# CHAPTER 7

FINDINGS, SUGGESTIONS AND CONCLUSION

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7.1 PROLOGUE

This chapter summarizes findings, suggestions and conclusions of the study. Findings, suggestions and conclusions are based on data analysis with respect to theoretical concepts based on the primary data collected from the selected units in India. After analyzing data with appropriate tools, inferences and observations were made which are incorporated in the above mentioned chapter.

7.2 FINDINGS

In present study, total 200 (50 respondents from each zone of India) respondents were selected. To avoid bias, the selection of companies from each zone and respondents from selected companies were done randomly. The detail findings of the study are as follows:

7.2.1 GROSS FINDINGS

- About 80% of respondents always adhered to laws of taxes and only claimed deductions on their incomes taxes that are valid. Almost all respondents from selected companies from different zones had same response with regards to the practice.

- The amount of integrity maintained by the employees was found missing as only 24% of the respondents believed in not using computer at work for personal use where as 57% accepted using computer at times and about 19% didn’t find any thing wrong in using computer at work for personal endeavor.

- On the house every respondent strongly believed in maintaining honesty in their services and considered honesty as the best policy.

- All respondents understand their responsibility to maintain confidentiality at work.
It was found that rejecting inappropriate request was difficult for the employees due to many reasons. Nearly 42% of the respondents said that un-appropriate requests should be rejected at any circumstances whereas majority of them about 58% found it difficult to say no and in some circumstances had to accept such requests. Out of 40% who said “no” to un-appropriate requests, majority were from West and North zones.

100% agreement was given for respecting copyright laws.

There should be great honesty in sharing information with other; respondents were not an exception as all respondents were honest while sharing information with others.

Indian employees’ finds it very difficult to balance personal and organizational needs as about 72% agreed in failing to balance the two needs. There is significant difference between respondents from various zones regarding balancing organizational and personal needs. Respondents from South and West were more proven in balancing both needs on the other hand very low proportion of respondents in East and South could do so.

Majority of respondents from West and South were able to avoid and manage conflicts of interest between whereas respondents from East and North were found struggling with regards to manage and avoid conflicts of interest.

Respondents from all companies were able to manage their personal biases with their colleagues.

Each selected respondent respected diversity within there organization.

Everybody from the selected sample properly utilized their authority given by the respective company and even at personal level challenged self to execute right and correct things.

Though found strong on honesty, integrity and practicing right thing majority about 51% agreed that sometimes while making decision favoritism influences
their decision whereas about 49% of respondents said that favoritism never enters into their decision making. Among these 49% respondents, majority were from West and South zones.

- 60% respondents never follow orders blindly (regardless if they appear unethical) among them about 66% were from South and West zones. As per respondents from East and North zones, because the orders are given by boss, they follow it regardless of their low ethical level.

### 7.2.2 FINDINGS REGARDING ETHICS IN MARKETING

- Majority of respondents considered product safety as one of the major responsibility of marketers, among these 76% of respondents were from South, 88% from West and 52% and 50% were from north and east respectively.

- Among the respondents majority were in favor of disclosing risks associated with the product, and major share of respondents were from west and south.

- As per all selected respondents, customers must be educated with regards to factors that might change product performance.

- Respondents believed that advertisements should be attractive and catchy but were against the method of using deceptive communications in advertising to woo customers.

- With keeping up with high marketing ethics all respondents selected “competitive price” as the only right sales tactics than manipulating customers and misleading advertisements.

- All respondents considered creating false shortage of material for generating profit or sales as a worst method.
 Majority respondents from west and south never considered pushing their intermediaries to take higher quantity of product whereas respondents from east and north zone were almost equally divided on their view to the practice.

 Respondents from all four zones have same consent of avoiding the practice of hidden costs and believed in disclosing all prices associated with the product purchase and services.

 In order to encourage sales and get orders, respondents from West and South zones were gifting people and defining about the product whereas majority of respondents from North and East zones were bribing people to get contracts. Over the zones every respondent disclosed all characteristics associated with the products.

