

ETHICS IN MANAGEMENT COURSES - AN ANACHRONISM IN TODAY'S WORLD?

Kothandaraman S¹ and Vidya Suresh²

Department of Management Studies, Thiagarajar School of Management, India
E-mail: ¹kothand@gmail.com, ²vidyasuresh@tsm.ac.in

Abstract

Animated discussions on the need for integrating ethics in management education has, of late, occupied centre-stage and the inevitability of a curriculum designed and implemented on these lines has assumed a reality of purpose. What has brought about this sudden clamour? Is it the series of unsavoury happenings in the business environment that have a peculiar and undying regularity to crop up at the most unexpected times or is it that there has been soul searching among practitioners which has thrown up this prescription? In our immediate environment we see, to our dismay, decadence of values setting in. The slide is all round and is threatening to envelop the whole fabric of our society. In such a daunting scenario, will imparting ethics in MBA programmes pass muster? Is the community of students, taking it in with resigned indifference or stoicism that this too shall pass. Have Ethics teachers become relics of the past or is there some glimmer of hope still? This paper thus essentially addresses issues relevant to ethics education in management institutions in India.

Keywords:

Management Education, Ethics, Ethics for Managers, TPOV, Practice of Ethics

1. ETHICS IN MANAGEMENT COURSES - AN ANACHRONISM IN TODAY'S WORLD?

Sometime back, I met a Westerner on a flight. While engaging in small talk as co-travellers, we talked about our relative work. When I told him that I was till my retirement a banker and now is engaged in teaching Ethics, he reacted with disdain "But these two things don't go together". That was his spontaneous reaction and which shook me a bit.

To cap it, I had another experience which unnerved me much more. During interaction with a senior executive in a fairly large industry, I was amazed at his reaction when I said that I was teaching Ethics to MBA students. He looked at me incredulously and I could fathom his inner thoughts - "What a waste of time". Ethics teachers today have become pieces of interest like old relics or museum pieces. This is what our society has come to, whether we have the grace or inner strength to accept it or not.

On the other hand, sadly but truly, Management education has for quite some time had Ethics ingredient incorporated in the course in whatever form and manner but it does not at all seem to have stood the test of being put to use at work [1]. It has become what Mark Twain once said "I never allowed my schooling to interfere with my education". Managers have worked hard to prove this true at their workplace, especially practising ethics and have safely left them behind in the classrooms of the college. But to what disastrous consequences? Scams and frauds galore and much vaunted names falling by the wayside every other day. Admittedly management courses themselves are only 6 decades old and have emphasised predominantly the road map for running a successful enterprise, the Milton Freidman way.

In such a challenging and often depressing scenario, where does an Ethics teacher fit in and what is his utility if at all? Can he be made more relevant and given a sense of purpose at work? Now, the moot question is as to how to realign the structure that it leaves an indelible imprint on the psyche of the budding manager. While it would be grossly unfair to blame all the ills in the marketplace in particular on the MBAs, everyone agrees that MBA graduates have not scored high marks on the ethical front in their workplace. The recent economic upheavals in the West, which the world is still grappling with, have underscored the need for moderation and discipline in quest for profits [3]. The income disparity in the world between the rich and poor is widening and sociologists are worried about the unseemly consequences such a divide may portend. The globe too is faced with large disparities in income levels. President John Kennedy had warned, "If a society cannot help the many who are poor, it cannot save the few who are rich". An ominous warning indeed.

A case in point is the unsustainable disparity in income levels in India. Higher the GINI index more is the inequality in income. The index of zero represents perfect equality, while an index of hundred implies perfect inequality. Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. Given that 'inclusive growth' is our prime objective since 11th five year plan and as a welfare government our recent union budget and NITI (National Institution for Transforming India) Aayog also is focused on uplifting the low middle class and the rural India (Union Budget, 2016). Though India is better on inequality index compared to select nations, we are still a long way to reaching a low GINI index number that would infuse confidence about narrowing the gap level.

