LECTURE NOTES

ON

HUMAN VALUES AND PROFESSIONAL ETHICS

M.B.A II YEAR III SEMESTER
(JNTUA-R14)

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2. **Principals of Ethics and Morality:** Ethics as a Subset of Morality, Ethics and Organizations, Employee Duties and Rights, Discriminatory and Pre-judicial Employee Practices, Understanding Harmony in Nature, Natural Acceptance of Human Values.


4. **Collegiality an Loyalty:** Respect of Authority, Collective Bargaining, Confidentiality, Professional Rights, Intellectual Property Rights, Multinational Corporations, Honesty, Moral Leadership, Sample Code of Conduct, Corporate Responsibility. Social Audit and Ethical Investing, Computer and Ethics, Management Patterns,

5. **Competence and Professional Ethics:** i) Ability to Utilize the Professional Competence for Augmenting Universal Human Order, ii) Ability to identify the scope and Characteristics of people-friendly and eco-friendly production, iii) Ability to identify and develop appropriate technologies, and Management and pattern for above production system. Strategy for Transition from the Present State to Universal Human Order-i) At the Level of Individual- as Socially and Ecologically Responsible Technologists and Managers, ii) At the Level of Society- as Mutually Enriching Institutions and Organizations. Case studies of typical holistic technologies and management patterns.

**References**
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COURSE OBJECTIVES AND OUTCOMES

COURSE OBJECTIVES

• To enable students appreciate the essential complementarity between 'VALUES' and 'SKILLS' to ensure sustained happiness and prosperity which are the core aspirations of all human beings.
• To facilitate the development of a Holistic perspective among students towards life, profession and happiness, based on a correct understanding of the Human reality and the rest of existence. Such a holistic perspective forms the basis of Value based living in a natural way.
• To highlight plausible implications of the above Holistic understanding in terms of ethical human conduct, trustful and mutually satisfying human behaviour and mutually enriching interaction with Nature.

COURSE OUTCOMES

• The students identify the importance of human values and skills for sustained happiness.
• The students strike a balance between profession and personal happiness/ goals.
• The students realize/ explain the significance of trust, mutually satisfying human behavior and enriching interaction with nature.
• The students develop/ propose appropriate technologies and management patterns to create harmony in professional and personal life.
UNIT -I
UNIT-1

VARIETY OF MORAL ISSUES

1.1 INTRODUCTION:

Values form the basis for all our thoughts, behaviors and actions. Once we know what is valuable to us, these values becomes the basis, the anchor for our actions. We also need to understand the universality of various human values, because only then we can have a definite and common program for value education. Then only we can be assured of a happy and harmonious human society.

Morals

Morals are the welfare principles enunciated by the wise people, based on their experience and wisdom. They were edited, changed or modified or evolved to suit the geography of the region, rulers (dynasty), and in accordance with development of knowledge in science and technology and with time.

Morality is concerned with principles and practices of morals such as:

a) What ought or ought not to be done in a given situation?
b) What is right or wrong about the handling of a situation? And
c) What is good or bad about the people, policies, and ideals involved?

VALUES

A value is defined as a principle that promotes well-being or prevents harm.” Another definition is: Values are our guidelines for our success—our paradigm about what is acceptable.”

Evolution of Human Values:

The human values evolve because of the following factors:

1. The impact of norms of the society on the fulfillment of the individual’s needs or desires.
2. Developed or modified by one’s own awareness, choice, and judgment in fulfilling the needs.
3. by the teachings and practice of Preceptors (Gurus) or Saviors or religious leaders.
4. Fostered or modified by social leaders, rulers of kingdom, and by law (government)
Professional ethics

Profession is a commitment to a designated and organized occupation by virtue of being an authority over a body of knowledge with requisite skills acquired through specialized training.

An occupation becomes a profession when a group of people sharing the same occupation work together in a morally acceptable way with members setting and following a certain ethics code. A professional is a practitioner belonging to a specific profession.

Professional ethics, as opposed to personal values and morality, is a set of ethical standards and values a practicing engineer is required to follow. It sets the standards for professional practice, and is only learned in a professional school or while practicing one’s own profession. Today, it is an essential part of professional education because it helps students deal with issues they will face.

1.2 OBJECTIVES (WHY PROFESSIONAL ETHICS?)

The objectives of this course on ‘Professional Ethics and Human Values’ are:
(a) To understand the moral values that ought to guide the profession,
(b) Resolve the moral issues in the profession, and
(c) Justify the moral judgment concerning the profession.

It is intended to develop a set of beliefs, attitudes, and habits that engineers should display concerning morality.

The prime objective is to increase one’s ability to deal effectively with moral complexity in managerial practice.

Alternatively, the objectives of the study on Professional Ethics may be listed as:

(A) Improvement of the cognitive skills (skills of the intellect in thinking clearly)
1. Moral awareness (proficiency in recognizing moral problems)
2. Cogent moral reasoning (comprehending, assessing different views)
3. Moral coherence (forming consistent viewpoints based on facts)
4. Moral imagination (searching beyond obvious the alternative responses to issues and being receptive to creative solutions)
5. Moral communication, to express and support one’s views to others.

(B) To act in morally desirable ways, towards moral commitment and responsible conduct
6. Moral reasonableness i.e., willing and able to be morally responsible.
7. Respect for persons, which means showing concern for the well-being of others, besides oneself.
8. Tolerance of diversity i.e., respect for ethnic and religious differences, and acceptance of reasonable differences in moral perspectives.
9. Moral hope i.e., believes in using rational dialogue for resolving moral conflicts.
10. Integrity, which means moral integrity, and integrating one’s professional life and personal convictions.

1.3 VARIETY OF MORAL ISSUES

It would be relevant to know why and how do moral issues (problems) arise in a profession or why do people behave unethically? The reasons for people including the employer and employees, behaving unethically may be classified into three categories:

1. **Resource Crunch:** Due to pressure, through time limits, availability of money or budgetary constraints, and technology decay or obsolescence. Pressure from the government to complete the project in time (e.g., before the elections), reduction in the budget because of sudden war or natural calamity (e.g., Tsunami) and obsolescence due technology innovation by the competitor lead to manipulation and unsafe and unethical execution of projects. Involving individuals in the development of goals and values and developing policies that allow for individual diversity, dissent, and input to decision-making will prevent unethical results.

2. **Opportunity:**
   (a) Double standards or behavior of the employers towards the employees and the public. The unethical behaviors of World Com (in USA), Enron (in USA as well as India) executives in 2002 resulted in bankruptcy for those companies,
   (b) Management projecting their own interests more than that of their employees. Some organizations over-emphasize short-term gains and results at the expense of themselves and others,
   (c) Emphasis on results and gains at the expense of the employees, and
   (d) Management by objectives, without focus on empowerment and improvement of the infrastructure.
This is best encountered by developing policies that allow ‘conscience keepers’ and whistle
towers and appointing ombudsman, who can work confidentially with people to solve the
unethical problems internally.

3. **Attitude:**

Poor attitude of the employees set in due to
(a) Low morale of the employees because of dissatisfaction and downsizing,
(b) Absence of grievance redressal mechanism,
(c) Lack of promotion or career development policies or denied promotions,
(d) Lack of transparency,
(e) Absence of recognition and reward system, and
(f) Poor working environments.

Giving ethics training for all, recognizing ethical conduct in workplace, including ethics in
performance appraisal, and encouraging open discussion on ethical issues, are some of the
directions to promote positive attitudes among the employees.

To get firm and positive effect, ethical standards must be set and adopted by the senior
management, with input from all personnel.

**Professional Codes of Ethics**

A code of ethics prescribes how professionals are to pursue their common ideal so
that each may do the best at a minimal cost to oneself and those they care about. The code is
to protect each professional from certain pressures (for example, the pressure to cut corners
to save money) by making it reasonably likely (and more likely then otherwise) that most
other members of the profession will not take advantage. A code is a solution to a
coordination problem. A professional has obligations to the employer, to customers, to other
professionals- colleagues with specific expectations of reciprocity.

**1.4 UNDERSTANDING THE HARMONY IN SOCIETY**

**SOCIETY:**

Society or human society is the set of relations among people Society or human society is
the set of relations among people, including their social status and roles. By extension,
society denotes the people of a region or country, sometime even the world, taken as a whole.
Used in the sense of an association, a society is a body of individuals outlined by the bounds of functional interdependence, possibly comprising characteristics such as national or cultural identity, social solidarity, language or hierarchical organization. Human societies are characterized by patterns of relationships between individuals sharing a distinctive culture and institutions. Like other communities or groups, a society allows its members to achieve needs or wishes they could not fulfill alone.

The world society may also refer to an organized voluntary association of people for religious, benevolent, cultural, scientific, political, patriotic, or other purpose. Today the term society is currently used to cover both a number of political and scientific connotations as well as a variety of associations.

1.4.1 SOCIETY BEING AN EXTENSION OF FAMILY:

Extended relationship from family to society

As we begin to understand our relationship in the family and live harmoniously in these relationships, we become aware of our relatedness to all human beings. Family is the first place to understand our relationships, recognizing the feelings in these relationships live according to these feelings and attain mutual happiness. Our natural acceptance is to feel related to everyone. We can easily explore this within ourselves. We find that in reality we do not only want ourselves to be happy but also want to make other happy.

Our competence might be limited at the moment and we might feel we are unable to do so but we spontaneously accept that we wish for their happiness as well, along with ours; this is our intention. We expect the same from the other. We feel relaxed when we are with people who feel related to us and we enjoy a feeling of assurance and trust when we live in this social web.

Harmony in the family is the building block for harmony in the society. Harmony in society leads to an undivided society when we feel related with each and every human being. Our natural acceptance, however, is for relatedness with all and we can very naturally expend into the world Family. This is the basis of an undivided society (akhanad samaja), a feeling of relatedness with all. As we begin to understand and become aware of the harmony at this level in our living,

Identification of the comprehensive human goal

In order to facilitate the fulfillment of the basic aspirations of all human beings in the society, the following comprehensive human goal needs to be understood.
1. Right understanding is necessary for the human beings, for all human beings. When one does not have the right understanding one remains disturbed and also acts in a manner so as to create disharmony with other human being as well as with rest of nature.

2. Prosperity is needed in every family. Prosperity in the family means that the family is able to identify its needs and is able to produce/achieve more than its requirements.

3. Fearlessness/Trust in society means every member of society feels related to everyone else and therefore there is trust and fearlessness.

4. Co-existence in nature means there is a relationship and complementarity among all the entities in nature including human beings.

This is the comprehensive human goal. With little exploration, we find that all four are required for human society. We are not satisfied with anything less than this. This is the basic minimum requirement to ensure sustainable happiness and prosperity. We can’t cut down any of them. This is the minimum level that each one of us wants, and also the maximum we can think of. We can’t think of anything more than this. This is the target for each one of us, the whole human race and the human tradition. The moment we leave anyone of them out, there will be loss of continuity, and the goal cannot be achieved.

**Samadhan**

We can solve society’s problems when we see beyond the contradictions of life. When we live in a higher consciousness, we obtain the higher knowledge that sees the higher harmonies which enable the resolution of every problem.

**Samridhi (Prosperity)**

Prosperity is the state of flourishing, thriving, success, or good fortune. Prosperity often encompasses wealth but also includes other factors which are independent of wealth to varying degrees, such as happiness and health.

**Abhay**

Man is eager to live and afraid to die. Most problems owe themselves to this fact. The fear of death might be reckoned as a prime fear but the most primeval and basic fear is that of expectation being defeated, or more specifically, that of loosing what one delusively thinks one owns (the delusion “this is mine”). Fear of losing what one is attached to (the family, for
example) gives birth to the fear of death and therefore the former is the most basic fear because one is attached to the body and is afraid to lose it. Fear resides within and not outside us. External fear is mere fiction. If we succeed in cultivating fearlessness no incident, no external circumstances can strike fear in us.

Abhay is not associated with bhaya and nirbhaya, at all. Abhaya means fearlessness; it is a permanent state where there is no question of ever experiencing any fear.

Fear is only a delusion created by the mind; lack of fear is also a delusion created by the mind. Mistaking one thing for another leads to fear; recognizing the mistake and rectifying it, leads to the removal of fear. These two, Bhaya and Nirbhaya, are associated with fear and the freedom from fear.

Factors for fear:
There are many factors which can make a person develop fear.
1.Ignorance and distorted perception of the world.
2. Fear of the unknown is the most common factor.
3. Fear of the past is due to guilty feelings attached to our past actions.
4. Fear of the future is insecurity.
5. Death is another major cause of fear for many people.

Steps to attain abhaya
1. Fear can be overcome when we enquire into the nature of its cause objectively and the causative factors are resolved.
2. Fear of the past can be overcome if we take responsibility for our actions and stop doing things which will add to our guilt later.
3. Insecurity can be overcome if we accept our limitations and perceive the wonderful cosmic order as a humble spectator.

Co-existence
The world is full of Diversity – there are different nations, cultures, religions, communities, languages, and beliefs. The beauty of existence can only be maximized if everything in this world is in harmony. Peaceful, symbiotic co-existence is the key to harmony in the world. For peaceful co-existence to occur in a diverse society the following must happen:

1. People must recognize that traditional interpretations of peaceful co-existence are outdated,
2. Governments and individuals must recognize that society needn’t be homogeneous or institutionalized to serve an important purpose for people,

3. Members of varying cultures, countries and faiths must learn to respect the traditions, beliefs and boundaries of one another,

4. Religion and politics must be separate and

5. People must agree to disagree regarding certain moral values and beliefs and come to recognize that others can be different from them and yet be equally capable in their own unique manner.

We may also understand it in the following sequence

Right understanding ➔ Prosperity ➔ Fearlessness (trust) ➔ Co-existence

Programs needed to achieve the comprehensive human goal: the five dimensions of human endeavour

The five dimensions of human endeavour are:

1. Education – Right Living (Siksha – Sanskar)
2. Health – Self Regulation (Svasthya – Sanyam)
3. Justice – Preservation (Nyaya – Suraksha)
4. Production – Work (Utpadan – Kriya)
5. Exchange – Storage (Vinimaya – Kosh)

We can now see how these five dimensions of humanistic society are able to ensure the human goal:

**Education – Right living leads to Right understanding**

Having the process of education and right living leads to right understanding in the individual.

**Health – Self-regulation leads to Prosperity**

Having the program for health and sanyam leads to well being of the body, and identification of need for physical facilities which along with production ensures feeling of prosperity in the family.

**Justice – Preservation leads to Fearlessness and Co-existence**

Ensuring justice in relationship, or mutual fulfilment in relationship on the basis of values like Trust, Respect, etc leads to fearlessness in society, while Suraksha of nature – via enrichment, protection and right utilization leads to co-existence in nature.

**Production – Work leads to Prosperity and Co-existence**
Production and work are for physical facilities, and this leads to a feeling of prosperity in the family. Production is done in harmony with nature, and hence, this also leads to co-existence with nature.

**Exchange – Storage leads to Prosperity and Fearlessness**

When we store and exchange for mutual fulfilment and not for exploitation, then it leads to fearlessness (trust) in society.

### 1.5 INTEGRITY:

Integrity is defined as the unity of thought, word and deed (honesty) and open mindedness. It includes the capacity to communicate the factual information so that others can make well-informed decisions. It yields the person’s ‘peace of mind’, and hence adds strength and consistency in character, decisions, and actions. This paves way to one’s success.

It is one of the self-direction virtues. It enthuse people not only to execute a job well but to achieve excellence in performance. It helps them to own the responsibility and earn self-respect and recognition by doing the job. Moral integrity is defined as a virtue, which reflects a consistency of one’s attitudes, emotions, and conduct in relation to justified moral values.

Integrity comes in many forms, but honesty and dependability are two traits that are expected in most workplace situations. Without responsible behavior, distrust can make a work environment tense and uncomfortable. A strong work ethic shows co-workers and clients that you're reliable and take your responsibilities seriously. Polite communication, respectable behavior and fiscal responsibility also help you stand out as a trustworthy employee.

**Examples of integrity at workplace:**

1. **Work When You're on the Clock**

   Working diligently when you're on the clock is a clear example of workplace integrity. Socializing, surfing the Internet, making personal phone calls, texting and frequent snacking are activities that detract from work time. Saving those activities for break time will show your boss, co-workers and customers that you work hard when you're on the clock. The career website Calibrate Coaching recommends honoring your work hours by not stealing
time from your employer. Even if you don't actually clock in and out with a time card, focusing on your work responsibilities while you're at your desk, work station or production area will showcase your strong work habits.

(ii) **Follow Company Policies**

Abiding by company policies is a powerful way to demonstrate integrity. Cutting corners and neglecting to follow workplace regulations can lead to mistakes, problems and even dangerous situations. Your willingness to properly record financial transactions, safely dispense of hazardous or toxic materials, follow company protocol for dealing with clients, perform clean-up or set-up procedures and properly maintain equipment shows others that you're not just looking for the easy way out. Establishing yourself as a trustworthy worker who submits to company policies shows your boss and co-workers that you'll faithfully carry out your duties.

(iii) **Respect Co-workers and Build Trust**

Respecting those you work with reveals your desire to create a healthy work environment. Polite communication, appropriate interactions and respect for co-workers' thoughts and ideas demonstrate your ability to look beyond your own interests to pursue team-centered work goals. As you deal with co-workers honestly and respectfully, you establish a level of trust with them. According to Amy Rees Anderson, a contributor to Forbes magazine, those who trust you will spread the word of that trust to their associates, and word of your character will spread like wildfire.

(iv) **Exhibit Responsible Behavior**

Integrity in the workplace often stems from moral and ethical behavior. Making sure there's no reason to question your conduct is one of the best ways to prove that you are an honest and dependable employee. Avoid using company products or equipment for personal use and submit exact receipts for travel or meal reimbursements. Don't over-promise what you can't provide and strive to meet deadlines. Work productively and cooperate during company meetings so you don't appear lazy or apathetic, and don't call in sick if you aren't. By exhibiting responsible behavior, you don't give co-workers or clients the opportunity to question your integrity.
1.6 COURAGE:
Courage is the tendency to accept and face risks and difficult tasks in rational ways. Self-confidence is the basic requirement to nurture courage.

Courage is classified into three types, based on the types of risks, namely
(a) Physical courage,
(b) Social courage, and
(c) Intellectual courage.

(a) Physical courage: In physical courage, the thrust is on the adequacy of the physical strength, including the muscle power and armaments. People with high adrenalin, may be prepared to face challenges for the mere ‘thrill’ or driven by a decision to ‘excel’.