### 7.2.3 FINDINGS REGARDING ETHICS IN HRM

 It was evident to see that all sample companies followed systematic process for recruitment and selection. Although companies in west and south implemented systematic process for majority of the vacancies, companies in north and east implemented it for limited vacancies.

 All organizations recognized privacy as about 70% of respondents accepted their organizations recognizing privacy.

 It was found that problem of discrimination on front of age, sex and cast was less than 40% considering overall conclusion, but at individual zones situation was serious in north and east zones.

 With regards to system of addressing grievance, south toped the list followed by west, east and north. Majority of the companies from South zone has system to address employee grievances whereas in other zones, this system is partially developed.
None of the companies from selected groups had a system of whistle blowing.

All selected companies follow factory’s Act sincerely.

Nearly 70% respondents from various zones were content about the fact that company never experienced strike in last 10 years. Remaining was unable to respond as their tenure in the company was less than ten years.

7.2.4 FINDINGS REGARDING ETHICS IN PRODUCTION AND OPERATION MANAGEMENT.

In all selected companies there were incidents of job accidents in last 10 years. Up till present situation more than ten employees have faced job accidents and suffered electrical shock, bruises, cuts and sprains.

All the respondents are of opine that employees were facing health hazards not due to work but because they overlooked safety measures.

Majority of respondents knew that their respective companies adhere to “Occupational Safety And Health Act” whereas the rest were unaware about it.

In majority of the organizations product safety and quality is rigidly evaluated. Though evaluation process was given higher emphasis in south and west zones as compared to east and north zones.

Majority of the respondents believed that accepting gifts from within and outside the organization is wrong. There were few respondents who had different view.
7.2.5 FINDINGS REGARDING ETHICS IN FINANCE

- Majority of the respondents said that their organizations present a true and fair view of accounts.

- Most of the selected respondents said that when credit was given to the customer, the account show it as Liability, not as Loss. In other words maintained fair accounts.

- About 90% respondents think making deceptive financial statements is needless.

- More than 85% respondents mean that it is unwarranted to manipulate financial transactions in order to save Tax.

- About 80% respondents gave a clear consent of making all sale and purchase transactions on bill.

- All respondents were of opine that Government tax and duties laws can not be manipulated.

- About 85% respondents said that their organization never manipulate while creating sales bills.

7.2.6 OVERALL FINDINGS

- There is significant difference between respondents of four zones in doing ethical practice in marketing. 62% were doing good practices, 21% were fair in their approach whereas rest were found doing poor marketing practice. Among respondents who were doing good marketing practice, majority were from south and west zone.
Overall about 49% respondents implemented good ethical practices in human recourse whereas 37% were fair and rests were following poor human recourse practice. Companies from south and west zones were practicing good human recourse principles as compared to north and east zones.

About 60% of the respondents from organizations from various zones doing good ethical practice in Production and Operational Management. Proportion of companies doing good practice in Production and Operational Management is higher in West and South zones as compared to East and North zones.

About 70% of the respondents were following good ethical practice in finance. Among 70% of the respondents, more than 90% respondents were from south and west zones which were found doing good ethical practice.

Overall companies from west and south zones were doing good ethical practices as compared to other two zones namely east and north.

7.3 ETHICAL PRACTICE DONE BY COMPANIES

- Maintaining appropriate confidentiality in their services.
- Having honesty in their services.
- Showing respect to copyright laws
- Always be honest when sharing information with others.
- Able to manage personal biases.
- Respect the diversity within organization.
- Utilizing their authority properly.
- Challenging themselves to “do the right thing”
- Educate customers with regards to factors that might change product performance truly.
Never in favor of using deceptive communications in advertising to attract customers.

As per all respondents, competitive price is the right sales tactics. They never believe in manipulative advertisements and misleading customers.

Never encourage the system of hidden costs.

Disclosing all prices associated with the product purchase and services.

To encourage sales and get orders, they define exactly about the product and leave rest on consumer.

Recruitment and selection in the organizations are done through systematic process.

All companies follow company act.

No one in the organization is facing health hazards due to their working.

Few organizations present a true and fair view of accounts.

7.4 WRONG ETHICAL PRACTICES FOLLOWED BY THE COMPANIES

Sometimes creating false shortage of material for generating profit or sales.