As our nation strives for its rightful place in the comity of nations, is it not the duty of every right minded citizen to work towards that goal in whatever small measure he can. In his book "Spirit of Capitalism" - Max Weber articulates the importance of Good Values such as hard work, honesty, austerity, entrepreneurship etc as being very important to the society, no matter what the odds are, as then decent and hardworking people with high aspirations can make great nations. After all, values form the protocol of behaviour followed by each member of the community to enhance hope, confidence, enthusiasm and joy for every other member of the community. The incomparable Shri. Narayanamurthy, Chief Mentor of Infosys stated "Any large scale success of our nation requires model citizenry, good work ethic and high quality leadership by elders". Unfortunately, we are confronted with what Franz Manon in his book "Black Skin, White Masks" wrote about the asymmetry between the ruler and the ruled - different sets of rights and responsibilities. Rights are always accompanied by duties and to quote US President General Eisenhower "People who value privileges above their principles soon lose both". It is thus indubitably clear that nurturing of values

is a paramount need in our young. Management graduates form a vital segment of this target group for they have an important role to play in the business environment that they would steer in the years to come. After all, business impacts the society directly [5].

One may argue that by the time a student comes to an MBA course, his personality is well formed but there is no gainsaying the fact that a person's values keep changing based on inputs received and experiences gained or gleaned. An MBA programme definitely will leave a far reaching impression on the student. Management schools endeavour to give a holistic perspective of business and its learning processes. As a manager, especially at higher levels, one has to be not only analytical but have the mental strength to hold multiple and seemingly contradictory ideas simultaneously in the mind and be comfortable with it, at the same time. In the West, there is considerable discussion on rethinking the MBA course (Rethinking the MBA: Business Education at the Crossroads (2010) - Srikant M Datar, David G Garvin and Patrick G Cullen of Harvard Business School). Even introduction of liberal arts, philosophy and other such courses have been done. The idea is to expose the student to a myriad of varying experiences, away from the pure skill inputs like accounting, operations management and so on. These courses broaden the student's vista and help him grapple with vagaries of human nature unexplained by the realm of quantitative techniques.

What does a teacher of Ethics have to have in order to be effective? In our opinion, a Teachable Point of View (TPOV) is the most important and essential ingredient in the inputs given to students. There are various methods of classroom teaching - theory, example, case studies, group work etc - but one common thread is the Teachable Point of View. According to Noel Trichy, TPOV is a cohesive set of ideas and concepts that a person is able to articulate clearly to others. In an ethical perspective, some of the key elements of TPOV are ideas, values and ways to energize people and enable making tough yes-no decisions [6]. The essential objective of this approach is to help build a value based culture wherein people want to win but they want to do so with their heart. Further they must be taught to internalise what they learn and even be trained to motivate others to buy in. Then the subject is comprehensively absorbed [4].

2. BUILDING A VIRTUOUS TEACHING CYCLE ON ETHICS

A process by which ideas are shared in all directions and such repeated teaching exchanges leads to more search for knowledge, producing a cycle of virtuous learning. The learning, teaching and sharing maximises internalisation of ethical practices.

Source: TPOV and the above pictorial depiction is adapted and modified from: Michigan Business School guide to "The Ethical Challenge - How to Lead with Unyielding Integrity".

Every one of us has had critical life events that have shaped us today and these can form important building blocks to one's own teachable point of view [4].

The most important quality has to be what is popularly called "Walk the Talk". The teacher must be able to lead by example, live and demonstrate by the exalted standards that he espouses. Mahatma Gandhiji, a shining example of a great leader who lived by his ideals for the entire world to see and thus he created an

abiding sense of trust in his followers. They would do anything for him, for they did not see any duality. If a teacher is able to reinforce this aspect about himself in his students he would have won their hearts. Of course, unquestionably, if the institution he represents has high ethical standards it makes acceptance that much easier. As the adage goes, "Charity begins at Home". The teacher must be just, fair, objective and unbiased in his dealings. These are minimum requirements for building credibility and thus trust.

A teacher must also be able to personalise things - say explain a situation wherein he is shown to be vulnerable and it would add credibility to the message. People would be truly pleased to know that their teachers too had their low moments. He must be able to articulate clearly some ethical dilemma he had encountered in his life, his inner struggle in resolving them and how he came up with a solution that enabled him to be at peace with himself. In today's youth there is a disquieting sense of disdain for authority and this cynicism about the apparent lack of goodness in the world can gnaw at the very roots of one's set of values and beliefs. It is up to the ethics teacher to help arrest this slide and reinforce the power of good. In this respect, real life examples can play a major part.

The concept of "Categorical Imperative" so effectively portrayed by Mahatma Gandhiji in suspending the non-cooperation movement on the heels of "Chowri Churaha" incident of a mob burning down a police station is a powerful instrument for ethics teachers. It underscores the fact that certain responses are totally unacceptable regardless of the enormity of the cause they wish to propagate. At any rate, certain actions will not be justified even though the costs of not proceeding with such a course may be enormous.

