



SYLLABUS

Class: - B.B.A. VI Semester

Subject: - Indian Ethos in Management

Unit-I	Business Ethics: Introduction, Business Ethics and Management, Business Ethics and Moral Obligations; Corporate Social Responsibility; Corporate Governance; Report of the Kumar Mangalam Birla Committee on Corporate Governance; Role of Media in Ensuring Corporate Governance; Environmental Concerns and Corporations.
Unit-II	Ethical Issues related with Advertisement and Marketing; Secular versus Spritual Values in Management, Work Ethics, Stress at Workplace
Unit-III	Relevance of Values in Management; Gandhian Approach in Management and Trusteeship; Social Values and Political Environment
Unit-IV	Indian Ethos: Values and Ethics; Requisites for Ethics Globally
Unit-V	A Holistic Management System; Management in Indian Perspective



UNIT - 1
BUSINESS ETHICS

Business ethics is nothing but the application of ethics in business. Business ethics is the application of general ethical ideas to business behavior. Ethical business behavior facilitates and promotes good to society, improves profitability, fosters business relations and employee productivity. The concept of business ethics has come to mean various things to various people, but generally it's coming to know what is right or wrong in the workplace and doing what's right - this is in regard to effects of products/ services and in relationships with stakeholders.

Business ethics is concerned with the behavior of a businessman in doing a business. Unethical practices are creating problems to businessman and business units. The life and growth of a business unit depends upon the ethics practiced by a businessman. Business ethics are developed by the passage of time and custom. A custom differs from one business to another. If a custom is adopted and accepted by businessman and public, that custom will become an ethic. Business ethics is applicable to every type of business. The social responsibility of a business requires the observing of business ethics. A business man should not ignore the business ethics while assuming social responsibility. Business ethics means the behavior of a businessman while conducting a business, by observing morality in his business activities.

Definitions

According to **Wheeler** – Business Ethics is an art and science for maintaining harmonious relationship with society, its various groups and institutions as well as reorganizing the moral responsibility for the rightness and wrongness of business conduct.

According to **Rogene. A. Buchholz** – Business ethics refers to right or wrong behavior in business decisions.

Benefits of Business Ethics –

- 1) Attention to business ethics has substantially improved society.
- 2) Ethics programs help maintain a moral course in turbulent times.
- 3) Ethics programs cultivate strong teamwork and productivity.
- 4) Ethics support employee growth.
- 5) Ethics programs help ensure that policies are legal.
- 6) Ethics programs help avoid criminal acts “of omission” and can lower fines.
- 7) Ethics programs help to manage values associated with quality management, strategic planning and diversity management.
- 8) Ethics promote a strong public image.

Management and Business Ethics –

Management, be it of a kingdom, a war or a business enterprise has to be based on a value system. Management is successful where the value system is extremely strong. Management has to deal with people. All individuals have different characteristics. The management is required everywhere. The success and progress depends upon the good mission, vision, values, plans and policies. The principles of management, which are used in every field, is based on certain ethics and values. Indian ethos demands subjective management system.

As it is said earlier, management is a universal process in all organized activities. Management plays a very paramount role in a business firm, government enterprise, education and health service and military organization etc.

‘Management is a multi-purpose organ that manages a business, manages managers and manages workers and work’ – ‘P. Drucker’ “The practice of management.”



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Functions of Management

- | | |
|----------------|-----------------|
| i) Planning | iv) Leading |
| ii) Organizing | v) Motivating |
| iii) Staffing | vi) Controlling |

Guidelines for managing business ethics in the Workplace -

- 1) Recognize that managing ethics is a process.
- 2) The bottom line of an ethics program is accomplishing preferred behaviours in the workplace.
- 3) The best way to handle ethical dilemmas is to avoid their occurrence in the first place.
- 4) Make ethics decisions in groups and make decisions public, as appropriate.
- 5) Integrate ethics management with other management practices.
- 6) Use cross-functional teams when developing and implementing the ethics management programs.
- 7) Value forgiveness
- 8) Note that trying to operate ethically and making a few mistakes is better than not trying at all.

Six Key Roles and Responsibilities in Business Ethics Management -

- 1) The organization's chief executive must fully support the program.
- 2) Consider establishing an ethics committee at the board level.
- 3) Consider establishing an ethics management committee.
- 4) Consider assigning/developing an ethics officer.
- 5) Consider establishing an ombudsperson (lokayukata)

Business Ethics and Moral obligations

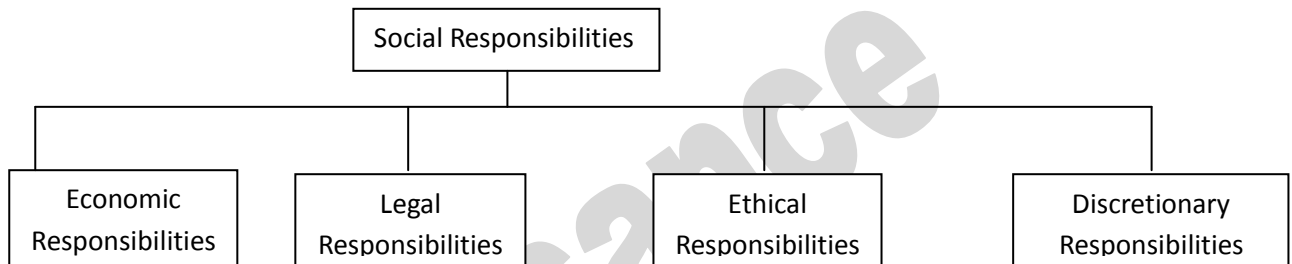
A duty is an obligation to act in a certain way. When the obligation is based on moral and ethical considerations, it is a moral duty. Often we think about moral duties in terms of rules that restrain us, the "don'ts," as in don't lie, cheat, or steal. Such rules comprise the so-called negative dimension of moral duty because they tell us what not to do. Since ethics is concerned with the way we ought to be, however, it also includes an affirmative dimension consisting of things we should do — keep promises, judge others fairly, treat people with respect, kindness and compassion.

