA) provides offering in the area of leadership like, customized training program, private workshops, train the trainer and client case study. There are various
forms adopted for the delivery like webinar training, small group sessions, coaching to the mid-executive level leaders as well as online programs. One of the workshops conducted is called the ‘Five levels of leadership’ which aims at providing a step by step plan for creating and developing leaders.

**INSEAD (1968)**

With three full campuses in Singapore, France and Abu Dhabi, INSEAD is one of the largest Executive Education providers in the world where more than 12,000 executives participate each year. The executive education programme consists of open-enrolment programmes, customized programmes, degree programmes and virtual learning.

There are around 12 programs on leadership, each of them focusing on various topics important for leadership development, targeting different hierarchical levels of the organization. It has also created 4 highly specialized programs to bridge the gap between senior management and corporate governance – and to give board members the insights they need to ensure high performance and value creation in the long and short term:

They are:

i. **Leading from the chair**

   The programme focuses on three key areas that are vital in leading and chairing an effective board - chair responsibilities, chair competencies and skills and crisis events.

ii. **International directors program**

   Set within an international context, the programme is aimed at current directors who bring specific competences and credibility to the boards on which they serve and at senior executives and professionals preparing themselves for a board mandate.

iii. **Value Creation for Owners and Directors**

   Value Creation for Owners and Directors is designed to develop the skills and knowledge for highly effective ownership and board membership. Over four days, the programme focuses on the key areas of value creation including finance, governance, strategy, leadership and organizational skills.
iv. The family enterprise challenge

The Family Enterprise Challenge programme is designed so that the participants can immediately apply the learning to their own situation, and experience a higher level of communication within their family group. Strict confidentiality is maintained throughout the course.

2.1.6.2 Indian Scenario Of Values Based Leadership Development Institutes

A mapping of the values based leadership development scenario in India reveals that there is no specific institute devoted to values based leadership. However, a few leading institutions offer specific programs on values based leadership and related subjects. An analysis is given below.

The Indian School Of Business (ISB) - 2001 evolved from the need for a world-class business school in Asia. At ISB, The Centre for Executive Education (CEE) conducts programmes for working professionals that are designed to provide timely learning interventions that help them upskill and progress in their careers. Programmes are available across multiple business areas, for different seniority levels, in various national and international locations. The center attracts some of the finest faculty from leading business schools and has become a knowledge center for practical understanding on emerging economies.

The center offers various programs in various formats like Certificate programmes, Custom programmes, and Open programmes.

One of its open programs “Strategic Leadership: A Value-Based Approach To Success” focuses on values based leadership. The program objectives state that the program is designed to help leaders effectively combine long-term strategic vision with a value-based leadership approach. According to ISB’s website, the programme design will help leaders lead strategically in today’s rapidly changing environment while focusing on available opportunities in a manner while being aligned to one’s personal and organizational value system; thus ensuring that a value-based strategic leadership approach will lay the foundation of long-term sustained growth.
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Key outcomes of the program as stated on the ISB website are:

- Learning to lead with a set of core values and convictions
- Becoming familiar with core concepts and frameworks that will contribute to strategy making
- Exploring concepts and skills associated with successful business endurance
- Evaluating organizational capabilities relative to new business models and new opportunities
- Sharing strategic perspectives from participating organizations

Other leadership programs from ISB’s portfolio include:

- Leadership Skills For Top Management
- Transformational Leadership: Tapping Into Your Personal DNA
- Global Leadership
- Rethinking Business: Leadership Change To Address Market Reality
- Personal Leadership For Future Business Leaders

The Harvard Business School - India (2006) Among the myriad programs that HBS runs, it conducts a program ‘Leadership and Corporate Accountability—India’ for executives in key decision-making roles at the divisional level and above in large established companies. The 4-day residential program examines the dynamic and ever-evolving role of accountability in the 21st century Indian corporation. Focusing on strategic governance, this program uses case studies involving Indian and global companies to explore methods of managing the demands of external and internal stakeholders.

The objectives of the program are as follows:

- Improving organization's performance
- Taking skills to the next level

The key outcomes of this program are stated to be the interaction with other accomplished business leaders to analyze the actions of real-world organizations confronted by complex challenges will specifically improve the ability to:
Establish guidelines for making ethical decisions
Examine one’s responsibilities as a decision maker
Make decisions that simultaneously support organization's financial needs, legal requirements, and ethical obligations
Understand the roles and requirements of fiduciaries
Develop internal checks, balances, and incentives that promote more productive decision making
Prepare an organization that avert or manage crisis

Indian Institute Of Management (1961), (Ahmedabad, Bangalore and Kolkata, India) provides many leadership courses for various managerial levels. Executive programs in leadership and management, Business Leadership and Law, High Impact Leadership, Organizational Leadership for the 21st Century, leadership and team building, managerial leadership and conflict resolution, leadership excellence, leadership and building top management teams, managerial leadership and women managers are few of the programs conducted under the executive education. These programs are targeted to various levels including top management, senior management and middle management and also the starters. However, there are no specific programs on values-based leadership.

