ANALYSIS OF ETHICAL ATTITUDES OF MANAGERS IN SELECTED INFORMATION TECHNOLOGY COMPANIES AT CHENNAI

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ABSTRACT: *The backbone of the market relationships is ethics. Without ethical foundations, market economy becomes not only inhuman but also incapable. Market culture and business ethics greatly increase the effectiveness of the economic system providing desirable rhythm and balance between benefit and cost, good and bad, and welfare and harm by subduing the elements of market passions, i.e. thirst for money and power.*

Key Words: *Ethics, Information Technology, Chennai*

Theories of ethics

Many theoretical approaches to define ethics are evolved. They are: virtue theory, utilitarian theory, justice theory, rights theory, and so on. The outcome is that there are a number of principles as given under to guide human behavior and decision-making.

- The Utilitarian Ethic: the greatest good for the greatest number. Determine whether the harm in an action is out weighted by the good. If the action maximizes benefit, it is the optimum course to take among alternatives that provide less benefit.
- The Categorical Imperative: Act only according to that maxim, by which it should become a universal law. In other words, one should not adopt principles of action unless they can be adopted by everyone else
- The Conventionalist Ethics: Individuals should act to further their self-interests so long as they do not violate the law. It is allowed, under this principle, to take recourse to falsehood and to take advantage of all legal opportunities and widespread practices and customs.
- The Professional Ethic: You should do only that which can be explained before a committee of your peers
- The Disclosure Rule: If the full glare of examination by associates, friends, family, newspapers, television, etc. were to focus on your decision, would you remain comfortable with it? If you think you would, it probably is the right decision.
- The Golden Rule: Do unto others as you would have them do unto you. It includes not knowingly doing harm to others.
- The Hedonistic Ethic: Virtue is embodied in what each individual finds meaningful. There are no universal or absolute moral principles. If it feels good, do it.
- The Intuition Ethic: People are endowed with a kind of moral sense

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with which they can apprehend right and wrong. The solution to moral problems lies simply in what you feel or understand to be right in a given situation. You have a "gut feeling" and "fly by the seat of your pants."

- The market Ethic: Selfish actions in the marketplace are virtuous because they contribute to efficient operation of the economy. Decision makers may take selfish actions and be motivated by personal gain in their business dealings. They should ask whether their actions in the market further financial self-interest. If so, the actions are ethical.

- The Means – Ends Ethic: Worthwhile ends justify efficient means – i.e. when ends are of overriding importance or virtue, unscrupulous means may be employed to reach them.

- The Might-Equals-Right Ethic: Justice is defined as the interest of the stronger. What is ethical is what an individual has the strength and power to accomplish. Seize what advantage you are strong enough to take without respect to ordinary social conventions and laws.

- The Organization Ethic: The wills and needs of individuals should be subordinated to the greater good of the organization (be it church, state, business, military, or university). An individual should ask whether actions are consistent with organizational goals and what is good for the organization.

- The Proportionality Principle: I am responsible for whatever I "will" as a means or a end. If both the means and the end are good in themselves, I may ethically permit or risk the foreseen but unwilled side effects if, and only if, I have proportionate reason for doing so.

- **Types of Unethical Practices:**

  Unethicality itself can be classified into two broad categories:

1. **Monetary unethicality:** Dumping, Price fixing, Bid rigging, Embezzlement and Expense account padding.

2. **Behavioral unethicality:** Corporate espionage or leakage of sensitive information to business rivals, discrimination and harassment.

WHAT DO THE DIFFERENT SURVEYS SAY ABOUT THE MISDEEDS?

Here is a sampling that respondents admitted to: cut corners on quality control (16 percent); covered up incidents (14 percent); abused or lied about sick days (11 percent); lied to or deceived customers (9 percent); put inappropriate pressure on others (7 percent); falsified numbers or reports (6 percent); lied to or deceived superiors on serious matters (5 percent); withheld important information (5 percent); misused or stole company property (4 percent); took credit for someone's work or idea (4 percent); and engaged in copyright or software infringement (3 percent).

An individual should ask whether actions are consistent with organizational goals and what is good for the organization.

Indian corporations are not way behind in corruption. There are several scams and misappropriations.

