

Going Beyond Ethics

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Abstract

Ethics is a very important subject of postgraduate study that forms a bridge between philosophy and sociology on the one hand and between social and management sciences on the other. It is also very tempting to write on this subject and speak about it. Unfortunately most people in the academic world speak about it with an air of authority but a foundation of relative ignorance. Many do not distinguish between values (a thought based phenomenon) and authority (an activity based phenomenon). Professors who entered academia late in life after a corporate career or a militarist career often start talking of "ethics" and senior clerks elevated as administrators begin espousing "governance" when their knowledge of the subject was questionable and their research on these topics was absent. Invariably they tend to become either overtly moralistic or needlessly spiritualistic while hanging on to their claim of being objective and rationalistic. By ethics they imply "follow the leader" and by governance they mean "follow rules". In these cases the mental faculty to exercise a rational choice rarely features and the students suffer. Only well-read scholars who have some knowledge (if not mastery) over sociology, philosophy, social science and management science write on ethics meaningfully. On the one hand they have argued that reality was not to be seen in clear-cut black and white terms and if we were not careful the argument would slip from being simple to being simplistic while on the other that the student of an average Management Institute would not like to pick up a heavy text especially when this subject was being offered in the last semester of the postgraduate degree program. The subject consequently, often gets trivialized. Hence the book seeks to lift the subject from the reals of being mundane and trivial and lifts it into a serious academic study.

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In India there are two fundamental schools of thought on ethics. The first is the *soul based school* and the second is the *mind based school*. Based on a NITIE - XLRI study 1992-1995 3000 senior managers were studied to ascertain "how does an Indian manager respond in the face of an ethical dilemma". There were two known responses and the data that emerged was such that 48% of the managers' responses were deontological whereas 52% of the manager's responses were teleological. When the sample response was so finely divided, doubted its veracity. He then conducted a further survey and the praxis response was born.

The *Teleological Response* derives its name from the Greek word *teleois*, which means "brought to an end". They argue that the outcome or consequence of a

decision must determine how a decision involving an ethical dilemma is taken. This could be called selfishness or crass opportunism at the lowest rung of the intellectual ladder or described as cool-headed objectivity at the highest level. Carpetbaggers fall into this category. They could simply be described as “consequential” actors in that they decide on an ethical dilemma by looking at the consequences of their action, as they perceive it.

A variant of, and within, the Teleological response is the *Axiomatic response*, which asks this question: “Is this task worthy of being performed”? Alternatively, they would ask: “Will this do good for all”? They distinguish between good and bad based on value of their decision on the existence or the functioning of the society. They seek the greatest good of the greatest number in all their actions and adhere to the principle of *summumbonum*, the Indian variant of which is *bahujanhitaye, bahujansukhaye*. The school derives its name from the Greek word *axios* meaning “worthy”.

The *Deontological Response* derives its name from the Greek word *deontos* meaning “obligatory”. Deontologists rely on the sense of duty and their inner belief. In the ultimate analysis they are truthful to their conscience and are guided solely by it. They often tend to say *what the world thinks of me does not matter; but what I think of the world does!* They are the leaders who tread the untrodden path and light the proverbial lamp to drive away the darkness of ignorance. Their principle position is divided into two parts: They are

- (i) An action is inherently right or wrong irrespective of the consequences or the personae involved.
- (ii) When a moral issue is involved, a minority of one is enough to justify a decision.

The Praxis Response: This third response was founded by Sadri in XLRI and the word *praxis* has been borrowed from Marxist literature. It denotes “the process of conversion of theory to practice”. It signifies a conversion of their value system into managerial decision-making. The Praxis school suggests a kind of sophistry based on managerial responses from the corporate sector of the Indian industry but which has universal relevance, i.e. if a manager can discuss her or his decision openly and freely within her or his peer group, then such a decision is deemed to be ethical. The inordinately large number of managers who subscribe to this view seems to suggest that this school of thought is not without some merit especially when applied to managerial ethics.

Now we come to the latest variant in Sadri’s thought as posited by Subhash Sharma who relies on the ShrimadBhagvatham and the Vedanta to take a holistic view in which the ideal-real dichotomy throws the objective reality into clear focus. His approach is closest to the Axiomatic School discussed above. He posits three approaches for “attacking” the ethical dilemma. He in using the ancient Hindu and Chinese scriptures explains these. But essentially they could be reduced thus: (a) *Dialectics* as seen in the tradition of Plato-Hegel-Marx, (b) *Dialogue* as seen in the tradition of Aristotle-Kant-Mill, and (c) *Commentary* as seen in the tradition of Vyasa-Lao Tsu- Fahien.