Observations Related To Review Of Literature On Values Based Leadership Institutes Globally And In India

The study of the institutes and programs on values based leadership globally as well as in India shows that, there are very few courses which focus on values based leadership and the importance of practicing leadership with values at the core. Though there are a few values based leadership development initiatives in the western world, they do not have a presence in India. Some programs on values-based leadership and corporate accountability for top management are offered in India by top end institutes. However since they are priced at a premium price point, the access to these programs is limited. There is no structured institute to promote ethical leadership or well-defined values based leadership programs for various levels of the leadership hierarchy to help them
address the challenges faced by leaders in day-to-day operations as well as at the strategic level. This clearly indicates the need for an institute which focuses on developing values based leadership at all levels.

2.1.7.0. Review Of Literature Related To The Context Of Values-Based Leadership And The Pharmaceutical Industry

The pharmaceutical industry is a very highly regulated industry because the potential risk to patients lives and humankind is very high. Despite this, unethical business practices have been increasing as evident through the consistent media coverage and the conviction of drug giants in international courts with the resultant billion dollar fines. The pharmaceutical industry faces challenging times as almost everywhere, stakeholder trust is at an all time low.

According to IMS Health, in 2012, the global market for pharmaceuticals reached USD 962.1 billion with a growth rate of about 2.4%. India is one of the top 5 emerging markets in pharmaceuticals with significant growth opportunities. In 2013, the Indian pharmaceutical market is estimated to see a double digit growth rate of about 13-14% and over the last five years, the pharmaceutical industry has grown at a compound annual growth rate (CAGR) of over 15%.

Angell, Marcia Dr. (2004), in the book ‘The Truth About Drug Companies’, exposes the pharmaceutical industry which has strayed from its original mission of discovering and manufacturing useful drugs and instead become a vast marketing machine with nearly limitless influence over medical research, education, and how doctors do their jobs.

Marcia Angell’s book gives example after example of how the drug industry, known collectively as “Big Pharma,” disseminates shoddy science, corrupts regulatory safeguards and wastes money producing “me-too” drugs, or minor variations of those already on the market. The author describes how the marketing arms of the major pharmaceutical companies use a variety of ingenious devices to promote drugs regardless of health outcomes.
Angell documents that, contrary to what they claim, large pharmaceutical companies have “paltry output” in innovative research. The author shows how pharmaceutical companies buy discoveries coming out of the basic-science enterprises, including universities and publicly funded granting agencies. The real costs of research on drugs by pharmaceutical companies are much less than the oft-quoted $800 million or so per new drug brought to market. Most of their research is on me-too drugs — unoriginal, tax-deductible (and thus paid for in lost taxes by the public), and mostly unnecessary, except for corporate profits and executive bonuses.

Angell counters the claim of drug companies that they are primarily engaged in R&D to generate profits. Instead, according to her, the truth is that drug companies funnel the bulk of their resources into the marketing of products of dubious benefit. The author concludes that the Big Pharma companies are manufacturing and marketing companies rather than research and development companies. Meanwhile, as profits soar, the companies brazenly use their wealth and power to push their agenda through Congress, the FDA, and academic medical centres.

Dukes, M. N. G., (2005) in the work ‘The Law and Ethics of the Pharmaceutical Industry’ provides a powerfully documented analysis into the way this industry operates, the way it is perceived and the current trends pointing to change. Because of its nature, the pharmaceutical industry is a potent force for good in the community. In the context of the various ethical violations in the recent past, the author raises the question of whether the industry could serve society better than it has done so far. That author suggests that the industry’s internal ethics may need a careful reappraisal considering the vital role the pharmaceutical industry plays in society.

The author also presents how the laws regulating the industry have emerged over time and suggests that they may need to be reviewed so that they succeed in guiding as well as constraining the behavior of pharmaceutical companies in the interest of the greater good of society.

Brody, Howard (2007), in the book ‘Hooked: How Medicine’s Dependence on the Pharmaceutical Industry Undermines Professional Ethics ((Explorations in Bioethics and the Medical Humanities)’, claims that we can neither understand the problem, nor
propose helpful solutions until we fully recognize the many levels of activity that connect the medical profession and the pharmaceutical industry. The author looks at how this relationship often betrays the public trust, and the author offers strategies to shift the dependence of medicine on industry.

The author deliberates on how modern medicine breaks the trusted physician–patient relationship by being “hooked” to the pharmaceutical industry, where gifts and rewards influence physicians' decisions and medical institutions are dependent on pharmaceutical support. The bond between the physician and the pharmaceutical industry is hard to break. Without the industry and its products, the physician's power to heal vanishes.