Forcing their intermediaries or channel partners to take higher quantity of product.

To encourage sales and get orders they give gifts to people associated with sales decision.

Sometimes the companies do not recognize employees’ privacy.
• Instances of discrimination on basis of age, sex and caste are prevalent.
• Majority of the companies have informal system to address employee grievances. In other words formal structured system of addressing employee grievances does not prevail.
• No company has a system of whistle blowing.
• Few organizations do not present a true and fair view of accounts.
• Some organizations manipulate while creating sales bills.

7.5 SUGGESTIONS

On the basis of the study researcher has come up with suggestions and guidelines that can be followed by a company to cultivate and maintain ethics in work life. These guidelines can be as under.

• The management and employees should understand that implementing ethics is a continuous process. For a strong implementation of the process, it should be considered as management discipline.

• The foundation of ethics management is to be built by the patrons or top management by creating environment where ethics become everyone’s objective. The environment can be created through fair and just behavior. Even ethics as objective can be mentioned in mission and vision statement of the organization.

• Management and employees together should clearly define codes of conduct for each individual in the organization and should even be circulated to all stakeholders. These codes should be regularly updated and responsibility of its functioning in the organization should be given to defined people. Some Pre requisites of the codes can be as follows.
  a. Support of top management, by both word and by example.
b. Explained in writing and orally, with periodic reinforcement.

c. Codes should be something that are clear, understandable, and can be performed in reality.

d. Monitored by top management, with routine inspections for compliance and improvement

e. Backed up by clearly stated consequences in the case of disobedience.

- Management should conduct business ethics training. Training can comprise of following elements.

  a. Communication of standards
  b. Communication of resources available for guidance
  c. Sharing of participant experiences
  d. Practical application of standards in realistic situations
  e. Understanding why poor decision-making/unethical conduct occurs

- A formal structure of grievance management and whistle blowing can be constituted. A facility of hot line can be constituted for immediate action. Even help line can be made for clearing ethical dilemmas, policy and procedure clarifications.

- Ethical criteria can be included in employee appraisal/reward system and reviews of divisions/functions.

- Ethical audits should be undertaken at regular intervals and if possible by external body.

- To work effectively in the area, it is desirable on part of companies to undertake research in the various areas of ethics. It will enable them to control and resolve
the growing dynamic of unethical behaviors of industries with the attitude of the stakeholders.

Researcher has tried developing a model for implementation of ethics as objective in organizations in Indian environment.

diagram depicts the measures to implement ethics as objective in the Indian organizations. One can see that in order to implement ethics as objective in organization it has three major elements namely individuals, organization and ethics department. These elements consists of process namely Character Building, Code of Conduct, Training, Ethics Department and Support system. All these process in turn are based on four major pillars circulating them.

In the model the first and one of the most important element is “Individual.” Researchers’ conversation with the respondents, top management and academicians found that subject like ethics means different to different people and even changes with circumstances. To this researcher studied many literatures and concluded that ethics may differ through circumstances but there are basic ethical norms which are static. To further study in respect with different religion, it was seen that majority of guidelines framed by the religions are same and struck same to so called ethical guidelines. It is not new for the world that Indians have rich culture, spiritual and religious and it even motivates and can be seen in their deeds. For same reason researcher strongly believes that individuals should be motivated by the top management to be spiritual, implement religious thoughts and exercise cultural events so as to build strong character.
FIGURE NO 7.1: PROCESS OF ETHICS IMPLEMENTATION

Individual
- Spirituality
  - Education
  - Character Building
  - Top Management
- Culture

Organization
- Legal
  - Moral
  - Codes of Conduct
  - Principles
- Experience
  - Internal
  - Training
  - Feedback
  - External

Ethics Department
- Grievance Management
- Ethics Department
- Whistle Blowing
- Hotline
- Evaluation

Support System
- Top Management
- Customer
- Suppliers
- Peers
Unless individuals are not of strong character, ethical objectives will demolish in long run. Now one need to understand what strong character is. To define this thought of Swami Vivekananda can do justice” Brave, bold men and women, these are what we want. What we want is vigor in the blood, strength in the nerves, iron muscles and nerves of steel, not softening namby-pamby ideas. Avoid all these.” Even it is rightly put by Warren Buffet that” Honesty is a very expensive gift...... don’t expect it from cheap people." A strong character is one which can never unfold, change on front of personal benefits and circumstances. Such character will only come through spirituality, culture, education and support of top management.