Cheating, for instance, is common occurrence in education. A range of studies shows that anywhere from 75 percent to 98 percent of students admit to having cheated in high school. And a survey of college students by U.S. News and World Report showed some ethically alarming results: 90 percent believe cheaters never pay the price; 90 percent say when they see someone cheating, they don't turn the person in; 84 percent believe they need to cheat to get ahead in the world today; and 63 percent say it's fair for parents to help with their kids' homework. It's not surprising that organizations have difficulty upholding high ethical standards when their future employees—these students—so readily accept unethical behavior. Indian executives seem to be getting their hands dirty in all kinds of murky activities, with 50% of Indian companies experiencing corporate fraud. (KPMG Survey)

1. Manipulation of expense accounts is the numerous no frauds as far as rupee losses of Indian corporate are concerned. Around 37% of the respondents in KPMG's Fraud Survey 2002 felt that fudging in expense accounts is the commonest executive fraud.
2. Secret commissions and kickbacks are a close second in the list of corporate black deeds, with 30% of survey respondents reporting it.
3. Forged documents come in next.
4. Misappropriation/diversion of funds also figure in a big way in India Inc.'s corporate frauds list.

Unethical practices in India

Indian corporations are not way behind in corruption. There are several scams and misappropriations.

1. Anubhav plantations scam reveals how the group defrauded the investors and the regulatory authorities with ease.
2. Indian Hotels – Ajit Kerkar, the former Chairman and Managing Director faced various allegations of FERA Violations, which led to his down fall.
3. JVG Scandal – JVG group of companies defrauded its investors and garnered resources through illegal approaches. The funds were deployed violating all right methods.
4. Tata Tea funding of militants belonging to ULFA organization raised debate on 'militant-funding vs protection payment'.
5. The Bhopal Gas Tragedy –On December 3, 1984, poisonous gas leaked from Union Carbide India Ltd's pesticide plant in Bhopal, and killed thousands of people.

Making an Ethical Organization

Theodre Parcell and James Weber suggested three ways for applying and integrating ethical concepts into daily action. They include (i) establishing appropriate company policy or a code of ethics, (ii) using a formally appointed ethics committee, and (iii) teaching ethics in management development programs. Thus it is the top management which has to take

initiative to establish ethical organization.

Research questions

What values do managers hold? What ethical principles do they prefer? What are their views on business ethics? What factors in their view affect ethical behaviors of organizations? What in their view constitutes ethical behavior? What kinds of initiatives have their organizations taken to make themselves ethical? What can be done further to improve ethical side of the organizations?

Objectives of the study

The present study is undertaken with the following objectives

1. To describe what organizations are doing to make their organizations ethical
2. To find the values and ethical principles preferred by managers and their understanding of ethical behaviors
3. To find out importance of business ethics and factors influencing business ethics in India
4. To know the initiatives taken by organizations to ensure ethical behavior of employees
5. To suggest measures to improve ethical behaviors of employees.

Scope of the study

The study covers two aspects: (a) organization practices to ensure ethical decision making and behavior and (b) ethical attitude of managers in respect of their values, principles and considerations of ethical behavior, goals of organization and place of ethics, and organizational practices to ensure ethical behaviors.

Sampling

A sample of 120 managers is obtained employing convenience method. It is proposed to have a minimum sample of 100 managers and about 225 questionnaires were distributed in about 20 IT companies. The researcher personally visited these companies in Chennai and sought co-operation. Some expressed inability to fill in while some others felt it is not a right topic for research as no one would be open in this aspect. Some others asked for time and promised to mail back the filled in responses but many did not keep their word. As such, persuasion and reminding have become necessary. However, with the help of project students of the university in which the researcher is employed 148 questionnaires were collected. Of them only 120 were found usable.

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ANALYSIS OF ETHICAL ATTITUDES OF MANAGERS

In this study, an attempt is made to present the attitudes of managers belonging to different companies. They are inquired about how they perceive ethics and what kind of arrangements their organizations have made to ensure ethical behavior in the organization

PROFILE OF THE RESPONDENTS

The following table 1 shows that the classification of the profile by the respondents.