In one interesting example discussed by the author, medical residents were asked if they would consider wearing a small advertising patch on their white coat if the drug companies paid them $100 annually. Only 13% said they would. When the residents were frisked, 97% of the residents were found to be carrying at least one item with a drug company insignia on it, and the average was 4 items. The author surmises that physicians are blind to the seductive ways of the pharmaceutical industry and come up with a variety of rationalizations, often telling themselves that they can distinguish good sources from bad sources or that drugs representatives are an efficient way to stay medically informed.

The pharmaceutical industry has used the platform of continuing medical education to influence doctors to prescribe. Usually the pharmaceutical industry sponsors a dinner that includes a guest speaker making a presentation favorable to the drug company, or the drug company works with one of the professional societies organizing a meeting. The pharmaceutical industry will then provide guest speakers, coffee and food at breaks, and printed handouts or will help in planning or just set up a display booth. In the background of the physician industry relationship, physicians attending the professional society's meetings come to expect low registration fees, luxurious accommodations, and free dinner and entertainment each night. If they had to pay regular fees it is presumed that attendance would drop.

Another area examined by the author is the quality of research as a result of the medicine–industry link. While drug companies provide important funds for research
they may also manipulate the data into favorable results. The author in particular mentions the practice of ghost writing of scientific articles. The author gives an example of a firm called Current Medical Directions which coordinated 87 articles on the antidepressant Zoloft, with 55 articles being published in top medical journals such as New England Journal of Medicine and JAMA. Based on contact with the authors of these studies and other sources, in only 5 articles did the listed authors have access to the raw research data. For most of the articles, the authors' names were added only after Current Medical Directions finished writing the articles, although the authors allowed final editing. This type of questionable practice, among others cited in the book, really undermines the quality and validity of medical research and journals.

Dr. H Brody concludes that while laws and regulations may be enacted to control the medicine-industry relationship, in the final analysis, it is the medical profession, not politicians, who are ultimately responsible for the medical profession’s integrity.

Santoro, Michael A. and Gorrie, Thomas M., (2007), in the book ‘Ethics and the Pharmaceutical Industry’ edited by them and with contributions from over 30 authors documents a host of unethical marketing, business, and research practices that have contributed to the erosion of public trust in the pharmaceutical industry. The key ethical issue addressed in this book is the conflict between the profitability of drug companies and the vast health needs of the public; in other words, the conflict between profit-seeking corporate culture and societal responsibility.

The various authors examine aspects such as the role of intellectual property rights and patent protection, the moral and economic requisites of research and clinical trials, drug pricing, marketing and advertising. The book highlights the fact that industry has little interest in developing drugs to treat serious illnesses in large populations when there is no market with the capacity to purchase those drugs. Rather, industry would concentrate on blockbuster drugs and on "lifestyle" drugs. A change can be brought about only with a concentrated global collaboration between the various stakeholders of the pharmaceutical industry in developing and delivering drugs.

Buncombe, Andrew and Lakhani, Nina (2011), in their article ‘Without Consent: How Drugs Companies Exploit Indian 'Guinea Pigs' which appeared in ‘The
Independent’ comment on the burgeoning clinical trials industry in India which is now an estimated 189 million pounds. They conclude that western companies are exploiting Indian patients who are often poor, sometimes illiterate individuals, recruited from city slums or else tribal communities, for the trials without giving proper informed consent. Between 2007 and 2010, at least 1,730 people died in India while, or after, participating in such trials.

They cite numerous cases of violation of individual rights among which are:

- The recruitment of hundreds of tribal girls without parental consent for an immunization study sponsored by the Bill and Melinda Gates Foundation on the nod of the warden of their government hostel. Several girls subsequently died. The federal authorities halted the study.
- The use by drug companies of survivors of the world's worst poisonous gas disaster in Bhopal as "guinea pigs" in at least 11 trials without proper informed consent.

They conclude that while international guidelines to protect the rights of trial subjects exist, and every drug company has policies that conform to these standards, the reality is that these are not adhered to.

**Myhr Kirsten (2011),** in the guest editorial for the December 2011 issue of the Southern Med Review, titled ‘*Big Pharma and Unethical Marketing Of Medicinal Products’* comments on the unethical marketing of products with no medical value or which are potentially dangerous. The author cites the paradoxes in research based companies that claim to do so much good for public health but continue to produce products detrimental to people's health, especially to children. The author cites several examples of such products and states that it is time Big Pharma was confronted with this side of their business, which is contrary to the image they want to project.

**Goldacre Ben (2012)** in the book ‘*Bad Pharma: How Drug Companies Mislead Doctors And Harm Patients’* critiques the pharmaceutical industry and the medical establishment that co-operates with the industry in perpetuating practices that ultimately harm patients.
Goldacre states that: “Drugs are tested by the people who manufacture them, in poorly
designed trials, on hopelessly small numbers of weird, unrepresentative patients, and
analyzed using techniques which are flawed by design, in such a way that exaggerate the
benefits of treatments. Unsurprisingly, these trials tend to produce results that favor the
manufacturer. When trials throw up results that companies don’t like, they are perfectly
entitled to hide them from doctors and patients, so we only ever see a distorted picture of
any drug’s true effects”.