When the three functions are summated they lead to a rise in corporate ethical consciousness. Since his views though brilliant have yet to be formally crystallised we have merely described them but not given them the same status as deontology, teleology, and praxis. Whereas Sharma uses Praxis as an acronym in his DEAN approach to ethics, Sadri sticks to the Marxist variant of the process of converting theory into practice.

Sadri too speaks of consciousness but his position is a variant in the Marxist tradition of Gramsci, Lukac's and Althusser on one hand and the Hindu tradition of *gyan, buddhi and viveka* on the other.. Sadri was concerned with a rise of political civic and spiritual consciousness that could come through education and in so doing he puts a lot of importance on political social and educational leadership. He disputes the traditional position of looking at corruption as a deviation from the norm and states that corruption results from the poverty of ethics and the failure of governance.

The point also being made in their long and research based argument is that Corporate Governance is NOT a matter of laws where regulators act according to certain regulations. It is not a matter of tick marking activity or allowing the lure of command and control, to give precedence to the *process* of administration over the *purpose* of administration. The quote the late Field Marshall Sam Manekshaw who had once quipped in a Board of Directors meeting "*quit worrying about the form and start concerning yourselves with content*". In a way, they say, it is something intrinsic - coming from within the ethical predisposition of the managers (decision makers and decision executors).

Sadri and Jayashree argue that this is supplemented by the fact that the immediate (internal) environment must lend itself to trust, transparency and teamwork thereby allowing "*self-governance*" even at the corporate level. In addition, the external environment (civil society) must be conducive to ethical conduct and here societal leaders and industrialists of timber and calibre must lead by example. Care must always be taken not to permit the process of administration to overshadow the purpose of administration. Any Organization that empowers processes over purpose invariably writes its own epitaph. This would explain why they have chosen to look at ethics and governance from the perspective of *Sociology of Organization* at the micro level and through the lens of *Political Economics* rather than follow the oft beaten track of taking the legal view devoid of human attitudes and behaviour.

Unfortunately ethics is continually being seen (even by some professors) as being synonymous with either religion or spirituality. We have contested this view and taken a position that is logical and well within the arena of bounded rationality. Usually, on its own, ethics is often treated as high minded wishful thinking (a pie in the sky), while on its own, corporate governance is viewed as compliance or nothing but following certain rules (new avatar of the internal auditor or the factory inspector) which may (hopefully) lead to a better society. However for any one rule made there would be at least ten ways to circumvent it. The multitude of scams stand in direct evidence supporting their prognosis. What business and industry needs, they argue, is an initiative which is grounded in both ethics and governance and which this book is philosophically arguing

for. Neither ethics nor governance *on its own* guarantees a concrete result. Pure ethics has proved to be the nemesis of many an Organization like Tata Textiles whereas the failure of governance was writ large in the case of the Sahara Group.

Going beyond a treatment of ethics Sadri (and Jayashree) were not content to sit on laurels after he having founded the praxis approach. In the first instance (2008) he stated that there was a mutuality in the relationship between ethics and governance. In 2011 Jayashree stated that ethics and governance combine to create a corporate culture that drives and organization towards organizational excellence. Then in 2013 the two scholars stated that organizational excellence cannot be an end in itself as the term is ubiquitous. So they posited that organizational excellence must cascade into business sustainability.

In their latest 2015 work Sadri and Jayashree argue that as a member of New WTO Regime, post 2005 India has emerged as an important player in the periphery of the capitalist world economy. The days of primitive exploitation are over, the concept of generating surplus value is *passé* and the dawn of new era are at hand. In sum the argument posited by them when strategized will help business initiatives towards an enhancement in the quality of human life. Civil society as a whole will stand to gain. The logical flow of the argument (that would lead to developmental growth) that they posit is stated as under.