(b) Social courage: The social courage involves the decisions and actions to change the order, based on the conviction for or against certain social behaviors. This requires leadership abilities, including empathy and sacrifice, to mobilize and motivate the followers, for the social cause.

(c) Intellectual courage: The intellectual courage is inculcated in people through acquired knowledge, experience, games, tactics, education, and training.

In professional ethics, courage is applicable to the employers, employees, public, and the press.

One should perform Strengths, Weakness, Opportunities, and Threat (SWOT) analysis. Calculate (estimate) the risks, compare with one’s strengths, and anticipate the end results, while taking decisions and before getting into action.

Learning from the past helps. Past experience (one’s own or borrowed!) and wisdom gained from self-study or others will prepare one to plan and act with self-confidence, succeed in achieving the desired ethical goals through ethical means. Opportunities and threat existing and likely to exist in future are also to be studied and measures to be planned. This anticipatory management will help anyone to face the future with courage.

Expression of courage:
Facing the criticism, owning responsibility, and accepting the mistakes or errors when committed and exposed are the expressions of courage. In fact, this sets their mind to be vigilant against the past mistakes, and creative in finding the alternate means to achieve the desired objectives.
Prof. Sathish Dhawan, Chief of ISRO, was reported to have exhibited his courage and owned responsibility, when the previous space mission failed, but credited Prof. A.P.J. Abdul Kalam (now our revered President), when the subsequent mission succeeded.

The courageous people own and have shown the following characteristics, in their professions:

(a) Perseverance (sustained hard work),
(b) Experimentation (preparedness to face the challenges, that is, unexpected or unintended results),
© Involvement (attitude, clear and firm resolve to act), and
(d) Commitment (willing to get into action and to reach the desired goals by any alternative but ethical means).

1.7 WORK ETHICS:

Industry and Society are the two systems which interact with each other and are interdependent. Society requires industry/business system which provides manufacturing, distribution and consumption activities. It needs investment (capital input), labor (input), supply (raw materials), production (industries, business organizations), marketing and distribution (transport), and consumption (public, customer). A lot of transactions (and interactions) between these sub-systems involving people are needed for the welfare of the society. It is here, the work ethics plays an essential role.

Work ethics is defined as a set of attitudes concerned with the value of work, which forms the motivational orientation. It is a set of values based on hard work and diligence. It is also a belief in the moral benefit of work and its ability to enhance character. A work ethic may include being reliable, having initiative, or pursuing new skills. The ‘work ethics’ is aimed at ensuring the economy (get job, create wealth, earn salary), productivity (wealth, profit), safety (in workplace), health and hygiene (working conditions), privacy (raise family), security (permanence against contractual, pension, and retirement benefits), cultural and social development (leisure, hobby, and happiness), welfare (social work), environment (anti-pollution activities), and offer opportunities for all, according to their abilities, but without discrimination.

Workers exhibiting a good work ethic in theory should be selected for better positions, more responsibility and ultimately promotion. Workers who fail to exhibit a good work ethic may be
regarded as failing to provide fair value for the wage the employer is paying them and should not be promoted or placed in positions of greater responsibility. Work ethic is not just hard work but also a set of accompanying virtues, whose crucial role in the development and sustaining of free markets.

1.8 EMPATHY:
Empathy is the ability to mutually experience the thoughts, emotions, and direct experience of others. The ability to understand another person’s circumstances, point of view, thoughts, and feelings is empathy. When experiencing empathy, you are able to understand someone else’s internal experiences. Empathy is social radar. Sensing what others feel about, without their open talk, is the essence of empathy. Empathy begins with showing concern, and then obtaining and understanding the feelings of others, from others’ point of view. It is also defined as the ability to put one’s self into the psychological frame of reference or point of view of another, to know what the other person feels. It includes the imaginative projection into other’s feelings and understanding of other’s background such as parentage, physical and mental state, economic situation, and association. This is an essential ingredient for good human relations and transactions.

To practice ‘Empathy’, a leader must have or develop in him, the following characteristics:

1. Understanding others: It means sensing others feelings and perspectives, and taking active interest in their welfare.

2. Service orientation: It is anticipation, recognition and meeting the needs of the clients or customers.

3. Developing others: This means identification of their needs and bolstering their abilities. In developing others, the one should inculcate in him the ‘listening skill’ first.

Communication = 22% reading and writing + 23% speaking + 55% listening

One should get the feedback, acknowledge the strength and accomplishments, and then coach the individual, by informing about what was wrong, and giving correct feedback and positive expectation of the subject’s abilities and the resulting performance.

4. Leveraging diversity (opportunities through diverse people): This leads to enhanced organizational learning, flexibility, and profitability.
5. Political awareness: It is the ability to read political and social currents in an organization.

The benefits of empathy include:
1. Good customer relations (in sales and service, in partnering).
2. Harmonious labor relations (in manufacturing).
3. Good vendor-producer relationship (in partnering.)

Through the above three, we can maximize the output and profit, as well as minimizing the loss. While dealing with customer complaints, empathy is very effective in realizing the unbiased views of others and in admitting one’s own limitations and failures. According to Peter Drucker, purpose of the business is not to make a sale, but to make and keep a customer. Empathy assists one in developing courage leading to success.

1.9 SELF-CONFIDENCE:

Certainty in one’s own capabilities, values, and goals, is self-confidence. These people are usually positive thinking, flexible and willing to change. They respect others so much as they respect themselves.

Self-confidence is positive attitude, wherein the individual has some positive and realistic view of himself, with respect to the situations in which one gets involved. The people with self-confidence exhibit courage to get into action and unshakable faith in their abilities, whatever may be their positions.

They are not influenced by threats or challenges and are prepared to face them and the natural or unexpected consequences. The self-confidence in a person develops a sense of partnership, respect, and accountability, and this helps the organization to obtain maximum ideas, efforts, and guidelines from its employees.

The people with self-confidence have the following characteristics:
1. A self-assured standing,
2. Willing to listen to learn from others and adopt (flexibility),
3. Frank to speak the truth, and
4. Respect others’ efforts and give due credit.

On the contrary, some leaders expose others when failure occurs, and own the credit when success comes.
The factors that shape self-confidence in a person are:
1. Heredity (attitudes of parents) and family environment (elders),
2. Friendship (influence of friends/colleagues),
3. Influence of superiors/role models, and
4. Training in the organization (e.g., training by Technical Evangelists at Infosys Technologies).

The following methodologies are effective in developing self-confidence in a person:
1. Encouraging SWOT analysis. By evaluating their strength and weakness, they can anticipate and be prepared to face the results.
2. Training to evaluate risks and face them (self-acceptance).
3. Self-talk. It is conditioning the mind for preparing the self to act, without any doubt on his capabilities. This make one accepts himself while still striving for improvement.
4. Study and group discussion, on the history of leaders and innovators (e.g., Sam Walton of Wal-Mart, USA).

1.10 MORAL AUTONOMY:

Moral autonomy is defined as, decisions and actions exercised on the basis of moral concern for other people and recognition of good moral reasons. Alternatively, moral autonomy means ‘self determinant or independent’. The autonomous people hold moral beliefs and attitudes based on their critical reflection rather than on passive adoption of the conventions of the society or profession. Moral autonomy may also be defined as a skill and habit of thinking rationally about the ethical issues, on the basis of moral concern.

Viewing management as social experimentation will promote autonomous participation and retain one’s professional identity. Periodical performance appraisals, tight-time schedules and fear of foreign competition threatens this autonomy. The attitude of the management should allow latitude in the judgments of their managers on moral issues. If management views profitability is more important than consistent quality and retention of the customers that discourage the moral autonomy, managers are compelled to seek the support from their professional societies and outside organizations for moral support. It appears that the blue-collar workers with the support of the union can adopt better autonomy than the employed
professionals. Only recently the legal support has been obtained by the professional societies in exhibiting moral autonomy by professionals in this country as well as in the West.

The managerial skills related to moral autonomy are listed as follows:
1. Proficiency in recognizing moral problems in management and ability to distinguish as well as relate them to problems in law, economics, and religion,
2. Skill in comprehending, clarifying, and critically-assessing arguments on different aspects of moral issues,
3. Ability to form consistent and comprehensive viewpoints based on facts,
4. Awareness of alternate responses to the issues and creative solutions for practical difficulties,
5. Sensitivity to genuine difficulties and subtleties, including willingness to undergo and tolerate some uncertainty while making decisions,
6. Using rational dialogue in resolving moral conflicts and developing tolerance of different perspectives among morally reasonable people, and
7. Maintaining moral integrity.

Autonomy which is the independence in making decisions and actions is different from authority. Authority provides freedom for action, specified within limits, depending on the situation. Moral autonomy and respect for authority can coexist. They are not against each other. If the authority of the manager and the moral autonomy of the operator are in conflict, a consensus is obtained by the two, upon discussion and mutual understanding their limits.

1.11 CONSENSUS AND CONTROVERSY

Literally, consensus means agreement, and controversy means disagreement.

When an individual exercise moral autonomy, he may not be able to attain the same results as other people obtain in practicing their moral autonomy. Here there might be some differences in the practical application of moral autonomy. This kind of controversies i.e., disagreements are inevitable.

Since exercising moral autonomy is not as precise and clear cut as arithmetic, therefore the moral disagreements are natural and common. So in order to allow scope for disagreement, the tolerance is required among individuals with autonomous, reasonable and responsible thinking.
According to the principle of tolerance, the objective of teaching and studying management ethics is to discover ways of promoting tolerance in the exercise of moral autonomy by managers.

Thus the goal of teaching professional ethics is not merely producing always a unanimous moral conformity; it is about finding the proper ways and means for promoting tolerance in the practical applications of moral autonomy by managers. In a way, the goal of courses on professional ethics and goals of responsible professionals have some similarities. Both situations require the need for some consensus regarding the role of authority.

**Relationship between autonomy and authority**

1. Moral autonomy and respect for authority are compatible with each other. Exercising moral autonomy is based on the moral concern for other people and recognition of good moral reasons. Also moral autonomy emphasizes the capabilities and responsibilities of people. Authority provides the framework through which learning attitudes are encouraged.

2. Sometimes, conflicts will arise between individuals‘need for autonomy and the need for consensus about authority. This situation can be rescued by having open and frank discussion regarding a moral issue with the help of authority.

**Illustration:**

Consider the relationship between autonomy and authority, with reference to a classroom. In the classroom, the teachers have authority over students. Authority of the teachers helps in maintaining the dignity and decorum of academic climate in an institution; also in restoring the confidence and respect between teachers and students.

As per the first point, there should be the acceptance of authority of authority by both the teachers and students, in order to conduct the classes in orderly ways.
When the authority is misused, conflicts may arise between autonomy and authority. As per the second point, allowing open discussions between teachers and students can reduce the unhealthy academic atmosphere.

1.12 PROFESSION AND PROFESSIONALISM:
PROFESSION is defined as any occupation/job/vocation that requires advanced expertise (skills and knowledge), self-regulation and concentrated service to the public good. It brings a high status, socially and economically.

The characteristics of profession are:

1. Advanced expertise: Many professions require sophisticated skills (do-how) and theoretical knowledge (know-how and why). Formal education, training, continuing education, updating are needed.

2. Self-regulation: Professional societies play important role in setting standards for admission to profession, drafting codes of ethics, enforcing standards of conduct and representing the profession before the public and the Government.

3. Public good: The occupation provides some important public good, by concerted efforts to maintain ethical standards. For example, a physician promotes health, a lawyer protects the legal rights, an engineer provides a product or a project for use by the public towards their health, welfare and safety. Teaching is also claimed as a profession as it helps shaping and training the minds of the students, young as well as old.

PROFESSIONAL relates to a person or any work that a person does on a profession and which requires expertise (skills and knowledge), self-regulation and results in public good. The term professional means a ‘person’ as well as a ‘status’.

PROFESSIONALISM: It is the status of a professional which implies certain attitudes or typical qualities that are expected of a professional. It is defined as the services related to achieving the public good, in addition to the practices of the knowledge of moral ideals.

The criteria for achieving and sustaining professional status or professionalism are:

1. Advanced expertise: The expertise includes sophisticated skills and theoretical knowledge in exercising judgment. This means a professional should analyze the problem in specific known area, in an objective manner.
2. **Self-regulation:** One should analyze the problem independent of self-interest and direct to a decision towards the best interest of the clients/customers. An autonomous judgment (unbiased and on merits only) is expected. In such situations, the codes of conduct of professional societies are followed as guidance.

3. **Public good:** One should not be a mere paid employee of an individual or a teaching college or manufacturing organization, to execute whatever the employer wants one to do. The job should be recognized by the public. The concerted efforts in the job should be towards promotion of the welfare, safety, and health of the public.

**Characteristics**

The characteristics of the ‘profession’ as distinct from ‘non-professional occupation’ are listed as follows:

1. **Extensive Training:** Entry into the profession requires an extensive period of training of intellectual (competence) and moral (integrity) character. The theoretical base is obtained through formal education, usually in an academic institution. It may be a Bachelor degree from a college or university or an advanced degree conferred by professional schools.

2. **Knowledge and Skills:** Knowledge and skills (competence) are necessary for the well-being of the society. Knowledge of physicians protects us from disease and restores health. The lawyer’s knowledge is useful when we are sued of a crime, or if our business is to be merged or closed or when we buy a property. The Chartered Accountant’s knowledge is important for the success of recording financial transactions or when we file the income return. The knowledge, study, and research of the engineers are required for the safety of the airplane, for the technological advances and for national defense.

3. **Monopoly:** The monopoly control is achieved in two ways:
   (a) The profession convinces the community that only those who have graduated from the professional school should be allowed to hold the professional title. The profession also gains control over professional schools by establishing accreditation standards.
   (b) By persuading the community to have a licensing system for those who want to enter the profession. If practicing without license, they are liable to pay penalties.

4. **Autonomy in Workplace:** Professionals engaged in private practice have considerable freedom in choosing their clients or patients.
Even the professionals working in large organizations exercise a large degree of impartiality, creativity and discretion (care with decision and communication) in carrying their responsibilities. Besides this, professionals are empowered with certain rights to establish their autonomy.

Accordingly physicians must determine the most appropriate medical treatments for their patients and lawyers must decide on the most successful defense for their clients. The possession of specialized knowledge is thus a powerful defense of professional autonomy.

5. **Ethical Standards:** Professional societies promulgate the codes of conduct to regulate the professionals against their abuse or any unethical decisions and actions (impartiality, responsibility) affecting the individuals or groups or the society.

### 1.13 VIRTUES:

Virtues are positive and preferred values. Virtues are desirable attitudes or character traits, motives and emotions that enable us to be successful and to act in ways that develop our highest potential. They energize and enable us to pursue the ideals that we have adopted. Honesty, courage, compassion, generosity, fidelity, integrity, fairness, transparency, self-control, and prudence are all examples of virtues.

Virtues are tendencies which include, solving problems through peaceful and constructive means and follow the path of the golden mean between the extremes of ‘excess and deficiency’. They are like habits, once acquired; they become characteristics of a person. Moreover, a person who has developed virtues will naturally act in ways consistent with moral principles. The virtuous person is the ethical person.

**Civic Virtues**

Civic virtues are the moral duties and rights, as a citizen of the village or the country or an integral part of the society and environment. An individual may exhibit civic virtues by voting, volunteering, and organizing welfare groups and meetings.

**The duties are:**

1. To pay taxes to the local government and state, in time.
2. To keep the surroundings clean and green.
3. Not to pollute the water, land, and air by following hygiene and proper garbage disposal.
For example, not to burn wood, tyres, plastic materials, spit in the open, even not to smoke in the open, and not to cause nuisance to the public, are some of the civic (duties) virtues.

4. To follow the road safety rules.

**On the other hand, the rights are:**

1. To vote the local or state government.
2. To contest in the elections to the local or state government.
3. To seek a public welfare facility such as a school, hospital or a community hall or transport or communication facility, for the residents.
4. To establish a green and safe environment, pollution free, corruption free, and to follow ethical principles. People are said to have the right to breathe in fresh air, by not allowing smoking in public.
5. People have inalienable right to accept or reject a project in their area. One has the right to seek legal remedy, in this respect, through public interest petition.

George Washington embodied the civic virtues as indispensable for a self-governing administration. These virtues are divided into four categories:

1. **Civic Knowledge**
   
   Citizens must understand what the Constitution says about how the government is working, and what the government is supposed to do and what not to do. We must understand the basis of our responsibilities as citizens, besides duties and rights. We must be able to recognize when the government or another citizen infringes upon our rights. It implies that the government requires the participation of the enlightened citizens, to serve and survive.

2. **Self-Restraint**
   
   For citizens to live in a free society with limited government each citizen must be able to control or restrain himself; otherwise, we would need a police state—that is, a dictatorial government to maintain safety and order. He advocated for morality and declared that happiness is achieved and sustained through virtues and morals. He advocated and demonstrated self-restraint several times in his private and public life, and naturally he was a great leader.

3. **Self-Assertion**
   
   Self-assertion means that citizens must be proud of their rights, and have the courage to stand up in public and defend their rights. Sometimes, a government may usurp the very rights that it was
created to protect. In such cases, it is the right of the people to alter or abolish that government (e.g., voting rights, rights call back).

4. Self-Reliance

Citizens who cannot provide for themselves will need a large government to take care of them. Once citizens become dependent on government for their basic needs, the people are no longer in a position to demand that government act within the confines of the Constitution. Self-reliant citizens are free citizens in the sense that they are not dependent on others for their basic needs. They do not need a large provider-government, which has the potential to become an oppressive government, to meet those needs. Only a strong self-reliant citizenry will be able to enjoy fully the blessings of liberty.

These civic virtues, applicable to local, state, and central governments, nourish freedom and civil liberty at the root of democracy.
UNIT -II
UNIT-2

2.1 ETHICS AS A SUBSET OF MORALITY

MORALS:

Morals are the principles on which one’s judgments of right and wrong are based. These principles are derivable from full-fledged religious, cultural or political systems of belief. Morality is more fluid, personal and subjective.

Definition

Morals are the social, cultural and religious beliefs or values of an individual or group which tells us what is right or wrong. They are the rules and standards made by the society or culture which is to be followed by us while deciding what is right.

Some examples of Morals are:

- Do not cheat
- Be loyal
- Be patient
- Always tell the truth
- Be generous

Morals refer to the beliefs what is not objectively right, but what is considered right for any situation, so it can be said that what is morally correct may not be objectively correct.