The author goes on to explain that the issues are much deeper with - doctors’ continuing
education often provided by these companies: at conferences by their colleagues – who
are given honorarium’ payments (without disclosure) by companies; or, through sales
representatives who have been proven in studies to affect doctors’ prescribing habits.

Goldacre shows how even journals, which are considered to be an unbiased source of
medical knowledge, are not free from this as journal articles are regularly ghost-written
by employees of pharma companies and an eminent academic is invited to put their
name to it; this appears in the journal, again without disclosure. Goldacre also critiques
the marketing tactics of pharma companies who spend twice as much on marketing
drugs as they do on research and development.

However, Goldacre states that the key issue is missing data since half of all clinical trials
are never published, for a variety of reasons, and these are most likely to be the trials
with negative results for a company’s drug. Goldacre uses the example of reboxetine, an
antidepressant. Seven trials were conducted comparing reboxetine against a placebo, but
only one had a positive result and this was the only trial published. Furthermore, ten
trials were carried out comparing reboxetine against other antidepressants. Only three
showed it to be as good as these other drugs, and these were the three that were
published. Seven studies showed it to be worse than comparable antidepressants, but
these studies remained unpublished. What is more, the unpublished data also showed
that patients on reboxetine were more likely to suffer side effects than those on other
drugs. Thus doctors who have critically appraised the published papers would think that
reboxetine is an effective treatment for depression and would have no way of knowing
that the drug is no better than a placebo.
Another example Goldacre quotes is that of rosiglitazone, a new type of diabetes drug, launched by Glaxo and lauded for reducing blood sugar levels in people with diabetes and for reducing heart attacks. However, Dr. John Buse, from the University of North Carolina became concerned that instead of reducing heart problems, the drug was actually increasing them. A US Senate Committee later released a report saying Dr. Buse had been subject to intimidation. After 2 years, GSK added up results from many trials and found Dr. Buse was right. Meanwhile, another cardiologist, Dr. Steve Nissen, independently did his own analysis and found a 43% increase in the risk of heart problems with rosiglitazone. Finally, in 2010 the drug was taken off the market.

**Kelton, Erika (10 May 2012),** in her report for the Forbes publishing group, ‘More Drug Companies To Pay Billions For Fraud, Join The "Dishonor Roll" After Abbott Settlement’, comments on the fact that with the $1.5billion settlement, Abbott joined an infamous list of pharma companies that have paid more than one billion dollars to the US federal government for illegal marketing practices, including promoting prescription drugs for uses not approved by the FDA, paying financial inducements to increase sales and engaging in practices that pose grave danger to patients’ health and lives.

The author states that Abbott was one of the 60 large firms who were signatory to the Pharmaceutical Research and Manufacturers of America (PhRMA), “Code on Interactions with Healthcare Professionals”, when they violated it. The author also concludes that despite the bad publicity, the prosecutions and huge fines, pharma companies have failed to change their ways and that perhaps these billion-dollar settlements are just the cost of doing business.

From her experience the author writes that the author has witnessed a steady stream of whistle-blowers with powerful evidence of pharma wrongdoing – for instance illegal promotion of prescription drugs; financial inducements to doctors and pharmacists to prescribe or sell certain prescription drugs; manufacturing practices that contaminate drugs; and the use of phony science to support FDA approval or shady marketing.
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The author calls for stronger action as the author perceives that the PhRMA code is more like a public relations stunt for pharma companies, who are more concerned about a business model that puts profits over patients’ health.

Thomas, K., and Schmidt M., (2 July 2012), in their article ‘Glaxo Agrees to Pay $3 Billion in Fraud Settlement’ comment on the largest settlement involving a pharmaceutical company. On July 2 2012, GlaxoSmithKline (GSK) pleaded guilty to marketing drugs for unapproved uses and failing to report drug safety information to the U.S. Food and Drug Administration (FDA). GSK also agreed to pay a $3 billion fine to settle criminal and civil charges with federal and state governments due to illegal activity over 10 years. GSK was fined for its misdeeds in inappropriately marketing the antidepressants Paxil and Wellbutrin; for withholding information on the cardiovascular risks of Avandia, a diabetes drug that has been shown to cause heart attacks; and for promoting Advair, an inhaled lung drug, to patients with mild asthma even though it wasn’t approved or appropriate for them. The agreement also includes civil penalties for improper marketing of a half-dozen other drugs.

The prosecutors produced evidence that GSK had been allotting over half a million dollars a year to its district sales representatives to offer doctors regular golf lessons, fishing trips, and basketball tickets while promoting the use of antidepressant drug Paxil in children. GSK also orchestrated the publication of a “misleading,” ghost-written study purporting to show that Paxil helped children when evidence suggested the opposite.

Despite the large fine, $3 billion is far less than the profits made from the drugs. According to IMS Health, which tracks information for the pharmaceutical sector, Avandia has made $10.4 billion in sales, Paxil was $11.6 billion, and Wellbutrin sales were $5.9 billion during the years covered by the settlement. Since the profits from best-selling drugs far dwarf the fines handed out, it appears that for Big Pharma, crime pays.