Sources of Moral Obligation

1. **Law-Based Moral Obligations.**
2. **Agreement-Based Moral Obligations.**
3. **Moral Principle as the Basis of Moral Obligation.**

Corporate Social Responsibility

The term Corporate Social Responsibility (CSR) focuses on the idea that a business has social obligations above and beyond making a profit and follows from a decision by management to expand traditional governance arrangements to include accountability to the full range of stakeholders are described above. Companies can best benefit their stakeholders by fulfilling their economics, legal, ethical and discretionary responsibilities. The term corporate citizenship denotes the extent to which business meet the legal, ethical, economic and voluntary responsibilities placed on them by their stakeholders.



Social issues with which business corporations have been concerned since the 1960s may be divided into three categories:

- Social problems external to the corporation that were not caused by any direct business action like poverty, drug, abuses, decay of the cities and so on.
- The external impact of regular economic activities. For example pollution caused by production, the quality, safety, reliability of goods and services, deception in marketing practices, the social impact of plant closures and plant location belong to this category.
- Issues within the firm and tied up with regular economic activities, like equal employment opportunity, occupational health and safety, the quality of work life and industrial democracy.

DEFINITIONS OF CSR

“Corporate Social Responsibilities is the continuing commitment by business to behave ethical and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

Corporate Social Responsibility is an integrated combination of policies, programs, education, and practices which extend throughout a corporation’s operations and into the communities in which they operate.

Corporate Social Responsibility is achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment.

NEED FOR SOCIAL RESPONSIBILITIES

- The Iron Law of Responsibility
- To fulfill Long term Self-interest
- To Establish a Better Public image
- To Avoid Government Regulation or Control
- To Avoid Misuse Resources and Economic Power
- To Convert Resistances into Resources
- To Minimize Environment Damage

Companies implement CSR by putting in place internal management systems that promote

- Adherence to labor standards by corporations and their business partners;
- Respect for human rights;
- Protection of the local and global environment;
- Reducing the negative impacts of corporations operating in conflict zones;
- Avoiding bribery and corruption; and;
- Consumer protection.

Meaning of Corporate Governance -

The management role is basically related with running the business operations efficiently and effectively – the product design, procurement, personnel management, production, marketing and finance functions. But by contrast, the governance role is not concerned with running the business of the company but with giving



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overall direction to the enterprise with the aim of satisfying legitimate expectations for accountability and regulation by interest beyond the corporate boundaries. All companies need governing as well as managing.

The process of corporate governance with principal activities –

- Direction
- Executive Action
- Supervisor
- Accountability

Nature of Governance –

All human societies need governing, where power is exercised to direct, control and regulate activities that affect people's interests. Governance involves the derivation, use and limitation of such powers. It identifies rights and responsibilities, legitimizes actions and directions, accountability. Corporation governance is concerned with the process by which corporate entities are governed; that is, with the exercise of power over the direction of the enterprise, the supervision and control of executive actions.

Developing a Code of Conduct –

- 1) Identify key behaviors needed to adhere to the ethical values proclaimed in code of ethics.
- 2) Include wording that indicates all employees are expected to conform to the behaviors specified in the code of conduct.
- 3) Obtain review from key members of the organization: Be sure that the legal department reviews the drafted code of conduct.
- 4) Announce and distribute the new code of conduct.
- 5) Review which values produce the top three or four traits of a highly ethical and successful product or service in your area.
- 6) Identify values needed to address current issues in your workplace.
- 7) Identify any values needed, based on findings during strategic planning.
- 8) Consider any top ethical values that might be prized by stakeholders.
- 9) Collect from the above steps, the top five to ten ethical values, which are high priorities in your organization –
 - a. Trustworthiness: honesty, integrity, promises keeping, loyalty.
 - b. Respect: autonomy, privacy, dignity, courtesy, tolerance, acceptance.
 - c. Responsibility: accountability, pursuit of excellence.
 - d. Caring: compassion, consideration, giving, sharing, kindness, loving.
 - e. Justice and fairness: procedural fairness, impartiality, consistency, equity, equality, due process.
 - f. Civic virtue and citizenship: law abiding, community service, protection of environment.
- 10) Obtain review from key members of the organization.
- 11) Announce and distribute the new code of ethics (unless you are waiting to announce it along with any new codes of conduct and associated policies and procedure).
- 12) Update the code at least once a year.
- 13) Note that you cannot include values and preferred behaviours for every possible ethical dilemma that might arise.

Ethics Tools: Policies and Procedures –

- 1) Update policies and procedures to produce behaviours preferred from the code of conduct.
- 2) There are numerous examples of how organizations manage values through use of policies and procedures.



Promoting Value Based Governance in Organization -

- i) Value creation of workforce
- ii) Value creation for consumers.
- iii) Value creation for investors and shareholders.



Kumar Mangalam Birla Committee

In early 1999, Securities and Exchange Board of India (SEBI) had set up a committee under Shri Kumar Mangalam Birla, member SEBI Board, to promote and raise the standards of good corporate governance. The report submitted by the committee is the first formal and comprehensive attempt to evolve a 'Code of Corporate Governance', in the context of prevailing conditions of governance in Indian companies, as well as the state of capital markets.

The Committee's terms of the reference were to:

- suggest suitable amendments to the listing agreement executed by the stock exchanges with the companies and any other measures to improve the standards of corporate governance in the listed companies, in areas such as continuous disclosure of material information, both financial and non-financial, manner and frequency of such disclosures, responsibilities of independent and outside directors;
- draft a code of corporate best practices; and
- Suggest safeguards to be instituted within the companies to deal with insider information and insider trading.

The primary objective of the committee was to view corporate governance from the perspective of the investors and shareholders and to prepare a 'Code' to suit the Indian corporate environment.

The committee had identified the Shareholders, the Board of Directors and the Management as the three key constituents of corporate governance and attempted to identify in respect of each of these constituents, their roles and responsibilities as also their rights in the context of good corporate governance.

Corporate governance has several claimants –shareholders and other stakeholders - which include suppliers, customers, creditors, and the bankers, the employees of the company, the government and the society at large. The Report had been prepared by the committee, keeping in view primarily the interests of a particular class of stakeholders, namely, the shareholders, who together with the investors form the principal constituency of SEBI while not ignoring the needs of other stakeholders.