ETHICS:

Ethics are widely accepted principles of right conduct. Ethics are more practical, conceived as overarching principles promoting fairness and forming the basis of criminal jurisprudence. One can say that morals are those fundamental values that are endorsed by a higher authority, and ethics are values which are based on greater objectivity and are geared towards ensuring smooth day-to-day functioning.
Definition

Ethics is a branch of philosophy that deals with the principles of conduct of an individual or group. It works as a guiding principle as to decide what is good or bad. They are the standards which govern the life of a person. Ethics is also known as moral philosophy.

Some examples of Ethics are:

- Truthfulness
- Honesty
- Loyalty
- Respect
- Fairness
- Integrity

Examples

- If the son of a big politician has committed a crime and he uses his powers to free his son from legal consequences. Then this act is immoral because the politician is trying to save a culprit.
- A very close friend or relative of an interviewer comes for an interview and without asking a single question, he selects him. This act is unethical because the selection process must be transparent and unbiased.
- A grocer sells adulterated products to his customers to earn more profit. This act is neither moral nor ethical because he is cheating his customers and profession at the same time.

Conclusion

Every single individual has some principles which help him throughout his life to cope up with any adverse situation; they are known as ethics. On the other hand, Morals are not the hard and fast rules or very rigid, but they are the rules which a majority of people considered as right. That is why the people widely accept them. This is all for differentiating Morals from Ethics.
DIFFERENCE BETWEEN MORALS AND ETHICS:

There is always an ambiguity when we talk about Morals and Ethics because their difference is subtle. Perhaps, these two defines a personality, attitude and behavior of a person. The word Morals is derived from a Greek word “Mos” which means custom. On the other hand, if we talk about Ethics, it is also derived from a Greek word “Ethios” which means character. Now let’s start learning the difference between Morals and Ethics.

<table>
<thead>
<tr>
<th>Basis for Comparison</th>
<th>Morals</th>
<th>Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Morals are the beliefs of the individual or group as to what is right or wrong.</td>
<td>Ethics are the guiding principles which help the individual or group to decide what is good or bad.</td>
</tr>
<tr>
<td>Governed By</td>
<td>Social and cultural norms</td>
<td>Individual or Legal and Professional norms</td>
</tr>
<tr>
<td>Applicability in Business</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Consistency</td>
<td>Morals may differ from society to society and culture to culture.</td>
<td>Ethics are generally uniform.</td>
</tr>
<tr>
<td>Expression</td>
<td>Morals are expressed in the form of general rules and statements.</td>
<td>Ethics are abstract.</td>
</tr>
<tr>
<td>Freedom to think and choose</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

2.2 ETHICS AND ORGANIZATIONS

Ethics are the principles and values an individual uses to govern his activities and decisions. In an organization, a code of ethics is a set of principles that guide the organization in its programs,
policies and decisions for the business. The ethical philosophy an organization uses to conduct business can affect the reputation, productivity and bottom line of the business.

**The way an organization should respond to external environment refers to organization ethics.** Organization ethics includes various guidelines and principles which decide the way individuals should behave at the workplace.

It also refers to the code of conduct of the individuals working in a particular organization.

Every organization runs to earn profits but how it makes money is more important. **No organization should depend on unfair means to earn money.** One must understand that money is not the only important thing; pride and honour are more important. An individual’s first priority can be to make money but he should not stoop too low just to be able to do that.

Children below fourteen years of age must not be employed to work in any organization. **Childhood is the best phase of one’s life and no child should be deprived of his childhood.**

**Employees should not indulge in destruction or manipulation of information to get results.** Data Tampering is considered strictly unethical and unprofessional in the corporate world. Remember if one is honest, things will always be in his favour.

Employees should not pass on company’s information to any of the external parties. Do not share any of your organization’s policies and guidelines with others. It is better not to discuss official matters with friends and relatives. Confidential data or information must not be leaked under any circumstances.

**There must be absolute fairness in monetary transactions and all kinds of trading.** Never ever cheat your clients.

**Organizations must not discriminate any employee on the grounds of sex, physical appearance, age or family background.** Female employees must be treated with respect. Don’t ask your female employees to stay back late at work. It is unethical to discriminate employees just because they do not belong to an affluent background. Employees should be judged by their work and nothing else.
Organization must not exploit any of the employees. The employees must be paid according to their hard work and efforts. If individuals are working late at night, make sure overtimes are paid. The management must ensure employees get their arrears, bonus, incentives and other reimbursements on time.

Stealing office property is strictly unethical.

Organization must take care of the safety of the employees. Individuals should not be exposed to hazardous conditions.

Never lie to your customers. It is unprofessional to make false promises to the consumers. The advertisements must give a clear picture of the product. Do not commit anything which your organization can’t offer. It is important to be honest with your customers to expect loyalty from them. It is absolutely unethical to fool the customers.

The products should not pose a threat to environment and mankind.

Employees on probation period can be terminated anytime but organizations need to give one month notice before firing the permanent ones. In the same way permanent employees need to serve one month notice before resigning from the current services. Employees can’t stop coming to office all of a sudden.

The Importance of Ethics in Organizations

Ethics are the principles and values an individual uses to govern his activities and decisions. In an organization, a code of ethics is a set of principles that guide the organization in its programs, policies and decisions for the business. The ethical philosophy an organization uses to conduct business can affect the reputation, productivity and bottom line of the business.

Leadership Ethics

The ethics that leaders in an organization use to manage employees may have an effect on the morale and loyalty of workers. The code of ethics leaders use determines discipline procedures and the acceptable behavior for all workers in an organization. When leaders have high ethical
standards, it encourages workers in the organization to meet that same level. Ethical leadership also enhances the company’s reputation in the financial market and community. A solid reputation for ethics and integrity in the community may improve the company’s business.

**Employee Ethics**

Ethical behavior among workers in an organization ensures that employees complete work with honesty and integrity. Employees who use ethics to guide their behavior adhere to employee policies and rules while striving to meet the goals of the organization. Ethical employees also meet standards for quality in their work, which can enhance the company’s reputation for quality products and service.

**Ethical Organizational Culture**

Leaders and employees adhering to a code of ethics create an ethical organizational culture. The leaders of a business may create an ethical culture by exhibiting the type of behavior they'd like to see in employees. The organization can reinforce ethical behavior by rewarding employees who exhibit the values and integrity that coincides with the company code of ethics and disciplining those who make the wrong choices.

**Benefits to the Organization**

A positive and healthy corporate culture improves the morale among workers in the organization, which may increase productivity and employee retention; this, in turn, has financial benefits for the organization. Higher levels of productivity improve the efficiency in the company, while increasing employee retention reduces the cost of replacing employees.

**2.3 EMPLOYEE DUTIES AND RIGHTS**

**Employee duties:**

An **employee's duties** are to: take reasonable care of the health and safety of themselves and of others who may be affected by what they do or do not do. Cooperate with the employer on
health and safety matters. Not misuse any equipment that is provided for safety purposes (eg fire extinguishers or safety goggles).

to (1) obey a lawful, reasonable order within the terms of the contract of employment, (2) serve faithfully, (3) cooperate with the employer, (4) perform duties with proper care and diligence, (5) account for all money or property received, (6) indemnify the employer in appropriate cases, and (7) not to misuse the confidential information acquired while in service.

Employee rights:

Employee rights are the moral and legal rights that are obtained by the status of being an employee. The provisions made to the employees under this category are:

(i) Professional rights
(ii) Basic human rights
(iii) Contractual rights: This include the rights to the institution due to the organizational policies or contracts, right to receive specified salary and annual increments and profit sharing. The quantum of such benefits, scale of pay etc. are fixed and reviewed periodically by the employers and employees.
(iv) Non-contractual employee rights: These are the rights provided in common besides the contractual ones. They include:

1) Right to Privacy

It is the right to control the access to and use of information about oneself. This right is limited in certain situations by employers rights. But who among the employers can access the personal information is again restricted. Only duly authorized persons can get the personal information.

Example, (a) persons who have applied for the cashier are required to report if there are any criminal or civil cases pending against them. Those persons may mishandle the money. Hence, that information may be sought from them.

2. Right to choose outside activities:

This is also interpreted as a right to personal privacy a means a right to have a private life outside the job. There are some situations when these Rights can be curbed. For example.

1. When those activities lead to violation or found detrimental to the duties of their job.
2. When the activities of the employees form a conflict or interest (e.g., when moonlighting).
3. When the interest of the employer is getting damaged (if the employee transfers some vital information on plans or strategies to the competitor).

3. **Right to Due Process from Employer**

It is the right to fair process or procedures in firing, demotion and in taking any disciplinary actions against the employees. Written explanation should be initially obtained from the charged employee and the orders are given in writing, with clearly-stated reasons. Simple appeal procedures should be framed and made available to all those affected. Fairness here is specified in terms of the process rather than the outcomes.

4. **Right to Equal Opportunity—Non-discrimination**

Discrimination because of caste, sex, religion, creed, and language are regressive actions. Discrimination which means a morally unjust treatment of people in the workplace is damaging to the human dignity.

*For example,*

(a) A senior manager post is vacant. There is competent and proven candidate from outside the state. A local engineer with lesser competence is promoted.

(b) Prize amounts for the winners in the world sport events are not the same for men and women.

5. **Right to Equal Opportunity—Sexual Harassment in the Workplace**

The sexual harassment is a display of arrogance and misuse of power through sexual means. It is against the moral autonomy i.e., freedom to decide on one’s own body. It is also an assault on one’s human dignity and trust.

Sexual harassment may be defined as the unwanted compulsion or attack on sexual requirements (gratification) in the context of unequal power. It includes physical as well as psychological attack or coercion and indecent gestures by men shown on women or by women on men. Two such forms of harassment are found to exist. In one type called ‘exchange of favors’, senior officers demand sexual favor as a condition for giving a job, or granting a promotion or increment. It may be either in the form of a physical or verbal threat or sexual offer. In another type called ‘hostile work environment’, it is the sexually-oriented work environment that threatens the employee’s right to equal opportunity.

Undesirable sexual proposals, advances, lewd remarks, mailing obscene photographs are some of the typical examples of this type of harassment.
A rights ethicist interprets this as a serious violation of human right to pursue one’s job free from extraneous force, compulsion, punishment or threat or insult. A duty ethicist would call it as a blatant violation of duty to treat human being with dignity and individual freedom, and not to treat as inanimate object for immoral gratifications. The utilitarian would expose the effect on the happiness and the welfare of the victims, especially of women.

6. Right to Equal Opportunity—Affirmative Action or Preferential Treatment

It means giving a preference or advantage to a person of a group that was denied equal treatment in the past. Such treatments are given especially to women and minorities all over the world. It is also called ‘reverse preferential treatment’, because it reverses the historical preferences.

2.4 DISCRIMINATORY AND PRE-JUDICIAL EMPLOYEE PRACTICES

2.4.1 Understanding Discrimination

Discrimination is a sociological term referring to treatment taken toward or against an individual of a certain group.

In other words, discrimination is an actual behavior. Systemic discrimination involves a pattern of policies or practices within an organization which create disadvantages for the affected person or group.

Discrimination can negatively impact society by leading to oppressive systems in which certain groups are treated unfairly and disempowered, practices that can result in aggression and other problems that affect the community as a whole.

Examples of discrimination include excluding women from male-dominated careers and using age discrimination in hiring practices. Some discrimination, such as extending rights and benefits only to certain groups, is blatant, while other forms are more subtle. The experience of subtle discrimination may include being ignored, ridiculed, or treated differently. For example, a clerk in a clothing store who allows white customers to roam the store freely without suspicion but follows black customers around the store to make sure that they do not steal anything would be committing subtle discrimination.
Certain types of discrimination, such as discrimination in the workplace, are illegal. Title VII of the Civil Rights Act of 1964 prohibits an employer from discriminating based on race, religion, sex, and nationality. Following this act, an employer is not allowed to pay a woman less than a man on the basis of her sex alone.

- **Types of Discrimination in the Workplace**

Discrimination is prejudicial treatment toward a person because of a group they are a part of. While laws are in place to prevent discrimination in the workplace, many people still find themselves being discriminated against at work every day. Recognizing the types of workplace discrimination will enable you to identify discrimination when it occurs -- whether you, a coworker or another employee is the victim.

**Discrimination Based on Race or Ethnicity**

Discrimination based on race or country of origin is prohibited by law, but that does not mean the practice does not exist. People may experience racial discrimination in the form of harassment around the work place -- for example, being called racial slurs or having derogatory remarks made toward them regarding their skin color or ethnic background.

Other forms of racial or ethnic discrimination are not as obvious, and may include preferential or negative treatment, being passed up for a promotion or being paid at a different rate because of race or ethnicity. Employers are not allowed to enact policies or rules that favor or discriminate against employees that belong to a specific race or ethnic group. Companies also may not discriminate against job applicants because of their race or ethnicity.

**Discrimination Based on Sex**

As with racial and ethnic discrimination, sex-based discrimination takes on many forms at work. Sexual harassment is one of the most obvious forms, and may include unwanted sexual advances, propositions or crude remarks toward an employee. Sex-based discrimination may also involve preferential or negative treatment, being passed over for a promotion, or being paid at a different rate because of gender. Companies cannot discriminate against applicants based on their sex; nor can a company enact policies that apply to everyone if the policy has a negative
impact on employees of a certain sex. Both men and women can be victims of sex-based workplace discrimination.

**Discrimination Based on Religion**

Discrimination based on religion involves treating a person unfairly because of his religious affiliation, and is prohibited by law. As with other forms of discrimination, religious discrimination includes harassment and preferential or negative treatment. By law, employers must make reasonable accommodations for religious employees, regardless of their religion. This may include flexible scheduling to allow an employee his day of worship off; allowing an employee to wear garments associated with her religion; or allowing people to follow a religion's grooming policies, so long as it does not cause an undue hardship on the business. For example, a Jewish man must be allowed to wear a yarmulke to work if he so chooses. A company cannot force its employees to attend a religious service or participate in religious activities.

**Discrimination Based on Disability**

The Americans with Disabilities Act prevents employers from discriminating against people with disabilities, so long as they are qualified to perform their job. This does not mean an employer is required to hire everyone with a disability, but so long as there is no undue hardship, employers must make reasonable accommodations for employees with disabilities. For example, an employee confined to a wheelchair may be given a desk that fits with it. Harassment toward employees with disabilities is prohibited by law, as is preferential or negative treatment because of their condition. When interviewing, the law prohibits employers from asking applicants about their disabilities. Once a job has been offered, a company can require applicants to answer medical questions or pass a medical exam, but these must be required of all employees, and not just those who are disabled.

**Discrimination Based on Age**

The federal Age Discrimination in Employment Act prevents companies from discriminating against applicants and employees over the age of 40, meaning these employees may not be treated unfavorably. Favorable treatment of employees over 40, however, is allowed. There are
no federal laws in place to protect workers under 40 from age-based discrimination, though some states have their own laws that do. Companies may favor older workers over younger workers.

2.4.2 PRE-JUDICE:

Prejudice is a baseless and usually negative attitude toward members of a group. Common features of prejudice include negative feelings, stereotyped beliefs and a tendency to discriminate against members of the group. While specific definitions of prejudice given by social scientists often differ, most agree that it involves prejudgments (usually negative) about members of a group.

Types of Prejudice

Prejudice can be based upon a number of factors including sex, race, age, sexual orientations, nationality, socioeconomic status and religion.

Some of the most well-known types of prejudice include:

- Racism
- Sexism
- Classicism
- Homophobia
- Nationalism
- Religious prejudice
- Ageism

Examples of prejudice:

- A person believes all Hispanic people are lazy but has never worked or spent time with any Hispanic people.
- A person considers all people who believe in the Mormon faith to be unintelligent, even though they do not know anything about Mormonism.
- A person thinks less of someone because that person "looks poor."
Prejudice and Stereotyping

When prejudice occurs, stereotyping and discrimination may also result. In many cases, prejudices are based upon stereotypes. A stereotype is a simplified assumption about a group based on prior assumptions. Stereotypes can be both positive ("women are warm and nurturing") or negative ("teenagers are lazy"). Stereotypes can lead to faulty beliefs, but they can also result in both prejudice and discrimination.

According to psychologist Gordon Allport, prejudice and stereotypes emerge in part as a result of normal human thinking. In order to make sense of the world around us, it is important to sort information into mental categories.

"The human mind must think with the aid of categories," Allport explained. "Once formed, categories are the basis for normal prejudgment.

We cannot possibly avoid this process. Orderly living depends upon it."

This process of categorization applies to the social world as well, as we sort people into mental groups based on factors such as age, sex and race.

However, researchers have found that while when it comes to categorizing information about people, we tend to minimize the differences between people within groups and exaggerate the differences between groups.

Ways to Reduce Prejudice

In addition to looking at the reasons why prejudice occurs, researchers have also explored different ways that prejudice can be reduced or even eliminated. Training people to become more empathetic to members of other groups is one method that has shown considerable success. By imaging themselves in the same situation, people are able to think about how they would react and gain a greater understanding of other people's actions.

Other techniques that are used to reduce prejudice include:
• Passing laws and regulations that require fair and equal treatment for all groups of people.
• Gaining public support and awareness for anti-prejudice social norms.
• Making people aware of the inconsistencies in their own beliefs.
• Increased contact with members of other social groups.

2.5 UNDERSTANDING HARMONY IN NATURE:

The aggregate of all the mutually interacting units – big or small, sentient or insentient together can be called nature. These units are infinite in number and we could easily observe that there exists a dynamic balance, self regulation among all these units. This self regulation is harmony or balance in nature. The law of nature has a unique cause and effect system which must be understood in order to be in harmony with the natural law of things.

Natural harmony is necessary for the following reasons:

1. Natural harmony is necessary to solve the problem of global warming and depletion of non-renewable natural resource can be avoided.
2. Natural harmony with trees cure all problems like – reduction of wind velocity, energy savings, doing companion planting, development of an eco-subsystem in terms of establishing a forest garden, reduction of building heat.
3. It is possible to achieve natural harmony in the establishment, maintenance and management of educational institution like schools, colleges and universities.
4. One can understand the depths of harmony and alignment in natural by contemplating and reflecting upon the natural order. It is possible to unravel the mystery of the natural synthesis in the midst of ongoing chaos at the material plane.