Sauter, Michael B., and Frohlich, Thomas C., (24 August 2012), in the article ‘America’s Most Hated Industries’, report the findings of a Gallup poll, on perceptions about America’s 25 largest industries. The pharmaceutical industry was one of three - banking, oil and gas, and the pharmaceutical industry - which received the most negative
responses. 46% of people believed the pharmaceutical industry, ought to be more regulated, and it was among the industries least likely to be considered honest and trustworthy. The industry’s public image and trustworthiness suffers from frequent lawsuits by consumers and regulators alike.

LaMattina, John, (18 January 2013), in the article ‘Pharma's Reputation Continues to Suffer - What Can Be Done To Fix It?’ analyses the 2012 PatientView survey of 600 international, national and regional patient groups, on the corporate reputation of the pharmaceutical industry. The results showed that the overall industry reputation has dropped for pharma in general and 29 leading pharma companies in particular. In terms of reputation, the pharma industry was 7th of the 8 healthcare sectors evaluated. Only 34% of respondents gave pharma a “good” or “excellent” rating for reputation. Pharma trailed retail pharmacists (62%), medical device companies (50%), private healthcare services (46%), biotech companies (44%) and generic drug makers (37%).

From a patient’s perspective this negative view of pharma is being driven by:

- A lack of fair pricing policies leading to unseemly profits (50%);
- A lack of transparency in all corporate activities (48%);
- Management of adverse event news (37%);
- Acting with integrity (32%)

Bennett, Mary (2013) in the article ‘Board Oversight Plays A Key Role In Treating Pharmaceutical Misconduct’ discusses the important question of ‘why do pharmaceutical corporate cultures allow compliance violations which are seen as a cost of doing business?’ While pharmaceutical companies are making headlines for legal and ethical violations the author discusses key failures that typically occur within these organizations and what needs to be done. The most critical problems are off-label marketing and poor manufacturing techniques inspite of the fact that they are controllable within the organization. Bennett stresses the need for having a strong, ethical corporate culture where the board and management emphasizes that doing the numbers is important but doing them the right way is equally vital.
Eban, Katherine (May 15, 2013), in the article titled ‘Dirty Medicine’ documents the story of the fall of Ranbaxy. Ranbaxy was one of the leading companies that helped build India’s reputation in the global generics market, as a reliable provider of good quality, affordable treatment options for patients all over the world. In May 2013, after 6 years of investigations. Ranbaxy finally pleaded guilty to felony charges related to drug safety and agreed to pay US $500 million in civil and criminal fines under a settlement with the US Department of Justice. The company admitted it fudged data so that it could launch its products in the United States. Interviews with the whistleblower Dinesh Thakur, pointed to systemic failures that went uncorrected. Ranbaxy’s management failed to take immediate corrective action even when evidence of quality and regulatory non-compliance and large-scale fudging of data surfaced.

Krishnan, Rishikesha T., (June 6, 2013), in the article ‘Ranbaxy: Fall of an icon’ opines that in case of Ranbaxy there were issues of unethical leadership behavior. While under the leadership of Parvinder Singh, Ranbaxy was one of the first Indian companies to embrace the TRIPS agreement and the new patent regime, and to focus resources on the creation of new chemical entities. In fact, Ranbaxy was the subject of one of the first Harvard cases on an Indian company written by Pankaj Ghemawat and the subject of the book by Bhupesh Bhandari The Ranbaxy Story.

Yet, the same company fell from grace due to systemic failures that went uncorrected by a predominantly Indian management. Based on interviews with the whistleblower, the author surmises that the then senior management of the company, failed to take corrective action, even when evidence of large-scale fudging of data surfaced. Inspite of repeated information that violations were widespread, no action was taken. Ranbaxy has acknowledged that in 2003 and 2005 it was informed of current good manufacturing practice (cGMP) violations by consultants it hired to conduct audits at its Paonta Sahib and Dewas facilities but did not act to rectify them.

Arnold, Denis G and Oakley, James L. (2013), in their research paper titled ‘The Politics and Strategy of Industry Self-Regulation: The Pharmaceutical Industry’s Principles for Ethical Direct-to-Consumer Advertising as a Deceptive Blocking Strategy’ studied the US marketing campaigns for three erectile dysfunction (ED) drugs
- Pfizer's Viagra (sildenafil citrate), Eli Lilly's Cialis (tadalafil) and Bayer HealthCare's Levitra (vardenafil), marketed in the US by Bayer Healthcare, GlaxoSmithKline and Merck & Co - from 2006 to 2010. They concluded that violations of the “Pharmaceutical Research and Manufacturers of America’s Guiding Principles for Direct to Consumer Advertising for Prescription Medicines” by Pfizer, Eli Lilly, Bayer Healthcare, GlaxoSmithKline, and Schering Plough/Merck were routine during the four-year period of the study.”