The prevalent morality, in both individual life and social life, is mostly based on fear – fear of the police, fear of public ridicule, fear of God’s punishment, fear of Karma, and so on. The current theories of ethics also do not explain why a person should be moral and be good to others. Vivekananda has given a new theory of ethics and new principle of morality based on the intrinsic purity and oneness of the Atman. We should be pure because purity is our real nature, our true divine Self or Atman. Similarly, we should love and serve our neighbors because we are all one in the Supreme Spirit known as Paramatman or Brahman.

Next important element is “Organization”. This element consists of two major processes namely developing code of conduct and training. The first step is to create a code of conduct. There are many academicians and professional bodies who can create code of conducts for the organization. According to researcher strong code of conduct can only emerge if its foundation consists of individual morals, company values, organizational principles and legal laws of India. There are many pre requisites for creating code of conducts, which are discussed earlier in suggestions. Ethics is an every day subject; hence after creating the codes organization should develop a support system which will continuously support its functioning.

Once the code of conduct is formulated, the immediate important process is of training. Where in stakeholders are given training for successful understanding, execution and implementation of code of conducts. The training should mainly be delivered by internal individuals and external trainers. In training more emphasize should be given to experiences of individuals and detailing the ethical decision and conduct in the said experience and than taking feedback from the same individual for
his experience with ethical decision. It should be noted that meanwhile support system should create a better rewarding environment for good ethical decision.

The third important element is Ethics department. Once the training is finished, the stakeholders would be clear in their mind as to what is to be executed and how it should be executed. The next process should be formally creating an Ethics department may be and may not be under Human Recourse Department. Ethics department should be headed by one who is neutral and with whom stakeholders may meet and discuss things freely. For strong Ethics department a hot line should be created which can immediately address unethical conducts by stakeholders. Even provision of helpline should also be their, so as to facilitate stakeholders with regards to their reservations in taking ethical decisions. This department should also have a formal grievance and whistle blowing handling mechanism. And from time to time give feedbacks and upgrade codes.

A simultaneous group should be created which consist of suppliers, customers, employees and top management whose basic responsibility is to work as a support to the objective of ethics. As members of support system, the main objective is to create an environment where ethics as an objective can flourish and remain fruitful in the process of implementing ethics.

7.6 CONCLUSION

From above listed detailed findings of the present study, the researcher concludes that all companies selected in the study were doing ethical practice in all aspects at higher or lower extent. In comparison to selected companies from North and East zones, West and South zones can be regarded as high in doing ethical practice in Marketing, Human Resources and Finance. There were some weak points seen in ethical practice in Production and Operation Management for all companies.

Overall Western and Southern Indian companies were doing great job in the field of ethical practices.
Business is not just a financial process but, with discreet moral leadership, there ought to exist a procedure by which to disseminate an ethical culture. Researcher through the research has learnt that both individual characteristics and organizational contexts are answers for the understanding of the ethics related attitudes and behaviors.

Practical theory is generated by the researcher as it can assist the decision-maker may it be individual, manager, management or economic leaders at large to get the grips with complexity, narrow and define problems as well as develop mechanisms that produce an outlook with a fresh perspective. It also gives access to unexpected questions and ways of changing situations through the capacity of using moral reasoning in decision making, especially when outcomes affect the wider community.

Conceptual frameworks and models for ethical decision-making have been developed to propose relationships and guide conduct. This can be achieved through:

a. Corporate commitment,

b. Provision of robust but flexible processes to accommodate change

c. Dialogue in communicating values, whether internally or externally and

d. Linking business performance to corporate responsibility. From study researcher unveiled that these elements ought to be incorporated at all levels and that there is a definite synergy between business excellence and good ethical practice.