All the physical objects that are in solid, liquid or gas state either living or non-living, collectively termed as nature. In other words, the aggregate of all the mutually interacting units – big or small, sentient or insentient together can be called nature. These units are infinite in number and we could easily observe that there exists a dynamic balance, self regulation among all these units.
There are four orders of nature:

**Material order:** The big land mass of the continents, gigantic water bodies like ocean and seas, mountains and rivers, the atmosphere above, the heaps of metals and mineral below, the dense gases and fossil fuels deep below the surface of the earth – all fall into the material order or padartha avastha. In fact, if we look around beyond the earth, the material order is visible even in the form of stars, planets, moons and several astronomical bodies.

**Pranic order:** Our land mass is covered with grass and small shrubs and they form the lining on the entire soil. Shrubs, plants and trees form huge forest along with the flora in the ocean. All of this is the plant/bio order or prana avastha and it is the next big order on our planet. (The material order is far greater in quantity compared to the plant/bio order)

**Animal order:** Animals and birds form the third largest order and we call them the animal order or jiva avastha. Here again, we see that the plant/bio order is far greater in quantity than the animal order.

**Human order:** Human are the smallest order and they are referred to as human order or gyana avastha. Animals are far greater in quantity as compared to the human order.

In the nature, all the units are connected to each other and fulfilling each other. Human being is related to all other human beings. On this basis, we have feelings and emotions for everyone. Human being is connected to all the material units in the existence and gets aware of it as he starts exploring it. We can see this interconnectedness and mutual fulfilment in the following diagram:

**Material Order and Plant/Bio-Order:** The material order provides the nutrients to the plant/bio order in the form of soil, minerals, etc while the plant/ bio order decays and forms more nutrients, thus enriching the soil. The plant/bio order also decays to substances like oil and coal, which are stored deep within the earth as protection against the heat from the molten core inside the earth as well as the heat from the sun (*today, this is the material we are removing and using as fuel*). Plants help move the nutrients through the various layers of the soil. The roots of the plants hold the soil together and prevent the soil from erosion. Plants
produce oxygen/ carbon dioxide and thus help in the movement of the material order. There is a mutual interdependency and co-existence we can see here.

Material Order, Plant/Bio- Order and Animal Order: The material order provides the basis for movement of all animals, birds and fishes. Water, oxygen and other gases are necessities for both plants and animals. At the same time, the animal order helps enrich the soil with its excreta and these excreta help the plants with nutrients. The plant/bio order provides food for animals, birds and fishes. The animal Order helps in pollination of the flowers of the pranic order.

Material Order, Plant/Bio- Order, Animal Order and Human Order: We humans also have a natural acceptance to be mutually fulfilling to these three orders. However, we are not able to ensure this mutual fulfillment. We are dependent on the material order for soil and minerals and metals, but only end up polluting the soil and depleting the fossil fuels; we are dependent on plants for our food and holding together the larger ecosystem, but we have destroyed forests and destroyed multiple species of plants and herbs; we are dependent on animals to carry out our production and transportation activities, but have made many species of animals extinct, and are today known for our cruelty towards animals. We can see that there is interconnectedness and mutual fulfillment in all the orders of nature except human order. We have to work on this.
2.6 NATURAL ACCEPTANCE OF HUMAN VALUES:

Natural acceptance implies unconditional and total acceptance of the self, people and environment. It also refers to the absence of any exception from others. Once we fully and truly commit ourself on the basis of natural acceptance, we feel a holistic sense of inner harmony, tranquility and fulfillment. Actually natural acceptance is way to accept the good things naturally. Learn everything that is good from others, but bring it in, and in our own way absorb it; do not become others. We can easily verify proposals in the basis of characteristics of natural acceptance mentioned below:

a) **Natural acceptance does not change with time.** It remains invariant with time. For example our natural acceptance for trust and respect does not change with age.

b) **It does not depend on the place.** Whatever we have accepted, in our life, at any time of our age, does not change, even if we move from one place to another one.

c) **It does not depend on our beliefs or past conditionings.** No matter how deep our belief or past conditioning, as long as we ask ourselves the question sincerely, as long as we refer deep within ourselves, the answer will always be the same.

d) **This natural acceptance is ‘constantly there’, something we can refer to.** Natural acceptance is always there. Whatever we do, this natural acceptance is within us, it is telling us what is right.
e) **Natural acceptance is the same for all of us: it is part and parcel of every human being, it is part of humanness.** Though each one of us, may have different likes and dislikes and means to live and to react etc. but if we go deep in our mind the purpose of our work, behaviour, efforts etc. are based on common goals like need to be happy, need to be respected, need to get prosperity. So our basic acceptance remains the same.

Natural acceptance is there in all of us. It is within us, all the time and we can refer to it, access it to know what is right for us. We only have to start referring to it.
UNIT -III
3.1 RISK BENEFIT ANALYSIS:

SAFETY AND RISK

Safety was defined as the risk that is known and judged as acceptable. But, risk is a potential that something unwanted and harmful may occur. It is the result of an unsafe situation, sometimes unanticipated, during its use.

Probability of safety = 1 – Probability of risk

Risk = Probability of occurrence × Consequence in magnitude

Different methods are available to determine the risk (testing for safety)

1. Testing on the functions of the safety-system components.
2. Destructive testing: In this approach, testing is done till the component fails. It is too expensive, but very realistic and useful.
3. Prototype testing: In this approach, the testing is done on a proportional scale model with all vital components fixed in the system. Dimensional analysis could be used to project the results at the actual conditions.
4. Simulation testing: With the help of computer, the simulations are done. The safe boundary may be obtained. The effects of some controlled input variables on the outcomes can be predicted in a better way.

RISK BENEFIT ANALYSIS:

Risk benefit analysis is a method that helps the professionals to analyze the risk in a project and to determine whether a project should be implemented or not. In risk benefit analysis, the risks and benefits of a product are allotted to money amounts, and the most benefitable ratio between risks and benefits is calculated.

Ethical Implications

- When is someone entitled to impose a risk on another in view of a supposed benefit to others?
- Consider the worst case scenarios of persons exposed to maximum risks while they are reaping only minimum benefits. Are their rights violated? Are they provided safer alternatives?
- Professionals should keep in mind that risks to known persons are perceived differently from statistical risks
• Professionals may have no control over grievance redressal.

Conceptual difficulties in Risk-Benefit Analysis

Both risks and benefits lie in future

• Heavy discounting of future because the very low present values of cost/benefits do not give a true picture of future sufferings.

• Both have related uncertainties but difficult to arrive at expected values

• What if benefits accrue to one party and risks to another?

• Can we express risks & benefits in a common set of units?

• Risks can be expressed in one set of units (deaths on the highway) and benefits in another (speed of travel)?

Many projects, which are highly beneficial to the public, have to be safe also. Hence these projects can be justified using RISK-BENEFIT analysis. In these studies, one should find out.

i) What are the risks involved?

ii) What are the benefits that would accrue?

iii) When would benefits be derived and when risks have to be faced?

iv) Who are the ones to be benefited and who are the ones subjected to risk—are they the same set of people or different. The issue here is not, say, cost-effective design but it is only cost of risk taking Vs benefit analysis. Engineers should first recommend the project feasibility based on risk-benefit analysis and once it is justified, then they may get into cost-effectiveness without increasing the risk visualized. In all this, engineers should ask themselves this ethical question:

Under what conditions, is someone in society entitled to impose a risk on someone else on behalf of a supposed benefit to others.”

• Personal risk: Assessing the involuntary personal risk is not an easy task. For example, a group residing near the cement plant is exposed to a lot of risk. If suppose a cement plant or refinery was to come up in the area where this group already reside, they will object the proposal. The adequacy of the compensation amount payable cannot be fixed reasonably. How to estimate the rupee value of an individual human being?
For example, a person may be a father to his young ones, husband to his beloved wife, son to his aged parents etc.,

There are persons who dared to serve people in dire straits, inspite of the risky situations where their lives were there in stakes. For example, Mahatma Gandi served people during Navakali yatra, when dangers were present all over. For such saviors, there was no personal risk.

However, any of the following methodologies may be adopted to assess quantitatively, the personal risk:

(i) Assess the voluntary activities (e.g., life insurance policy taken)
(ii) Assess the degree of occupational hazard and its effect on health.
(iii) Loss of senses such as sight, hearing and loss of limbs.
(iv) Loss of hearing capability, especially due to physical disability and
(v) Get assistance by trained arbiters.

- Public risk: Assessing public risk is relatively easy, as in social value system the cost of disability can be averaged out.

To assess the public risk, the loss on the assets and the correction costs are estimated. For example,

(i) Loss of or reduction in future income or earning capacity due to loss of limbs or their capability.
(ii) Costs associates with accident, which includes the transplation or reinforcement of body parts/limbs and medical treatment and
(iii) Cost of welfare which includes rehabilitation, provision of less-demanding alternate jobs, and other disability benefits.

Reducing Risk:

Several techniques adopted to reduce the risks in a product or process are listed as follows:

1. Application of inherent safety concepts in design e.g., LPG cylinder is provided with frame to protect the valve while handling and facilitate cryogenic storage. A magnetic door catch provides an easy escape for children caught inside the Fridge accidentally.
2. Use of redundancy principle in the instrument protection/design. For example, use of stand by device and back up for computer storage.

3. Periodical monitoring (inspection) and testing of safety system to ensure reliability, e.g., fire extinguishers, ‘earth’ system in electric circuits are checked periodically.

4. Issue of operation manuals, training of the operating personnel and regular audits are adopted to ensure that the procedures are understood, followed and the systems are kept in working condition.

5. Development of well-designed emergency evacuation plan and regular rehearsal/drills to ensure preparedness, in case of emergency.

- Voluntary Risk

Voluntary risk is the involvement of people in risky actions, although they know that these actions are unsafe. The people take these actions for thrill, amusement or fun. They also believe that they have full control over their actions (including the outcomes!) and equipments or animals handled, e.g., people participate in car racing and risky stunts.

Testing becomes inappropriate when the products are

1. Tested destructively

2. When the test duration is long, and

3. When the components failing by tests are very costly. Alternate methods such as design of experiments, accelerated testing and computer-simulated tests are adopted in these circumstances.

3.2 Handling Ethical Dilemmas at Work Place:

Ethical Decision

Ethical problems involve considering a range of actions and their corresponding consequences. The thing that makes ethical problems difficult to deal with is that they involve making value judgments, which by their nature are rarely clear cut.

In coming to a decision about an ethical dilemma you are required to make a decision which will uphold the values that you feel are most important. However, in making that decision what often occurs is that some values may be violated. The best solution to an ethical problem
therefore will involve upholding the most important values to the greatest extent possible whilst violating the least number possible.

**For example,** after joining a new company you discovers that other, more senior employees are overstating their mileage claims to increase their pay packages. They encourage you to do the same so that you don’t show them up.

What do you do? In coming to a decision you must consider: loyalty to your coworkers, fidelity to your company, and honesty. Not all of these values can be upheld, one or more must be violated in order to reach a decision. Most importantly therefore, an ethical decision must be one that you are willing to stake your reputation on. It must be a decision that you can both justify and recommend. It must be a decision that you think is right on the basis of ethical principles you try to follow and that you believe others should also follow.

**Ethical dilemmas in the workplace**

Organizational ethics deals with the ‘ethos’ of an organization. It examines the shared set of beliefs, of the group of individuals that make up the organization, which determines ‘the climate of opinion that sets the standard by which right and wrong is to be judged’.

In many organizations these ‘beliefs’ are not openly stated, the ‘culture’ of the organization is hidden and new employees are left to determine for themselves what is ‘acceptable’ behavior. Often this means employees learn by their mistakes and consequently may defer tricky decisions to management.

This not only inhibits productivity but also leaves employees feeling unsure about what the organization stands for. However, if an organization has gone through the process of clearly stating the values that give meaning to its Vision and Mission (i.e. what it stands for), then it is in a position to train staff to deal with ethical dilemmas in a uniform way. This is important because it empowers staff to make down the line decisions which are in line with overall organizational thinking. It also presents a uniform front to the customer which is particularly important if there are many people in the organization who deal with the external environment.
The BELIEVE IT Strategy

Training in resolving ethical dilemmas should therefore apply to all individuals throughout an organization. It should also be done in a uniform, clear and relevant way. One way of doing this is simple step by step processes represented by an easily remembered acronym BELIEVE IT. As noted earlier, when resolving ethical dilemmas it is important that you BELIEVE in your decision and that others will BELIEVE your decision.

The BELIEVE IT strategy for resolving ethical problems is a step by step process so that others will be able to BELIEVE and understand your decision. It is based on assessing the principles and values relevant to a particular problem and results in a decision which is believable and defendable. The BELIEVE IT strategy is not dependent on whether you have a utilitarian, Universalist or religious approach; it concentrates on the situation at hand and is aimed at reaching an outcome.

Faced with an ethical dilemma, the following steps can be taken:

**Background**

- State the background of the case including context, its origin and any other important details. What is the history of the problem? Who is involved? Is there any missing information which you need to solve the problem?

**Estimate**

- Make an initial estimation of the ethical dilemma present, that is, what the core issues are. What is the main ethical conflict?

**List**

- List the possible solutions to the problem.
Impact

- Consider the likely impacts of each of the initial solutions. What are the outcomes of each solution? Who will they affect? How will each solution harm or help people?

Eliminate

- Eliminate the totally unacceptable solutions eg significant harm to people.

Values

- With the remaining possible solutions, assess which values are upheld and violated by each solution. What are the significant values and principles which are upheld or violated by each solution? What are the stated organizational values?

Evaluate

- Evaluate the solutions considering the likely impacts and the values which will be upheld or violated. Must determine which values are most important. Why is one solution better or worse than another? Is there another solution you haven’t considered?

Decision

- Make a decision, state it clearly including why it is best, justify it and defend it against criticism. How will you carry it out? Who will object to the decision? What are the weaknesses of the decision? How will you defend the decision?
Using the BELIEVE IT model, an organization can train staff to incorporate a set of key values into their decision making. That is, when assessing the values involved in the dilemma, staff can make reference to what the organization has stated that it wishes to be the most important values. In this way, the approach to resolving ethical dilemmas in an organization becomes less reliant on individual value judgments and more reliant on stated organizational values. Additionally, it gives staff a step by step approach which enables them to resolve ethical dilemmas quickly and in a way that is entirely justifiable.

**Conclusion**

Training staff in ethical decision making is one way that organization can foster an overall ethical climate. The simple process of going through such training makes staff better able to recognize and discuss ethics and ethical dilemmas. This in turn leads to a more in depth analysis of the behavior of people within the organization and of the organization itself. The result of this is often a constant reminder to all involved to ‘walk the talk’.
Most people spend a great deal of their weekdays at their offices or job sites. It's not surprising, then, that employees face ethical dilemmas there. Several of these dilemmas pop up on a regular basis. With some common sense and a bit of analysis, employees can resolve common workplace dilemmas without losing their jobs or bringing harm to their employer.

**Conducting Personal Business on Company Time**

Because employees tend to spend so much of their weekday hours on the job, they often are tempted to conduct personal business on company time. This can include setting up doctor's appointments on company phone lines, making vacation reservations using their employer's computers and Internet connections or even making phone calls for a freelance side business while on company time. At first glance, this ethical dilemma is fairly clear: It is an abuse of your employer to conduct personal business on company time. But there are shades of gray here. What if your spouse calls to tell you that your children are ill? Is it OK for you to schedule a doctor's appointment? A good rule of thumb is for an employee to check with his manager or human resources supervisors to clarify what counts as an actionable offense in the company.

**Taking Credit for Others' Work**

Employees often work in teams to create marketing campaigns, develop new products or fine-tune services, yet rarely does everyone in a group contribute equally to the final product. If three members of a five-person team did all the work, do those three members demand to receive proper credit while pointing out that two members of the team did not pull their weight? This is a thorny question. If employees single out their co-workers in a negative light, it could foment resentment. The same thing could happen, however, if all employees accept equal praise even though only a select few did the real work. The best way to resolve this ethical dilemma is to not let it happen. Team members should insist that all employees perform specific tasks to help complete a project.
Harassing Behavior

Employees often don’t know what to do if they see one of their co-workers harassing another employee, either mentally, sexually or physically. Employees may worry for their jobs if they attempt to report a superior for harassment. They may fret that they’ll be labeled a troublemaker if they report co-workers who display inappropriate behavior toward other employees. The best way to resolve this ethical dilemma rests with the staff members who develop the company’s employee handbook. It is their job to include specific language that spells out that employees won’t be punished for reporting the harassing behavior or inappropriate actions of their co-workers.

3.3 MARKET STRATEGY AND ETHICS

ETHICAL MARKETING is less of a marketing strategy and more of a philosophy that informs all marketing efforts. It seeks to promote honesty, fairness, and responsibility in all advertising. Ethics is a notoriously difficult subject because everyone has subjective judgments about what is “right” and what is “wrong.” For this reason, ethical marketing is not a hard and fast list of rules, but a general set of guidelines to assist companies as they evaluate new marketing strategies.

There are distinct advantages and disadvantages to ethical marketing. Unethical advertising is often just as effective as it is unethical. And since unethical behavior is not necessarily against the law, there are many companies who use unethical advertising to gain a competitive advantage.

Many people buy diet pills even though they are rarely, if ever, effective. This is because some diet pill companies use exaggerated and manipulative claims to essentially trick customers into buying these products. If that same company committed to using ethical advertising they would probably go out of business. However sneaky their business model may be, it is not illegal and it is keeping their doors open.
For companies looking to improve the image of a brand and develop long-term relationships with customers, this kind of unethical behavior can quickly lead to failure. Customers do not want to feel manipulated by the brands they like. Companies can use ethical marketing as a way to develop a sense of trust among their customers. If a product lives up to the claims made in its advertising, it reflects positively on the entire company. It can make the consumer feel like the company is invested in the quality of the products and the value they provide customers.

It is impossible to claim that any company is completely ethical or unethical. Ethics resides in a gray area with many fine lines and shifting boundaries. Many companies behave ethically in one aspect of their advertising and unethically in another.

Dove soap, for instance, ran a widely seen ad campaign featuring “real” models. The ad was meant to promote realistic body images and encourage girls to love the way they looked even if they were not supermodels. However, other Dove ads both during and since featured stereotypically beautiful models whose images have been altered to hide imperfections. Dove marketed ethically in one campaign and unethically in another. This illustrates how difficult it is to do the right thing in all circumstances. What is most important for any company that claims to practice ethical advertising is to make it a fundamental feature of their marketing process. With every decision they must ask themselves “will this sell” and “is this the ethical way to sell it?”