Table 1
Profile of the respondents (N=120)

Sl. No	Particulars	Number of respondents	Percen tage
1.	Level of hierarchy		
	Middle	45	37.5
	Lower	75	62.5
2	Experience		
	Up to 5 years	21	17.5
	6 to 10 years	35	29.2
	11to 15 years	38	31.7
	Above 15 years	26	21.6
3	Sex		
	Male	88	73.3
	Female	32	26.7
4	Marital status		
	Single	18	15.0
	Married	102	85.0
5	Education		
	Graduate	31	25.8
	Post graduate	89	74.2

Table.1 shows that about 62.5 %of the respondents belong to lower manager level. Most of them have more than 5 years of experience. About 74% of them are male and 85% of them are married. About 74% of them are post- graduates.

VALUES AND PRINCIPLES OF MANAGERS:

The following table 2 shows the values and principles of managers, which they consider in varying degrees of importance.

Table 2
Values of Respondent Managers (N=120)

S. No	Value	Mean Rank*
1	Self-actualization	4.3
2	Gratitude	4.7
3	Purity of mind	6.6
4	Rest/leisure	2.1
5	Purity of motive	6.8
6	Modesty	4.3
7	Personal relationship	6.7
8	Status	5.5
9	Compassion	5.9
10	Love	6.6
11	Equanimity	4.1
12	Absence of hatred	5.3
13	Liberation	4.8
14	Wealth (Money)	3.8
15	Forgiveness	4.9
16	Code of life	6.2
17	Benevolence	5.8
18	Power	4.7
19	Caste	1.1
20	Loyalty	5.4
21	Aggressiveness	4.2
22	Dependence	3.3
23	Non Violence (Ahimsa)	3.9
24	Truth	4.8
25	Cosmic causation	1.9

Table 2 shows the values of managers, which they consider in varying degrees of importance follows are Personal relationship (6.7), Love (6.6), Purity of mind (6.6), code of life (6.2), compassion (5.9), benevolence (5.8), status (5.5), loyalty (5.4), absence of hatred (5.3) and forgiveness (4.9). Differences indicate that the perceptions on values vary and it is really difficult to uphold a set of universal values. The common theme, is of course, good behavior and it is to be appreciated by the organizations and utilized to get good behavior form their managers. Also, it is indicating that when evolving code of conduct there is need for discussion to evolve consensus on values.

PRINCIPLES OF BEHAVIOR OF MANAGERS

The Table 3 shows that stated the principles of beheaviours of managers by the respondents in the study area.

Table 3
Principles of Behavior of Managers (N=120)

S. No	Principle	Mean *	Standard Deviation
1	I act in a way I get pleasure for myself	2.2	1.01
2	I act following the golden rules like being honest and truthful	4.8	1.62
3	I believe might is right. I use political and other forces for things to happen in my favour.	0.00	0.00
4	I act in a way benefits go to many and harm is done to less number of people.	6.3	1.03
5	I consider means can be bad, but ends should be good.	3.0	1.32
6	I follow carefully the standards of my profession or job.	7.0	0.00
7	I act in such a way that justice is done to affected people.	7.0	0.00

*Scale: 5-Very important 1-Very less important

According to Table 3, the respondent managers have stated that they are always following the principles of profession or job (7.0) and act in such a way that justice is done to affected people (7.0) They are also in agreement with the utilitarian principle-"I act in a way benefits go to many and harm is done to less number of people (6.3)."From this, it is evident that professional ethics is the guiding philosophy of managers along with the utilitarian theory. This is in variance to the hypothesis slightly, indicating how ethical decision-making has influences from more than one source.

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IMPORTANCE OF BUSINESS ETHICS:

An estimated 95 percent of Fortune 500 corporations as well as many smaller companies have now adopted ethics statements or codes of conduct (Tuyteja, 1996).The question of ethic, appears to be in conflict with short term profitable operations, which are considered more important in the competitive environment. How do the respondent managers view this aspect?

Table 4
Goals of the Organization (N=120)

S. No	Goal	Mean*	Standard Deviation
1	Profits	4.2	1.01
2	Consumer satisfaction	4.5	1.09
3	Ethical practices	4.5	1.02
4	Social responsibilities	4.3	1.06

*Scale: 5-Very important 1-Very less important.

Table 4 gives the priorities of manages in respect of business goals. The findings are one way inconclusive. All the goals –profits, consumer satisfaction, social responsibilities and ethical practices are given equal importance.

