



Business Ethics & CSR (MBA)

(MBA Sem.- 1)



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Unit-1

Q1 Discuss the concept of Business Ethics

Ans-1- Ethics is concerned with the discipline of the right and wrong conduct of individuals. More especially, in modern times, problems in business are more often concerned with terms such as 'fair price', 'right product' and proper quality. Ethical issues in business often arise leading to dilemmas, paradoxes and baffling situations. It is, therefore, necessary to understand the ethical principles that pervade human behaviour. It is pertinent to study the role of ethics in corporate organizations.

According to Webster's collegiate thesaurus, the word 'ethics' can be defined as:

1. The code of conduct governing an individual or a group.
2. The discipline dealing with good and bad and with moral duty and obligation.
3. The complex of ideals, beliefs or standards that characterizes a group, community
4. A group of moral principles or set of values.

Ethics and morality are terms that are used more or less interchangeably. However, there is some difference between the two terms. Ethics are concerned with actions that are proper or improper, conduct that is right or wrong, decisions that are fair or unfair. Morality varies from individual to individual because the values and cultural traits of individuals may differ. Further, what is moral according to one person may be immoral according to another. Moral standards, therefore, cannot be considered as ethical standards in certain contexts. Generally, what is moral or immoral depends more on religious tenets of various groups of persons in the world. However, ethical standards may be common to all major religions.

Ethical issues that arise in management are concerned with issues such as right and wrong behaviour towards other people, proper and improper actions and fair and unfair decisions. Ethical and other moral standards are based on consistent beliefs and codes of human conduct. Further, these issues extend far beyond the commonly discussed problems of bribery, collusion, forgery, impersonation, thefts and reaching into many areas such as marketing policies, capital investments, corporate mergers and acquisitions.

Various groups are involved in business — managers at different levels and having various functions, workers of different skills and backgrounds, suppliers of different materials, distributors of different products, creditors of different types, stockholders of different holdings and citizens of different communities, states and countries — and a benefit for one may be denial of an obligation to another group. Ethical problems bring about conflicts between an organization's economic performance as measured by revenues, costs and profit and its social performance stated in terms of obligations to persons both within and outside the organization. These obligations comprise: protection to loyal employees, maintaining competitive and healthy markets and producing useful and safe products and services.

Q-2- What are the factors affecting Business Ethics?

Ans-2- A variety of factors are responsible for the operation of business ethics:

1. **Leadership:** Business is all about the interaction of customers, suppliers, employees, financiers and managers. Greater the effectiveness of interaction, higher is success of business. An effective leadership is very much required for the success of business.
2. **Strategy and Performance:** Ethics is closely related to the strategy followed by the business organizations. An ideal strategy should not be limited to generating revenue only. It should take into account the ethical values engendered by the proposed decisions.
3. **Environment:** Business ethics is also influenced by the type of environment in which a business organisation is situated. There are two aspects of environment, namely external and internal. Internal environment refers to all aspects like vision, mission, power structure and other related matters. External environment refers to elements which are outside the organisation like government policy, monetary policy, fiscal policy, general economic conditions and labour standards. These factors influence business ethical practices.
4. **Corporate Culture:** The corporate culture varies from company and time to time. It all depends on the nature of leader; the competition should be healthy, based on fair rules. A good corporate culture should take care of the interests of all the stockholders. It should take care of the customers and employees.

Culture is a body of learnt beliefs, traditions and guides for behavior among the members of an organisation. Corporate culture includes norms, physical settings, modes of dress, special language, rituals, heroes and stories.

Q-3- Write a short note on Morality and Religion

Ans-3- Morality is a great human characteristic that can be deemed as an ability and willingness to stick to upright, good conduct and behaviour and perform action in a righteous manner. Religion is the ability of an individual to understand the innate divine nature of the human self that can realise its potential to reach the "Higher Self". This is also known as the spiritual quest. Morality and religion comprise the greatest of all human treasures. It is through these guiding measures that a human being can understand the process of transformation from humanity to divinity. Great sages, seers, saints, mahatmas and holy men have emphasised the practice of these two virtues in every human being as a means of attaining divinity.

Human society can adopt principles of morality and adopt spiritual needs towards the attainment of moral goods of life. Human society needs proper governance to avoid chaos and misery. In ancient India, the four orders of human beings were classified as Brahmanas, Kshatriyas, Vaishyas and Sudras, mainly for the purpose of good governance in accordance with their natural and occupational aptitudes. At present, all humanity from a moral angle is not heterogeneous but homogeneous. If spirit is one and all is divine, then the different bodies possessing the same spirit cannot be different. But the minds of individuals being different, it is necessary to lay down rules of conduct and moral behaviour. Law and order alone can support and justify proper principles of human morality. The progress of civilization becomes a meaningless mockery if human beings act with diabolical and devilish mentalities opposing ethical norms of life and living.

Q-4-Discuss the relation between Morality and Law

Ans-4- Law, unlike morality, is prepared by someone. So it may, unlike morality, have aims, which are the aims of its makers (either individually or collectively). Not all laws have aims. All law-making is not intentional. Customary law is prepared by convergent actions that are performed without the intention of making law, and so without any additional intention to achieve anything by making law, i.e. without any aim. There are also some other modes of accidental law-making. However for the time being we will focus on law that is purposely made and therefore, is capable of having aims.

It has been opined by several that law must have certain distinctive moral aims. If it lacks those aims it is not law. It must aim to be just (Postema 1996: 80), or aim to serve the common good (Finnis 1980: 276), or aim to justify coercion (Dworkin 1986: 93), or aim to be in some other way morally binding or morally successful. However, some intentional law-makers have no moral aims. They are entirely pessimistic. They use lawmaking merely as an instrument of profit, retaliation, or consolidation of power.

Sure, one may still attribute moral aims to law prepared by such people if it is intentionally developed or adapted by consequent officials with moral aims. Later judges,

Q-5- What is Moral Duty?

Ans-5- Duty binds us mutually in a shared, communal, response against the argument for a selfish evolution that benefits the whole as a movement of joining without prosecuting the fewer fortunate. When we demand Duty as the essential force in our relationships — instead of Love and Happiness — we begin to form the eternal core of a moral kinship that can survive the required betrayal of fluctuations in the hate and anger dyad.

Love and Happiness are fleeting emotions requiring the cooperation of others to find purchase. Duty is a private, unbiased, state-of-mind. Duty is doing the right thing at all times; Duty never needs the cooperation of others because when you are Dutiful, you are already serving those further than the public self.

when we contemplate divorce against marriage, fighting instead of living in peace, and killing over life, it is Duty that pulls us back from destruction. It is Duty that proves conscience. It is Duty that pauses our mistakes and paves the path to correction.

To give oneself over to the inconsistent moods of emotional states, and not to the grand moral imperative of Duty, is precisely how we fall short into despair from which we cannot run away alone.

Q-6- What is Moral Right?

Ans-6- The term moral rights" is a conversion of the French term "droit moral," and refers not to morals" as advocated by the religious right, but rather to the aptitude of authors to control the eventual fate of their works. An author is said to have the "moral right" to control her work. The impression of moral rights thus, relies on the connection between an author and her creation. Moral rights protect the personal and reputational, rather than merely

monetary, value of a work to its creator.

Q-7- What is Moral Obligation?

Ans-7- Duty is an obligation to act in a convinced way. When the obligation is based on moral and ethical considerations, it is a moral duty. Often we think about moral duties in terms of rules that hold down us, the "don'ts," as in don't lie, cheat, or steal. Such rules comprise the so-called negative dimension of moral duty because they tell us what not to do. Since ethics is concerned with the way we ought to be, on the other hand, it also includes an affirmative dimension consisting of things we should do — keep promises, judge others fairly, treat people with admiration, kindness and compassion.

Q-8- Discuss the Theory of Distributive Justice

Ans-8- Principles of distributive justice are normative principles designed to conduct the allocation of the benefits and burdens of economic activity. The first relatively simple principle of distributive justice is strict egalitarianism. It advocates the allocation of equal material goods to all members of society. Another alternative distributive principle is one given by John Rawls' which he calls the Difference Principle. The Difference Principle allows allocation that does not conform to strict equality so long as the inequality has the effect that the least advantaged in society are materially better off than they would be under strict equality. However, some have thought that Rawls' Difference Principle is not sensitive to the responsibility people have for their economic choices. Resource-based distributive principles, and principles based on what people justify because of their work, endeavour to incorporate this idea of economic responsibility.

Q-9- Discuss about Business Ethics in Practice

Ans-9- The business ethics in practice can be summed up as follows:

1. Ethics is a personal and individual affair: It is wrong to think that ethics is related to personal affair of an individual. Ethics embraces the entire society and, hence, it should govern and influence all the members of an organisation. In an organisation, if a person is individually good but collectively bad, then there is no benefit of the organisation from the personal ethics of individual
2. It is a mistaken notion that business & ethics do not go simultaneously. Business ethics suggests that profit should be made on sustainable basis by following correct norms & principles.
3. Business ethics consists of principles & standards that guide behaviour in the world of business
4. It is a myth that people learn ethical practises on their own. In fact , people have to be taught ethical practises in the corporate world. Many are not aware of the ethical implications of various decisions taken from time to time

Q-10- Discuss the attitude of Indian Managers towards Business Ethics

Ans-10- The three value systems are

Simplicity

The Indian manager is required to emphasize simplicity rather than complexity. He creates organisations which are simple in their structure, roles for departments and people – which are simple in their content and clarity. He sets simple goals and clarifies in a simple manner. The most complex problems are simplified by him to a simple cause effect relationship. The most complex data is simplified by him to a simple analysis which gives the thrust for creative action.