Every company has the opportunity to engage in ethical marketing. Any business, from the smallest mom and pop store to the biggest multinational corporation can choose to be open, honest, and fair when they advertise to their customers. When done in a thoughtful way, ethical marketing can be an economical and effective form of advertising. Similarly, unethical advertising doesn't guarantee higher sales or lower advertising costs.

Some companies operate according to lofty personal principles. For these companies, advertising in an ethical way is a natural and necessary extension of their corporate character. Corporate responsibility can be a major selling point to consumers who are interested in more than just price and quality. Companies that are known for treating workers fairly, sourcing sustainable materials, environmental stewardship, and charitable donation have to reflect these principles in their marketing efforts.
For other companies, ethical marketing will be little more than an opportunity to boost their
credibility. Domino’s pizza, for example, carried out a well known advertising campaign in
which they showed consumers pictures of real Domino’s pizzas without the studio photography
that makes them look so perfect. This was a refreshing look behind the artifice of much
advertising, but this did not signal a more open and honest relationship between Domino's and
the pizza buying public. The campaign was considered an attention seeking stunt at best.

TYPES OF UNETHICAL ADVERTISING:

- **Surrogate Advertising** – In certain places there are laws against advertising products
  like cigarettes or alcohol. Surrogate advertising finds ways to remind consumers of these
  products without referencing them directly.

- **Exaggeration** – Some advertisers use false claims about a product's quality or popularity.
  A Slogan like “get coverage everywhere on earth” advertises features that cannot be
  delivered.

- **Puffery** – When an advertiser relies on subjective rather than objective claims, they are
  puffing up their products. Statements like “the best tasting coffee” cannot be confirmed
  objectively.

- **Unverified Claims** – Many products promise to deliver results without providing any
  scientific evidence. Shampoo commercials that promise stronger, shinier hair do so
  without telling consumers why or how.

- **Stereotyping Women** – Women in advertising have often been portrayed as sex objects
  or domestic servants. This type of advertising traffics in negative stereotypes and
  contributes to a sexist culture.

- **False brand comparisons** – Any time a company makes false or misleading claims
  about their competitors they are spreading misinformation.

- **Children in advertising** – Children consume huge amounts of advertising without being
  able to evaluate it objectively. Exploiting this innocence is one of the most common
  unethical marketing practices.

**A MARKETING STRATEGY** details how a business can offer products and services to satisfy
the needs of members of a target market. Ethical marketing ensures that the needs are real and
that the products and services meet those needs. Over the long term, an ethical marketing strategy is effective because customers derive the benefits they expect from using the products or services your company offers.

**Safety**

An ethical marketing strategy does not encourage or advertise unsafe applications for a product. If your company offers products that are hazardous under certain conditions, an ethical marketing strategy highlights the dangers and gives clear instructions on how to avoid them. Over time, such a strategy collects data on the use of the product and takes steps to reduce or eliminate the hazards to the consumer. An ethical strategy that supports marketing objectives would emphasize both the dangers and the steps taken to reduce them.

**Deception**

Deceptive marketing practices are unethical. They include claiming qualities for a product that the product doesn't have, advertising lifestyles that a product doesn't support and claiming a product satisfies a particular need when the product is unrelated to it. Ethical marketing presents a product honestly and clearly, highlights the qualities that appeal to a particular market segment and makes it convenient for members of that segment to purchase the product at a price they are willing to pay.

**Market Manipulation**

A company employing an ethical market strategy does not engage in manipulation of the markets. An ethical strategy analyzes the target markets for information on how many items customers are likely to buy and makes sure there is an adequate supply. Creating artificial shortages as a tool for driving demand is unethical.

**Pricing**

Pricing signals for an ethical marketing strategy are derived from studies that indicate what customers in a target market are willing to pay and the costs of manufacturing and distributing a
product. It is unethical to set prices above an appropriate level to increase profits beyond the strategic plan or below such a level to drive competitors out of the market.

**Privacy**

Companies engaged in marketing activities collect data on individuals in their target markets and use this data to influence product design and pricing. An ethical approach requires that the company obtains such information with the consent of the individual and keeps it safe, respecting the individual's privacy. Collecting private information without the knowledge or consent of the individual and selling the information to third parties is unethical.

### 3.4 ETHICAL PRACTICE IN MARKET PLACE

Competition is part of the free enterprise system. Competition tends to produce efficiency in the market and benefits the general consumer by resulting in a variety of goods at the best prices. **We shall examine just a few of the areas where the temptations to act immorally are significant, and where some practices are morally questionable.**

**In a perfectly free competitive market** no buyer or seller has the power to significantly affect the price of a good. Such markets are characterized by seven features:

- There are numerous buyers and sellers
- All buyers and sellers can freely and immediately enter or leave.
- All have full and perfect knowledge of what every other buyer and seller is doing.
- The good are similar such that no one cares from whom each buys or sells
- The costs and benefits of producing or using goods are borne entirely by the buyer or seller.
- Everyone tries to get as much as possible for as little as possible.
- No external force regulates the price, quantity, or quality of the goods.
In such markets, prices rise when supply falls, inducing greater production. Thus, prices and quantities move towards the equilibrium point, where the amount produced exactly equals the amount buyers want to purchase.

*Thus, perfectly free markets satisfy three of the moral criteria” justice, utility, and rights.*

In the capitalist sense of the word, **justice is when the benefits and burdens of society are distributed such that a person receives the value of the contribution he or she makes to an enterprise.** Perfectly competitive free markets embody this sense of justice, since the equilibrium point is the only point at which both the buyer and seller receive the just price for a product. Such markets also maximize the utility of buyers and sellers by leading them to use and distribute goods with maximum efficiency.

Efficiency comes about in perfectly competitive free markets in three main ways:

- They motivate firms to invest resources in industries with a high consumer demand and move away from industries where demand is low.

- They encourage firms to minimize the resources they consume to produce a commodity and to use the most efficient technologies.

- They distribute commodities among buyers such that buyers receive the most satisfying commodities they can purchase, given what is available to them and the amount they have to spend.

Perfectly competitive free markets also establish capitalist justice and maximize utility in way that respects buyers’ and sellers’ negative rights: both are free to enter or leave the market as they choose, and all of their exchanges are voluntary. No single seller or buyer can dominate the market and force others to accept his terms. Thus, freedom of opportunity, consent, and freedom from coercion are all preserved under this system.

**Monopoly competition**

In a monopoly, two of the seven conditions are absent: there is only one seller, and other sellers cannot enter the market.

Monopolistic markets and their high prices and profits violate capitalist justice because the seller charges more than the goods are worth. Thus, the prices the buyer must pay are unjust. In addition, the monopoly market results in a decline in the efficiency of the system. Shortages of
things that consumers want will result, and with these shortages come higher than normal prices. Since no other seller can enter the market, the shortage will continue along with the abnormally high profits.

**Oligopolistic Competition**

- Most industries are not entirely monopolistic. Most are dominated by a few large firms. These markets lie somewhere in between the monopoly and the perfectly competitive free market; the most important type of these imperfectly competitive markets is the oligopoly.

- In an oligopoly, two of the seven conditions are not present. Instead of many sellers, there are only a few significant ones. Second, as with the monopoly, other sellers are not free to enter the market. Markets like this which are dominated by four to eight firms are highly concentrated markets.

Oligopolies can set high prices through explicit agreements to restrain competition. The more highly concentrated the oligopoly, the easier it is to collude against the interests of society, economic freedom, and justice.

The following list identifies practices that are clearly unethical:

- Price Fixing when companies agree to set prices artificially high.

- Manipulation of Supply – when companies agree to limit production.

- Exclusive Dealing Arrangements-when a company sells to a retailer only on condition that the retailer will not purchase products from other companies and/or will not sell outside a certain geographical area.

- Tying Arrangements-when a company sells to a retailer only on condition that they agree to charge the same set retail prices.

- Price Discrimination-when a company charges different prices to different buyers for the same goods or services.

It is difficult to legislate against many common oligopolistic price setting practices, however, because they are accomplished by tacit agreement. Firms may, without ever discussing it explicitly, realize that competition is not in their collective best interests. Therefore, they
may recognize one firm as the “price leader”, raising their prices in reaction when the leader decides to do so. No matter how prices are set, however, clearly social utility declines when prices are artificially raised.

- What should society do in the face of the high degree of market concentration in oligopolistic industries? There are three main points of view.

1. First, the Do Nothing view, claims that the power of oligopolies is not as large as it appears. Though competition within industries has declined, they maintain that competition between industries with substitutable products has replaced it. In addition, there are “countervailing powers” of other large corporate groups, the government, and unions that keep corporations in check. Finally, they argue that bigger is better, especially in the current age of global competition. Economies of scale, produced by high concentration, actually lower prices for consumers.

2. Second, the Antitrust view argues that prices and profits in highly concentrated industries are higher than they should be. By breaking up large corporation into smaller units, they claim, higher levels of competition will emerge in those industries. The result will be a decrease in collusion, greater innovation, and lower prices.

3. The third view is the Regulation view, which can be seen as a middle ground between the other two. Those who advocate regulation do not wish to lose the economies of scale offered by large corporations, but they also wish to ensure that consumers are not harmed by large firms.

Therefore, they suggest setting up regulatory agencies and legislation to control the activities of large corporations. Some even suggest that the government should take over the operation of firms where only public ownership can guarantee that they operate in the public interest.

3.5 ETHICS IN FINANCE

INTRODUCTION:

Finance and Accounts is perhaps the only business function which accepts the responsibility to act in public interest. Hence, a finance and accounting professional’s responsibility is not restricted to satisfy the needs of any particular individual or organization while acting in public interest, it becomes imperative that the finance and accounting professional adheres to certain basic ethics in order to achieve his objective.
Until recently various surveys conducted globally had ranked finance and accounting professional very high in terms of professional ethics. However, various accounting scandals witnessed during the past few years have put a serious question mark on the role of finance and accounting professionals in providing the right information for decision making, both within and outside their respective organizations.

In companies such as Tyco, Worldcom, Enron, Xerox etc., the accounting information used by the Finance department was false and manipulative.

There were few financial professionals who were directly involved in fraudulent activities, however, the majority at most times, refused to challenge what had already been known.

ENRON is a classic example of such behavior. Months before Enron corp declared bankruptcy, an employee of the name of Sherron Watkins sent the company’s top executive (Kenneth Lay) a message which had detailed information off the accounting hoax in form of the now famous “off the book liabilities”. However, instead of taking note of what was mentioned in the message, the management of the company demoted Sherron. It is well known now, that, like Sherron, hundreds of Finance and Accounting professionals at Enron knew about the happenings but preferred to remain silent. Hence most of them did not lie, but neither did they disclose the truth nor did they attempt to correct the misleading and confusing information. Shouldn’t they have blown whistle the way Sherron did? Was the behavior of these employees unethical? Cases like Enron exist plenty.

**Ethical dilemma:**

**Ethical dilemmas** exist when finance and accounting professionals need to choose from amongst alternatives and there are (1) significant value conflicts among differing interests, (2) actual alternatives which can all be justified and (3) significant consequences to all stakeholders.

Let us consider an example of a finance and accounting professional who has been asked to provide a profit forecast which needs to be given to a banker for a much wanted loan to be utilized in launching a new product. The company has not been doing well for the past few years and without this loan there is a likelihood of its closing down. However, the loan can only be availed if the banker is convinced that the projected profitability shall be at least Rs. 50,00,000 per annum. A optimistic projection of profits shows that if everything goes extremely well the company will be able to make profits of Rs. 50,00,000. However, a realistic assumption provides
a much lower figure. In such a situation he concerned professional will need to resolve the dilemma of the type of profit forecast to be provided to the banker. In case he gives a realistic projection the company may not get the loan and perhaps may need to close down. On the other hana if he makes a optimistic projection, he may be misleading the banker. There is no right answer to such situation. Both actions proposed have got their own risks.

**Creating an Ethical environment:**

1. Ensuring that employees are aware of their legal and ethical responsibilities.
2. Providing a communication sytem between the management an dhe employees so that anyone in the company can report about fraud and mismanagement without the fear of being reprimanded.
3. Ensuring the fair treatment to those who act as whistle blowers.

**Reasons for Unethical Behaviour:**

1. Emphasis on short term results.
2. Ignoring small unethical issues.
3. Economic cycles.
4. Accounting rules.

**Fundamental principles relating to Ethics:**

1. The principle of Integrity
2. The principle of Objectivity
3. The principle of confidentiality
4. The principle of professional competence and due care
5. The principle of professional behavior

**3.6 ETHICS IN BUSINESS**

Business ethics (also corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations.
Benefits of Business ethics:

- Improved society
- Easier change management
- Strong teamwork and greater productivity
- Enhanced employee growth
- Ethics programs help guarantee that personnel policies are legal.
- Ethics programs help to avoid criminal acts “of omission” and can lower fines.
- Ethics programs help to manage values associated with quality management, strategic planning and diversity management.

3.7 ETHICS IN ENVIRONMENT

Moral principles that try to define one’s responsibility towards the environment are called “environmental ethics” or ‘environmental philosophy’ which considers the ethical relationship between human beings and the natural environment.

The inspiration for environmental ethics was the first Earth Day in 1970 when environmentalists started urging philosophers who were involved with environmental groups to do something about environmental ethics. A growing trend has been to combine the study of both ecology and economics to help provide a basis for sustainable decisions on environmental use.

Environmental ethics try to define the moral basis of environmental responsibility. Environmental issues require a consideration of ethics and morals. For example, because there is currently enough food in the world to feed everyone adequately, it is unethical to allow some people to starve while others have more than enough. However, the predominant mood of those in the developed world is one of indifference. They don’t feel morally bound to share what they have with others.

In reality, this indifference says that it is permissible to allow people to starve. This moral stand is not consistent with the purely ethical one. As we can see ethics and morals are not always the same, thus it is often difficult to clearly define what is right and what is wrong.
Some individuals view the world’s energy situation as serious and reduce their consumption. Others do not believe there is a problem and so do not modify their energy use. They will use energy as long as it is available.

The earth is remarkable and valuable for both the nature and culture that occur on it. Evolutionary history has been going on for billions of years, while cultural history is only about a hundred thousand years old. But, certainly from here onwards, culture increasingly determines what natural history shall continue.

The debate about ethics as applied to nature asks whether the primary values about which we should be concerned are cultural, that is anthropocentric, or whether there is an also intrinsic natural value independent of human.

Although all deliberate human behaviour differs from the processes of spontaneous nature, some are healthy for humans because they agree with the natural systems with which their cultural decisions interact. The environmental ethics from this century will increasingly have to ask whether and why cultures should preserve any natural values at all and what kind of balance ought to be reached?

The Earth is now in a post-evolutionary phase. Culture is the principal determinant of earth’s future, more now than nature; we are into a century when this will be increasingly obvious. Indeed, some say that the principal novelty of the new millennium earth will be a managed planet. Meanwhile the techno-sphere remains in the biosphere; we are not in a post-ecological phase. The management of the planet must conserve environmental values.

Ethical issues dealing with the environment are different from other kinds of ethical problems. Depending on our perspective, an environmental ethic could encompass differing principles and beliefs. All ethics so far evolved rest upon a single premise that the individual is a member of a community of interdependent parents.

The land ethic simply enlarges the boundaries of the community to include soil, water, plants and animals or collectively the land. A land ethic changes the role of man from conqueror of land community to plain member and citizen of it. It implies respect for his fellow members.
and also respect for the community. Some environmental ethics are founded on the awareness that humanity is part of nature and that nature’s parts are interdependent.

In any natural community, the well-being of the individual and of each species is tied to the well-being of the whole. In a world increasingly without environmental borders, nations like individuals should have a fundamental ethical responsibility to respect nature and to care for the earth, protecting its life-supporting systems, biodiversity, and beauty and caring for the needs of other countries and future generations.

**Ethical Guidelines to Work with Earth:**

**Various ethicists and philosophers proposed the following ethical guidelines to work with the earth (Miller 1996).**

*Ecosphere and Ecosystems:*

1. We should not deplete or degrade the earth’s physical, chemical or biological capital, which supports all life and all human economic activities.

2. We should try to understand and cooperate with rest of the nature.

3. We should work with rest of the nature to sustain the ecological integrity, biodiversity and adaptability of the earth’s life support systems.

4. When we must alter nature to meet our needs or wants, we should choose methods that do the least possible harm to us and other living things.

5. Before we alter nature, we should carry out an Environmental Impact Assessment to evaluate proposed actions and discover how to inflict the minimum short – and long-term environmental harm.

*Species and Cultures:*

1. Every species has a right to live or at least struggle to live. Simply because it exists.
2. We should work to preserve as much of the earth’s genetic variety as possible because it is the raw material for all future evolution.

3. We have the right to defend ourselves against individuals of species that do us harm and to use individuals of species to meet our vital needs but we should strive not to cause premature extinction of any wild species.

4. The best way to protect species and individuals of species is to protect the ecosystem in which they live and to help restore those we have degraded.

5. No human culture should become extinct because of our actions.

**Individual Responsibility:**

1. We should not inflict unnecessary suffering or pain on any animal we raise or hunt for food or use for scientific or other purposes.

2. We should use no more of the earth’s resources than we need and not waste such resources.

3. We should leave the earth as good as—or better—than we found it.

4. We should work with the earth to help heal ecological wounds we have inflicted.
UNIT -IV
4.1 COLLEGIALITY AN LOYALITY

Collegiality:

Collegiality is the tendency to support and cooperate with the colleagues. It is a virtue essential for the team work to be effective. This consists of various aspects such as:

1. **Respect to the ideas and work of others:** This results in support and co-operation with one’s colleagues. One gets back the support and cooperation in return, and this is manually beneficial.

2. **Commitment to moral principles:** Commitment is towards moral decisions, actions, goals of the organisation and values of the profession.

3. **Connectedness:** It means the shared commitment and mutual understanding. It ensures the absence of egoism and paves the way for progress for both.

Loyalty:

Loyalty is exhibited in two senses, namely,

1. **Agency Loyalty**

   It is an obligation to fulfill his/her contractual duties to the employer. The duties are specific actions one is assigned, and in general cooperating with others in the organization. It consists of several obligations to the employers. But, for the professionals, the paramount obligation is still “the safety, health, and aware of the public”.