Table 5
Views of respondent managers (N=120)

Sl. No	Views	Mean*	Standard Deviation
1	Being ethical and being profitable do not go hand in hand	1.22	1.09
2	When given importance to the Social responsibility you may have to sacrifice a percentage of your profits.	2.30	1.90
3	Some times in order to achieve desired targets one needs to be unethical	3.43	1.65
4	Emphasis on ethics should be more in personal than in professional life	1.09	0.98
5	Where there are different practices one cannot have strict ethical standards	2.66	1.18
6	In business, it is difficult to make ethically sound decision because of the high degree of competitive pressure	4.16	1.91
7	If paying bribe is a normal practice in a country, I can not go by ethical norms	3.98	0.87
8	Paying bribe to get a license from a government office is not an ethical issue	1.03	1.09

*Scale: 5-Strongly agree 1- Strongly disagree

Table 5 shows the responses which help us to analyze the place ethics has in the mind of the decision makers. The views, which managers have agreed are: "In business, it is difficult to make ethically sound decision because of the high degree of competitive pressure (4.16)." "Sometimes in order to achieve desired targets one needs to be unethical (3.43)" and "If paying bribe is a normal practice in a country, I cannot go by ethical norms (3.98)". From this, it is evident that respondent managers are of the view that ethics and profits are in contradiction, to some extent, because of competitive pressure. This finding is negating the hypothesis proposed.

FACTORS INFLUENCING BUSINESS ETHICS

Table 6 shows that the following factors are influencing ethical decisions and practices.

Table 6
Factors responsible for unethical practices in India (N=120)

S. No	Factor	Number of respondents	Percentage
1	Globalization	87	72.5
2	Competitive pressures	120	100.0
3	Desire to make large profits	54	48.0
4	Unethical practices are common in the country	100	83.3
5	Law is less powerful	66	55.0
6	Legal proceedings against unethical are slow	101	84.1
7	Moral values are not imbibed properly	29	24.1

Table 6 shows that the following factors are influencing ethical decisions and practices like Competitive pressures (100.0), Globalization (72.5), Legal proceedings against unethical are slow (84.1), Unethical practices are common in the country (83.3) and Law is less powerful (55.0)

ACCEPTABLE UNETHICAL BEHAVIORS:

The following table 7 shows that opinion about the acceptability of unethical beheaviours by the respondents.

Table 7
Acceptability of behavior in Jobs (N=120)

S. No	Action	Mean Rank*	Standard Deviation
1	Calling in sick when some personal time (e.g. play golf or take in a movie) is needed	3.2	1.78
2	Using a company telephone, fax, or computer for personal business	3.1	1.90
3	Making personal copies on a company copy machine	3.9	1.02
4	Using a company car to make a personal trip	6.2	1.23
5	Charging wine and cocktails as well as food on a company business trip	3.9	1.77
6	Taking a relative along on a company business trip at the company's expense	6.2	1.46
7	On a company business trip, charging large amount for taxi to your expense account when actually walked or taken a public transport	3.1	1.84
8	Taking home a few supplies stationery, gifts and compliments	4.7	1.33

Table 7 shows that the following behaviors are acceptable to the respondents like Using a company car to make a personal trip (6.2), Taking a relative along on a company business trip at the company's expense (6.2), Taking home a few supplies stationery, gifts and compliments (4.7), Making personal copies on a company copy machine (3.9) Charging wine and cocktails as well as food on a company business trip (3.9)

INITIATIVES TAKEN BY ORGANIZATIONS

The following table 8 shows what kind of initiatives the organizations of the respondents have taken:

Table 8
Opinion about Steps taken by organization to ensure ethical behaviors (N=120)

S. No	Measure	No of respond-ents	Percent-age
1	Our organization has an ethical code of conduct for employees	120	100.0
2	Our organization encourages leadership with principles	20	16.7
3	Our organization has an Ethics Committee to check unethical behaviors	10	8.33
4	In our organization we have ethical policies to guide managers in making decisions	96	80.0
5	Our organization encourages employees to report unethical practices they have observed	102	85.0
6	In our organization people are rewarded for good ethical conduct	21	17.5
7	Our performance appraisal has items relating to ethical behaviors	10	8.33
8	In our organization ethical values are communicated through slogans like 'Honesty is best policy'	108	90.0
9	In our organization, we undergo ethics training	8	6.7