To do this, the 'Simple' manager is required to be an internally secure person. He cannot afford to have axes to grind. He needs to be knowledgeable. He needs to feel autonomous, responsible, and competent. The great security is derived from simplicity in tastes. It is the ever-increasing range of wants and desires which creates Insecurity.

Here, Simplicity is suggested as a value system worth inculcating in Indians right from childhood. It is possible that such Indians will develop into very secure people who can help their organisations think simply in complex situations and achieve great results.

Sacrifice

The second great challenge in all organisations which want to progress towards excellence and the managers Of such organisations is the ability to Sacrifice. They need to sacrifice money for experimentation and to help innovation. People have to be able to rise up and achieve unheard levels of production, sales, research or development or whatever is called for.

Sharing

Consensus in organisations, participation of all levels of people, the ability to discuss freely and exchange experiences is going to evolve only if the manager is prepared to share and believe in his mission as a mentor himself. Thus, the third human value to be developed in the Indian manager is the humility to share his experience and knowledge freely, the respect for others thus, creating the atmosphere for them to open themselves up. It is concern and humanity which creates a bond amongst people and organisations Love, loyalty and devotion are to be felt and experienced. We cannot force it down people or talk about it.

Thus, the third Value System to be inculcated in the Indian manager is a deep love of people, for organisation, for his mission and the ability to bring about an atmosphere co-operation, long association and rich experience which grows richer with sharing.

UNIT-2

Q11- What is Customary Morality and Reflective Morality?

Ans-11- Dewey introduced a difference between valuing and evaluating, or between prizing and appraising. That we value something, positively or negatively, is shown by how we act towards that thing, in our holding on to it, trying to conserve it, taking care of it, or in our shunning it, attempting to get rid of it, trying to destroy it. The basis of such valuation may be an immediate reaction - of corporeal pleasure or pain, of aesthetic delight or disgust, of fear or sadness, or it may be the result of a process of evaluation. The newborn's cry in response to hunger or other discomfort is an organic response, but in fortunate circumstances, it leads to provide relief to adults. Thus, the baby learns to cry when it wants something. In a very rudimentary way, one may say that the baby has evaluated crying and found it serviceable. As the child learns to speak, it is also taught to ask politely for what it needs or wants rather than to cry; it is forced to re-evaluate crying. Because it interacts with its environment, including significantly its human environment, the child develops certain habits; it grows into the customary morality of its society. Adults habitually observe the (frequently unstated) rules of this morality, habitually have certain attitudes, and habitually attempt to instill these modes of acting and feeling in the children under their care. James and Dewey emphasized the significance of habit both in the smooth function of individual lives and for the stability of society.

Nevertheless, just as one determines that not all one's wants can be satisfied, that one must choose to pursue some goals while abandoning others, so one discovers that the customary morality into which one was socialized fails to give satisfactory answers to all life's problems. Thus, one must restore habitual responses by deliberate ones, customary by reflective morality (this terminology is due to Dewey). Moral philosophy is not a substitute for reflective morality; it is rather the result of reflection on an abstract level. The normative theories of the philosophers provide to draw our attention to features of moral situations that we may otherwise overlook, but they do not endow with recipes for the solution of moral problems. How then should we deal with moral problems?

Q12—What is Ethical Relativism?

Ans-12- Ethical relativism is the theory that embraces that morality is relative to the norms of one's culture. That is, whether an action is right or wrong depends on the moral norms of the society in which it is practiced. The similar action may be morally right in one society but be morally wrong in another. For the ethical relativist, there are no universal moral standards—standards that can be generally applied to all peoples at all times. The only moral standards against which a society's practices can be judged are its own. If ethical relativism is correct, there can be no ordinary framework for resolving moral disputes or for reaching agreement on ethical matters amongst members of different societies.

Most ethicists refuse the theory of ethical relativism. Some claim that while the moral practices of societies may differ, the basic moral principles underlying practices do not. For example, in some societies, killing one's parents after they reached a sure age was common practice, stemming from the belief that people better off in the afterlife if they entered it while still actually active and energetic. While such a practice would be condemned in our society, we would agree with these societies on the underlying moral principle—the duty to care for parents. Societies, then, may be

different in their application of fundamental moral principles but have the same opinion on the principles.

Also, it is argued, it may be the case that several moral beliefs are culturally relative whereas others are not. Certain practices, such as customs concerning dress and decency, may depend on local custom but other practices, such as slavery, torture, or political repression, may be governed by universal moral standards and judged wrong despite the many other differences that exist among cultures. Simply for the reason that some practices are relative does not mean that all practices are relative.

Other philosophers condemn ethical relativism because of its implications for individual moral beliefs. These philosophers assert that if the rightness or wrongness of an action depends on a society's norms, then it follows that one must obey the norms of one's society and to diverge from those norms is to act immorally. This means that if I am a member of a society that believes that racial or sexist practices are morally permissible, then I must accept those practices as morally right. But such a view promotes social conformity and leaves no room for moral reform or improvement in a society. Furthermore, members of the same society may hold different views on practices. In the United States, for example, a variety of moral opinions exists on matters ranging from animal experimentation to abortion. What constitutes right action when social consensus is lacking?

Perhaps the strongest argument against ethical relativism comes from those who assert that universal moral standards can exist even if some moral practices and beliefs vary among cultures. In other words, we can acknowledge cultural differences in moral practices and beliefs and still hold that some of these practices and beliefs are morally wrong. The practice of slavery in pre-Civil war U.S. society or the practice of apartheid in South Africa is wrong despite the beliefs of those societies. The treatment of the Jews in Nazi society is morally reprehensible regardless of the moral beliefs of Nazi society.

For these philosophers, ethics is an inquiry into right and wrong through a critical examination of the reasons underlying practices and beliefs. As a theory for justifying moral practices and beliefs, ethical relativism fails to recognize that some societies have better reasons for holding their views than others.

But even if the theory of ethical relativism is rejected, it must be acknowledged that the concept raises important issues. Ethical relativism reminds us that different societies have different moral beliefs and that our beliefs are deeply influenced by culture. It also encourages us to explore the reasons underlying beliefs that differ from our own, while challenging us to examine our reasons for the beliefs and values we hold.

Q-13- What are the ethical issues in Production?

Ans-13- Production

Ethics is important in all areas of business including operations and technology. The process of production converts inputs as outputs. Various inputs like raw materials, labour, capital and management are converted as products and services. The process of production should be smooth, flexible and just.

Some important ethical issues that need to be considered in production are as follows.

1. The selection of location should be fair and suitable to all agencies of production. The major cities are overcrowded causing a lot of inconvenience to all.
2. Production is creating a lot of pollution in different forms. Hence, the industries have to be decentralised.
3. Because of employment, people migrate from rural areas to urban areas. Apart from villages becoming deserted, the urban areas are flooded with slums and bad conditions of living.
4. There are two methods of production, namely, capital-intensive method and labour-intensive method. If we resort to capital-intensive method only, there will be more and more of unemployment. An ideal solution will be the combination of both these methods, capital intensive for capital goods and labour-intensive for consumer goods production. No production plan should affect traditional and rural industries.
5. There should be a thorough and periodical check-up of the safety and security of plant and machinery. There should be no compromise on matters related to safety. Many industrial accidents take place because of the neglect of safety and proper maintenance.
6. The quality aspects and customer care have to be taken seriously and sincerely.
7. Industrial espionage refers to stealing of business plans, industrial secrets, technical details and patents. Some companies follow unfair methods like bribing for getting the business secrets of other competitive companies. Industrial espionage has to be avoided at any cost.

Q-14- What are the ethical issues in Working Conditions of Labourers?

Ans-14- Ethics demands the provision of good working conditions for the workers. Good working conditions promote the efficiency of workers and also improve the productivity of workers. The following conditions are necessary for good working and labour welfare:

1. There should be adequate space for the movement of men and materials. All the equipments should be placed in such a way that these equipments can be operated effectively and efficiently.
2. Workers should be provided with canteen, rest rooms and common places.
3. There should be sufficient ventilation so that the workers are free from any problem of pollution.
4. There should be adequate amount of natural light in areas of production. If natural light is not available, artificial light has to be provided.
5. The workers should be provided with all the safety measures like helmets, gloves and shoes. The workers should be strongly educated on the importance of safety in work place. Moreover, strict action has to be taken against those who violate these safety measures. The first aid facilities have to be provided to the workers.
6. Harassment in any form has to be avoided.

7. Exploitation in any form has to be avoided. The management should treat the employees as stakeholders. The legally prescribed wages have to be administered and incentives have to be offered to the workers.
8. A humane and decent treatment of the workers can improve the morale of the workers and this will improve the overall productivity of the industry.
9. Constant and continuous training has to be provided to the labourers so that they can understand and adapt the latest trends in production and technology.
10. Above all, the workers have to be strongly motivated to improve the quality standards of goods and services. Quality is the key for the global competition in modern times.

Q-15- What are the ethical issues in Supply Chain Management?

Ans-15- Supply chain management refers to total materials management. Modern management is concerned right from the management of raw materials or components to the final supply of goods and services to the customers. This includes procuring, processing transporting and storing of raw materials and goods.

The supply chain management has an impact on different important aspects such as finance, quality, production, timely supply,- cost and customer care.

The India Institute of Materials Management (IIMM) has given the following ethical guidelines:

1. In dealing with all transactions, the interest of the organisation has to be taken into account.
2. Maximum benefit for each rupee of expenditure has to be realised.
3. There should be honesty and truth in all transactions connected with buying and selling.
4. Prompt action should be taken in case of any complaint or enquiry from the customers.
5. There should always be courtesy and care in all dealings with the customers, suppliers and other stakeholders.

