

The (Im)Morality of Managers

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Many years ago, when managerial traits were being defined for the first time, a man called Chester Barnard advanced some theories. He defined 'efficiency' as doing things right, and 'effectiveness' as doing the right things.

Ever since then, management consultants have been measuring efficiencies in percentages and effectiveness in two by two matrices. The smarter ones published them in Harvard Business Review and made money.

Stephen Covey came along many years later with his ladder that had seven rungs. He said that if you were efficient you would be climbing the ladder faster than every body else (just like the heroes in TV reality shows). However, if you are not effective, your climb will be to nowhere. Covey suggested that to be effective you better place your ladder like Romeo did under Juliet's balcony. That Romeo's story had disastrous results does not take away the value of Covey's ladder simile.

What Stephen Covey as well Chester Barnard and a host of others either forgot to go into and did not care to go into is why you and I would want to climb the ladder.

Assuming that Covey intended the ladder to be the corporate ladder, the Holy Grail for a

large percentage of the educated populace today, efficiency and effectiveness can be defined this way.

To be efficient, the manager or executive or whoever he may be, has to focus on climbing as fast as he can, certainly faster than anyone in his league to be successful. Don't think of anything else just climb, faster and faster. If you want to be the first to reach the top most rung, the executive should be ready to reach out and pull a few other climbers down.

To be effective, the manager has to position the ladder correctly, so that the trip up the ladder leads somewhere, to some place that one wants to go.

How many of us climbing a corporate or social or any other ladder stand back and evaluate the purpose of why we are attempting the climb before shinnying up as fast as we can? Is it money, is it fame, is it power, is it happiness, or is it anything that we consciously define? Or is it that since every one else is climbing, we do not want to be left behind and we too climb faster and faster to some place that we do not know any thing about.

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One enrolls for the rat race without realizing that even if one wins, one would still be a rat!

How often do we stop to think before we climb about the purpose of our climb? At the end of the ladder do we hope to find a spot that is congruent with our value systems and our purpose in life?

In my experience, men and women who are honest, upright and virtuous at the individual level buckle to corporate pressures and fail to stand up and be counted when issues of moral and ethical conflicts arise. What is it in us that allows us to stand up for what we believe in at the individual level but lets us off the hook when such decisions are to be made collectively?

Over the last many years corporate scandals have tumbled out of guarded closets that have seriously exposed the hypocritical double standards of keepers of corporate ethics and the utterly soulless moral standards of large Corporations whose only bottom line is greed. Enron, Arthur Andersen, Madoff and closer home Satyam etc. who till then were darlings of all that was Corporate and Investment became targets of criminal proceedings. They are but tips of the iceberg. Their sin was in getting caught. They are also symptoms of the malaise of climbing fast as one can with no concern as to where the ladder leads.

Investors such as Warren Buffet have been speaking out against immoral and ethical corporate practices for a long time. These are a minority few who have their goals clearly charted out and have also shown that you can be moral and ethical and still make money.

However this process takes time. What Satyam's Raju and his ilk lacked other than morals was the patience to build an ethical organisation that has strong foundation.

Corporate Governance has been a favourite of Consultants and Auditors for a long time now. It was good for their top and bottom line. It is ironic that it is these very same keepers of morals who have been marauding the tabernacle of corporate values. It is extremely doubtful that keepers of morals who are not answerable to corporate shareholders can ever be effective fences to guard against unethical intrusions. Such shenanigans have been going on for a long time now, and have often been exposed, though the ground swell movement against these practices and their practitioners has gained tremendous momentum now.

Will the series of exposures change corporate attitude? Arie de Geus in his classic compared the Living Company that transcends time to the river that forever remains the same but never is the same river. How do such timeless Corporations cross the boundaries of nations, skill domains and time, while still adhering to core values of integrity and service to Society? Is there something different, something that is almost spiritual about such entities?

Is there something different about the people who guide such Corporations? How do we such ethical corporate leaders generate in larger numbers?

From what I understand from the World's renowned centres of excellence in B schools, what they generate is just the opposite. The intense competition generated in these schools

to obtain superior ranking drags all but a determined few of superior values into a rat race where everything goes and what matters are grades. In later life this translates into money as well as career progression.

Does passion for what one likes to do rather than the returns alone there from guarantee a more ethical and more moral pursuit of one's chosen vocation? Perhaps a little bit, but if my limited contact with the

highly politicised atmosphere in academia is any standard to go by, either teachers in higher centres of learning lack passion or my hypothesis is plain wrong. May be that is what the problem with B Schools is in the first place.

How do we get Corporations to govern themselves instead of Governments? How do we get people to govern themselves instead of societal laws?

VIOLATION OF DHARMA

All the aspects which trouble India's Body Politic are symptoms of one disease. Its cause is the miscarriage of Dharma. When individuals act in violation of Dharma, it harms the moral order of the world and it rebounds on them. It is Adharma that is the root cause of all troubles of a person's mind or body. So also is the case with the Body Politic.

For example, when caste was made hereditary and exclusive, it weakened the country's strength. We are still suffering from its ill-effects.

When rituals were mistaken for the essentials, Religion goes berserk. Vivekananda saw Hinduism reduced to absurdity in Kerala and called the place a lunatic asylum. Whenever truth is twisted for the sake of expediency, it becomes a glaring Adharma! Ever so many examples can be given for Dharma is a dynamic concept. The practice of Sati in North India is another. Such practices have no religious sanction. Dharma is not a matter of religion alone. Nor is it confined to the East. When respected western banks passed off 'toxic debts' to other investors as attractive investments, they were indulging in Adharma – leading to eventual downfall!

Whenever one does to others what one would not do to oneself, there is Adharma.

No wonder it is said that 'if you uphold Dharma, it will save you'. This is why Rajaji suggested a 'Dharmic World Order where international trade is based not on 'beggar my neighbour', but mutual enrichment. In fact the basic impulse of Adam Smith in writing Wealth of Nations, was 'ethical and moral'. The Corn Laws in the England of his day was unethical because it made rich land owners prosper at the cost of the poor people. Adam Smith wanted it to be repealed. Eventually it was done. His book helped to change public opinion. We can hope that in future, some such work can alter public opinion in such a way that reforms will be made to rid us of the plagues that afflict our Polity.

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