Although the companies have certified compliance with the Guiding Principles developed by the Pharmaceutical Research and Manufacturers of America (PhRMA), the authors found that there was "a clear pattern of non-compliance" to the Guiding Principles for the three drugs: - Eli Lilly's Cialis campaign consistently violated six principles, partially complied with two principles and fully complied with one; - Pfizer's Viagra campaign consistently violated five principles, partially complied with one principle and fully complied with two; and -Bayer Healthcare / GSK / Merck & Co's campaign for Levitra consistently violated five principles, partially complied with three and fully complied with one. Noncompliance resulted in children being exposed to sexually themed promotional messages more than 100 billion times.

The authors conclude that the pharmaceutical industry’s claims to engage in self-regulation for Direct to Consumer Advertising (DTCA) should be regarded with scepticism by stakeholders and policy makers. The study claims that the pharmaceutical industry's efforts to self-regulate its direct-to-consumer (DTC) advertising are "an industry-sponsored ruse" intended to deflect criticism and collectively block new US federal regulation. The authors recommend a “more robust” regulatory climate as they are convinced that self regulation will not work in the interest of the public.

Times News Network (29 January 2010), in its news item titled ‘Docs Warned Against Unethical Practices’ reports that the Bihar council of medical registration (BCMR) appealed to the people and pharmaceutical companies to lodge complaints with the medical council of India (MCI) if they found doctors indulging in unethical practices. The medical council of India (MCI) rules prescribe that “a physician shall not give, solicit or receive nor shall he offer to give solicit or receive any gift, gratuity,
commission or bonus in consideration of return for referring, recommending or procuring of any patient for medical, surgical or other treatment”. Dr. Sunil Kumar Singh, the eye specialist and member of the BCMR ethics said the committee will strictly enforce the code of conduct for doctors and professional association of doctors, to the cancellation of their registration

Somvanshi, Kiran Kabtta, (Feb 19, 2010), in the article ‘MCI Issues New Ethics Code For Doctors’ reports on the Medical Councils of India that has issued a code of conduct for the medical profession. This code prohibits doctors from receiving gifts, travel facilities, hospitality, monetary grants, medical research, endorsements, etc. The notification on December 10, 2009, amended the ‘Indian Medical Council (Professional Conduct, Etiquette and Ethics), Regulations 2002’, stipulating guidelines to be followed by medical practitioner in the country. With this code, medical practitioners are prohibited from receiving gifts, cash or monetary grants, accepting tours, paid vacations or any hospitality from any representatives of pharmaceutical or health care companies under any pretext. They will not be allowed to endorse any drug or product publicly and ensure that their professional autonomy is not compromised. They may, however, work for pharmaceutical and allied healthcare industries in advisory capacities, as consultants, as researchers, as treating doctors or in any other professional capacity.


The article states that the government has grown increasingly concerned about attempts by some pharma companies to shower doctors with lavish gifts and sponsor foreign trips with family to exotic destinations as part of their brand-promotion efforts, thus influencing their prescribing behaviour. This code is similar to guidelines proposed by the Medical Council of India (MCI), a statutory body governing medical education and practicing doctors, which prohibit doctors from accepting gifts, travel facilities, and hospitality from the pharma industry.
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The draft code will be implemented as a voluntary code but the government will review it within six months and consider making it a mandatory code if implementation of code does not happen. This code is to be implemented in tandem with the Medical Council Of India code which governs doctors and regulated unethical prescription behaviour or accepting any gratification from companies in exchange of prescriptions.

**Ernst and Young, (September 2011),** published the findings of its survey titled ‘**Pharmaceutical marketing: ethical and responsible conduct; A survey on effectiveness of the guidelines**’ which was conducted to understand their perspective of the Medical Council of India’s (MCI) guidelines and the Department of Pharmaceuticals’ (DoP) marketing code. Some of the key findings include:

- 72% of the respondents felt that the implementation of the uniform code of pharmaceutical marketing practices (UCPMP) would change the manner in which pharma products are currently marketed in India.
- Since samples are the main marketing input in a company’s overall marketing strategy, over 50% of the respondents are of the opinion that the UCPMP’s guidelines may lead to manipulation in recording of actual sampling activity.
- More than 50% of the respondents indicated that the effectiveness of the code will be very low in the absence of legislative support provided to the UCPMP committee.
- 90% of the respondents felt that pharma companies in India should focus on building a robust internal controls system for ensuring compliance with the UCPMP.
- Around 72% of the respondents felt that the MCI was not stringently enforcing its medical ethics guidelines.
- 64% of the respondents felt that the MCI’s guidelines would have no impact on the overall sales of pharma companies.
- Over 50% of the respondents felt that DoP’s code of marketing Practices and the MCI’s guidelines for medical practitioners will not be sufficient to ensure the ethical marketing of drugs in India.
Department of Pharmaceuticals, Government of India, (19 March 2012), released the ‘Code of Marketing Practice for Indian Pharmaceutical Industry’ with a caveat that currently it would be voluntary, but based on a six months review of its implementation by Pharma Associations/Companies, the Government would consider making it a statutory code.