Q-16- Discuss the Ethical Guidelines in Purchase

Ans-16-

1. The trade enquiries should be simple and easy to understand by the suppliers.
2. The drafts should be written without bias.
3. Prompt payment after the delivery should be the practice.
4. The confidential matters of the company should not be revealed to the suppliers directly or indirectly.
5. There should be no place for indulging in any corruption such as commission or goods or any services .

6. All the vendors should be equally treated so that there can be no discrimination in purchase.
7. Quality tests should not be fabricated.

Q-17- Discuss the ethical guidelines in Transport

Ans-17- The transport system is vital for any organisation. In fact, the transport system is like a nervous system of a human body.

1. Fixing the transport contract is considered to be done in an unethical way in the case of many departments and companies.
2. The transport manager is very often charged for getting a percentage of commission from the contractors.
3. The transporters forming a cartel in order to fix higher prices with an understanding among themselves.
4. Trying to accommodate more passengers in buses and other forms of transport.
5. The drivers are given too much of work shifts, which lead to many accidents.
6. Lack of rail-road co-ordination so that the passengers are exploited.
7. The corrupt practices in RTO's office leading to the failure of maintaining standards of vehicles.
8. Extraordinary amount of delay and denial of services to the public.
9. Absence of adequate transport facilities for bringing the workers to the factory and their safe return.
10. Sub-contracting the transport contract to many who may not have the facilities to perform a standard service.

Q-18- Discuss the Ethics in Stores in Organisations

Ans-18- A proper storage is important for any business or industrial organisation. In India, due to the lack of proper storage about 10 percent of the food grains is wasted or eaten away by rats. In the case of business and industrial establishments, there are unethical acts damaging the assets and production.

The following are the unethical practices in stores.

1. Frequent theft of materials by employees. In spite of laws, some employees break these laws and involve themselves in deliberate stealing of goods or raw materials or components. Unless stern action is taken, this unhealthy practice may continue. Moreover, all employees in the stores have to be taught the importance of ethical values in the practical life.

2. Very often, wrong entries are made in receipts and issues. This kind of white collar crime demoralises other employees too.
3. The storage of unwanted and obsolete materials causes an unnecessary burden to the management. A good stores management should encourage the storage of right type of goods and components only. Only then, the productivity of the stores can be improved.
- 4 Many times, safety is not provided to the stores from fire, rusting and evaporation leading to loss of life and the value of the material
5. When materials and components are sent to other closely associated concerns, there are cases of not recording these materials in a proper way.
6. Sometimes, materials have been purchased without a proper purchase order.

Q19- Discuss the Unethical Issues in Civil Contract

Ans-19- For the growth of the economy, speedy implementation of civil projects is necessary. In fact, the infrastructure activities like building dams, bridges and irrigation projects necessitates civil works. The construction work of houses, public buildings and industries very much depends on civil works. The following are the unethical issues involved in civil contracts:

1. Very often, buildings are damaged because the stipulations have not been strictly followed. There is a specific proportion of mixing with other materials which is not strictly followed.
2. Many contractors make use of inferior quality cement bricks and iron in order to make greater profits.
3. Many of the public contracts are obtained by the business contractors by bribing the officials. Naturally, these contractors offer only a poor quality work.
4. Buildings are constricted in a hurry without adequate curing and the time to set in a natural wav.
5. The working conditions of construction labourers are not safe. That is why; a lot of casualties are taking place in the construction industry.
6. Most of the metalling of roads is not done according to the specified scales. It is done primarily to save the costs.
7. Environmental and safety rules are also violated.
8. Bad condition of roads in rural areas hinders the socio-economic progress of villages.

Q-20- Ethical Lapses in Quality Control

Ans-20-The following ethical lapses in quality control take place in technology related issues.

1. The various measuring instruments are not calibrated. This will lead to scope for mistakes.

2. The production and inspection staffs have not been given adequate training on quality measures.
3. Machinery and tools are poorly maintained.
4. The poor quality of packing can affect the quality of the products particularly chemicals.
5. Deliberate issue of false quality certifications in order to boost the sales.
6. Lack of clear instructions in the use of materials, machinery and tools.

Q-21- Write a note on Egoism

Formulation of Egoism

The alternatives that some agent has at some time are the actions that are open to the agent at that time; they are 'options'; two actions are alternatives to one another when an agent can do either one of them, but not both of them.

The consequences of a given act are the things that would occur as a result" of the act, if it were performed. Note that some following event is a consequence of an act whether it is near in space and time or far away; whether it is something that the agent of the act could rationally anticipate or not; whether it involves the agent of the act or some distant stranger.

Our version of egoism is going to be a form of consequentialism. A normative theory is a form of consequentialism insofar as it implies that facts about the consequences establish the normative status of acts.

Some assumptions about Pleasure and Pain

=>They are feelings, or sensations.

=>Each episode of happiness or pain has an intensity and a duration; these factors determine the amount of pleasure or pain in the episode.

=>The hedon is the unit of measurement of happiness; the number of hedons in an episode of pleasure is determined by the intensity and duration of the episode of pleasure.

=>The dolor is the unit of measurement of pain; the number of dolors in an episode of pleasure is determined by the intensity and duration of the episode of pain.

Pleasures and pains are "commensurable"; that is, if some pleasure contains the same number of hedons as some pain contains dolors, then we can say that there is as much pleasure in the episode of pleasure as there is pain in the episode of pain. (This assumption will enable us to add and subtract pleasure and pains, like the assets and liabilities on an accountant's balance sheet.)

We can now define hedonic agent utility as the total number of hedons of pleasure that the agent of the act would feel as a consequence of the act if it were performed, minus the total number of dolors of pain that the agent of the act would feel as a result of the act if it were performed.

Q22- What is Ethical Formalization?

Ans-22-

❖ Kant Approach

Immanuel Kant was a well-disciplined Prussian with deep analysis and thinking. Though he did not travel much, he was able to understand the ethical implications of life, which can be very well applied to business. His approach is also deontological, giving importance to means and methods.

Kant wrote a famous book called Foundations of the Metaphysics of Morals. He says that reason should bring moral obligations.

The phrase 'categorical imperative' refers to the 'do's' and 'don'ts' in business and life.

Kant has suggested the ethics of duty in terms of which every person has two types of duties, namely internal duty and external duty. The internal duty refers to thinking with morals and external duty is to act with moral principles. He has pointed out that emotions cannot go with morals.

Kant has given three fundamental criteria of categorical imperative:

1. **Universability:** If an act is right for one person, it is right for all others.
2. **Respect:** We have to accord self-respect to ourselves and respect others. Goodness has to be legalised.
3. **Publicity:** We have to openly acknowledge the good acts of people.

Human beings should use rationality and reasoning. The rights of individuals have to be given importance. The positive rights have to be recognised.

Kant suggested that business is an opportunity to live well and get along with others.

Criticism of Kant

1. Many people are not rational in their behaviour.
2. Rights are not available to all people at all times.
3. In the modern world, the concept of virtue is fast diminishing. The bad concepts of black money, corruption and other unethical practices have become accepted practises

Q-23- Discuss about the Social Orientation of Business

Ans-23-

Industrial Growth and Quality of Population

A nation's welfare can be measured not only in terms of industrial prosperity, but also in terms of the quality of its population. Runaway population growth tends to breed poverty and brings about deterioration in the overall quality of life and living conditions of the people. Unemployment, poverty, and pollution in industrial cities invariably lead to tension, struggle, strife and crime.

Industrialization along with increase in pollution, urbanization and rapid growth of transportation bring about pollution of air, water and earth in a massive way. Pollution of whatever kind is dangerous to the health of the populace. It causes misery, disease and death more especially in the weaker sections of the population. The consequences of rapid growth of population and oppressive and abject poverty can be seen in the gaunt faces of hungry men, women and children living in slum areas of the well known industrial cities. At present, nearly half of humanity is undernourished as a result of there being less food per person today than it was 30 years ago on this planet.

Q-24- Discuss the Social Responsibility of Business

Ans-24- Business is dependent on society. Its existence is due to people living within a social structure. To survive and thrive, business should earn the goodwill of the people living in its operational environment. The goodwill of the people is necessary, for without it business has no relevance. Even though every type of business organization is motivated by profit on the basis of its risk-taking capacity and the capabilities of its employees, it still has to fulfil certain social obligations for the purpose of promoting social welfare. Hence, business must serve the people for its survival. Service should be rendered with the spirit of helpfulness.

Many companies are at present incorporating many features of social responsibility in all their mission and vision statements. Public welfare should in no way be affected by the results or consequences of business happenings. There is socio-economic obligation that is thrust on every business firm. It is the primary duty of every business to nurture, develop and strengthen its human resources in an effective manner. A business organization must necessarily motivate its employees towards development, growth and advancement. It is imperative for every business firm however large or small it may be, to be more humane and humanistic and thereby, promote worthy human values within its organization.

Today's business is essentially a mixture of social help, self-interest and good citizenship. In modern times, knowledge management, information technology and global competition are essential features that govern the interaction between business and society. The relationship is, basically, one of 'give and take' proper work and a conducive environment. These are necessary for every human being to make his life worthy and thereby develop one's self intellectually, ethically, emotionally and spiritually. Status and recognition in society are necessary features that make human existence meaningful and valuable. A worker's life gets enriched if harmony and peaceful relations are ensured by business organizations. Business organizations owe a sacred responsibility to the people by offering quality products at a fair price, thereby improving the quality of life for people. By means of environmental protection, safeguarding the public health by fulfilling various national responsibilities under various laws of the country and by ensuring fair trade practices, business organizations can discharge their responsibilities effectively. Though State regulation or state control are necessary, nonetheless a business that is self regulated is more conducive to guarantee consumer protection and safety.