Managerial Ethics Corporate Governance Organizational Excellence
Business Sustainability

Now let me expand a bit on their latest work. These two scholars who are now based in Manipal University Jaipur: an economist and a behavioural scientist have herein made a significant contribution to the *sociology of ethics*. Unlike other books on ethics and governance that are available in the market, the authors have pursued a clear line of argument and buttressed it with enough material to convince even the sceptic. In so doing the authors have gone beyond the ambit of their earlier works and raised several important issues fearlessly. The voluminous bibliography make it imperative for all scholars and libraries in Management and Social Sciences to keep a copy of this book on their reference shelves.

This book is a logical extension of the earlier published work of Sadri and Jayashree on Managerial Ethics (1999) and (2008) as well as the first edition of *Business Ethics and Corporate Governance* (2011) as well as the First Edition of this book (2013). This twenty six chapter enlarged edition has taken a lot of burning of the proverbial midnight oil to see the light of day.

The position taken herein is that the world is undergoing a corporate Olympiad, the present cyclical fluctuations notwithstanding. Change is ongoing but non-linear and non-Newtonian. Organizations, structures and functions are concurrently collapsing and persons at all levels are to expect to be multi-tasking and multi-talented. In this environment, organizational excellence is a business imperative. Corporate culture and power relations hold the key to how persons behave and accept change. Hence, the authors argue, that organizational values need to be robust while business ethics ought to be vibrant. Trust transparency and teamwork are the watchwords for developmental-growth.

The central argument is precise. If policies and practices of business ethics and corporate governance are in place, the propensity for the organization to achieve excellence is increased. In turn, excellence is not a finite point but a horizon that one approaches but never reaches. Yet this journey towards organizational excellence is imperative and needs to be meaningful must translate into business sustainability. This quest for excellence and sustainability through ethics and governance has been actualized in two chapters given in the Section E and this is the addition to the first edition of this book.

The book speaks volumes for the dedication of purpose and clarity of thought on the part of the authors. It provides the doctoral scholar with the direction and the method to understand objective business reality especially under the post WTO regime of new free market capitalism. Clearly this edition is meant for the serious student of management sciences, the doctoral research scholar and a relatively new lecturer. Each chapter covers material for a three hour lecture and thereby provides for a full semester's lecture series on the subject covering the post graduate syllabus at every major Third World University. The inherent logic of the argument helps the reader to understand this highly complex subject with relative ease.

The first four sections make a lasting contribution of thought and issues of religion, dogma and even spiritualism are deftly side-stepped in positing their brilliant argument. The fifth and last section actualizes praxis in that the theory is converted into practice through selected manifestations in the realm of industry and business. That is what makes this excellent postgraduate text stand out like a beacon light.

The combination of a political economist and a behavioural scientist is at the best of times lethal. When they take the route of rationality the argument becomes formidable. Not content with looking at ethics and governance either philosophically or economically they seem to have gone beyond and posited a new sociology of ethics in the second edition of their book that is soon to hit the shelves. The uniqueness of the Sadri and Jayashree approach is that it is holistic and interlinks several facets of the study of man and society as can be seen by the soft system diagram (figure 1) given below.

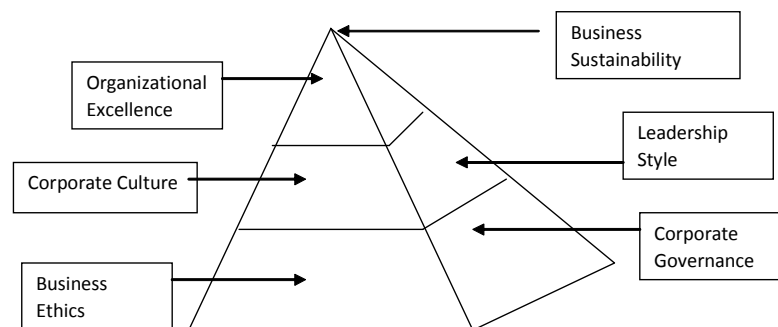


Figure 1 : Sadri and Jayashree Approach

No matter how hard they try to deny it and state that it is meant for students the fact remains that like other works of Sorab Sadri this book is written by scholars for use of scholars. There is nothing simple or quick read about it. The large bibliography testifies that in writing this "labour of love" the authors have burnt the midnight oil for a long time indeed. If anything it is profound and abstruse. Having said that let me reiterate the fact that anyone (at any level) who speaks or writes on ethics and governance cannot avoid reading this book just as no university library can afford not to keep copies of it.

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