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Mandatory and non-mandatory recommendations

The committee divided the recommendations into two categories, namely, mandatory and non-mandatory. The recommendations which are absolutely essential for corporate governance can be defined with precision and which can be enforced through the amendment of the listing agreement could be classified as mandatory. Others, which are either desirable or which may require change of laws, may, for the time being, be classified as non-mandatory.

Mandatory Recommendations:

- Applies To Listed Companies With Paid Up Capital Of Rs. 3 Crore And Above
- Composition Of Board Of Directors – Optimum Combination Of Executive & Non-Executive Directors
- Audit Committee – With 3 Independent Directors With One Having Financial And Accounting Knowledge.
- Remuneration Committee
- Board Procedures – Atleast 4 Meetings Of The Board In A Year With Maximum Gap Of 4 Months Between 2 Meetings. To Review Operational Plans, Capital Budgets, Quarterly Results, Minutes Of Committee's Meeting. Director Shall Not Be A Member Of More Than 10 Committee And Shall Not Act As Chairman Of More Than 5 Committees Across All Companies
- Management Discussion And Analysis Report Covering Industry Structure, Opportunities, Threats, Risks, Outlook, Internal Control System
- Information Sharing With Shareholders

Non-Mandatory Recommendations:

- Role Of Chairman
- Remuneration Committee Of Board
- Shareholders' Right For Receiving Half Yearly Financial Performance Postal Ballot Covering Critical Matters Like Alteration In Memorandum Etc
- Sale Of Whole Or Substantial Part Of The Undertaking
- Corporate Restructuring
- Further Issue Of Capital
- Venturing Into New Businesses

As per the committee, the recommendations should be made applicable to the listed companies, their directors, management, employees and professionals associated with such companies, in accordance with the time table proposed in the schedule given later in this section. Compliance with the code should be both in letter and spirit and should always be in a manner that gives precedence to substance over form. The ultimate responsibility for putting the recommendations into practice lies directly with the board of directors and the management of the company.

The recommendations will apply to all the listed private and public sector companies, in accordance with the schedule of implementation. As for listed entities, which are not companies, but body corporate (e.g. private and public sector banks, financial institutions, insurance companies etc.) incorporated under other statutes, the recommendations will apply to the extent that they do not violate their respective statutes, and guidelines or directives issued by the relevant regulatory authorities.

The Committee recognizes that compliance with the recommendations would involve restructuring the existing boards of companies. It also recognizes that some companies, especially the smaller ones, may have difficulty in immediately complying with these conditions.

The recommendations were implemented through Clause 49 of the Listing Agreements, in a phased manner by SEBI.



Role of Media in Ensuring Corporate Governance

Media role can be seen as key to creating awareness of Corporate Governance in business houses. Communication between Media and Corporate bodies directly and through efficient public relations or mass communications can be vital to ensure good governance and human rights. Media must be on the front line in disseminating impartial news for ensuring transparency in the corporate sector. Media have a watchdog role to ensure accountability and transparency of corporate sector. Media also need to improve their capacity to play the watchdog role.

Role of Media in pressuring corporate managers and directors to behave in ways those are socially acceptable. Sometimes this coincides with Shareholder's value maximization. Media affects company's policy toward the environment and the amount of corporate resources that are diverted to the sole advantage of controlling shareholders.

renaissance
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UNIT - 2
ETHICS AND MARKETING

Task of marketers is to influence the behaviour of customer. Ethics are standards of moral conduct. Virtually all people prefer to act ethically.

Marketing executive face the challenge of balancing their own best interests in the form of recognition, pay, and promotion, with the best interest of customers, their organizations, and society into a workable guide for their daily activities. In any situation they must be able to distinguish what is ethical from what is unethical and act accordingly, regardless of the possible consequences.

Behaving Ethically in Marketing

1. To reserve declining public confidence in marketing.
2. To avoid increases in government regulation
3. To regain the power granted by society
4. To protect the image of the organization

Competition – Challenges and changes

Globalization and progressive liberalization of trade during the last decade opened a widening atmosphere giving rise to certain inevitable tasks and challenges for every country around the globe. The World Trade Organization's (WTO) treaties and agreements, their implications on trade and commerce have already compelled many countries to review their competitiveness of trade and economic policies not only within their economy but across the frontiers of other countries also. In India, in the recent years, the corporate and economic reforms and policies had pervasive effects on the structure of domestic trade and competition. The law which was originally enacted to deal with market and competition (i.e., the Monopolies and Restrictive Trade Practices Act, 1969) addresses the problem concerning Monopolistic, Restrictive and Unfair Trade Practices only.

Completion and Consumer Welfare

It is sometimes believed that competition policy and law are tools for the rich, the urban and industries alone. However, at the macro level, the design and implementation of a competition policy promotes the advancement and increased welfare of the poor. At the micro level, an effective competition regime or consumer law (covering competition distortions) can prevent consumer abuses, both at industry level as well as village or locality where one shopkeeper can cheat the whole community. An appropriate and dynamic competition policy and law are imperative to buttress economic development, curb corruption reduce wastage and arbitrariness, improve competitiveness and provide succor to the poor.

The UN Guidelines call upon governments to develop, strengthen and maintain a strong consumer policy, and provide for enhanced protection of consumers by enunciating various steps and measures around eight themes (UNCTAD, 2001). These eight themes are –

1. Physical safety
2. Economic interest,
3. Standards
4. Essential; Goods and services
5. Redress
6. Education and information
7. Specific areas concerning health
8. Sustainable consumption

The Guidelines have implicitly recognized with consumer rights, which were made explicit in the Charter of Consumer International as follows –

- Right to basic needs
- Right to safety



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- Right to choice
- Right to redress
- Right to information
- Right to information
- Right to consumer education
- Right to representation
- Right to healthy environment

Consumer Protection Councils in India

The central Consumer Protection Council – The objects of the Central Council shall be to promote and protect the rights of the consumers such as –

- a. The right to be protect against the marketing of goods and services which are hazardous to life and property;
 - b. The right to be informed about the quality, quantity, potency, purity, standards and price of goods (or services, as the case may be) so as to protect the consumer against unfair trade practices;
 - c. The right to be assured, wherever possible, access to variety of goods, and services at competitive prices;
 - d. The right to be heard and to be assured that consumer’s interest will receive due consideration at appropriate terms.
 - e. The right to seek redressal against unfair trade practices (or restrictive trade practices) unscrupulous explanation of consumers; and
 - f. The right to consumer education
- The State Consumer Protection Council – The objects of every State shall be promoted within the State the right of the consumers laid down in point (a) to (f) mentioned above.
 - The State Consumer Protection Council – The objects of every District Council shall be promoted within the State the rights of the consumers laid down in point (a) to (f) mentioned above.