Business should play a dominant, benevolent, dignified and ethical role in discharging its responsibility towards the people and the nation by practicing values of respect and humanity with a non-corrupt approach and morally high conduct and character.

Q-25- Discuss the arguments in favour of Social Responsibility of Business

1. Changing Social Values: Social values like customer care, empowerment of the weak and sharing benefits are evolving in modern days.
2. Long-run Benefits: Making profit may be a short-term gain but CSR related activities give long run benefits.
3. Image of Company: CSR activities can promote the public image of the company.
4. Benefit for Society: The available managerial and financial resources of the corporations can be well-utilised for the overall benefit of the society.
5. Welfare State: In modern times, the concept of a welfare state is popular. Hence, CSR can supplement the activities of the government in the promotion of welfare.
6. Giving Back to Society: A business has grown by the support of society in different forms like consumers, suppliers and employees. Hence, there is a personal responsibility for the company to be involved in socially responsible activities.
7. Stockholders' Delight: Well-informed stockholders are happy that their companies are involved in CSR activities.
8. Stakeholders' Happiness: The different stakeholders like employees, customers and suppliers are also glad that their companies are associated with CSR activities. In fact, many young people prefer to join those corporations where CSR is active and dynamic.
9. Solution to Social Problems: The mounting social problems can be solved by the active involvement of the business corporations in CSR activities. Poverty, unemployment and illiteracy can be solved to some extent in the neighbouring areas of operations.
10. Overall Growth: In modern times, there are scores of corporate failures due to moral failures, lack of good governance and erosion of values. The Due Care Theory strongly suggests that it is the responsibility of the producers to ensure that users' interests are not injured by their products. Such assurance leads to overall growth.

Q-26- Discuss the arguments against Social Responsibility

Ans-26-

1. Difficult to Measure: It is difficult to measure social action with regard to its benefits. For example, the effects of bio-diversity promoted by a corporation cannot be measured.
2. Against Profit Maximization Principle: Many argue that business has to make profit and satisfy the shareholders.
3. High Cost: The cost of social responsibility may be going on increasing for various factors like growth of population and inflation.
4. Lack of Social Skills: Business people may have a lot of business skills. But for implementing and managing CSR, they require social skills. Naturally, they delegate these tasks to others. In course of time, the sustained interest is declining.
5. Lack of Public Support: In countries like India, the public is not always supporting CSR. They feel that business firms are playing some tricks to capture public attention.
6. Not Supported by Board of Directors: In many companies, the Board of Directors is not supporting CSR activities. For example, many recessions hit companies feel that it is not the time for any CSR.

Q-27- Discuss about the Areas of Social Responsibility

Consumers

1. The quality of the goods or services should be good and customers should obtain a real worth for the price.
2. The price should be fair and reasonable.
3. The type of advertisement should be relevant and meaningful.
4. There should be fair treatment to the consumers. No discrimination should be made among the customers.
5. All the relevant and recent information should be provided to the customers. On any account, the customers should not be kept in darkness.
6. There should be an excellent customer service available to the customers at all times.

Employees

1. Fair wages to be offered to maintain a decent standard of living.
2. The work environment should be safe and conducive.
3. HR policies to be formulated and executed to increase the efficiency.
4. Special training and educational opportunities have to be provided to the employees. Sometimes the employees are not able to understand the need for training.
5. Employees need the support of their employers in dealing with the physical, mental and emotional problems.
6. The labour welfare programmes have to be effective.
7. There should be an empowerment of labour so that it feels happy to work in the organization.

Environment

1. All forms of pollution should be reduced and controlled.
2. There should be a provision for recycling of wastes.
3. The management should provide for an efficient management programme.

Government

1. Regular payment of taxes in order to strengthen the hands of the government.
2. Implementing the policies related to business formulated by the government.

Community

1. To participate in the local development programmes and maintenance.
2. To find out measures to rehabilitate the displaced population.

3. To improve the business standards to meet the changing needs of the society.
4. Development of backward areas in order to achieve balanced regional development.
5. Promotion of research and development activities in all the areas of business.
6. Promotion of ancillary units and small scale industries can generate employment opportunities and promote the growth of entrepreneurs.
7. Promotion of social causes like adult education, health awareness, population control and sustainable development.
8. To build a better society in terms of values and mutual help.

CSR has an ethical dimension. To quote Henry Ford, "The management must provide those goods and services which the society needs at a price which the society can afford to pay .."

Q-28- What are the Identification of Areas for CSR

Ans-28- The areas of CSR can be identified through the following methods:

1. **Social Forecasting:** Social forecasting can be followed by observing the current social conditions and practices. For example, the growth of industries and overcrowded urban areas are sure to create many social problems, crimes, fall in values and breaking up of family ties.
2. **Opinion Surveys:** Opinion surveys can be conducted with the employees and population to find out the needs of the people of locality. Majority of the people want a healthy life and, hence, health related programmes are popular.
3. **National Issues:** Many CSR activities can handle the national issues like unemployment, poverty and inequality at their geographical level by starting many pro-development programs. Most of these national issues cannot be solved by the government only. For example, literacy can be promoted with the help of many agencies like government, voluntary and interest groups.
4. **Social Scanning:** An in-depth study of society can reveal the weaknesses of any society and point out the areas for improvement. Both the developing and developed societies have problems which can be reduced by CSR.
5. **Social Audit:** A careful social audit can reveal the problems of society. Some of these problems have to be tackled by the support and assistance of industry and business through CSR. For example, health awareness programmes can be supported by business firms.

UNIT-3

Q-29- What are the Characteristics of Values?

Ans-29-

Values are the deep-seated ideas and feelings that manifest themselves as behaviour or conduct. The true reflection of one's values is his/ her action. Values are what we, as a profession, judge to be right. They are more than words—they are the moral, ethical, and professional attributes of character.

1. Values tend to be relatively stable and enduring. A significant portion of the values, we hold is established in our early years from parents, teachers and others. So, these values are originally learned.
2. Values constitute the foundations of ones character. They arc at the core of personality and a powerful force affecting behaviour.
3. Values are abstract representation of what people believe to be right, proper and worthwhile to pursue.
4. Some values are not fixed, but they change over time and situation.
5. Values have intensity and content attributes in which the content attribute says that a mode of conduct or end-state of existence is important the intensity attribute explains how important It is.
6. The values which are internalized by an individual, become a part of his personality, then they go beyond the zone of choice for the person concerned. His action based on these values then become spontaneous and continuous, automotive and instinctive.

Q-30- What are the different types of Values?

Ans-30--There are two types of values which are discussed below:

a) Instrumental Values

The values which concern the way we approach the end states. These relate to means for achieving desired results. That is, do we believe in ambition, cleanliness, honesty or obedience, courage, etc.

Some are like:

- => Hard work and achievement.
- => Education and intellectual pursuits.
- => Self-sufficiency; independence.
- => Truthfulness; honesty.
 - => Assertiveness; Standing up for yourself.
 - => Being well-mannered and courteous towards others.
- => Open-mindedness; receptivity to new ideas.
- => Caring towards others.

b) Terminal Values

They are those end state goals that we such as comfortable life, a sense of accomplishment, equality among all people.

- ⇒ Happiness; satisfaction in life.
- ⇒ Peace and harmony in the world.
- ⇒ Knowledge and wisdom.
- ⇒ Pride in accomplishment
- ⇒ Security & freedom from threat

Both sets of value have significant influence on daily behaviour at work

Q-31- What are the Negative and Positive Values?

Ans-31- The values can also be categorized as negative and positive values which denote a sense of right or wrong, good or bad and other judgmental criteria based on one's strong sense of what the ideal ought to be.

- Anger
- Meanness
- Arrogance Crookedness
- Greed
- Lust=> They generate negative thoughts.
- Integrity, honesty
- Truthfulness
- Kind heartedness, humility
- Friendliness
- Faith
- Self-respect ● Open mindedness
- Creativity
- Civil sense
- Simplicity
- Forgiveness
- Poise
- Detachment, etc. => They generate positive thoughts.

Q-32- Discuss the Importance of Values

Ans-32- Ethics is based on a set of moral and ethical values. These values must be absolute that is, you must take them seriously enough to override any human rationalization, weakness, ego, or personal faults. When all else fails, you will always look back to these core values to guide you.

Unfortunately, life is not that easy and there's always disagreement about what values should be considered supreme. The importance of values are discussed below;

- **Honesty:** The old adage, "honesty is the best policy" is true today more than ever. It's not just lip talk. Employee manuals from most scandalized corporations are likely to contain slogans touting its commitment to honesty. Claiming to be honest in an employee manual is passé.
- **Integrity:** Integrity connotes strength and stability. It means taking the high road by practicing the highest ethical standards. Demonstrating integrity shows completeness and soundness in your character and organization.
- **Responsibility:** Blaming others, claiming victim hood, or passing the buck may solve short-term crises, but refusal to take responsibility erodes respect and cohesion in an organization. Ethical people take responsibility for their actions. Likewise, actions show the ability to be responsible both in the little and big things.
- **Quality:** Quality should be more than making the best product, but should extend to every aspect of your work. A person who recognizes quality and strives for it daily has a profound sense of self-respect, pride in accomplishment, and attentiveness that affects everything. From your memos to your presentations, everything you touch should communicate professionalism and quality.
- **Trust:** There's no free ride. Trust is hard to earn and even harder to get back after you've lost it. Everyone who comes in contact with you or your company must have trust and confidence in how you do business.
- **Respect:** Respect is more than a feeling, but a demonstration of honour, value, and reverence for something or someone. We respect the laws, the people we work with, the Teamwork. Two or more employees together make a team. It is a business necessity to work openly and supportively in teams whether formal or informal.
- **Leadership:** How many hardworking, honest employees have been ruined and lost by corporate leadership failings? Managers and executives should uphold the ethical standards for the entire organization.
- **Corporate Citizenship:** A foundational principle for every company should be to provide a safe workplace, to protect the environment, and to become good citizens in the community.
- **Shareholder Value:** Without profitability, there is no company. Every employee should understand how he or she fits into the profitability picture. Everyone's common goal should be to build a strong, profitable company that will last long.