Donaldson stresses that the 'ethical firm' is alleged by some not to exist, even to be impossibility. Whilst such writers and researchers have their own 'political' agenda, the researcher has tried to maintain an 'open mind' through the gathering and analysis of a wealth of ideas and suggestions.

Through the research, researcher has tried to make a small but significant contribution to knowledge by providing specific avenues for ethical management decision-making. The philosophy is founded on common sense as well as a pragmatic and relevant methodology.
As many criticize that advocated thinking can be applied to Small and Medium Enterprises (SMEs) rather than just to the large organizations and whether it can be translated globally. In relation to the former, Haywood ² emphasizes that small and medium businesses are just as engaged with their local communities as larger ones; the difference lies in their use of the media to publicize their activities and allow the biggest businesses to hog the limelight. A propos raising awareness of ethics across borders, Kidder & Bloom ³ correctly state that there is a need, for a global future, to develop a language that allows business and society to address the tough decisions 'clearly'. This is because local cultural sensitivities are often neglected by multinationals and, as Guptara ⁴ intimates, ethical differences across cultures are real. As Fisher & Lovell ⁵ rightly affirm, many of the ethical problems of international business have to be dealt with by people on the ground who stand on the thresholds that separate ethical cultures; it is their ethical reflections and moral agency that determine the behavior of the global organization.

It seems, therefore, that businesses, whether in the public or private sector, that wish to thrive in the next decade and beyond, must look for new perspectives. They ought to recognize that a shift in ethics has occurred and that value-based management has become essential. The two vital attributes, being integrity and mutual trust, will drive forward the inclusive agenda. Managers should concentrate on interlinking the complex facets of decision-making in an ethical manner in the pursuit of business excellence. They ought to ensure also that they are performing their tasks in a professional and transparent way in order not to tarnish their corporate reputation and principles.

In the field of business ethics, the perception of what should or should not be done is millennium old. However, what is new and manifest is that business people are trying to contribute to the debate -which itself may not provide final answers but will enhance more consciousness. Concurring with Holloman ⁶ call it ethics, call it morality, call it the Golden Rule: if we can learn to practice it ourselves and encourage others do likewise, then justice, fair play and openness will become core parts of business relationships. As expressed by McIntosh et al ⁷ who have encompassed the wisdom of the United Nations Compact Initiative, "in the shifting
social and political geography of the 21st century, companies focusing on their relationship with society are looking for guidance”.

A company may implement different ways and methods to bring in work ethics in work life. Further, the other side of the coin is "Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws”.

Whether the circumstance is business or life, ethical values should be ground-rules for behavior. When we live by these values we are demonstrating that we are worthy of trust.

**FUTURE RESEARCH**

This thesis has been written over five years. It seems at least in India that at the beginning of my research very little was in the public domain on this area of study. Indeed, few courses or modules were being taught at Indian universities. By the end of my research, ethics has been placed on the 'hot' list of social phenomena, mainly because of the corporate and government scandals that arose through greed, ambition and self-interest.

As far as the research is concerned, there is the potential to apply as well as improve the proposed frameworks and models though it must be realized that these have helped lay a foundation for strategic management control. Future work in the area of interaction between business performance, ethics and corporate social responsibility would be led by the desire to analyze and report practical applications of the models and frameworks. This is especially true when taking into account that business situations are continually changing and, hence, new ideas and concepts become necessary. Innovative metrics could also be developed to aid, not only management decision-makers, but also regulators and government. Further research is essential to convince individuals that behavior in an ethical and socially responsible manner is good for business, especially for the longer term.
The author is comfortable in conducting research of a multi-disciplinary nature and is avid to produce more quality articles. The areas of interest include corporate reputation and risk management, corporate governance and trust, ethical issues in click marketing, the impact of religious belief on corporate decision making, ethical dimensions of brand loyalty, a comparative study relating to attitude to ethical business between small and medium enterprises and multi-nationals, as well as the impact of gender and race diversity in the workplace. The enthusiasm to write on business and its 'soul' seems endless. It is strongly felt that 'ethics' will increasingly continue to be a major business priority.
REFERENCES


4. Ibid