Leaders have to create trust in their followers, through leadership by example, infuse hope and confidence which are vital for youth and without these the youth can go astray. Need to instil in them a vision and guide them as to how to convert that vision into reality through dedication and hard work. There are innumerable examples of such leaders who have spanned the globe. Robert Kennedy quoted George Bernard Shaw "Some men see things as they are and ask why? I dream of things that never were and ask why not?" What a poignant message, especially for the youth of this country, whose beliefs are being torn asunder by the unseemly events all around.

3. RECOGNISING AND LIVING WITH LIMITATIONS IN SOCIETY

At the same time, today's youth have to be clearly told that "Life is not perfect nor is the world. One has to accept these limitations. Challenge is to recognise the limitations and imperfections of the world as we want it to be and work hard/make sacrifices to create such a world. Overcome constraints of the context, present mindset, and diffidence inherent in them". It takes courage, conviction and sacrifice to achieve all this. Success comes with a cost, a cost that the individual have to bear in order to create what in his opinion is an egalitarian society. After all, collective good is paramount in a society. According to Prophet Mohammed, "God changeth not what is in a people until they change what is in themselves". We should be prepared to change before we ask others to.

4. HONOURING THE WELFARE OF SOCIETY AT LARGE

In the West, the society's welfare is paramount and individual rights are to some extent subordinated to this collective good. While in India, opposite is seen sometimes. Our homes are clean, plants watered but we litter the streets and walls are full of graffiti. We need to learn to put public interest above private interest. As the Vedas say “Man can live individually and can survive only collectively”. One has to learn to be a responsible member of the community he lives in. The word itself means in Latin: COM (together or with) and UNUS (one). We have to extend our family beyond the boundaries of our home.

Greed, lack of confidence in the nation and lack of respect for the society are some of the ills ailing our society. Greed can be an overpowering impulse as the money managers of the West exhibited during the run up to the financial crisis to the detriment of the whole populace. Gandhiji once said, “There is enough for everyone's need but not for everyone's greed”. This has to be repeatedly emphasised in the ethics class to forestall internalisation of profit as the only benchmark in business. One has to learn to manage feelings in such a way respecting the dignity of others/ oneself and live a life and manage career in a way that makes a difference to society. In the ultimate analysis, we are temporary custodians of wealth we generate - be it financial, intellectual or emotional. It is an indisputable fact that appreciations of values stem from discipline, hard work, teamwork, honesty, respect for contracts (not renege on them), putting interest of society ahead of one's own interest, openness to learn from others. All these ingredients have an association with another person or entity - economic or societal - and have an enormous role to play in shaping the ethical climate.

As Winston Churchill said “Responsibility is the price of greatness” and we should be prepared to pay the price for the sake of the society at large.

5. LEARNING FROM ONE'S OWN EXPERIENCE

Another powerful learning tool is one's personal experience itself and in this the preeminent role played by power of chance events cannot be overemphasised. Everyone has had events in life that have altered his/her perspective on life largely and these have to form learning blocks. Men, small or big, who chanced one's way, would have had a profound impact on one's psyche - an honest poor man, a conscientious policeman, a laudable teacher, a philanthropist businessman and the list is endless. Each student has to be encouraged to speak on one such inspiring person for others also to gain from learning [7].

6. FOSTERING GROWTH MINDSET AND SELF INTROSPECTION

A management study is about business and is generally attributed to be all about growth. So an Ethics course cannot be different from the vein of the main curricula and the student should not be side tracked into a false sense of fair play that ethical practices are fostered only by inhibiting growth. Nothing is far

from the truth. Many leading corporations in India have demonstrated that “This Country provides a framework where an ethical institution can thrive, make progress, profits (not profiteer!)” - Demonstrative effect. This has to be clearly passed on the students. Students have to be encouraged to introspect and deeply reflect on their actions as to whether their actions and words are in conformity with their value system. As the adage goes “There is no softer pillow than a clear conscience”. Ken Blanchard has a brilliant and simple benchmark. Called the “One minute Manager”, it asks each manager to stand in front of the mirror at the end of the day and confirm that he can look at the person in the mirror in the eye without hesitation. If he can truthfully do so, he can be at peace with himself.

7. DISCIPLINE

This is the bedrock of individual/community/national development and an oft forgotten trait in our country. It signifies complying with agreed protocols, norms and most importantly the law of the land. How many of us can claim adherence to these precepts. It has been conclusively established a disciplined nation can improve productivity. A case in point - Singapore (Michael Porter). Another shining example is that of war ravaged nations - Germany and Japan - and how with a disciplined citizenry they could bounce back very quickly after World War II.