2. **Attitude Loyalty (or Identification loyalty)**

   It is concerned with the attitudes, emotions, and a sense of personal identity. It includes willingness to meet moral duties, with attachment, conviction, and trust with employer. The attitude loyalty is more a virtue than an obligation. This type of loyalty is all right when the organizations work for productivity or development of community. Working together in falsification of records or serious harm to the public, does not merit loyalty. Further, with frequent takeovers or merger resulting in large-scale lay-off, employees find it difficult to maintain attitude-loyalty.
4.2 Authority

Decisions can be taken by a few people, but putting into action requires larger participation from different groups of people, such as operation, purchase, sales, accounts, maintenance, finance etc. In effectively-and efficiently-transferring decisions to actions, the authority comes into play a great role. Otherwise the individual discretions may ruin the activities. Further the authority fixes the personal responsibility and accountability uniquely on each person. This is necessary to ensure progress in action.

Institutional Authority

It is the authority exercised within the organization. It is the right given to the employees to exercise power, to complete the task and force them to achieve their goals. Duties such as resource allocation, policy dissemination, recommendation, supervision, issue orders (empower) or directions on subordinates are vested to institutional authority, e.g., Line Managers and Project Managers have the institutional duty to make sure that the products/projects are completed successfully. The characteristics features of institutional authority are that they allocate money and other resources and have liberty in execution.

Expert Authority

On the other hand, the Expert Authority is (a) the possession of special knowledge, skills and competence to perform a job thoroughly (expertise), (b) the advice on jobs, and (c) is a staff functions. It is also known as ‘authority of leadership’. These experts direct others in effective manner, e.g., advisers, experts, and consultants are engaged in an organization for a specific term.

4.3 COLLECTIVE BARGAINING

It is the bargain by the trade union for improving the economic interests of the worker members. The process includes negotiation, threatening verbally, and declaration of ‘strike’. It is impossible to endorse fully the collective bargaining of unions or to condemn. There exist always conflicting views between the professionalism and unionism. Collective bargaining is inconsistent with loyalty to employers because it

- is against the desires of the employer
uses force or coercion against the employer and
Involves collective and organized opposition.

But every instance of such conduct need not be unethical.

An example:
Three engineers sincerely feel that they are underpaid. After their representations to their bosses are in vain, they threaten their employer, politely, that they would seek employment elsewhere. Here, even though, they act against the desires of their employer and have acted collectively, they have not acted unethically or violated their duty.

- Public Service Argument” - Collective bargaining.
- Public Service Argument” is an argument against collective bargaining.
- The paramount duty of engineers is to serve the public.
- Unions, by definition, promote the interests of their members and whenever there is a clash of interests, the interest of the general public is ignored by them. Though the argument is a valid one, it looks at the worst possible scenarios with unions and decides that engineering unions act only irresponsibly.
- A body of engineers can promote engineers” interest within limits set by professional concern for the public good.

Benefits of Collective Bargaining:

a) Unions have created healthy salaries and high standard of living of employees.
b) They give a sense of participation in company decision making.
c) They are a good balance to the power of employers to fire employees at will.
d) They provide an effective grievance redressal procedure for employee complaints.

Harms Caused by Collective Bargaining:

a) Unions are devastating the economy of a country, being a main source of inflation
b) With unions, there is no congenial (friendly), cooperative decision making.
c) Unions do not promote quality performance by making job promotion and retention based on seniority.
d) They encourage unrest and strained relations between employees and employers.
Stages of Collective Bargaining:

Collective bargaining is a dispute redressal mechanism where workers and employers engage in a series of negotiations, and diplomatic and political maneuvers, to effect a collective agreement to resolve the dispute. The scope of the agreement usually relates to terms and conditions of employment, and clarification on rights and responsibilities of workers. The International Labor Organization lists eight recommended stages of the collective bargaining process: preparing, arguing, signaling, proposing, packaging, bargaining, closing, and agreeing.

Stage 1: Preparing

The first stage of collective bargaining is organizing a group to represent the workers. If a trade union exists, then such unions usually take up the role of representing the workers. Otherwise the group is elected.

The group representing workers prepares a list of proposals relating to the issues under dispute, usually related to compensation and working conditions. A pattern of benefits, conditions, rules, and regulations usually exists, and the worker’s proposal aims at highlighting the need for improvements and changes to such work conditions. Such a proposal becomes the basis for the negotiations that follow.

The process of the group of workers framing such a proposal by reconciling the viewpoints of each individual worker is very often tedious and difficult, and takes place through discussions. The meeting ends in consensus, the group leaders taking the majority opinion, or the group leaders adhering to the dominant viewpoint.

The best proposals are ones prepared considering various factors such as internal conditions of the company, the company’s financials, the external environment, and other factors, for the management would invariably counter-argue on such factors.

Stage 2: Arguing

The second stage of collective bargaining is the group representing the workers arguing and substantiating their proposals, and the management counter-arguing, trying to refute the worker’s claims and contentions. The negotiators of both sides use relevant data such as financial figures, precedents, benchmarks, analogies, and other methods, and various methods such as use of logic, appealing to emotions, pleadings, and other techniques to substantiate their point of view.
Stage 3: Signaling

Sending signals across to the other party, through subtle messages, change of tone, body language, and other cues reveal to the other side that the proposal under discussion will meet with little resistance, can be accepted with modifications, or have a low chance of acceptance. Signaling thereby, reveals the resistance point to the other party without making it explicit.

Failure to send signals leads to both sides sticking to their positions, causing impasse and a breakdown of negotiation and the dispute escalating to the next level of industrial action.

Stage 4: Proposal

One of the important stages of collective bargaining negotiations is one side making a proposal in a bid to end the argument and reach a settlement. Such proposals are reconciliation of arguments made by either side, based on the signals received.

Stage 5: Packaging

Good negotiators package proposals. Packaging involves making concessions, but placing items that remain too tempting to resist along with some compromises required from the other side, with the condition that the proposal comes as a whole and is not breakable. The other side makes counter-packages.

Stage 6: Bargaining

The packages put forth by either side identify a common ground, or a core that facilitates settlement between the two parties to the dispute. The collective bargaining process, however, continues with each side trying to dilute the other’s package by a counter package, each time saying that this is “last and final” concession they will make.

This session usually involves off the record conversations, some joint exercises to resolve a deadlock, and very often culminate in a marathon round of lengthy and hectic discussions to resolve last minute glitches before both sides finally reach a settlement.

Stage 7: Closing

Closing is the final step in the collective bargaining process. Closing denotes settlement time, or the time negotiation ends. The negotiators walk back over the negotiations and summarize all positions, noting down agreements reached, issues withdrawn, and issued deferred, and clear ambiguities.
Selecting the right time to close depends on the skill of the negotiator. Closing too early may lead to the negotiator’s side losing out on further concessions that the other party may be willing to make, and closing too late may lead to some strategic advantage or position of mutual ground being lost. The prevailing mood of the workers and the economic climate greatly influences the closing time as well.

**Stage 8: Agreeing**

The final stage of the collective bargaining process is agreeing, or vetting the draft collective bargaining agreement. Discussions in this stage center on date for implementation of the settlement, such as date of payment for revised wages and introduction of new benefits, and other considerations. The process, however, does not end until the principals, that is the owner or stakeholder of the company and the rank and file workforce accept and ratify the agreement struck by the negotiators.

Adhering to the recommended stages of collective bargaining facilitate smooth negotiations and go a long way in effecting a win-win settlement.

### 4.4 INTELLECTUAL PROPERTY RIGHTS:

**Intellectual property:**

It is the information and original expression that derives its original value from creative ideas and is with a commercial value. IP permits people to have fully independent ownership for their innovations and creativity, like that of own physical property. This encourages the IP owners towards innovation and benefit to the society. It is an asset that can be bought or sold, licensed, and exchanged. It is intangible i.e., it cannot be identified by specific parameters.

The agreements with World Trade Organization (WTO) and Trade-Related aspects of Intellectual Property System (TRIPS) have been adopted effective from January 2005. Besides the minimum standards set for protection of IP rights, appropriate laws framed by the member countries are expected to reduce distortions and barriers for and promote the international trade. The global IPR system strengthens protection, increases the incentives for innovation, and raises returns on international technology transfer. However, it could raise the costs of acquiring new technology and products, shifting the global terms of trade in favor of technology producers.
Need for Protection of IP

IP plays an essential role to stabilize and develop the economy of a nation. This protection actually stimulates creativity, research, and innovation by ensuring freedom to individuals and organizations to benefit from their creative intellectual investments. The IP serves many purposes, namely

(a) It prevents others using it,
(b) Prevent using it for financial gain,
(c) Prevent plagiarism
(d) Fulfill obligation to funding agency. ICICI Bank has advanced loan against IP as security to Shopper’s Stop, New Delhi, and
(e) Provides a strategy to generate steady income.

Some of the challenges in the acquisition of IP are:

(a) Shortage of manpower in the industry. Educational institutions can play a vital role in providing the same.
(b) High cost of patenting and lengthy procedure. This was being considered by the Government and a simpler and faster procedure is expected, and
(c) Lack of strong enforcement mechanism.

Types and Norms

The agreements establish norms and conditions for the following instruments of intellectual properties:

1. Patents

Patent is a contract between the individual (inventor) and the society (all others). Patents protect legally the specific products from being manufactured or sold by others, without permission of the patent holder. Patent holder has the legally-protected monopoly power as one’s own property. The validity is 20 years from the date filing the application for the patent. It is a territorial right and needs registration. The Patent (Amendment) Act 2002 guarantees such provisions.

Patent is given to a product or a process, provided it is entirely new, involving an inventive method and suitable for industrial application. While applying for a patent, it is essential to submit the documents in detail regarding the problem addressed, its solution, extent of
novelty or innovation, typical applications, particulars of the inventor, and the resources utilized. Inventions are patentable and the discoveries are not.

2. Copyright
The copyright is a specific and exclusive right, describing rights given to creators for their literary and artistic works. This protects literary material, aesthetic material, music, film, sound recording, broadcasting, software, multimedia, paintings, sculptures, and drawings including maps, diagrams, engravings or photographs. There is no need for registration and no need to seek lawyer’s help for settlement. The life of the copyright protection is the life of the inventor or author plus 50 years.

Copyright gives protection to particular expression and not for the idea. Copyright is effective in (a) preventing others from copying or reproducing or storing the work, (b) publishing and selling the copies, (c) performing the work in public, commercially (d) to make film (e) to make translation of the work, and (f) to make any adaptation of the work. Copying the idea is called ‘plagiarism’ and it is dealt with separately.

Can software be protected through copyright? Indian copyright Act amended in 1984 included the rights of in a computer program as literary work. Many countries protect software as a copyright.

Some holds the view that copyright is not the right type of protection for software. They held that the patents and trade secrets are more appropriate forms of protecting software. While trade secret is the most conventional form of protection of software, in the recent years, both patents and copyrights are adopted to protect software.

Copyright (Amendment) Act 1999, India ensures fair dealing of broadcasting through the internet. The concerns of Book industry, Music Industry, Film and Television Industry, Computer Industry and Database Industry are sufficiently met by this updated Act.

3. Trademark
Trademark is a wide identity of specific good and services, permitting differences to be made among different trades. It is a territorial right, which needs registration. Registration is valid initially for 10 years, and renewable. The trademark or service mark may be registered in the form of a device, a heading, a label, a ticket, a letter, a word or words, a numeral or any combination of these, logos, designs, sounds, and symbols. Trademark should not be mistaken for a design, e.g., the shape of a bottle in which a product is marketed, cannot be registered as a
There are three functions of trademark:
1. Just as we are identified by our names, goods are identified by their trademarks. For example, the customer goes to the shop and asks for Lux soap. The word ‘Lux’ is a trade mark. In other words it shows the origin or source of the goods.
2. The trademark carries with it an inherent indication or impression on the quality of goods, which indirectly demonstrates that it receives the customer’s satisfaction.
3. The trademark serves as silent sales promoter. Without a trademark, there can be no advertisement. In other words, it serves as a medium for advertising the goods.

The marks should be distinctive i.e., it should be able to distinguish from one good to the other.
The terms used for trademarks are usually generic, descriptive, and suggestive. Some of the term which are not distinctly distinguishing the goods or services from others, are called generic term and are eligible for protection under trademarks. The descriptive term should clearly indicate or convey the specific purpose, function, physical characteristic and the end use of the product.
Relatively, the suggestive marks do not describe the goods at first sight, but with an element of imagination the nature of the goods can be understood. Thus, the suggestive marks are distinctive and are protected as trademarks.

4. Trade Secret

A Trade Secret is the information which is kept confidential as secret. This information is not accessed by any other than the owner and this gives a commercial advantage over competitors. The trade secrets are not registered but are kept confidential. These are given limited legal protection, against abuse by the employee or contractor, by keeping confidentiality and trust.

4.5 COMPUTER ETHICS:

Computer ethics is defined as (a) study and analysis of nature and social impact of computer technology, (b) formulation and justification of policies, for ethical use of computers. This subject has become relevant to the professionals such as designers of computers, programmers, system analysts, system managers, and operators. The use of computers has raised a host of moral concerns such as free speech, privacy, intellectual property right, and physical as well as
mental harm. There appears to be no conceptual framework available on ethics, to study and understand and resolve the problems in computer technology.

Types of Issues
Different types of problems are found in computer ethics.

1. Computer as the Instrument of Unethical Acts
(a) The usage of computer replaces the job positions. This has been overcome to a large extent by readjusting work assignments, and training everyone on computer applications such as word processing, editing, and graphics.
(b) Breaking privacy. Information or data of the individuals accessed or erased or the ownership changed.
(c) Defraud a bank or a client, by accessing and withdrawing money from other’s bank account.

2. Computer as the Object of Unethical Act
The data are accessed and deleted or changed.
(a) Hacking: The software is stolen or information is accessed from other computers. This may cause financial loss to the business or violation of privacy rights of the individuals or business. In case of defense information being hacked, this may endanger the security of the nation.
(b) Spreading virus: Through mail or otherwise, other computers are accessed and the files are erased or contents changed altogether. ‘Trojan horses’ are implanted to distort the messages and files beyond recovery. This again causes financial loss or mental torture to the individuals. Some hackers feel that they have justified their right of free information or they do it for fun. However, these acts are certainly unethical.
(c) Health hazard: The computers pose threat during their use as well as during disposal.

3. Problems Related to the Autonomous Nature of Computer
(a) Security risk: Recently the Tokyo Stock Exchange faced a major embarrassment. A seemingly casual mistake by a junior trader of a large security house led to huge losses including that of reputation. The order through the exchange’s trading system was to sell one share for 600,000 Yen. Instead the trader keyed in a sale order for 600,000 shares at the rate of one Yen each.
Naturally the shares on offer at the ridiculously low price were lapped up. And only a few buyers agreed to reverse the deal! The loss to the securities firm was said to be huge, running into several hundred thousand. More important to note, such an obvious mistake could not be corrected by some of the advanced technology available. For advanced countries like Japan who have imbibed the latest technology, this would be a new kind of learning experience.

(b) Loss of human lives: Risk and loss of human lives lost by computer, in the operational control of military weapons. There is a dangerous instability in automated defense system. An unexpected error in the software or hardware or a conflict during interfacing between the two, may trigger a serious attack and cause irreparable human loss before the error is traced. The Chinese embassy was bombed by U.S. military in Iraq a few years back, but enquiries revealed that the building was shown in a previous map as the building where insurgents stayed.

(c) In flexible manufacturing systems, the autonomous computer is beneficial in obtaining continuous monitoring and automatic control.

**Various issues related to computer ethics are discussed as follows:**

**Computers in Workplace**

The ethical problems initiated by computers in the workplace are:

1. Elimination of routine and manual jobs. This leads to unemployment, but the creation of skilled and IT-enabled service jobs are more advantageous for the people. Initially this may require some up gradation of their skills and knowledge, but a formal training will set this problem right. For example, in place of a typist, we have a programmer or an accountant.

2. Health and safety: The ill-effects due to electromagnetic radiation, especially on women and pregnant employees, mental stress, wrist problem known as Carpel Tunnel Syndrome, and back pain due to poor ergonomic seating designs, and eye strain due to poor lighting and flickers in the display and long exposure, have been reported worldwide. Over a period of long exposure, these are expected to affect the health and safety of the people. The computer designers should take care of these aspects and management should monitor the health and safety of the computer personnel.

3. Computer failure: Failure in computers may be due to errors in the hardware or software. Hardware errors are rare and they can be solved easily and quickly. But software errors are very serious as they can stop the entire network. Testing and quality
systems for software have gained relevance and importance in the recent past, to avoid or minimize these errors.

**Property Issues**

The property issues concerned with the computers are:

1. Computers have been used to extort money through anonymous telephone calls.
2. Computers are used to cheat and steal by current as well as previous employees.
3. Cheating of and stealing from the customers and clients.
4. Violation of contracts on computer sales and services.
5. Conspiracy as a group, especially with the internet, to defraud the gullible, stealing the identity and to forge documents.
6. Violation of property rights: Is the software a property? The software could be either a Program (an algorithm, indicating the steps in solving a problem) or a Source code (the algorithm in a general computer language such as FORTAN, C and COBOL or an Object code (to translate the source code into the machine language). How do we apply the concept of property here? This demands a framework for ethical judgments.

Property is what the laws permits and defines as can be owned, exchanged, and used. The computer hardware (product) is protected by patents. The software (idea, expression) is protected by copyrights and trade secrets. But algorithms cannot be copyrighted, because the mathematical formulas can be discovered but not owned. The object codes which are not intelligible to human beings cannot be copyrighted.

Thus, we see that reproducing multiple copies from one copy of (licensed) software and distribution or sales are crimes. The open source concepts have, to a great extent, liberalized and promoted the use of computer programs for the betterment of society.

**Computer Crime**

The ethical features involved in computer crime are:

1. **Physical Security**

The computers are to be protected against theft, fire, and physical damage. This can be achieved by proper insurance on the assets.

2. **Logical security**

The aspects related are (a) the privacy of the individuals or organizations, (b) confidentiality, (c) integrity, to ensure that the modification of data or program are done only by the authorized
persons, (d) uninterrupted service. This is achieved by installing appropriate uninterrupted power supply or back-up provisions, and (e) protection against hacking that causes dislocation or distortion. Licensed anti-virus packages and firewalls are used by all computer users to ensure this protection. Passwords and data encryption have been incorporated in the computer software as security measures. But these have also been attacked and by-passed. But this problem is not been solved completely.