Ethics in Advertising

Commercial advertising is sometimes defined as a form of ‘information’ and an advertiser as “one who gives information”. This definition fails to explain advertisements from the advertisement, which ‘compare, test and objectively evaluate the durability, safety, defects and usefulness of various products. Advertisements often do not include much objective information for the simple reason that their primary function is not that of providing unbiased information. The primary function of commercial advertisements rather, is to sell a product to prospective buyer.

Social effects of Advertising

It has adverse effects on society in following ways –

1. Psychological effects of advertisement
2. Advertising as a waste
3. Advertising as market power.

Some ads improperly claim about the benefits of using the products or mislead/ misrepresented the facts, and thud, go against scientific evidence. The other important ethical issue is projecting women as sex control symbol. For example, showing in men shaving products is quite unwarranted. In the VIP men’s undergarments as, a man is shown with lipsticks marks all over the body. Here, the advertisement indirectly/ directly and unfairly shows women as stereo type sex symbol. Various other ads also involve the women as sex symbol. The issue under discussion here it that how far it is ethical can proper to show women in irrelevant products. The advertising agencies should come to a common platform to debate and address these problems in a matter manner.

Advertising economics says that it provides information, maintains brand equity, supports the media, provides employment, reduces distribution costs, provides product utility and stimulates introduction of new products. Ethical issues include undue claims, wrong information and misrepresentation of facts. The basic



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questions, which can be raised across all countries, are such as the following –

1. Does advertising manipulate? (Motivation research and subliminal advertising of coke can be an example of that)
2. Degree of emotional appeals (Complete man-Raymond's fairness cream products and beauty claims of Godrej fair-ever etc.)
3. Too much over exposure of advertising-privacy intrusion-SMS-TV-Telemarketing).
4. Creative teams of ad-agencies sometimes miss utilized in creative efforts.
5. Advertising to children- (Too much exaggeration of fantasy in products use like energy drink of glucose etc.)
6. Effects on values and life style such as materialism etc., (quality of life, Raymond's complete man advertisement).

In the backdrop of the above six issues in the modern society regarding the advertising, the United Nations' UNESCO organization for example, put together a 16 member commission to study "the totality of communication problems in modern society". The commission's report which became known as Mac bridge report (named after the Irish diplomat Sean MacBride who headed the Commission) produced 82 recommendations directed largely at the potential danger of advertising and the needs for controls on advertising practices. The issues have been in three areas –

1. The relationship of advertising to materialism (is defined as too much tendency to give undue importance to material interests which may raise consumption of FMCGs and consumer durable goods more).
2. The role advertising has played in creating harmful stereotypes of women and ethnic minority (Keeping pace with joins type of personality).
3. The possible contribution of advertising in promoting harmful products (hype in creating macho figure, by using alcohol, and cigarettes products).

Secular versus Spiritual Management

Spirituality

Spirituality involves a belief in a relationship with some higher power, divine being or infinite source of energy. Derived from Latin word SPIRITUS which refers to "breath" or "wind".

Spiritual Needs

- LOVE
- HOPE
- TRUST
- FULLNESS OF LIFE
- VALUES
- CREATIVITY
- FORGIVENESS
- BEING RESPECTED & VALUED
- DIGNITY
- CONNECTING WITH HIGHER POWER
- BELONGING TO A COMMUNITY

Role of Management in Spirituality

- having an organizational vision/mission that helps individuals make a difference in the world they could not otherwise make;
- leading and managing by using values that drive fear and abuse out of the workplace and engage the hearts and minds of people;
- allowing for decision making responsibility through self-managed, empowered teams;
- trusting people and letting them be who they are to use and develop their gifts and skills;
- offering collective forms of reward and recognition; and
- providing a way for employees to fulfill their family and other social obligations.



Secularism

The fundamental principle of Secularism is that in his whole conduct, man should be guided exclusively by considerations derived from the present life itself. Anything that is above or beyond the present life should be entirely overlooked. Whether God exists or not, whether the soul is immortal or not, is questions which at best cannot be answered, so they should be ignored.

Effects of Secular Management

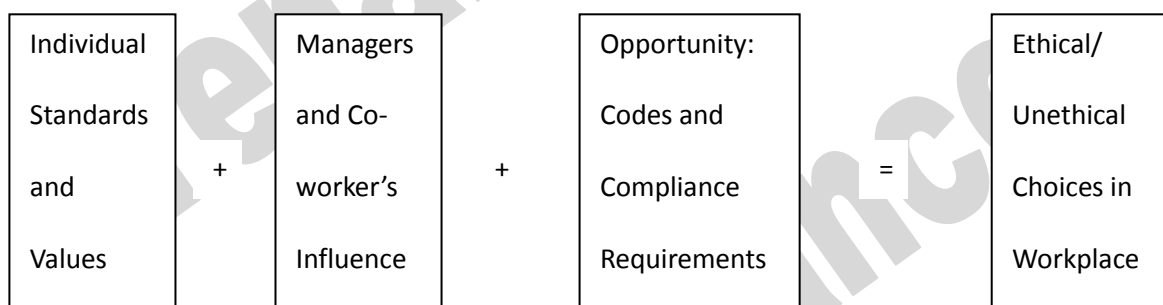
- Management acted as a handmaid of profit, and the motto was more and more money at any cost.
- Under such management we got 'external growth at the cost of internal growth.
- Man as a human being stands nowhere.
- There is no human approach. We have erosion of ethical, spiritual, moral and human values.
- In an organizational structure. We have erosion of human touch between top management and operatives.

Work Ethics

Ensuring the presence of sound values and ethics is a vital and ongoing part of good governance in organizations and an integral part of good management practices. "Work place ethics" is how one applies values to work in actual decision making - a set of right and wrong actions that directly impact the workplace.