Q33 Discuss about Managing Leadership Values

Ans-33 -The following are some of the leadership values:

- 1) A leader must be committed to a righteous cause that is above his personal interest and selfish motives. He should be an idealist with perfect goal orientation.
- 2) A leader should practice the ideals and principles he preaches. He should not be a hypocrite. While setting an example for others to follow, he should be a true leader, leading the way for others to follow, and facilitating their growth and development.
- 3) A leader should possess the quality of objectivity. His attitude should always be considerate, impersonal, unselfish and helpful without any air of superiority or pride.

- 4) He should possess a complete knowledge of the various relevant matters, he deals with. He should seek the cooperation of his colleagues without an egocentric attitude. His work should be harmonious and peaceful with proper mental equanimity.
- 5) A leader should always recognize the merits and the claims of his followers and colleagues. He should also provide adequate training so as to enable them to discharge their responsibilities properly.
- 6) A leader should always be morally upright and should adopt ethical and healthy procedures.
- 7) A leader should be skilful in enabling the employees of the organization to contribute quality in work performance and not merely "work for the sake of work". He should be persuaded to work with a sense of proportion in keeping with the traditions and the high values of the organization
- 8) All the qualities of good leadership should ultimately lead to healthy work ethics for effective management.

Q34- Discuss about the Corporate Values

Ans-34- The following should be the corporate values and objectives for every corporate body:

1. To introduce such measures as are likely to ensure that all the stakeholders operate in such a manner as to communicate a sense of high corporate responsibility.
2. To foster responsible and profit oriented products and services with due regard to the interests of the community and of the environment.
3. To promote a safe working environment for all the employees of the organization.
4. To operate to the highest level of accountability and transparency.
5. To ensure that business is carried out in accordance with the laws of the country.
6. To ensure effective corporate governance, it is necessary to avoid mistakes of the type given below:
 - (a) Wrong selection of personnel on the basis of favouritism and considerations such as language, caste, creed, colour, blood relationship, state, etc., leads to inappropriate functioning, low morale and losses.
 - (b) Failure on the part of companies to retain efficient personnel and promote their welfare and prosperity by means of suitable rewards and motivation.
 - (c) Lack of proper encouragement to form effective and healthy teams to generate productivity.
 - (d) Want of promotion of quality circles which is also a contributory factor to corporate failure.
7. Corporate have to implement effectively a policy of retrenchment of all those inefficient, non-performing, disloyal, non-committed and inefficient staff.

Q-35- Write a note on Business Culture and Values

Ans-35- Business culture is characterised by the behavioural characteristics of a business group. The culture of a society is represented by the regulatory phenomena of the members, their patterns of behaviour, forms of art and music, languages, customs, traditions, practices and beliefs. It may come as a surprise to many that business organizations also have their distinctive cultures. Business culture is the totality of the norms, beliefs and values that regulate the behavioural functioning of individuals or groups of persons operating within a corporate environment.

The real test of these values comes from the resulting action. It takes a concerted company-wide effort, beyond inserting these words in an employee manual, to make it happen.

- Management must lead by example. Good ethics should be most noticeable at the top. Every employee must be accountable to the same rules.
- Second, a corporate values or ethics initiative must be "sold" and "marketed" aggressively throughout a company. Every forum and medium should be used to spread the good message. Of course, it will only be credible if the company is practicing what it preaches.
- Third, training must be provided to get everyone on the same page. It's easy to ignore a motivational speech or pass by a poster, but spending time learning about the issues will have a lasting impact.
- Fourth, it should last for a long period. The ethics fervor should extend to the next generation of employees. The longer it lasts, it gives expected effect. Despite failings of some, there is plenty of room at the table for good ethics and profitable business to reside. Together they can lay the cornerstone for a secure and prosperous society. Therefore, these values must be given proper place in employee manual.

Q-36- Write about Human Values for TQM

Ans-36- The need for quality consciousness arises in every area of human endeavour including business and industry. Business and industry have to face challenges on account of privatization, liberalization and globalization, in the modern competitive world. It is an absolute necessity to ensure that manufactured products and services stand up to the expectations of the modern quality conscious consumers.

Quality is said to be lacking whenever and wherever situations such as the following take place:

- When the demand for certain goods diminishes due to reasons of quality and competition.
- When, due to high pollution, air for breathing and water for drinking become unsafe for terrestrial life forms, in particular, human beings.
- When airplane landings at certain airports become unsafe.
- When, due to improper diagnosis, medical prescriptions by dealing physician^s become irrelevant.
- When inappropriate surgical operations are performed in hospitals due to haste and callous negligence.

When, due to mismanagement of time, many precious working hours are lost in offices and organizations.

Q-37- What do you understand by Work Ethics?

Ans-37- Work ethics comprise not only how one feels about their job, career or vocation, but also how one delivers his/her job or responsibilities. This involves attitude, behaviour; respect, communication, and interaction; how one gets together with others. Work ethics demonstrate many things about whom and how a person is.

Work ethics engage such characteristics as honesty and accountability. Essentially, work ethics break down to what one does or would do in a particular situation. The burning question in a situation involves what is right and acceptable, and above board, versus what is wrong, sneaky, and under the table.

Work ethics, such as honesty (not lying, cheating, and stealing), doing a job well, valuing what one does, having a sense of purpose and feeling/being a part of a greater vision or plan is vital. Philosophically, if one does not have appropriate work ethics, a person's conscience may be bothered.

Work ethics are inherent; they come from within. A question may involve where they came from, if they come from within. Philosophically, this may lead to various perspectives; though, the truth about work ethics, and where they come from are answered from a Christian worldview. Work ethics come from God the creator. God made humans in His image, and His word proclaims these a variety of work ethics — honesty, integrity, doing a job well, keeping things above board, and accountability factors.

Q-38- What are the ways for Improving Work Ethics?

Ans-38-

Produce Perfect Work

Cultivate a habit to perform your work correctly with a minimum of mistakes. Sloppiness^s or tardiness must definitely not be present in your attitude, personal appearance or any of your work outputs, be it notes, memo's, letters, spreadsheets, conversations or anything related to your work.

Be faster than most

This is one of the best ways to demonstrate your pre-eminence and efficiency. By executing duties and tasks speedily, you are being more productive and can entice more important tasks your way and thereby not only amplify your merit ratings, but also your ultimate job rating. Perform your duties speedily, do not wait and stay idle. Present yourself to your superior for more work. Find a balance to be both quick and truthful.

Display Awareness of Productivity

This must start with your own self-evaluation. Ask yourself continuously if you are giving more back to the organisation in value, than what you are being paid every month. Although not straightforward to calculate, just thinking about it may have enough of an impact. Just imagine for a moment if your organisation were to be solely dependent for profit on the output of human beings only. In other words, nothing to sell or produce but labour output. If you can do more, it reflects in a straight line on profit. Luckily a lot of organisations have machines that make up in productivity for what is lost by unproductive employees. But being more productive in what you do as a human being, can contribute considerably to the profits of any organisation. As salaries are one of the highest cost elements in any organisation, this is one of the first cost elements that come under scrutiny during times of cost reduction efforts. You have to show your worth in order not to be included in downscaling of the labour force. But more absolutely, you have to show your worth to be counted in for consideration for promotion.

Get Rid of Time Wasters

Arriving late for work, stretching of tea and lunch breaks and stretched out private conversations on the phone, are not only wasting your valuable time, but are a reflection of your poor awareness of productivity. Private conversations on the telephone are one of the most abused methods of stealth stealing from your employer. If you cannot be trusted on the use of the telephone, what else can you be trusted with? Are you a role model for getting rid of these time wasters or for abusing it? Are you earning respect for your ethical conduct in eradicating time wasters or are you just one of the crowd? If you discipline yourself and others around you on the inexpensive use of time, you are on your way to earn a respected leadership role. Others must detect a sense of urgency in your execution of duties to begin to respect and follow your example. Do you want to be a follower or a leader? Do you want to stay covered in the crowd for the rest of your life or do you want to be recognized? There is such a thing as telephone ethics, you know. If you are prepared to pay for your use of the employer telephone, you are not abusing it. Do you really know what you are

costing your employer for using the phone? You are not supposed to use it for private purposes in

the first place. It is an advantaged instrument entrusted to you to help you in your work and not to cause financial loss to your employer.

Be open minded and be prepared for Organisational Changes

Whenever changes are announced, be positive and exhibit a leadership role in executing the new policies and strategies. If you participated in the planning of the changes, then you were forewarned. But even if you experience unexpected changes, be first to look out for positive reasons for such changes and to pressure others around you to accept it with positive attitudes. Defending superiors and higher management will increase your lip status and trustworthiness. In a political sense it will display your role as siding with management against disgruntled crowd.