Major weaknesses in this direction are: (a) the difficulty in tracing the evidence involved and (b) absence of stringent punishment against the crime. The origin of a threat to the Central Government posted from an obscure browsing center, remained unsolved for quite a long time. Many times, such crimes have been traced, but there are no clear cyber laws to punish and deter the criminals.

**Privacy and Anonymity**

The data transmission and accessibility have improved tremendously by using the computers, but the right to privacy has been threatened to a great extent. Some issues concerned with the privacy are listed hereunder:

1. **Records of Evidence**

   Service records or criminal records and the details of people can be stored and accessed to prove the innocence or guilty. Records on psychiatric treatment by medical practitioners or hospital, or records of membership of organizations may sometime embarrass the persons in later years.

2. **Hacking**

   There are computer enthusiasts who willfully or for fun, plant virus or “Trojan horses” that may fill the disc space, falsify information, erase files, and even harm the hardware. They breakdown the functioning of computers and can be treated as violation of property rights. Some hackers opine that the information should be freely available for everybody. It is prudent that the right to individual privacy in limiting the access to the information on oneself should not be violated. Further any unauthorized use of personal information (which is a property), is to be considered as theft. Besides the individual privacy, the national security, and freedom within the economy are to be respected. The proprietary information and data of the organizations are to be protected so that they can pursue the goals without hindrance.
3. Legal Response

In the Indian scene, the Right to Information Act 2005 provides the right to the citizens to secure access to information under the control of public authorities, including the departments of the central government, state governments, government bodies, public sector companies and public sector banks, to promote transparency and accountability of public authorities.

Right to information: Under the Act, section 2 (j), the right to information includes the right to

(1) Inspect works, documents, records, (2) take notes, extracts or certified copies of documents or records, (3) take certified samples of material, and (4) obtain information in the form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode.

4. Anonymity

Anonymity in the computer communication has some merits as well as demerits. While seeking medical or psychological counseling or discussion (chat) on topics, such as AIDS, abortion, gay rights, the anonymity offers protection (against revealing their identity). But frequently, anonymity is misused by some people for money laundering, drug trafficking and preying upon the vulnerable.

Professional Responsibility

The computer professionals should be aware of different conflicts of interests as they transact with other at different levels. The IEEE and Association for Computing Machinery (ACM) have established the codes of ethics to manage such responsibilities.

The Big Net

Almost all the countries are now connected by the internet. But there are no international laws to regulate the issues of freedom of speech, intellectual property rights, privacy rights etc. Another development in this direction is, the universities offering degrees-on-line. Third World is certainly gaining knowledge and education. Even Google.com has announced plans to publish research papers through the World Wide Web. Knowledge is power. Knowledge is internationalized! Will this lead to empowerment of the Third World and promotion of World peace? Only the future can answer this question.
4.6 HONESTY:
Honesty means expressing your true feelings. To be able to be emotionally honest we must first be emotionally aware. This emotional awareness is related to our emotional intelligence. It is our emotional intelligence, which gives us the ability to accurately identify our feelings.

Emotional intelligence may also give us the ability to decide when it is in our best interest to be emotionally honest by sharing our real feelings. We would be better off individually and as a society if we would be more honest.

If we are more honest with ourselves we will get to know our “true selves” on a deeper level. This could help us become more self-accepting. It could also help us make better choices about how to spend our time and who to spend it with.

If we are honest with others, it may encourage them to be more emotionally honest. When we are emotionally honest we are more likely not to be asked or pressured to do things which we do not want to do. We will also find out sooner who respects our feelings.

**How society discourages honesty?**

It takes awareness, self-confidence, even courage to be emotionally honest. This is because, in many ways, society teaches us to ignore, repress, deny and lie about our feelings.

For example, when asked how we feel, most of us will reply —fine or —good, even if that is not true. Often, people will also say that they are not angry or not defensive, when it is obvious that they are.

Children start out emotionally honest. They express their true feelings freely and spontaneously. But the training to be emotionally dishonest begins at an early age. Parents and teachers frequently encourage or even demand that children speak or act in ways which are inconsistent with the child’s true feelings. The child is told to smile when actually she is sad.

She is told to apologize when she feels no regret. She is told to say —thank you‖, when she feels no appreciation. She is told to —stop complaining‖ when she feels mistreated. She may be told to kiss people good night when she would never do so voluntarily. She may be told it is —rude and —selfish‖ to protest being forced to act in ways which go against her feelings.
As children become adolescents they begin to think more for themselves. They begin to speak out more, —talk back|| more and challenge the adults around them. If these adults feel threatened they are likely to defend themselves by invalidating the adolescent's feelings and perceptions. There is also peer pressure to conform to the group norms.

Through all of this the child and adolescent learns they can't be honest with their feelings. They gradually stop being emotionally honest with their parents, their teachers, their friends and even themselves. They learn it just doesn’t pay to be express one's true feelings.

A Few More Thoughts on Emotional Honesty

- Dishonesty requires more energy than emotional honesty.
- When we are emotionally dishonest we lose out on the value of our natural feelings.
- When we are emotionally dishonest we are going against the forces of evolution rather than in harmony with them.
- It takes energy to oppose reality, nature and evolution.
- Emotional dishonesty, in authenticity and falseness create distrust and tension in society.

Comment:

Honesty is one of the prized values of mankind. Honesty is an insurance against failure and defame. An honest man is a big asset to the family, to the organization and to the society in general. The honest person may not earn riches but he will certainly earn name and satisfaction of living a good life.

4.7 MULTINATIONAL CORPORATIONS:

Multinational corporations conduct extensive business in more than one country. In some cases, their operations are spread so thinly around the world that their official headquarters in any one home country, as distinct from the additional host countries in which they do business, is largely incidental and essentially a matter of historical circumstance or of selection based on tax advantages.
The benefits to U.S. companies of doing business in less economically developed countries are clear: inexpensive labour, availability of natural resources, favourable tax arrangements, and fresh markets for products. The benefits to the participants in developing countries are equally clear: new jobs, jobs with higher pay and greater challenge, transfer of advanced technology, and an array of social benefits from sharing wealth.

**International Human Rights**

To know what are the moral responsibilities and obligations of the multinational corporations operating in the host countries, let us discuss with the framework of rights ethics. Common minimal rights are to be followed to smoothen the transactions when the engineers and employers of MNCs have to interact at official, social, economic and sometimes political levels. At international level, the organizations are expected to adopt the minimum levels of (a) values, such as mutual support, loyalty, and reciprocity, (b) the negative duty of refraining from harmful actions such as violence and fraud, and (c) basic fairness and practical justice in case of conflicts.

**The ten international rights to be taken care of, in this context are:**

1. Right of freedom of physical movement of people
2. Right of ownership of properties
3. Freedom from torture
4. Right to fair trial on the products
5. Freedom from discrimination on the basis of race or sex. If such discrimination against women or minorities is prevalent in the host country, the MNC will be compelled to accept. MNCs may opt to quit that country if the human rights violations are severe.
6. Physical security. Use of safety gadgets have to be supplied to the workers even if the laws of the host country do not suggest such measures.
7. Freedom of speech and forming association
8. Right to have a minimum education
9. Right to political participation
10. Right to live and exist (i.e., coexistence). The individual liberty and sanctity of the human life are to be respected by all societies.
Technology Transfer

It is a process of moving technology to a new setting and implementing it there. Technology includes hardware (machines and installations) and the techniques (technical, organizational, and managerial skills and procedures). It may mean moving the technology applications from laboratory to the field/factory or from one country to another. This transfer is affected by governments, organizations, universities, and MNCs.

Appropriate Technology

Identification, transfer, and implementation of most suitable technology for a set of new situations, is called appropriate technology. Technology includes both hardware (machines and installations) and software (technical, organizational and managerial skills and procedures). Factors such as economic, social, and professional constraints are the causes for the modification of technology. Depending on the availability of resources, physical conditions (such as temperature, humidity, salinity, geographical location, isolated land area, and availability of water), capital opportunity costs, and the human value system (social acceptability) which includes their traditions, beliefs, and religion, the appropriateness is to be determined.

For example, small farmers in our country prefer to own and use the power tillers, rather than the high-powered tractors or sophisticated harvesting machines. On the other hand, the latest technological device, the cell phones and wireless local loop phones have found their way into remote villages and hamlets, than the landline telephone connections. Large aquaculture farms should not make the existing fishermen jobless in their own village.

The term appropriate is value based and it should ensure fulfillment of the human needs and protection of the environment.

MNCs and Morality

The economic and environmental conditions of the home and host countries may vary. But the multinational institutions have to adopt appropriate measures not to disturb or dislocate the social and living conditions and cultures of the home countries. A few principles are enlisted here:

1. MNC should respect the basic human rights of the people of the host countries.
2. The activities of the MNC should give economic and transfer technical benefits, and implement welfare measures of the workers of the host countries.
3. The business practices of the multinational organisations should improve and promote morally justified institutions in the host countries.

4. The multinationals must respect the laws and political set up, besides cultures and promote the cultures of the host countries.

5. The multinational organisations should provide a fair remuneration to the employees of the host countries. If the remuneration is high as that of home country, this may create tensions and if it is too low it will lead to exploitation.

6. Multinational institutions should provide necessary safety for the workers when they are engaged in hazardous activities and ‘informed consent’ should be obtained from them. Adequate compensation should be paid to them for the additional risks undertaken.

**Ethical Balance**

Should an organization adopt the rules and practices of the host country fully and face dangers and other serious consequences or adopt strictly their own country’s standards and practices in the host country?

There is a saying, “When in Rome do as Romans do”. Can this be applied in the case of MNCs?

This is called ethical relativism. The actions of corporation and individuals that are accepted by law, custom and other values of a society can be morally right in that society. It is morally false, if it is illogical. It means, the corporation (and the engineers) functioning in other countries must understand their law, customs, and beliefs and act in line with those prevailing in that country. This will lead to disaster if the country is a developing one where the safety standards are given a go-bye. Laws and conventions are not morally self-sustaining. In an overpopulated country, the loss of human lives may not physically affect them, but the tragedy cast shadow for over decades, as it happened in Bhopal in 1984. This will be criticized from the points of view of human rights, public welfare, and respect to people.

On the other hand, the organizations may practice laws of the home country, without adjustments to the host culture. This stand is called ethical absolutism. This is again false, since the moral principles in a different culture come into conflicts, and implementation in the ‘hostile’ culture is almost impossible.

Hence, MNCs may adopt ethical relationalism (contexualism) as a compromise. Moral judgments are made in relation to the factors prevailing locally, without framing rigid
rules. The judgments should be contextual and in line with the customs of other cultures. The ethical pluralism which views more than one justifiable moral solution is also adaptable. This principle accepts cultural diversity and respects the legitimate cultural differences among individuals and groups, of the host country.

**4.8 CONFIDENTIALITY:**

Confidentiality or confidential information:

- Information considered desirable to be kept secret.
- Any information that the employer or client would like to have kept secret in order to compete effectively against business rivals.
- This information includes how business is run, its products, and suppliers, which directly affects the ability of the company to compete in the market place.
- Helps the competitor to gain advantage or catch up.

Privileged information, Proprietary information and Patents:

**Privileged information:**
- Information available only on the basis of special privilege" such as granted to an employee working on a special assignment.

**Proprietary information:**
- Information that a company owns or is the proprietor of.
- This is primarily used in legal sense.
- Also called Trade Secret. A trade secret can be virtually any type of information that has not become public and which an employer has taken steps to keep secret.

**Patents:**
- Differ from trade secrets.
- Legally protect specific products from being manufactured and sold by competitors without the express permission of the patent holder.
- They have the drawback of being public and competitors may easily work around them by creating alternate designs.
Obligation of Confidentiality:

1. Based on ordinary moral considerations:
   
   I. Respect for autonomy:
   
   - Recognizing the legitimate control over private information (individuals or corporations).
   
   - This control is required to maintain their privacy and protect their self-interest.

   II. Respect for Promise:
   
   - Respecting promises in terms of employment contracts not to divulge certain information considered sensitive by the employer.

   III. Regard for public well being:
   
   - Only when there is a confidence that the physician will not reveal information, the patient will have the trust to confide in him.
   
   - Similarly only when companies maintain some degree of confidentiality concerning their products, the benefits of competitiveness within a free market are promoted.

2. Based on Major Ethical Theories:

   - All theories profess that employers have moral and institutional rights to decide what information about their organization should be released publicly.
   
   - They acquire these rights as part of their responsibility to protect the interest of the organization.
   
   - All the theories, rights ethics, duty ethics and utilitarianism justify this confidentiality but in different ways.

   Effect of Change of Job on Confidentiality:

   - Employees are obliged to protect confidential information regarding former employment, after a change of job.
The confidentiality trust between employer and employee continues beyond the period of employment.

But, the employee cannot be forced not to seek a change of job.

The employer's right to keep the trade secrets confidential by a former employee should be accepted at the same time, the employee's right to seek career advancement cannot also be denied.

4.9 MORAL LEADERSHIP:

Professionals provide many types of leadership in the development and implementation of technology, as managers, entrepreneurs, consultants, academics and officials of the government. Moral leadership is not merely the dominance by a group. It means adopting reasonable means to motivate the groups to achieve morally desirable goals. This leadership presents the engineers with many challenges to their moral principles.

Moral leadership is essentially required for the professionals, for the reasons listed as follows:

1. It is leading a group of people towards the achievement of global and objectives. The goals as well as the means are to be moral. For example, Hitler and Stalin were leaders, but only in an instrumental sense and certainly not on moral sense.

2. The leadership shall direct and motivate the group to move through morally desirable ways.

3. They lead by thinking ahead in time, and morally creative towards new applications, extension and putting values into practice. ‘Morally creative’ means the identification of the most important values as applicable to the situation, bringing clarity within the groups through proper communication, and putting those values into practice.

4. They sustain professional interest, among social diversity and cross-disciplinary complexity.

They contribute to the professional societies, their professions, and to their communities.

The moral leadership in management is manifested in leadership within the professional societies. The professional societies provide a forum for communication, and canvassing for change within and by groups.

5. Voluntarism: Another important avenue for providing moral leadership within communities, by the engineers is to promote services without fee or at reduced fees (pro bono) to the needy groups. The professional societies can also promote such activities among the engineers.
This type of voluntarism (or philanthropy) has been in practice in the fields of medicine law and education. But many of the engineers are not self-employed as in the case of physicians and lawyers. The business institutions are encouraged to contribute a percentage of their services as free or at concessional rates for charitable purposes.

6. Community service: This is another platform for the engineers to exhibit their moral leadership. The professionals can help in guiding, organising, and stimulating the community towards morally- and environmentally-desirable goals. The corporate organizations have come forward to adopt villages and execute many social welfare schemes, towards this objective.

The Codes of Ethics promote and sustain the ethical environment and assist in achieving the ethical goals in the following manner:

1. It creates an environment in a profession, where ethical behavior is the basic criterion.
2. It guides and reminds the person as to how to act, in any given situation.
3. It provides support to the individual, who is being pressurized or tortured by a superior or employer, to behave unethically.
4. Apart from professional societies, companies and universities have framed their own codes of ethics, based on the individual circumstances and specific mission of the organisations. These codes of conduct help in employees’ awareness of ethical issues, establish, and nurture a strong corporate ethical culture.

4.10 SOCIAL AUDIT

Introduction

A social audit is a formal review of a company's endeavors in social responsibility. A social audit looks at factors such as a company's record of charitable giving, volunteer activity, energy use, transparency, work environment and worker pay and benefits to evaluate what kind of social and environmental impact a company is having in the locations where it operates. Social audits are optional--companies can choose whether to perform them and whether to release the results publicly or only use them internally.

In the era of corporate social responsibility, where corporations are often expected not just to deliver value to consumers and shareholders but also to meet environmental and social
standards deemed desirable by some vocal members of the general public, social audits can help companies create, improve and maintain a positive public relations image.

**Impact of Social Audit on Society**

1: the ability to have positive impact in the community  
2: it supports public value outcomes  
3: it supports being an employer of choice  
4: it encourages both professional and personal development  
5: it enhances relationships with clients

**Unethical Investment**

Investing in and profiting from drinks companies that know their advertising appeals (and is designed to appeal) to underage drinkers is unethical • Investing in and profiting from tobacco firms that market their products in countries with no public health education or adequate health system is unethical • Investing in and profiting from gambling firms that target areas of high deprivation – high interest rate lending firms – is unethical • Investing in and profiting from arms companies that sell weapons to oppressive regimes and aggressor states is unethical • Investing in and profiting from oil, gas and mining companies that behave recklessly towards the environment and people is unethical • Investing in and profiting from nuclear divides opinions – but civilian nuclear power creates the risks of proliferation and the challenges of radioactive waste disposal • Investing in and profiting from pharmaceutical companies that hide unfavorable test results is unethical • Investing in and profiting from media companies that hack the phones of murdered school children, families of killed war heroes and victims of terrorism is unethical

**Ethical Investment**

Using one's ethical principles as the main filter for securities selection. Ethical investing depends on an investor's views; some may choose to eliminate certain industries
entirely (such as gambling, alcohol, or firearms, also known as sin stocks) or to over-allocate to industries that meet the individual's ethical guidelines. • Ethical investing gives individuals the power to allocate capital toward companies that are in line with their personal views, whether they are based on environmental, religious or political precepts.

History of Ethical Investing

Often, ethical investing is motivated by one's religion, and the industries avoided are seen as those that promote sin. The earliest recorded instance of ethical investing in America was made by Quakers in the eighteenth century, who restricted members from investing their time or money in the slave trade. Around the same time, John Wesley, a founder of Methodism, preached on the importance of refraining from investing those industries that harm one's neighbor, such as chemical plants, in his speech "the use of money."

In the 20th century, ethical investing gained traction based more on people's social views rather than their religious ones. Ethical investments tend to mirror the politics and trends of the time. In 1960s and 1970s America, ethical investors focused on those companies and organizations that promoted equality and rights for workers and shunned those that supported or benefited from the Vietnam war. Starting in the 1990s, ethical investments began to focus heavily on environmental issues, and ethical investors moved away from coal and fossil fuel companies toward those that supported clean and sustainable energy. That trend continues today.

How to invest Ethically • No matter what your intentions, it's important to fully research a company before investing. You must determine whether the investment is a sound financial decision by reviewing the company's history and finances. However, financial return is only one aspect of ethical investing--you must also look into the company's commitment to ethical practices. For example, you can read a company's mission statement, but it's also important to research their track record and how they've impacted the community in the past.