Factors Influencing Ethical Behavior

Ethical decision in an organization is influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct. If the company fails to provide good examples and direction for appropriate conduct, confusion and conflict will develop and result in the opportunity for unethical behaviour. For example if your boss or co-workers leave work early, you may be tempted to do so as well. If you see co-workers making personal long-distance phone calls at work and charging them to the company, then you may be more likely to do so also. In addition, having sound personal values contributes to an ethical workplace.



The Individual

An ethical issue is an identifiable problem, situation or opportunity that requires a person to choose from several actions which could be evaluated as right or wrong. For example, should a salesperson omit the fact of frequent of the filter while selling a kitchen chimney to as prospective customer? When does offering a gift to a customer become a bribe rather than a sales promotion? There are no easy answers. An individual's ethical behaviour affects not only his or her reputation within the company, but may also contribute to the way in which the company is perceives by others. Values reflect enduring beliefs that one holds that influences attitudes, actions and the choices one makes. As individuals, our values are shaped by our personal beliefs. Values developed in childhood and youth are constantly tested and on-the-job decisions reflect the employee understands of ethical responsibility. Various socio-psychological factors could be responsible why individuals could develop negative attitudes or lose personal motivation.



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- Negative work or life experience.
- Employees failing to respect each other's unique personalities.
- Overly aggressive financial or business targets.
- Pressures to perform and take quick decisions.

Some examples of ethical issues faced by an individual in the workplace are -

1. Relationships with suppliers and business partners –
 - a. Bribery and immoral entertainment
 - b. Discrimination between suppliers
 - c. Dishonesty in making and keeping contracts
2. Relationship with customers –
 - a. Unfair pricing
 - b. Cheating customers
 - c. Dishonest advertising
 - d. Research confidentially
3. Relationship with employees –
 - a. Discrimination in hiring and treatment of employees
4. Management of resources –
 - a. Misuse of organizational funds
 - b. Tax evasion

Stress

Stress is the “wear and tear” our bodies experience as we adjust to our environment; it has physical and emotional effects on us and can create positive feelings. As a positive influence, stress can help compel us to action; it can result in awareness and an exciting new perspective. As a negative influence, it can result in distrust rejection, anger, and depression, which in turn, can lead to health problems like headaches, upset stomach, rashes, insomnia, ulcers, high blood pressure, heart attack and stroke.

Major Causes of Stress

Different situations an circumstances in our personal lives and in jobs reduce stress. Conditions that tend to cause stress are called stressors. The sources of stress or factors related to stress can be broadly divided into four parts –

- Organizational Causes
- Individual causes
- Group causes
- Extra organizational causes

Organizational Causes

1. Rethinking Companies
2. Changing operations
3. Encountering New Work Cultures
4. Reaching the Limits
5. Occupational Demand
6. Role Conflict
7. Role Ambiguity
8. Work Overload and Work Under load
9. Responsibility for Other
10. Changes in Working Conditions
11. Lack of Involvement in Excisions

Group causes

1. Lack if Group Cohesiveness
2. Lack of social Support
3. Conflict

Personal Factors

1. Life and career Changes
2. Personality Type
3. Career Development
4. Cultural Differences
5. coping with Daily life



Extra organizational causes

1. Increasing Urbanization
2. Ageing Population
3. Changing Gender Role

Managing Stress - Useful Tactics

1. Individual Level - Some individual strategies, such as physical exercises, relaxation, and meditation can shield the person for the negative impact of stress. A person can use relaxation technique which is more powerful and was used by ancient Indian Yogies. It is also known as 'Shivasan'.
2. Organizational Coping Strategies - The most famous organizing coping techniques are - change in organizational structure and function, decentralization, job enrichment, role clarity career planning and counseling.
3. Learning to Relax
4. Developing Interest
5. Improving Diet
6. Other Techniques



UNIT - 3

RELEVANCE OF VALUES IN MANAGEMENT AND SOCIAL VALUES

The business generally interacts with owners, investors, employees. Supplier's customers, competitors, government and society. These are called interest groups because by each and every activity of business, the interest of these groups is affected directly or indirectly.

INTERNAL INTEREST GROUP

- Owners
- Employees

EXTERNAL INTEREST GROUP

- Competitor
- Investor
- Government
- Supplier
- Customer
- Society

1. Responsibility towards Owners
 - To run the business efficiently
 - Proper utilization of capital and other resources
 - Growth and appreciation of capital
 - Regular and fair return on capital invested.
2. Responsibility towards Employees
 - Timely and regular payment of wages and salaries
 - Proper working conditions and welfare amenities
 - Opportunity for better career prospects.
 - Better living conditions like housing, transport, canteen etc.
 - Timely training and development
 - Job Security as well as social security like facilities of provident fund, pension etc.
3. Responsibility towards investors
 - Ensuring safety of their investment
 - Regular payment of interest
 - Timely Repayment of principal amount
4. Responsibility towards suppliers
 - Giving regular orders for purchase of goods.
 - Dealing on fair terms and conditions
 - Availing reasonable credit period.
 - Timely payment of dues.
5. Responsibility towards customers
 - Product and service must be able to take care of the needs of customers.
 - Products and services must be qualitative
 - There must be regularity in supply of goods and services.
 - Price of goods and services should be reasonable and affordable.
 - There must be proper after sale services
 - Unfair means like under-weighting, adulteration etc. must be avoided.
 - Grievance of the customers, if any must be settles quickly.
6. Responsibility towards Competitors
 - Not to offer exceptionally high sales commission to distributors, agents etc.
 - Not to offer to customers heavy discounts/or free products in every sales.
 - Not to defame competitors through false advertisements.
7. Responsibility towards government



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- Setting up units as per guidelines of government.
 - Payment of fees, duties and taxes regularly as well as honestly.
 - Not to indulge in monopolistic and restrictive trade practices.
 - Not to indulge in corruption
8. Responsibility towards Society
- To help the weaker and backward sections of the society
 - To preserve and promote social and cultural values.
 - To generate employment
 - To protect the environment
 - To conserve natural resources
 - To provide assistance in the field of development research on education, medical, science, technology etc.

Gandhian Approach in Management and Trusteeship

“Carefully watch your thoughts, for they become your words. Manage and watch your words, for they will become your actions. Consider and judge your actions, for they have become your habits. Acknowledge and watch your habits, for they shall become your values. Understand and embrace your values, for they become your destiny.”