Q-39- What is Work Culture?

Ans-39- Work culture is a combination of qualities in organization and its employees that arise from what is usually regarded as appropriate ways to think and act. Culture is the vehicle through which individuals coordinate their activities to achieve common goals and expectations. Culture helps individuals understand how their roles fit within the larger picture. Culture defines the norms of acceptable conduct. Culture develops consistent interpretations of behaviours throughout the organization. The well-managed culture can improve performance significantly while the unmanaged culture will obstruct even the best-intentioned change effort.

The "work culture" of an organization is a product of its history, traditions, values, and vision

It is defined as "a pattern of basic group assumptions that has worked well enough to be considered valid, and, therefore, is taught to new members as the correct way to perceive, think and feel."

Desirable work culture includes shared institutional values, priorities, rewards and other practices which foster inclusion, high performance, and commitment, while still allowing diversity in thought and action.

Work cultures, with mix of practices and ideologies arising from the interactions of people with their work environments, have been shaped in all by diversity—diversity of employment opportunities, population, and housing. The ways in which people find jobs, the rhythms of employment, the size of the workplace, the process of getting to and from work, how the workday is organized, power relationships and hierarchies, how workers learn and manage their tasks, how they socialize and organize family life, how informal worker behavior interacts with sanctioned authority and rules—all these things constitute work culture. There are many different work cultures, reflecting the differences between skilled and unskilled labor, professional, white-collar, and service work, and workers' identities by race, gender, age, and ethnicity. Work cultures have also changed as the nature of work has transformed over the past 100 years.

Q-40 Discuss the ways in which work culture can be improved.

Ans-40- The work culture can be improved in a number of ways by, for example:

Improving communications between management and staff in both directions. Consulting employees and their representatives about their jobs and any changes to them. Ensuring that jobs which pose a risk and which cannot be completely eliminated are rotated so that no individual spends a long time on that task.

- Ensuring that all employees have sufficient variety of tasks to enable them to use different muscles and postures and to make their job more satisfying.
- Providing adequate rest breaks to prevent the build up of fatigue and by ensuring that the breaks are taken.
- Identifying and removing stress factors from the workplace. Giving workers control over their pace of work and how they plan their day.
- Removing piece rate and payment by results systems that make earnings dependent on excessive work rates.
- Removing bonus, performance or monitoring schemes which make workers push themselves beyond their capacities. .

Q-41- What is Corporate Culture?

Ans-41- Corporate culture is a set of values, beliefs, goals, norms and ways of solving the problems in the organisation. The founder or promoter can lay the foundation for corporate culture. The behaviour patterns, concepts, values, ceremonies and rituals are included in the corporate culture. When these values and customs are accepted and practiced, these components become organisational culture. Culture represents the collective programming of the mind. Corporate culture is also defined as the personality of the organisation.

Mutual of Omaha has mentioned the following components as "Values for success".

1. Openness and trust
2. Teamwork
3. Accountability
4. Sense of urgency
5. Honesty and integrity
6. Customer focus
7. Innovation and risk
8. Caring
9. Leadership
10. Personal and professional growth.

UNIT-4

Q-42 Discuss about Personal Values and Organizational Goals

Ans-42- Values are features or qualities that are believed worthwhile; they symbolize an individual's highest priorities and extremely held driving forces. Organizational values are primary constituents of a company culture. As Gyoker says, organizational culture is a flexible dimension of the company which impacts on business performance considerably. Organizational culture can be recognized as a mechanism of norms based on general values, trusts and standards of behaviour.

Values emerge at two chief levels in organizations. One of them is the level of the entire organization and the other one is the level of the individuals. According to Borgulya and Barakonyi, collective cultures focus on organizational-level values against individual creativity and self-actualization. By distinction, individualist cultures focus on individual level values creating a competitive work atmosphere.

. By comparison, the company of the future is neither individualist nor collectivist, but both of them together. Organization is a group of well-built personalities bonded by general goals.

Researchers have been interested in coordination between organizational-level and individual-level values for numerous decades. According to McGregor the hypothesis of integration signifies to make conditions in which the employees can achieve their individual goals most productively by means of making their attempts for the objectives Of the company. Most fruitfully means, that the substitute of self-motivation and self control is more attractive than any other possibilities such as neglectfulness, irresponsibility and hostility. The managers choosing theory Y inspire their subordinates continuously to improve and exploit their knowledge, practice, abilities and creativity for the success of the company.

Q-43- What do you mean by Ethics at Work Place?

Ans-43- Nudging one's self towards one's Higher Self can be accomplished if a person realizes the need for holistic and ethical approach to management by a paradigm shift from western principles to an enlightened philosophy of life based on Yoga, Siddha and Samadhi. Yoga is the way to lead oneself to higher self. Siddha is the appropriate knowledge which has been proved or accomplished and Samadhi means a state of equanimity of the mind or intellect.

Management is not merely the art of directing the activities of men so as to make the best use of money and materials, but it is the skill of enterprise based on experience, intuition and wisdom. While the task of managing material and financial resources may not be difficult for an experienced manager, it is an entirely different matter when it comes to directing human resources. The difficulty arises simply because animate is quite different from inanimate. For example, one can polish a rough diamond and cut to make it sparkle so as to enhance its beauty and hence, its monetary value. The same does not apply precisely in the same manner when it comes to training human beings. A person may be exposed to good education or training, whereby he can have the opportunity to acquire skills. When finally placed in a business or industrial organization, such a person may initially show great promise. However, his efficiency, morale, commitment and loyalty may not necessarily be a non-variable phenomena. The modern world of business and industry abounds with examples that show that mere salary, training and handsome perks do not necessarily

guarantee wisdom, or loyalty of the same degree from all such employees. Therefore, the need of the day is to provide the right kind of environment for all the levels of employees to think about themselves in regard to the values and principles of proper and efficient work. 'Qualitative sincerity' and not 'quantitative variety' should be the guiding motto not only for an organization, but for each and every employee, whether he is a labourer, a supervisor, a middle level manager or one belonging to the top management. Development of the individual not merely for promoting the productivity of the organization but essentially for the 'good of the individual self is to be emphasize^d as the most relevant work-philosophy for any organization.

Q-44- What do you mean by Organizational Norms and Conformity?

Ans-44- Business culture is characterised by the behavioural characteristics of a business group. The culture of a society is represented by the regulatory phenomena of the members, their patterns of behaviour, forms of art and music, languages, customs, traditions, Practices and beliefs. It may come as a surprise to many that business organizations also have their distinctive cultures. Business culture is the totality of the norms, beliefs and values that regulate the behavioural functioning of individuals or groups of persons operating within a corporate environment.

Q-45- Discuss the relation of Ethics and Decision Making

Ans-45- The economic activity and competition are no longer considered to be bedfellows altogether incompatible with ethics and morals. This is correct because man is always much more than mere commerce and competition. He has the ineffable of ethics and morals also to manage — whether in business or politics.

Two academics, Victor and Cullen, conclude a research study by pointing out;

"It is our belief that organization theory needs to attend more explicitly to the ethical content in organizational processes. Ethical issues in organizations increasingly preoccupy theoreticians and practitioners. Firms are attempting to control the ethical decision making of individuals, and society is attempting to influence directly the ethical decisions making of firms".

Business decision based on moral reasoning can be too absolute and decision based on only realities and logic can be too harsh and inhuman. To avoid these two extremes, one can resort to traditional stakeholder model of decision-making. Stake holder theory suggests that in reaching ethical decision, we respond to the following inquiries:

- What is the moral dimension?
- What is ethical issue?
- Who are the interested parties?
- What values are involved?
- What alternative do you have in your decision?
- What is the weight of the benefits and the burdens of each alternatives on each impacted party?

- Are there any analogous cases?
- Can I discuss the case with relevant others?
- Can I gather additional opinion or perspectives?
- Is the decision in line with legal and organizational rules?
- Have you defined the problem accurately?
- How would you define the problem if you stood on the other side of the fence?
- How did the situation occur in the first place?
- Who was involved in the situation in the first place?
- What is your intention in making this decision?
- How does this intention compare with likely results?
- Who could your decision or action injure?
- Can you engage the affected parties in a discussion of the problem before you made your decision?
- Are you confident that your decision be as valid over a long period as it seems now?
- Could you disclose without qualms your decision or action to your boss, your CEO, the board of directors, your family, or society as a whole? .
- What is the symbolic potential of your action if understood?
- Under what condition would you allow exceptions to your stand?

In evaluating decision, two elements should be considered: Integrity and Accountability. Integrity, means consistency in values. It would require that the decision maker to define her or his values, as well as create a prioritization of those values. Accountability means no matter which direction is taken, the decision maker must be accountable to all stakeholders who are impacted by this decision.

Q-46 – What do you mean by Ethical Dilemma?

Ans-46- Managers experience the dilemma of ethical decision making during performing of their duties. Some such dilemmas are mentioned below:-

- I have to satisfy inspector from the electricity board to maintain adequate power supplies in times of recurrent shortages.
- I have to oblige, entertain, and enrich an important customer to keep him from switching over to competitor.
- I have to do manipulation in accounts statement to show high profit figure.
- To increase profits I have to sell same product in three different packing at different price.
- Without having any improvement in product I have to advertise New and Improved.
- I have to sign a transfer orders of an officer to satisfy the prejudice of a higher level officer.

- I have to oblige bank officer to get loan for the project.

Modern theories of ethics may prove useful in understanding and encouraging ethical behavior in business. Imagine a lawless system where every human action is influenced by market forces. Can an organization in this situation remain ethical? Can business exist if every firm took decision on the basis of self interest at any cost? Does lawless market forces ensure justice and fair business. Of course not.