4.11 CORPORATE SOCIAL RESPONSIBILITY (CSR):

4.11.1 Social Responsibility

Social responsibility is the obligation of decision-makers to take actions, which protects and improves the welfare of society as a whole along with their own interests. Every decision the businessman takes and every action he contemplates have social implications.
Definition of Social Responsibility

“Social responsibility refers to the business decisions & actions taken to reasons at least partially beyond firm’s direct economic or technical interest” – Keith Davis

4.11.2 Arguments for Social Responsibility

- Business has to respond to the needs and expectations of society.
- Improvement of the social environment benefits both society and business.
- Social responsibility discourages additional governmental regulation and intervention.
- Business has a great deal of power, which should be accompanied by an equal amount of responsibility.
- Internal activities of the enterprise have an impact on the external environment.
- The concept of social responsibility protects interests of stockholders.
- Social responsibility creates a favorable public image.
- Business has the resources to solve some of social problems.
- It is better to prevent social problems through business involvement than to cure them.

4.11.3 Arguments against Social Reasonability

- Social responsibilities could reduce economic efficiency.
- Social responsibility would create excessive costs for business.
- Weaken international balance of payments
- Business has enough power, and social involvement would further increase its power and influence.
- Business people lack the social skills necessary to deal with the problems of society.
- Business is not really accountable to society.

Social Stakeholders

Managers, who are concerned about corporate social responsibility, need to identify various interest groups which may affect the functioning of a business organization and may be affected by its functioning. Business enterprises are primarily responsible to six major groups:

- Shareholders
- Employees
- Customers
• Creditors, suppliers and others
• Society and
• Government.

These groups are called interest groups or social stakeholders. They can be affected for better or worse by the business activities of corporations.

Social Responsibility

4.11.4 Social Responsibility towards Stakeholders

Customer:
• Avoid misleading advertisement.
• Avoid misleading name of the product.
• Avoid authorized dealer name for misleading customer.
• Avoid wrong information.
• Avoid exploiting customers.
• Avoid collusive agreements with other firms to exploit customer.

Employees:
• Fair wage, bonus & incentives to employees.
• Cordial relation towards employees.
• Providing better working condition.
• Creating opportunities for creative and talent employees.
• Proper training.
• Proper and transparent performance, appraisal and promotion

Shareholders:
• Assuring security to their fund
• Proper payment of return on investment (ROI)
• Providing correct information about the company.

Government:
• The business activities should be law abiding.
• Prompt payment of tax & other duties.
• Abiding by pollution controls.

Creditors & Suppliers:
• Maintenance of cordial relationship.
• Timely payment & obligation.
• Providing true & correct picture of financial position

Society:
• Preventing monopoly.
• Disposal of waste & effluents.
• Creating employment opportunities.
• Balanced regional rural development.

Definition

The term "corporate social responsibility" became popular in the 1960s and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed.

*Business Dictionary* defines CSR as "A company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by..."
contributing educational and social programs and (3) by earning adequate returns on the employed resources."

Organization Net Impact, noted that CSR is becoming more mainstream as forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society.

4.11.5 Types of corporate social responsibility

CSR can encompass a wide variety of tactics, from giving nonprofit organizations a portion of a company's proceeds, to giving away a product or service to a worthy recipient for every sale made. Here are a few of the broad categories of social responsibility that businesses are practicing:

Environment: One primary focus of corporate social responsibility is the environment. Businesses, both large and small, have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society as a whole.

Philanthropy: Businesses also practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.

4.11.6 Examples of corporate social responsibility

While many companies now practice some form of social responsibility, some are making it a core of their operations. Ben and Jerry's, for instance, use only fair trade ingredients and have developed a dairy farm sustainability program in its home state of Vermont. Starbucks has created its C.A.F.E. Practices guidelines, which are designed to ensure the company sources sustainably grown and processed coffee by evaluating the economic, social and environmental
aspects of coffee production. Tom's Shoes, another notable example of a company with CSR at its core, donates one pair of shoes to a child in need for every pair a customer purchases.

Undertaking socially responsible initiatives is truly a win-win situation. Not only will your company appeal to socially conscious consumers and employees, but you'll also make a real difference in the world. Keep in mind that in CSR, transparency and honesty about what you're doing are paramount to earning the public's trust.

**4.11.7 Key drivers of social responsibility:**

The key drivers of CSR include the following:

- **Enlightened self-interest:** creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labor and communities are able to function well together.

- **Social investment:** contributing to physical infrastructure and social capital is increasingly seen as a necessary part of doing business.

- **Transparency and trust:** business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.

- **Increased public expectation of business:** globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.

- **The shrinking role of Government:** In the past, Governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking Government resources, coupled with a relaxation of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

- **Demands for greater disclosure:** There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors and activist organizations.

- **Increased customer interest:** There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey of Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.
Growing investor pressure: investors are changing the way they access companies’ performance, and are making decisions based on criteria that include ethical concerns. A survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks.

Competitive labor markets: Employees are increasingly looking beyond paychecks and benefits and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

Supplier relations: as stakeholders are becoming increasingly interested in business affairs, many companies are taking to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers to ensure that the other companies’ policies or practices do not tarnish their reputation.

4.11.8 CSR performance of Corporates in India:
The Indian business sector presents a mixed picture as far as social responsibility is concerned. J.R.D Tata, who was instrumental in conducting the first social audit in India.

Tata group: involved in development of Sciences and Technology, Health care, Centre for Human Resource development, Promoting art and literature, rural development and the like.

Birla Group: involved in Technical education, agricultural research, medicine, art and culture, Temple building, renovation and archeology, scientific research and education.

Goderj: involved in education, Health and Medicine, sports, environment protection, family planning art, wildlife etc.

Bajaj: Community development, higher education, upliftment of orphans, scholarships, spiritual and cultural development, literacy etc.

Infosys: community development calamity relief, development of ICT in rural areas, spreading awareness of health, hygiene and literacy in slums etc.

4.12 CODE OF CONDUCT:
A code of conduct lays out an organization's expectations and guiding principles for appropriate workplace behaviour. As illustrated by the samples, some policies also provide legal and ethical guidelines for relationships between employees, service users and clients.
Employee code of conduct policy example

This Employee Code of Conduct Company Policy template is ready to be tailored to your company’s needs and should be considered a starting point for setting up your employment policies.

Policy brief & purpose

Our Employee Code of Conduct company policy refers to company expectations regarding employees’ behavior towards their colleagues, supervisors and overall organization.

Although we promote freedom of expression and open communication practices, all employees are still obliged to follow a code of conduct. It is essential to avoid giving offence, participating in serious disputes and disrupting the workplace. It is also important to be a well-organized, respectful and collaborative environment.

Scope

This policy applies to all prospective or current employees of the company regardless of employment agreement or rank.

Policy elements

Company employees are bound by the terms of their contract to adhere to specific guidelines that apply to every work-related space during their work. All employees are obliged to know and follow the Employee Code of Conduct.

Compliance with Law

All employees must protect the company’s legality. Legal guidelines refer to all environmental, safety and fair dealing dictations of the local and international law as well as the company policy for social corporate responsibility.

In addition to these, all employees are obliged to refrain from unlawful or offensive behavior against the company where its finances, products, partnerships or public image are concerned.
Respect in the Workplace

All employees are bound by the equal opportunity policy of the company. They are obliged to behave in a respectful manner towards their colleagues and strictly refrain from any kind of discriminatory behavior, harassment or victimization. This applies to all aspects of the workplace from the recruitment and evaluation processes to interpersonal relations between employees. The company has no tolerance for this kind of behavior and disciplinary actions will be taken when appropriate.

Protection of Company Property

All employees should treat the company’s property, whether material or intangible, with respect and care.

Company equipment must not be misused or used frivolously.

All kinds of incorporeal property, including law-binding creations such as trademarks and copyright, as well as other elements for which it retains ownership (information, reports etc.) are to be respected and used only within the rights accompanying the duties of each position.

Company facilities and other material property (e.g. company cars) must not be damaged or vandalized with an employee’s responsibility. Such actions will invoke disciplinary and/or legal action in cases of voluntary violation.

Professionalism

All employees must abide to certain rules that show integrity and high quality professionalism while executing their duties in the workplace.

The following include the company’s expectations from its employees:

- Personal Appearance
All employees must follow the dress code and personal appearance guidelines of the company as outlined in the official policy. Non-conformity will be met with disapproval and the employee will have to change their conduct to meet the company’s standards

- **Corruption**

Employees are actively discouraged from accepting gifts from clients or partners and strictly prohibited to accept bribes for the benefit of any external or internal party. Such behavior may invoke legal actions that will be damaging for both parties responsible.

- **Job duties and authority**

All employees must pay attention to their job duties and fulfill them with integrity and respect towards the customers, stakeholders and community. Supervisors and managers are prohibited from abusing their authority, but are expected to delegate duties to their subordinates with respect to their competences and workload. Mentoring and motivating are actively encouraged. All employees are expected to follow supervisor’s instructions and execute all of their duties as assigned with skill and in a timely manner.

- **Absenteeism and Tardiness**

Employees should adhere to established schedules. This does not refer to occasional discrepancies that an employee might face that prevent them from following standard working hours or days. It refers to a uniform stance towards the expected times of arrival and departure from work, as well as the amount of time someone spends on the execution of their duties.

- **Conflict of Interest**

All employees are expected to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their job duties or be damaging to the company. Any situation voluntary or involuntary that might be perceived as conflict of interest must be reported to the appropriate manager.

- **Collaboration**
All employees are expected to maintain a climate of friendliness and harmony and endeavor not to disrupt the workplace for the execution of their duties or present obstacles to the work of their colleagues. It is important to respect others’ work and efforts. All employees are encouraged to work collaboratively when applicable.

- **Communication**

All employees must be open for communication with their colleagues, supervisors or subordinates. It is important that any employee in the workplace can refer to another so that their work as well as work conditions can be as productive and problem-free as possible.

- **Benefits**

All employees are discouraged from abusing the benefits provided to them by the company. This can refer to time off granted to an employee for a specific reason (e.g. sick leave), insurance, facilities, subscriptions or other benefits that the company offers.

- **Policies**

All employees are obliged to be aware of and follow all the established policies that have been created by the company and apply to the procedures, benefits and relations of the workplace.

**Disciplinary Actions**

Failure to comply with any part of the Code of Conduct’s guidelines will result in appropriate disciplinary action. The party responsible for non-compliance will be subject to repercussions that vary in regards to the severity of the violation. Possible consequences will include reprimand, detraction of benefits for a definite or indefinite time, demotion, suspension or termination for more serious offences. Legal action may have to be pursued in cases of corruption, theft, embezzlement or other unlawful behavior.
UNIT - V
UNIT-5

5.1 COMPETENCE AND PROFESSIONAL ETHICS:

Any profession is a channel for participation by human beings in the larger order in pursuance of comprehensive human goal. In the process, one is able to contribute towards the livelihood of one’s family and also participate in the larger order constituting the society and the nature around. All these activities do require a certain degree of skill and are expected to be performed in consonance with the comprehensive human goal. Then only, these will be conducive to the sustained welfare of the individual as well as the society. The excellence or the success of any professional activity is to be judged from this comprehensive point of view only and not in terms of just wealth generation. Accordingly, the profession is not only a means of earning one’s livelihood but a means of one’s evolution by appropriate participation in the larger order. It is an important activity to authenticate one’s understanding, whereby interact with other human beings and with rest of nature in a mutually fulfilling manner. Thus, profession is a ‘service’.

5.1.1 Professional ethics

Professional ethics means to develop professional competence with ethical human conduct. Ethical human conduct means definitiveness of human conduct. Ethical human conduct is the foundation of professional ethics. The only effective way to ensure professional ethics is through correct appraisal and systematic development of ethical competence in the professional (the human being). Profession is a significant domain of human activity targeted towards participating in the larger order which includes the society and nature around. Thus, it is a meaningful participation for each one in one or more of the five domains of human endeavor needed for a harmonious society. Ethical conduct of profession implies the right utilization of one’s professional skills towards the fulfilment of comprehensive human goal and thus, meaningfully participates in the larger order. Professional ethics may be defined as a form of applied ethics that examines ethical principles and moral or ethical problems that arise in a business environment.

Professional ethics concerns the moral issues that arise because of the specialist knowledge that professionals attain, and how the use of this knowledge should be governed when providing a service to the public.
5.1.2 Competence in professional ethics

Professional ethics means to develop professional competence with ethical human conduct.

Developing ethical competence in the individual (profession) is the only effective way to ensure professional ethics. The development of ethical competence is a long term process to be achieved through appropriate value education. As profession is only a subset of the life activities, the competence in profession will only be the manifestation of one’s right understanding. The salient features characterizing this competence can be summarized as follows:

1. Clarity about comprehensive human goal: Samadhan – Samridhi – Abhay – Sah-astitva, and its fulfilment through universal human order.
2. Confidence in oneself: Based on the right understanding of oneself and the rest of existence.
3. Mutually fulfilling behavior: Clarity and confidence in ethical human conduct and its correlation with sustained personal as well as collective happiness and prosperity.
4. Mutually enriching interaction with nature: Self-sufficiency in fulfilment of physical needs; ability to assess the needs for physical facilities for the family and their fulfilment through production systems ensuring harmony in the nature. In the light of the above, one acquires the ability to identify and develop appropriate (people-friendly and eco-friendly) technologies, production systems etc.

5.2 AUGMENTING UNIVERSAL HUMAN ORDER

Universal human order (sarvabhauma vyavastha) is a feeling of being related to every unit including human beings and other entities of nature.

Having understood the comprehensive human goal, we are able to be in harmony not only with human beings, but also with the rest of the nature. We are able to see that we are related to every unit in nature and ensure mutual fulfilment in that relationship. On the bases of understanding of harmony, we get the notion of an undivided society and universal human order.

The universal human order will comprise of:
1. The five dimensions of human endeavor (education, health etc.) towards a fragmented society.

2. The steps of organization from family to world family, each anchored in right understanding will integrated in the following way:

   Family ☐ family cluster ☐ village / community ☐ village cluster ☐ ☐ ☐ world family

5.2.1 The implications of value based living at all four levels of living

The implications of value-based living can be studied in the following terms:

1. At the level of the individual – Transition towards happiness and prosperity will take place at the individual level. It will instil self-confidence, spontaneous joyfulness, peace, contentment and bliss in the self, and also perseverance, bravery and generosity in living of the individual.

2. At the level of the family - Mutual fulfilment in relationships, prosperity in the family, sustenance of joint families, family as the building block of societal order in place of law enforcing bodies, respect for all without differentiation on the basis of age, gender, caste, race, money, post, creed, etc.

3. At the level of the society – Fearlessness in the society, holistic systems for education, health, justice, production, exchange and storage, harmony between nations, world growing as a family.

4. At the level of nature – Co-existence of all units in nature, earth getting more and more suited for sustenance of all entities on the globe, balance of seasons, proper development

5.3 CONTRADICTIONS AND DILEMMAS IN PROFESSIONAL LIFE

Contradictions and Dilemmas: We can understand more clearly through examples how the contradictions and dilemmas are inherently generated by the prevailing worldview in which wealth maximization is perceived to be the prime objective. In such a paradigm, ‘your loss is my gain’. Thus the other person’s happiness seems to be in conflict with my happiness. In that case, the other people have to be exploited for one to gain affluence and there is no possibility of
mutual fulfilment in a sustainable way. In the same way, exploitation of nature also becomes acceptable as it helps a person to accumulate wealth easily and there is no limit to this. Let us analyze how such a world view affects the propensity of people in different professions. Take the example of business circles, whenever there is a scarcity of commodity due to say – monsoon failure or other natural disturbances or wars etc, the people in general are in distress and need succour; however in such a situation the businessmen endowed with materialistic world view will feel elated and look at it as an opportunity to make maximum profit. They feel that the market is ‘improving’ and they should take the maximum advantage of it, even accentuate it by hoarding and black marketing to serve their objective. Thus the interest of such businessmen and the consumers in general come in direct conflict. While in reality they are expected to be mutually complementary. In a similar way, ethical practices like adulteration and spurious production etc. are also adopted in an attempt to increase profits- albeit at the cost of greatly endangering public health and safety. An interesting example of the prevailing dichotomy is evident in the advertisements that we daily come across, particularly in case of various evidently harmful products like cigarettes, pan masala etc. Where on one hand, the use of these products is highly glamorized to attract the consumers and in the end there is an inconspicuous statutory warning indicating that the use of these products is injurious to health. Thus there is clear tendency of making profits by promoting the sale of the products which are injurious to public health. In such a situation the dilemma as to how much importance is to be given to one’s profit and how much to the welfare always remains unresolved.

5.4 EVALUATION OF HOLISTIC TECHNOLOGY

The modern technologies and systems are all human inventions in response to the needs visualized under the influence of the prevailing worldview. Accordingly, they have been designed and optimized to the objective functions best suited to this world view. In order to facilitate the development of holistic technologies and systems, it will be necessary to visualize alternative objective functions and to formulate appropriate criteria for evaluation compatible with comprehensive human goal. Generally speaking, there are three broad criteria to guide the development of such technologies and systems, viz.

a. Catering to appropriate needs and lifestyles,
b. People-friendly, and  
c. Eco-friendly.

Criteria for Technologies

The above mentioned general criteria can be itemized into more specific form as follows:

1. Catering to real human needs
2. Compatible with natural systems and cycles
3. Facilitating effective utilization of human body, animals, plants and materials
4. Safe, user-friendly and conducive to health
5. Producible with local resources and expertise as far as possible
6. Promoting the use of renewable energy resources
7. Low cost and energy efficient
8. Enhancing human interaction and cooperation

5.5 STRATEGY FOR TRANSITION TO UNIVERSAL HUMAN ORDER:

Transition is the gradual change for betterment which take place at two levels;

1. At the individual level

2. At the Society level

At the Individual level

• Perform services only in the areas of competence • Uphold and enhance the honor, integrity, and dignity of their respective profession • Provide opportunities for the profession development of the employee under their supervision • Promote safety, health and welfare of
the public in their respective area of services. •Strive to the principles of sustainable development •To be accountable for their action •Morally responsible for their respective organization

**At the Society Level**

•Collective measures for prevention and removal of threats to the peace. •Promote the value based education for the ultimate betterment of society. •Framing positive agenda, mission statement, objectives, values and behaviors of the business and service etc. •Sustainable development •Assigning the possible social role to its respective members • Promoting self awareness and enhancing healthy employer-employee relationship and ultimately the human inter-relationship.