Mahatma Gandhi

What is Trusteeship?

Trust is a fund or asset created to specific purpose. A wealthy person may set aside some funds for specific purpose and appoint a trustee to manage it and make sure that the benefits are made available to the specific beneficiaries. The beneficiaries are mentioned.

The trustee is entitled to take a fee for his services. He is expected to take care of the fund on his own but he must not take advantage of the fund for his personal benefit.

Trusteeship of Gandhiji

- In the first instance, everything must be surrendered to God and then out of it one may use only that which is necessary for the service of God's creation, according to one's strict needs.
- When an individual had more than his respective portion, he became a trustee of that portion for God's people.
- Gandhi suggested this doctrine as an answer to the economic inequalities a kind of nonviolent way of resolving all social and economic conflicts.
- Therefore man's dignity and not his material prosperity.
- Aims at a distribution of material prosperity keeping only human dignity in view
- Besides, trusteeship aims at the rising of the morale of the people by giving them a sense of security in the hands of the trustees.

According to Gandhi, trusteeship is the only ground on which he can work out an ideal combination of economics and morals. It is as follows:

(i) Trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. It gives no quarter to capitalism, but gives the present owning class a chance to reform itself. It is based on the faith that human nature is never beyond redemption.

(ii) It does not recognize any right of private ownership of property except so far as it may be permitted by society for its own welfare.



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(iii) It does not exclude legislation of the ownership and use of wealth.

(iv) Thus under state regulated trusteeship, an individual will not be free to hold or use his wealth for selfish satisfaction in disregard to the interests of society.

(v) Just as it is proposed to give a decent minimum living wage, a limit should be fixed for the maximum income that would be allowed to any person in society. The difference between such minimum and maximum incomes should be reasonable and equitable and variable from time to time, so much so that the tenancy would be towards the obliteration of the difference.

(vi) Under the Gandhian economic order, the character of production will be determined by social necessity and not by personal greed.

"Always aim at complete harmony of thought and word and deed. Always aim at purifying your thoughts and everything will be well."

Mahatma Gandhi

Political Environment

Politics as a term is generally applied to the art or science of running governmental or state affairs, including behavior within civil governments. It deals extensively with the theory and practice of politics and the analysis of political systems and political behavior. It consists of "social relations involving authority or power" and to the methods and tactics used to formulate and apply policy.

In a democracy, there is always a conflict between the slow rates of social pay off. True leadership is the ability to reconcile the two and promote long-term public good. A far more dangerous threat is the loss of purpose for leadership.

A code of ethics for politicians

- Tell the truth
- Take Responsibility
- Rise above the Fray
- Listen
- Criticize the argument, not the person.
- Don't make promises you can't keep
- Spend fairly
- Remember what it's all about
- Take a break
- Lose well

Managing Ethics in Public Service

- Clear Ethical Standards
- Reflected in legal framework
- Ethical Guidance
- Information
- Reinforce Ethical conduct
- Transparent decision- making
- Public and private sector interaction
- Promote Ethical conduct
- Dealing with misconduct

Politics and Ethics of the Indian Constitution

- Rescue political theory in India
- The volume provides discussions on equality, the idea of citizenship and property.

Political ethics

- Political ethics are a set of codes
- Political ethics balance the needs of situations with ethical questions
- Politics can involve a wide variety of ethical issues



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- Politicians struggle with ethical dilemmas every day.
- Certain political activities are regulated to prevent ethical dilemmas
- Politicians have unspoken rules they follow when interacting with each other and members of the public.

The Importance of Ethics

- Ethics should be an integral part of politics
- Citizens began to demand ethical behavior their business and political leaders
- Ethics is important, from a moral viewpoint.

renaissance
renaissance
renaissance



UNIT - 4

INDIAN ETHOS: VALUES AND ETHICS; REQUISITES FOR ETHICS GLOBALLY

Indian Ethos Management:

Oxford defines ethos as "The characteristic Spirit and Beliefs of community/people" which distinguishes one culture from the other. Indian ethos is drawn from the Vedas, the Ramayana, Mahabharat, the Bhagwadgita, and Upanishads. Right from the Vedic age it has been discovered two basic universal truths of life.

1. The essential infinitude and divinity of all souls
2. The essential oneness and solidarity of universe and all life.

The first truth was expressed UPNISHADA as

AHAM BRAHMASI (I am Brahman)

Or

AYAM ATMA BRAHMAN i.e. The Individual soul is Brahman

Or

TATTWAMASI (Thou art that).

This is the first truth thought to every child. Even a poor uneducated man living in a hut knows that God is in everybody and therefore there is sameness in all.

The second truth is about a holistic universe. Where at a level of pervading consciousness everything is interconnected at VYASTHI LEVEL (Individual level) my limbs, hands, legs, ears, eyes, heart, lungs. Everything are me. I live in all of them. Their sorrows and joys are my sorrows and joys. Similarly at SAMASTHI level (the whole universe) I am not a single individual but I am a part of the whole universe just as my limbs are part of me.

Modern science has accepted that in this holistic universe all minds and matters are interconnected at a deeper level. The basic unity of life cannot be broken. Love, sacrifice therefore emerge as the only for a meaningful living. On the basis of this holistic vision, Indians have developed work ethos of life. They found that all work, physical or mental, managerial or administrative have to be directed towards single purpose. The manifestation of the divinity in man by working for the good of others, for the happiness of others. These Indian ethos are required all over the world in present scenario in managing business and industry effectively and efficiently. Some of these ethos are as follows:

THE VEDANTIC VIEW OF KARMA

All work/Karma to manifest divinity, hence these must be pure, good, honest and sincere. Indian philosophy also teaches to perform every work without having any attachment to result, because results do not fall under the jurisdiction of a doer. Such thinking and understanding will change the whole attitude. Now the results will become a PRASAD-gratitude - coming from the God himself. You can now accept the result with open mind without apprehensions-just as you accept members into Karma Yoga.

THE SELF (ATMAN) AS THE SOURCE OF ALL POWER:

Considering motivations as internal every human being has the same divine atman with immense potentialities within Vedanta brings infinite expansion of mind, breaks down all the barriers and brings out the God in man.

Motivation is to be internal and not external. Such motivation involves the inner beauty and does not promote any greed in an individual to have more and more in return of his work.