The code outlines guidelines linked to claims and comparisons in medical advertising, textual and audio-visual promotional material, conduct of Medical Representatives, use of samples and gifts, hospitality, sponsorship and meetings. The mode of operation of the code and a complaint procedure was also outlined. Finally the code suggests that the Managing Director is ultimately responsible for the implementation of the code and to this effect he needs to file a self-declaration of compliance within two months of financial year ending. This declaration is to be filed on the website of the company and the Pharma association.

Sinha, Kounteya, (Apr 17, 2012) in the article in the Times of India on ‘Govt. Against Unethical Promotion Of Drugs’ reports that the steering committee on health has submitted its recommendations to the Planning Commission for the 12th five year plan. The recommendations include a strong case for a mandatory code for identifying and penalizing unethical promotion on the part of pharma companies.

The government of India has recognised the seriousness of the problem and constituted a steering committee on health to make its recommendations. The committee has opined that aggressive marketing of drugs by pharmaceutical companies is equal to “irrational use” that needs to be "penalized". The steering committee report also recommended the need for a mandatory code for identifying and penalizing unethical promotion on the part of pharmaceutical companies. The steering committee has also suggested medical audits to assess extent of compliance with Standard Treatment Guidelines so that medical practice is regulated and the rights of patients are upheld. The need for standard treatment protocols for various diseases has got the official push from the Prime Minister's Office (PMO).

The intense competition of me-too branded generics in the Indian pharmaceutical market with no differentiation has evolved into companies using unethical means of marketing.
to promote their drugs. The Indian market has about 90,000 formulation packs and brands. "The market is awash with irrational, non-essential and hazardous drugs. Of the top 10 products that accounted for 10% of the medicines sold in the market, two belong to the category of irrational vitamin combinations and cough syrup while the other is a liver drug of unproven efficacy. Ten of the top 25 products sold in India in 1999 belonged to one of these categories: blood tonic, cough expectorant, non-drug formulations, analgesics, nutrients and liver drug which are hazardous, non-essential or irrational,” according to the report.

Alexander, Joseph (March 12, 2013), in the article ‘Health Min To Take Up Unethical Marketing Practices Of Pharma Cos With DoP’ which appeared in Pharmabiz reports that the Health Ministry is concerned that unethical marketing practices are adding to the cost of medicines and inducing healthcare practitioners to prescribe costly and irrational medicines. Media reports state that the ministry is planning to take up the issue of unethical practices by the pharma companies with the Department of Pharmaceuticals (DoP). The DoP had prepared the draft Uniform Code of Pharmaceutical Marketing Practices (UCPMP) to be adopted voluntarily by the industry to start with and in case this was not done they had proposed a mandatory implementation of the same. The draft UCPMP was prepared by the DoP in July 2011, but no further step was taken to ascertain the impact of the same.

The Planning Commission, in its document for the current Five Year Plan, had also called for mandatory implementation of the code of conduct that would identify and penalize unethical promotion on the part of pharma companies. The Planning Commission recommended mandated disclosure by pharmaceutical companies of the expenditure incurred on drug promotion, penalties on authors and companies for ghost writing in promotion of pharma products (disqualification of the author and penalty on the company), and penalty on vetting of drug related material in Continuing Medical Education. It also had recommended mandatory disclosure by companies about the expenditure on drug promotion.

Alexander, Joseph (March 18, 2013), in the article which appeared in Pharmabiz titled ‘DoP Still Examining Responses Of Stakeholders On Uniform Code For Marketing
Strategy To Launch Institute For Values-Based Leadership Development

Practices’ states that the code has not yet been finalised and is in discussion and the government is examining the responses of various stakeholders. The article also reports that “the Health Ministry is reportedly planning to take up the issue of unethical practices by pharma companies with the DoP on the ground that such practices were adding to the cost of medicines and were inducing the healthcare practitioners to prescribe costly and irrational medicines.”

Indian Drug Manufacturers Association (IDMA) and The Indian Pharmaceutical Alliance (IPA) (28 December, 2012), have submitted its version of the code in the document ‘Marketing Code For The Pharmaceutical Industry’. The industry is open to self regulation but is opposed mandatory implementation. The industry’s version primarily says two things:

i. It justifies promotional expenditure and conference spends on doctors

ii. It advocates self regulation

Indian Drug Manufacturers Association (IDMA) primarily caters to Indian indigenous industry which includes the large Indian companies’ as well as small scale sector and regional players. The Indian Pharmaceutical Alliance (IPA) on the other hand caters to the interests of large Pharmaceutical companies.