It would be appropriate to refer to the IT major - ‘Infosys’ - which though had to go through tough times for not paying bribes to get its work done. In the words of Mr. TVM Pai, the former VP, HR of Infosys, “We were asked to pay bribe. We refused. But in all places, wherever Infosys is functioning today, we have been supported by the chief secretaries. In North India too, we got the approval without paying a single rupee bribe”. Thus, in an era when conducting business ethically was virtually unheard of, the management at Infosys created a values-based corporation [11].

8. FOSTERING PROBITY

Perhaps the most wanted trait in the Indian scene today is integrity. Warren Buffet had once remarked that the three most important qualities of a manager are Integrity, Intelligence and Energy. He added that without integrity the other two are not of any contextual utility. Integrity is not limited to financial transactions alone and intellectual dishonesty is a white collar crime [2]. This is perfidious, especially in a country like India, where cost to educate its citizen is high. Here Ethics teachers have a great role to play for the Indian canvas is full of good and bad, much more bad than good, of course.

India has made small progress on eradicating corruption and we are benchmarked somewhere near the middle in the list of 165 (approximate) countries of the world. This low position also points out that we are lax on practising ethical values. Poorly equipped schools, counterfeit medicine and elections decided by money are just some of the consequences of public sector corruption. Bribes and backroom deals don't just steal resources from the most vulnerable – they not only undermine justice and economic development but also destroy public trust in government and leaders. In fact corruption or bribe increases the price of certain goods and services and creates a dual price in an open market. Based on expert opinion from around the world, the

Corruption Perceptions Index measures the perceived levels of public sector corruption worldwide, and it paints an alarming picture [8], [9]. Not one single country gets a perfect score and more than two-thirds score below 50, on a scale from 0 (highly corrupt) to 100 (very clean). Corruption is something more than money and child labour could be an example which is illegal but still prevailing in many nations [13]. There are children below age of 18, instead of going to school, they are employed in factories and corrupt officials close their eyes and give permission to these factories to run. Children are not aware of factory rules and continue to work for more than 13-18 hours a day with low wages. This is indeed distressing and corruption can eat into the vitals of any nation and debilitate its development. Studies have shown that in a society where corruption can be reduced by 50%, GDP can improve by as much as 1.50%. This is a salutary effect, indeed [8].

Our Indian scene is dotted with heroes like Satyendra Dubey of National Highway Development Authority and Manjunath of Indian Oil Corporation who laid down their lives fighting the evil forces of corruption [10]. Each individual would have had his personal experience in this regard and the enormity of the problem needs to be repeatedly emphasised.

“Honesty pays and it pays very well in the long run”. This slogan has to be a mantra in the management course.

9. ORGANISATIONS HAVE TO BUILD REPUTATIONAL CAPITAL AND CONSERVE IT

As they say “It takes twenty years to build a reputation and five minutes to destroy it”. Recent events in Volkswagen and Toshiba, giants in their own fields, are clear pointers. When a company is found guilty of transgressions, its reputational capital built assiduously over years does not diminish; it simply vanishes. People can be quite unforgiving for a long time. This is a very grave matter and has to be recognised and understood properly at all levels in the organisation. No organisation should risk its reputation whatever the tradeoffs involved.

10. DOES PRACTICE OF ETHICS PAY?

This is an oft repeated question in business circles; another is that Business Ethics is in itself an oxymoron. Research abroad has clearly established that ethical corporations tend to have sustained benefits, both in terms of business and reputational capital. It could be a long haul but even in the rough and tumble of international business, a corporation with an established record of fair practices is preferred. Another interesting aside is that for every person practicing ethics and being happy there is another who has not been so and evidently unhappy. There is no need to underscore this point repeatedly with students as they themselves have been witnesses to the unseemly goings on in our nation in the last few years. They have seen the fall of the high and mighty from the lofty pedestal they were used to. What is ultimately left with anyone is only goodwill.

Let us ponder over this small verse:

Does one dislike all roses, because one rose scratched one's finger?

Does one give up one's dreams, because one did not come true?

Does one lose faith in prayers, because one was not answered?

Does one give up efforts, because one particular effort failed?

Similarly, even a series of setbacks should not deter one from continuing to practice Ethics.

Never give up. Ultimately, good will prevail.