WELFARE OF ALL (YAGNA SPIRIT)

Vedanta teaches to perform all activities.

"ATMANO MOKHARTH JAGAT HITAY CHA"



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Serve your personal interest but do not forget others Shankaracharya has given the concept to gain perfection in individual life as well as the welfare of the whole world.

UNIQUE WORK CULTURE:

Work is considered as duty or SADHANA and there is no difference between KARMA (work) and DHARMA (religion). The term DHARMA does not indicate any particular religion. Dharma is a duty to be performed in a given situation. Thus Dharma is possible through Karma only.

**SKILL IN ACTION AND EVENNESS OF MIND
MEANS ARE EQUALLY IMPORTANT AS THE ENDS.**

(YADRISI BHAVNAH YASYA SIDDHI BHAVANTI TADRUSI)

Thus society acceptable values are to be followed in determining the objectives as well as in the process of achieving these objectives. Integrated human personality of self-developed manager an assure best and competent management of any enterprise, involving collective works and efforts. There refined or higher consciousness will adopt holistic attitude. It will bring out the divine in man. It will achieve perfection or excellence in whatsoever sector you work. We shall achieve peace, harmony and prosperity within and without i.e., in or internal world and in our external world simultaneously.

This is the ideal of Indian ethos:

“ATMANO MOKSHARTHAM JAGAT HITAYA CHA”

(For gaining perfection in individual life, as well as for the welfare of the world) Human and ethical values or qualities such as courage, vision, social awareness, fearlessness, integrity, pure and clear mind, truth, etc, are subjective and intangible concepts. These represent divine wealth.

INSIGHTS INTO INDIAN ETHOS:

Business need not be regarded evil, trained and unethical. Business is sacred. It is a matter of attitude, approach and level of management consciousness. Indian ethos demands subjective management system.

1. Management attitude.
2. Humanizing the organization.
3. Interior sing management
4. Self introspection
5. Brain stilling (decision making in silence)
6. Self dynamiting meditation.

Indian Ethos is more vital to modern management than any other management theory for the simple reason that it takes into account a 'whole' man rather than approaching man in a partial fashion as the other theories do. Each and every situation can be met effectively if one takes time to reflect over it.

Reflection with a tranquil mind helps in drawing out solutions from within. Such guidance from within helps a manager looks at the perceived problem situation in a creative manner. It leads to a more coherent and complete understanding.

India belongs to feminine – collectivistic category. In feminine oriented culture co-operation and sharing are the basic ethics and human actions are governed by the giving orientations. Feminine collectivistic managers are softness oriented.

For them “Caring and Sharing” comes first. Such managers tend to take a highly humanistic approach to management, and have a greater ability to inspire people. By taking care of subordinates, they are able to ensure achievement for them.



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Indian culture is predominantly a Spiritual and Inward looking culture. It has a socio centric vision. The orientation of the spiritually dominated culture is that of welfare, the social good or the good of the greater members. Simple living and high thinking is the characteristic feature of our culture.

One of the dominant features of the Indian culture is the Joint Family System. The values that are particular to our society are extremely important in the context of management, where group effort rather than an individual Endeavour is more important. Living in a joint family, an individual Endeavour is more important. Living in a joint family, an individual is brought up in a system of management, which may be termed the KARAT style of management. Karta in a joint family is a fatherly figure. Everyone in the family reposes confidence in him, he is respected and he is open to constructive and respectful criticism. There is the warmth of relationship, closeness, consideration for others and a feeling of sacrifice for the larger family interest.

Another characteristic of Indian culture is PURUSHARTHAS –

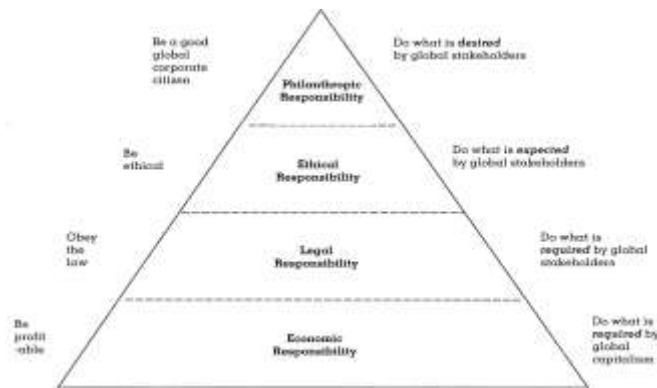
The Mission of Life. Purusharthameans and connotes the aims, mission or purpose of life. These four Purusharthas comprise man's aspiration. Purusharthas are four in number impact and significance will be lost to a significant extent. THE CRITICAL ASPECTS OF THE INDIAN ETHOS NEED TO BE IMBIBED BY AN INTERNATIONAL COMPANY SEEKING TO SET UP BUSINESS IN INDIA: Before we talk about the culture specific system of management suited to Indian psyche, we should first understand and appreciate the salient characteristics of Indian culture. Such an understanding is essential before embarking on the task of building the indigenous system of management. These are:

- Essential divinity of human soul
- Essential oneness and solidarity of universe and all life.
- Philosophy of an integral experience.
- Family is the basic unit of social system.
- Rishi and ashramic culture.
- Purusharth the mission.
- Varna-Ashram system.
- Spirit is free enquiry, tolerance and selective assimilation.

The characteristics of Indian culture are that attend to be pervasive and enduring. When an international company is setting up business in India, it will have to look for the acceptability of their management in its present form in the Indian situation.

The four basic cultural dimensions which may account for differences in management and HRD practices across culture are:

- The extent to which a society emphasizes collective rather than individual activity.
- The extent of power distance or tolerance for social inequality.
- The extent of acceptance of uncertainty.
- The extent to which a society emphasizes 'Masculine values' and behavior such as assertiveness, ambitiousness, domination etc.



In the above diagram, the basic or the fundamental requirement for a manager is his 'VISION' and attitude towards the environment in its totality i.e. Cosmic view based on cultural values. Next comes the emotional stability of the manager. He must be a self-controlled and self-propelled man. This can come by the heavy input of sattvic gunas and the constant practice of niskam karm. Job skills are the last input. This though important, is not the 'Core Requirement' as the westerners view it. Hence any international company should imbibe above mentioned features seeking the business in India.