Organization of Pharmaceutical Producers of India (31 December, 2012), released ‘The OPPI Code of Pharmaceutical Practices 2012’ which governs the members of OPPI – primarily multinational organizations. The code’s stated purpose is to define “standards for the ethical promotion of pharmaceutical products to healthcare professionals and helps ensure that member companies’ interactions with healthcare professionals and other stakeholders, such as medical institutions and patient organizations, are appropriate and perceived as such.’ The code also stipulates that OPPI member companies must comply directly with applicable national codes as and when they come into existence.

D’Souza, Nilofer (2012), in the article published in the Forbes India magazine titled ‘Will Pharma Companies Have to Stop ‘Gifting’ Doctors? reports on the new guidelines that have been issued to Income Tax officials to track gifts given by pharma companies
to doctors. Under the garb of marketing, companies pay doctors to push their respective drugs. Gifts range from LCD TVs and overseas vacations, to a car at the doctor’s disposal, or the latest model of refrigerator, goodies like pens and gift vouchers, and silver or gold idols during festivals. However, considering the deep nexus between companies and doctors, the author concludes that it may be difficult to trace the expenses and thus crack down on unethical marketing.

Observations Linked To The Context Of Values Based Leadership And The Pharmaceutical Industry

The pharmaceutical industry has strayed from its original mission of discovering and manufacturing useful drugs and instead become a vast marketing machine with nearly limitless influence over medical research, education, and how doctors do their jobs. Till the fourth quarter of the last century, the industry’s single-minded pursuit of integrity was widely respected and its reputation, image and influence were without equal.

However, today the scene has changed, with the erosion of public respect for, and trust in the pharmaceutical industry, attributed chiefly to its failure to conduct its business activities in an ethical manner. With increasing competition and pressures on profits, the focus is often on maximizing market share and bottom lines even if it means cutting corners. Though responsible for ensuring public health, some pharmaceutical companies have betrayed the common good with unscrupulous practices such as false drug quality reporting and unsafe production practices in their pursuit of higher profits.

In the last few years, the unethical business practices have been increasing as evident through the consistent media coverage and the conviction of drug giants in international courts with the resultant billion dollar fines. Leading global and Indian players are now part of an infamous list of pharma companies that have paid more than over 500 million US dollars to the US federal government for illegal marketing practices, including promoting prescription drugs for uses not approved by the FDA, paying financial inducements to increase sales and engaging in practices that pose grave danger to patients’ health and lives. Though senior management is aware of the violations, they have failed to take corrective action.
In view of the seriousness of the problem, the government of India’s Department of Pharmaceuticals (DoP) has issued a Uniform Code of Pharmaceutical Marketing Practices to be implemented voluntarily by all companies. In case there was a failure in implementation this code will be considered for a mandatory implementation and measures to identify and penalize unethical promotion on the part of pharmaceutical companies. Meanwhile the Medical Council of India (MCI) has also issued a code of ethics for medical practitioners which prohibits doctors from receiving gifts, travel facilities, hospitality, monetary grants, medical research, or endorsements from pharma companies.

However, it is quite likely that the DoP’s code of marketing practices and the MCI’s guidelines for medical practitioners will not be sufficient to ensure the ethical marketing of drugs in India.

Considering the vital role the pharmaceutical industry plays in society, it needs to review its workings in the context of business ethics. The need of the hour is corporate integrity and a leadership culture where unethical behavior cannot be condoned and rewarded. Such a leadership culture would entail building an ethical atmosphere where leadership is accountable to its stakeholders; where ethics is not merely a postscript taught in isolation but is woven into day to day decision making.

2.1.8.0 Conclusions On Review Of Related Literature

By reviewing the literature related to values, business ethics, values based leadership and the pharmaceutical industry; one concludes that leadership is ultimately about values. Values and ethics are at the heart of leadership and influence leader and follower behavior. True leadership cannot exist if it is not values-based and ethical in character. Values are the fundamental underpinnings that shape the capacity to lead. To build modern day organizations, leaders will need to focus on integrity, ethics, and build on the foundation of values, for long-term success and corporate sustainability.

While unethical behavior is widely prevalent in business, one can develop values based leaders by training them on ethical decision-making that includes recognizing the
existence of an ethical dilemma, deciding what’s right, and taking action to do the right thing.

Pharmaceutical companies face grave ethical quandaries as they attempt to balance a duty to promote public health while maintaining profitability. With increasing competition and pressures on profits, the focus is often on maximizing market share and bottom lines even if it means cutting corners. In the context of the widespread ethical violations in the pharmaceutical industry, it is clear that there is a conflict between the profitability of drug companies and the vast health needs of the public. Improving regulation is often touted as solution to this crisis of credibility. While regulation is important, no amount of regulation can stop unethical behavior.

It is only by building a leadership culture of integrity that one can promote values based leadership. This entails weaving values and ethics into day to day decision making and considering the interests not only of stock holders but also of all the stakeholders of the industry. The principles of values-based leadership provide an excellent framework to capitalize opportunities while balancing public health and corporate profits. Pharmaceutical companies need to integrate values based leadership development procedures that are based on the foundations of values at all levels and implement robust systems to discourage unethical behavior.