On this note, it is important to talk about just not being caring for the society at large but inculcate a sense of giving and sharing. While Altruism or Philanthropy are high sounding words, let us remember that success of an entity that does not share its wealth with the society it seeks to serve, is not really success at all. In this respect let us recall the words of Bill Gates as regards individuals which are equally applicable for corporations. “Individual wealth is a product not only of hard work and smart choices but also of the society that provides the fertile soil for success. I do not subscribe to the ‘great man’ theory of wealth creation but contend that society's investments such as in economic development, education and healthcare all contribute to an individual's good fortune. I believe, one must think of giving back to society whatever one can and in whichever way one feels appropriate - it is for the individual to decide how he wishes to use his wealth for society and one needs to have an altruistic tendency to be able to think beyond oneself”.

11. A LITMUS TEST

After all, an ethical decision making process involves recognising a moral issue, make a moral judgement, establish the moral intent to act upon the judgement and acting according to these intentions. This is what has to be reinforced. According to Traveno et al. four main ways of approaching the subject would be through 1) Compliance Orientation 2) Values Orientation 3) External Orientation and 4) Protection Orientation. While these approaches are not mutually exclusive, ethical codes are generally based on values and principles. A survey of a large number of employees in an American Organisation suggested that values orientation is the most effective form of reinforcement. A broad ethical context embedded in the culture and climate of the organisation is extremely supportive of ethical decision making. Thus, ultimately, all talk and presentations on Ethics will stand vitiated if the education institution where the course is taught does not have a strong vein of ethical overlay. Here is where the test lies. Should ethical transgressions of any form - say copying, are left unattended; it will have a deleterious impact on the perceived value of the ethics course. These violations have to be dealt with severely and without compromise for they will have a demonstrative effect that the college “Walks the Talk”. There can be no better validation for practice of ethics, in our opinion.

12. WHAT IS THE CORRECT FORMAT FOR TEACHING ETHICS AND IS THE FORMAT OR CONTENT IMPORTANT?

Finally, the moot question as to what format the curriculum must follow to be effective? Different institutions have their own formats. Some have a full course on ethics while some others profess to integrate ethics in every subject - finance, accounting,

marketing, HR practices etc as well as in different interfaces an organisation may have such as shareholders, employees, Government, environment etc. The list can be long-winding. In our humble opinion, what is critical is the need to ingrain the ethics culture in the psyche of the student. As the adage goes “Let us not forget the wood for the trees”. An institution took a laudable steep of starting with an Introduction to Ethics on the inauguration day of the course itself as the first lecture.

The best course, in our opinion, is to have such an introduction followed by a full fledged course later in the first year after the student has learnt and grappled with principles of management. Be that as it may, it needs to be hardly emphasised that Ethics must be talked about continuously during the entire duration of the management course. Let us not forget even for a moment that we always have to contend with “Dharma Sankat”. Conflict with self is more difficult to resolve. Professionals act both as agent and principal in their functions. To quote Walter Bagehot in this context, “One terra incognita seen to be faulty; every other terra incognita will be suspected”. Repeated acts lead to loss of trust - has happened, unfortunately, to the teaching profession. This has to be avoided from recurring again as the stigma will take a long time to live down. Teaching is a noble profession and what can be more onerous than dealing with young people's aspirations and hope [12]. Practice of Ethics is a paramount need and the programme possibly needs an image makeover. Let Ethics and Management Education programme not be considered as totally irreconcilable and taking a cue from Rudyard Kipling's famous words “Thy shall never meet”.

13. CONCLUSION

In our humble opinion, an Ethics teacher can be relevant and useful, more so in a management college. While the country is gasping for a whiff of fresh air (both literally and figuratively, thanks to global warming), let there be some infusion from right thinking minority onto the future citizens of this great nation. A person is always conditioned by his personal experiences. As an Ethics Teacher, I have had some remarkable ones.

While delivering a talk at a seminar of Professionals on the need to Practice Ethics in their particular profession, a seasoned professional came up to the speaker and said that “Ethics is for saints, not for professionals”.

At the conclusion of a trimester course on Business Ethics, a student from a small town in Tamil Nadu came up to me and said, in one of the most profound sentences I have heard, “Sir, it is difficult to be ethical but it is better to be ethical”. I could not have

summarised it better for the simple sentence came straight from the student’s heart.

After a lapse of few years in the workplace, if the latter’s views echoes the former, we have lost the battle and God save this country. If not, there is still hope.

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