UNIT - 5
A HOLISTIC MANAGEMENT SYSTEM

Nudging one's self towards ones' Higher Self can be accomplished if a person realizes the need for holistic and ethical approach to management by a paradigm shift from western principles to an enlightened philosophy of life based on Yoga, Siddha and Samadhi. Yoga is the way to lead oneself to Higher Self, Siddha is the appropriate knowledge which has been proved or accomplished and Samadhi means a state of equanimity of the mind or intellect.

Management is not merely the art of directing the activities of men so as to make the best use of money and materials, but it is the skill of enterprise based on experience, intuition and wisdom. While the task of managing material and financial resources may not be difficult for an experienced manager, it is an entirely matter when it comes to directing human resources. The difficulty arises simply because animate is quite different from inanimate.

For example, one can polish a rough diamond and cut to make it sparkle so as to enhance its beauty and hence its monetary value. The same does not apply in precisely the same manner when it comes to training, whereby he can have the opportunity to acquire skills. When finally placed in a business or industrial organization, such a person may initially show great promise. However, his efficiency, morale, commitment and loyalty may not necessarily be non-variable phenomena. The modern world of business and industry abounds with examples that show that mere salary, training and handsome perks do not necessarily guarantee wisdom or loyalty of the same degree from all such employees.

Therefore, the need of the day is to provide the right kind of environment for all the levels of employees to think for themselves in regard to the values and principles of proper and efficient work. 'Qualitative sincerity' and not 'quantitative variety' should be the guiding motto not only for an organization, but for each and every employees, whether he is a laborer, a supervisor, a middle level manager or a personality belonging to the top management. Development of the individual not merely for promoting the productivity of the organization but essentially for the 'good of the individual self' is to be emphasized as the most relevant work-philosophy for any organization.

The requisite holism of an employee as an individual existing and conscious of self as:

- Physical person respectively, implementing active techniques to gain physical balance,
- Mental entity, enriching sentiment, perception, mind and will power by life balancing techniques,
- Social entity, building quality communication with others by the techniques of professional and working development and social integrity,
- Spiritual entity, longing after self actualization and the sense of life, carrying it into effect by the techniques of spiritual development,
- Economic entity, striving to satisfy her material needs as a person, family member, coworker, and as a member of a wider society.

In this way the behavior of individuals, who are willing to practice interdisciplinary cooperation, becomes socially responsible. It offers a possible answer to crisis; hence the individuals evolve from being merely owners to requisitely holistic creators, who enjoy subjective and objective welfare more than the others.



For the enterprises to solve their possible socio-economic problems the neo-liberal economic measures can hardly work, because the problems have been caused by such measures, unless the given enterprise is very exceptional.

Management in Indian Perspective

Indian Ethos & Values in Modern Management

“Certainly we should take care not to make intellect our God. Intellect has, of course, powerful muscles but no personality. It cannot lead. It can only serve. It is not fastidious about its choice of leaders (Mind) or Soul). The intellect has a sharp eye for tools and methods but is blind to Ethos Ends and Values”.

- Albert Einstein

“It is already becoming clear that a chapter which has a western beginning in business management will have to have an Indian ending, when the world adopts rich thought of Indian ethos and wisdom, if it is not end in the self-destruction of the human race”.

- Arnold Toynbee, Nobel Laureate

What constitutes Indian Ethos?

Cambridge Advanced Learner’s dictionary defines Ethos as “the set of beliefs, ideas, etc. about advances Learner’s Dictionary defines it as “the moral ideas and attitudes that belong to a particular group or society”. Indian ethos is all about what can be termed as “national ethos”.

Formally, the body of knowledge which derives its solution from the rich and huge Indian system of ethics (moral philosophy) is known as Indian Ethos in Management (IEM).

Management is behavioural science and it has to be culture specific. IEM has as its basis, the culture base of India and as a country whose culture has its roots in religion- it does draw its lessons from the religions of the land – be it Hinduism, Buddhism, or any other. The salient ideas and thought scriptures are:

1. **Atmano Mokshartham, Jagat hitaya cha:** All work is an opportunity for doing well to the world and thus gaining materially and spiritually in our lives.
2. **Archet dana manbhyam** – Worship people not only with materials things but also by showing respect to their enterprising divinity within.
3. **Atmana Vindyate Viryam** – Strength and inspiration for excelling in work comes from the Divine, God within, through prayer, spiritual readings and unselfish work.
4. **Yogah Karmashy Kaushalam, Samatvam Yoga uchyate** – He who works with calm and even mind achieves the most.
5. **Yadishi Bhavana Yasya Siddhi Bhavati tadrish** – As we think, so we succeed, so we become. Attention to means ensures the end.
6. **Parasparam bhavayantah shreyah param bhavasyathah** – By mutual cooperation, respect and fellow feeling, all of us enjoy the highest good both material and spiritual.
7. **Tesham sukham tesham shanty shaswati** – Infinite happiness and infinite peace come to them who see the Divine in all beings.
8. **Paraspar Devo Bhav** – Regard the other person as a divine being. All of us have the same consciousness though our packages and containers are different.



Basic principles of Indian Ethos for Management

1. Immense potential, energy and talents for perfection as human being has the spirit within his heart.
2. Holistic approach indicating unity between the Divine (The Divine means perfection in knowledge, wisdom and power), individual self and the universe.
3. Subtle, intangible subject and gross tangible objects are equally important. One must develop one's third eye, Jnana Chakru, the eye of Wisdom, Vision, Insight and Foresight. Inner resources are much more powerful than outer resources. Divine virtues are inner resources. Capital, materials and plant & machinery are outer resources.
4. Karma Yoga (Selfless work) offers double benefits, private benefit in the form of self purification and public benefit.
5. Yogah Karmasu Kaushalam – Excellence at work through self-motivation and self-development with devotion and without attachment.
6. Co-operation is a powerful instrument for team work and success in any enterprise involving collective work. Indian ethos demands a subjective management system which leads to an understanding of the following –
 - a. Management Attitude
 - b. Humanizing the Organization
 - c. Interiorizing Management
 - d. Self-introspection
 - e. Brain-stilling
 - f. Stepping Back (for a while)
 - g. Self-dynamising Meditation
 - h. Role of Intuition