Table 8 shows that organizations are giving importance, ethical issues are given recognition and attention and ethical issues are discussed in meetings. Further, the following steps are taken to ensure ethical behaviors in the organization like Our organization has an ethical code of conduct for employees (100.0), In our organization ethical values are communicated through slogans like 'Honesty is best policy' (90.0), Our organization encourages employees to report unethical practices they have observed (85.0) In our organization we have ethical policies to guide managers in making decisions (80.0)

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

It is proposed to present the conclusions of the study and also identify some measures that companies may consider to make their organizations more effective.

FINDINGS OF THE STUDY

The important findings are:

1. **Values:** The first 10 important values are: Personal relationship (6.7), Love (6.6), Purity of mind (6.6), code of life (6.2), compassion (5.9), benevolence (5.8), status (5.5), loyalty (5.4), absence of hatred (5.3) and forgiveness (4.9).
2. **Principles:** Respondent managers have stated that they are always following the principles of profession or job (7.0) and act in such a way that justice is done to affected people (7.0) they are also in agreement with the utilitarian principle
3. **Goals:** All the goals – profits, consumer satisfaction, social responsibilities and ethical practices are given equal importance. The views of managers 'it is difficult to make ethically sound decision because of the high degree of competitive pressure and the like Indicate preference to profits over and above ethics
4. **Factors influencing ethics:** The major factors discouraging ethical decisions are: competitive pressures (100.0) followed by globalization (72.5), legal proceedings against unethical are slow (84.1), unethical practices are common in the country (83.3) and law is less powerful (55.0)
5. **Acceptable unethical behaviours:** Some of the violations at work place like "using a company car to make a personal trip (6.2); taking a relative along on a company business trip at the company's expense (6.2); taking home a few supplies stationary, gifts and compliments (4.7); making personal copies on a company copy machine (3.9) and charging wine and cocktails as well as food on a company business trip (3.9)' are acceptable to the respondent managers.
6. **Practices of organizations:** The practices of organizations are: ethical code of conduct for employees (100.0); Communication of ethical values (90.0); encouragement to employees to report unethical practices they have observed (85.0) and ethical policies to guide managers in making decisions (80.0).

The organizational priorities and efforts related to ethical issues need to be publicized.

SUGGESTIONS

The following actions have been suggested for integrating ethical decision making into the day–to–day life of an organization

Top management initiatives

1. Top managers must demonstrate their commitment to ethical behaviors and decisions to other managers and employees
2. Identify ethical attitudes crucial for the organization's operations. For example, a security firm might stress honesty, whereas a drug manufacturer may identify responsibility as most important to ensure product quality. After identifying important ethical attitudes, training programs can focus on developing such attitudes among employees.

3. The organizational priorities and efforts related to ethical issues need to be publicized.
4. Select employees with desired attitudes. The organization might develop and use standard interview questions that assess an applicant's ethical values.
5. Employees should be involved in the identification of ethical problems to achieve a share understanding and resolution of them.
6. Incorporate ethics in the performance evaluation process. Criteria that individuals are evaluated on will have an important influence on work-related attitudes that they develop. Organizations should make ethical concerns part of the job description and evaluation.
7. A whistle-blowing and/or ethical concerns procedure should be established and followed.
8. Establish a work culture that reinforces ethical attitudes. Managers and organizations can take culture that reinforces ethical attitudes. This culture, in turn, has a major influence on ethical behavior in the organization.

CONCLUSION

The Indian culture is borne by ethical values and so did the business in earlier days. The Indian business giants managed their business along with the traditional ethics being followed from time immemorial and thus the Indian business had an inbuilt ethical value. After globalization the face of Indian business has taken a new dimension at the global and domestic level. major global players eye India as a potential market for business expansion and major Indian companies do perform admiribly well amidst strong competition. Though the face has changed in 21st century, Indian IT companies like TCS, INFOSYS sustain the ethical bound business.

It can be concluded that organizations are considering ethics as an important variable in decision-making. Structural and functional measures are also taken. However, the managers are not so sure that ethics can be a guiding principle in competitive situations. Steps are necessary to infuse confidence in ethical behavior.

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