Economist Dwight Lee and Richard Mckenzie support this contention. They explain that a businessperson may act honestly because of the high cost of dishonesty.

An economy in which people deal with each other honestly produces more wealth than one in which people are chronically dishonest because more exchanges occur directing resources into their most productive employments.

Q-47- Discuss about Ethics and Human Resource Management

Ans-47-Human Resource Management (HRM) is the process of selecting, developing and maintaining competent workforce to achieve the goals of the organization. It is action oriented; future-oriented; and development-oriented. One of the aims of HRM is to manage human resources in an ethical and socially responsible manner.

Like other branches of management, the HRM also has new features which are different from the traditional practices. Some of the new lines of improvement in HRM are given below:

- 1) The Traditional HRM gives importance only to employee relations. The modern HRM considers employees as internal customers.
- 2) The traditional approach was slow, reactive and fragmented. The modern approach is fast, proactive and integrated.
- 3) The traditional approach was rigid while the modern approach is flexible.
- 4) The traditional HRM gives importance to transactions while modern HRM emphasises on transformation.

Modern Human Resource Management (HRM) has given place to Human Resource Development (H RD) so that the individual employees are trained to achieve the goals of the organisation. The groups are nurtured and developed. The scope for the application of ethical practices in human resource management is vast and varied. In fact, human resources are an important form of resources in any business organization. Some of the unethical practices originate and expand in managing human resources. It is the responsibility of the management to create a work environment that supports ethical behaviour and discourages unethical behaviour. Setting ethical ideals is not enough. The manager should follow ethical goals in daily corporate life. Managers should pay more attention to what they do than what they say. They should take advantage of opportunities to demonstrate ethical conduct.

Q- 48- Write some Unethical Practices by Employers

Ans-48- Rift of Unions : When unions are representing the employees, no doubt collective bargaining is on the rise. It is not fair to mislead or browbeat the unions but it is advisable to take the union to confidence and explain the position of the company.

Exploitation

Exploitation of employees in any form is highly unethical. Low wages, poor working conditions, difficult targets, pressures and heavy schedules are the different forms of exploitation of employees. Exploitation is inhuman and ultimately affects the labour force of the economy.

Bias in Selection

When selection of employees takes place, it should be done in a professional way. There should be no bias in the selection of employees for an organization. For example, if selection is made only from one angle or rejection only from one particular aspect, it is not considered to be a good practice. Organisations should have right employees with right skills in the right places at the right time.

Differential Treatment

The employers should not use differential treatment for the employees. This will lead to more and more of division, and internal conflicts.

The employees sometimes present fake claim of ages, qualifications and experience. They produce fake certificates and resort to slow work and wastage of resources. These are all not only unethical but criminal practices.

Passing of irrelevant orders, vindictive transfer policies and political pressures on internal aspects of business are the unethical practices followed by the government.

Q-49 – Discuss about Ethics and Marketing

Ans-48-

Concept of Marketing- The concept of 4Ps is relevant in modern marketing. The 4Ps are Product, Price, Place and Promotion.

Product

The product is required to be the needs of the customers. The product may be tangible or intangible like a service. With the growth of technology and large scale production, manufacturers are able to produce large annuity with lesser cost. Since the customers want better quality, importance has been given to the quality of the product or service. With the passage of time, there are many sellers leading to more and more of competition. A healthy competition is good for business and society.

Price

Price is the worth of the product in the minds of the customers. If the price is cheaper, the customer buys the product. In modern days, along with the price, the quality of the product is also equally important.

Place

A convenient place for shopping is also equally important. People used to go to markets for buying the products, in modern days; door delivery is an attractive feature.

Promotion

Promotion includes advertising, personal selling, sales promotion, publicity and public relations so as to increase the sales of a product or service.

Present Market Environment

The following are the features of the present market scenario in India:

- 1) A large number of multinational corporations have been operating in India.
- 2) India's economy has been globalised
- 3) The IT sector has emerged powerful but in recent times, it is experiencing a slow down.
- 4) There is an influx of cheap Chinese goods in a big way.
- 5) The buying power of urban people has increased. There is also emergence of rural marketing with greater demand, different goods and services.
- 6) Terrorism has affected the normal life of people in many cities as also tourism and recreation.

Q-50- What do you mean by Marketing Mix?

Ans-50- Just as many ingredients are necessary for a chef to prepare a delicious meal, the marketing manager has to combine the different factors. All these factors can be called the marketing mix. The factors include:

1. Marketing research
2. Product
3. Packaging
4. Brand
5. Trade mark
6. Price
7. Transportation
8. Advertising
9. Personal selling
10. Credit facilities.

Q-51- Discuss the concept of Consumerism

Ans-51- The basic objective of marketing is to satisfy the needs of the consumers. The starting point of economic activity is consumption. There was a time when consumers were cheated and exploited. In modern times, the concept of consumerism is popular and covers most of the nations.

Consumerism refers to social activism of protecting the rights of consumers in their dealings with business.

❖ **Basic Rights of Consumers**

1. Right for safe products
2. Right to be informed about the products.
3. Right to be heard
4. Right to choose
5. Right to be educated about purchases
6. Right for a courteous service.

Q-52 – Discuss about Ethics and Advertising

Ans-51- Advertising is a paid form of non-personal communication about products and services. The term 'paid' refers to the space or time for an advertising message. It is also non-personal in the sense that there is no opportunity for feedback. The advertising message is transmitted to a large group of individuals.

Advertising is an essential tool for mass marketing and class marketing of goods and services. The nature and purpose of advertising differ from time to time, place to place and industry to industry. There are many types of advertising such as national advertising, regional advertising, business-to-business advertising, professional advertising and target group advertising.

There are three important objectives of advertising namely provision of information to the buyers, persuasion of buyers and reminder to buy.

+ Promotional Role of Advertising

1. Advertising provides information about products, services and places. This information can promote more and more of opportunities for growth.
2. Advertising encourages a higher standard of living by providing a lot of information about new products and services. The consumers make new decisions to increase their standard of living.
3. Advertising as an industry creates a lot of employment opportunities to many people.
4. Advertising generates more and more of thinking and imagination.
5. Advertising also promotes severe competition between two similar products. The advertisement efforts of Coke and Pepsi are good examples.

Q-52- Discuss some Unethical Aspects of Advertising

Ans-52-

Very often, advertisements make false claims and deceive the consumers.

A popular action may be legally approved but not ethical. Let us take the advertisement of tobacco companies. It is an unethical practice in the long-run. There is no law restricting tobacco companies from advertising their products except the statutory warning that tobacco is injurious to health.

Many advertisement exhibits vulgarity and violence, which affect the moral standard of youth

Q-53 What are the Economic ill -effects of Advertisement?

Ans-53-

- 1) Advertisement creates unnecessary competitive wars, which lead to wastage of
- 2) It creates discrimination among the people leading to conflicts.
- 3) Brand wars are created by advertisements. These brand wars are unnecessary in a real world of economic forces. But these brand wars are capable of promoting changes in demand. In this process, some are benefitted and some others lose.
- 4) Advertisement increases the cost of production which ultimately affects the price.

The cost elements push the price level and bring discomfort to the buyers.

Q-54- Write about the Ethical Issues of Advertisement

Ans-54-

1. A good advertisement should promote good and positive messages and correct information.
2. The overall effects of advertisement should be having a good impact on society, family, institutions and individuals.
3. Puffery, which refers to exaggerated claims of the product has to be given up. Self regulation is very much essential.
4. Decency should be the general ruling, Keith Reinhard says, "All of us can use media as we want. We can vulgarise the society, we can brutalise it. Or we can lift society to a higher level".
5. Regulation of advertising is necessary to protect competition, to protect the consumers and saving the societies. Advertising is acting on us without our knowledge and without our consent.

Deceptive advertising occurs when a retailer makes false or misleading advertising about the product and its benefits. Bait and switch advertising promotes a product at an unrealistically low price to serve as 'bait' and then trying to 'switch' the customer to a higher priced product.

The producers and sellers should try to follow product liability laws. In terms of the product liability laws, a seller of a product must attempt to foresee how a product may be misused and then warn the consumer against the hazards of misuse.

Q-55- Discuss about the ethical practises in Marketing Research

Ans-55- The following are the important ethical practices in marketing research:

1. There should be no misrepresentation of research results.
2. While interviewing children, special care should be taken into account.
3. The informants should clearly understand the meaning of each and every question in a questionnaire.
4. The client confidentiality has to be maintained.
5. Marketing research should be used only for the purpose of doing research related to marketing. It should not be used as a means of developing sales or promotions.
6. Marketing research should secure the co-operation of the informants for the Interview.
7. It should provide the name of the research agency conducting the study.
8. It should prevent undue stress on informants.

Q-56- Discuss about ethics in Price Fixation

Ans-56- Price refers to the value of a product in terms of rupees or any other currency. Both demand and supply are the two forces operating in fixing the price.

In the real world of oligopolistic market conditions, it is easy for the firms to set their prices at artificially higher levels. Firms in any oligopolistic industry agree to limit their production so that prices rise to higher levels. Price collusion and price gouging are the two unfair pricing methods. Price collusion occurs when two or more firms agree to collaborate on such wrongful acts as price fixing. Price gouging is a response to increased demand with a higher price.

The price level should not be exploitative in nature. In accordance with the welfare economy, dual pricing is fixed for many goods and services. The price of any air conditioned ticket in a train is costlier for a poor man who can afford to go in the second class. The 'only students' edition of the book is cheaper compared to the library edition.

Confusing methods are employed by most of the manufacturers by prefixing words like "new" or "20% extra for same price" or "more powerful" to change the mindset of the consumers.

Q-57- Discuss about Ethics and Corporate Governance

Ans-57- There are three formal definitions available for corporate governance. From a positive analysis, corporate governance refers to the manner in which corporations are governed. From a normative analysis, corporate governance is the manner in which corporations should be governed. From the perspective of strategic analysis, corporate governance is the way in which goals can be realised.

“Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment”.

The Organisation for Economic Co-operation and Development (OECD) has defined corporate governance as. ' a set of relationships between a company's board, its shareholders and other stakeholders; It also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

Adrian Cadbury has said that, "corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals.... The aim is to align as nearly as possible the interests of individuals, corporations and society". According to SEBI, corporate governance is the acceptance by the management of inalienable rights of shareholders as the true owners of the corporation and of their own role as the trustees on behalf of shareholders.

A few more definitions are given below:

"Corporate governance is concerned with ways of bringing the interest of investors and managers into line and ensuring that firms are run from the benefit of investors.."

"Corporate governance is concerned with the relationship between the internal governance, mechanisms of corporations and society's conception of the scope of corporate accountability. "

"Corporate governance Includes the structures, processes, cultures and systems that endanger the successful operation of the organisations.

The World Bank has defined corporate governance as "the blend of law, regulation and appropriate voluntary private sector practices which enables the corporation to attract financial and human capital perform efficiently and, thereby, perpetuate it by generating long-term economic value for its shareholders, while respecting the interests of stakeholders and society as a whole."

1. It promotes an adequate and appropriate system of controls operative within a company and, thereby, assets can be safeguarded.
2. It prevents any single individual becoming too powerful.
3. It is concerned with the relationship between a company's management, board of directors and all the stakeholders including shareholders.
3. The company is managed in the best interests of all.
4. It promotes transparency and accountability.
5. It aims at promoting the best corporate performance through the best corporate management practices.

Q-58- Discuss about Ethics and Environment

Ans-58- In the world of business, industry and commerce, environmental factors play a significant role. When global ecological systems are disturbed by certain abnormal activities of human beings and industrial organizations, it can lead to unfavorable consequences. It is, therefore, necessary for business and industry to be sensitive to the dominance of ecosystems on the physical environment. It is not sufficient for business to be profit oriented alone, it should also take into consideration that its growth and development does not impair the health and welfare of people. Business is morally bound to serve its customers not only by delivering quality products and services but also ensure appropriate considerations towards their welfare. There should be no compromise or conflict between economic cause of business and social welfare. Every person living in urban and as well as rural areas have a right to clean and healthy environment; which no industry or business can

deny on whatever grounds they may point out for their survival. Pollution control does involve certain financial aspects which will have to be reasonably considered by all the concerned sections of business and industries which directly or indirectly are responsible for polluting the environment.

Appropriate education in environmental ethics is necessary not only for men of business and industry but also for all intellectuals and common citizens.

Pollution leads to slow murder through constant exposure to vehicular, industrial or other types of pollutants that precipitate life threatening diseases like asthma, other lung

Q-59- Discuss about Ethics & Sexual Harassment

Ans-59- Women in all societies are subjected to sexual harassment. Women are the victims of this evil. Sexual harassment still remains a challenge to ethics. The Equal Employment Opportunity Commission has given the following guidelines in 1978.

The guidelines state:

"Unwelcome sexual advances, requests for sexual favours and other verbal and physical contact of a sexual nature constitute sexual harassment when

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.
2. Submission to rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual.
3. Such conduct has the purpose or effect of unreasonable interfering with an individual's working environment.

Sexual harassment is a violation of the moral standards of utilitarianism, rights, justice and care. Both legislation and education are necessary for eliminating this problem.

UNIT-5

Q-60- What are the Measures to Encourage Ethical Conduct and Institutionalize Ethics Training?

Ans-60- All employees should understand the ethical and of the company, All employees have to uphold the corporate code of conduct, effective ethical programme can help a company avoid unnecessary legal problems

The following are the minimum requirements for ethical compliance program

- 1) The top management should be committed to the implementation of effective ethical programmes.
- 2) The propensity for misconduct has to be checked.
- 3) Periodic ethical training programmes have to be conducted.
- 4) Good systems to monitor audit and report misconduct.
- 5) There should be consistent enforcement of standards, codes and punishment.
- 6) There should be a continuous improvement of ethical compliance programme.

Ethical training is provided in most advanced economies but not much in developing economies. Since globalisation, ethical training programmes have become popular in developing countries too. A good ethical training programme can educate all the employees about the policies and expectations of the company. The employees can also become aware of available resources and persons who can help them with ethical and legal advice. Employees can evaluate the impact of ethical decisions on the company.

The basics of ethics, the procedure for airing ethical concerns and priorities of ethics have to be taught to the employees. Managers from every department must be involved in the ethical training programme. The ethics programme should differentiate between personal and organisational ethics. Discussions should be conducted by inviting personal opinions about what should or should not be done in any particular situation.

There should be synergy between vision, mission, core values and code of conduct. The core values of the companies have to be prioritised. For instance, the core values of Disney's theme parks are 'safety', 'courtesy' and 'efficiency' in order of importance. Hence, the children are safe in these parks.

The ethical training should teach the employees to handle the ethical dilemmas. If left unattended, ethical dilemmas can create legal problems.

A good ethical programme should eliminate the belief that unethical behaviour could be justified on some grounds. Efforts to deter unethical behaviour are very important for companies' long-term relationships with stakeholders.

The ethics training programme should also be a continuous improvement programme so that the ethical standards are upgraded. There should be a shared commitment to the good business practices by all.

Q-61- What do you mean by Code of Conduct?

Ans-61- A code of conduct is a statement that describes what an organisation is expecting from its employees. It suggests acceptable or unacceptable types of behaviour.

The code of conduct should be developed by the president, board of directors and the chief executive officer. It is suggested that the code of ethics should include trustworthiness, respect, responsibility, fairness, caring and citizenship.

Many companies have a code of conduct but not implemented effectively. All employees should be informed about the code of conduct.

Development and Implementation of Code of Conduct

1. The values have to be identified.
2. The ethical values have to be linked to the organisation.
3. The codes of conduct have to be explained with examples which reflect values.
- 4 The code of conduct should be communicated to the employees in a language or style that they can easily understand.
5. The code of conduct can be revised periodically by taking into account the changes around the business world.

Q-61- Discuss about the Formal Committees & its structure

Ans-61-

The Board

The board's role is to provide an entrepreneurial leadership of the company within the framework of effective controls. The risks have to be assessed and managed. Decisions have to be taken in an objective way and the interests of the company have to be protected.

The following are the duties of directors:

1. To act in accordance with the company's constitution.
2. To promote the success of the company.
3. To exercise independent judgment.
4. To exercise reasonable care, skill and diligence.
5. To avoid conflicts of interest.
6. Not to accept benefits from third parties.
7. To declare an interest on proposed transactions or arrangements.

It is not possible for the directors to please all the shareholders at all times. Directors should have access to reliable information regularly. The board should be accountable to shareholders and provide them the relevant information.

Chief Executive Officer

The CEO has the executive responsibility of running the business. The roles of chairman and CEO should not be exercised by the same person. The division of responsibilities between the chairman and CEO should be clearly established. Normally, a CEO should not become the chairman of the company.

Chairman

The chairman is responsible for the effective administration of the board. The board should meet frequently and the directors should have access to all information and all the directors should have an opportunity to give their views at board meetings.

Senior Independent Director

There should be an appointment of a Senior Independent Director (SID) who should be one of the independent non-executive directors. The SID should be available to the shareholders if they have concerns to be resolved.

The non-executive directors should meet without the chairman present at least once in a year in

order to appraise the performance of the chairman. The SID will lead these meetings.

Company Secretary

The company secretary should facilitate the work of the board by providing the necessary information to all the directors. The company secretary can advise the board, via the chairman on all governance matters. The company secretary will assist the professional development, needs of directors and induction requirements for new directors. The company secretary must act in good faith and avoid conflicts of interest. The dismissal of the company secretary should be a decision of the board as a whole and not the chairman CEO.

Audit Committee

As an important skill committee, it should review the scope and outcome of the audit.

It should ensure that the objectivity of the auditors is maintained. It provides a bridge between both internal and external auditors and the board. The board should be fully aware of all relevant issues related to the audit. It should be able to assess the financial and non-financial risks of the company.

Remuneration Committee

This committee should make recommendations to the board on the company's framework of executive remuneration and its cost. It should determine remuneration packages for each of the executive directors, including pension rights and any compensation payments.

The establishment of a remuneration committee can prevent the executive director from setting their own remunerations. The remuneration of non-executive directors should be decided by the chairman and the executive members of the board.

Nomination Committee

Directors were appointed on the basis of personal contacts in the past. At present, there is a formal, rigorous and transparent procedure for the appointments and recommendations to the board. A majority of members of the nomination committee should be independent non-executive directors.

This committee should evaluate the existing balance of skills, knowledge and experience on the board. It should throw its net as wide as possible for the search of suitable candidates.

Risk Committee

Business operations involve risks and this committee should comprehend the risks involved in the business. The competitive advantages have to be analysed. This committee should be consisting of more of non-executive directors.

Non-executive Directors

Non-executive directors are essential for good governance. They cannot be under the pressure of the Board of Directors as executive directors. The non-executive directors can add to the overall leadership and development of the company.

The non-executive directors should be independent in the presentation of their views. They should scrutinise the performance of the management in meeting agreed goals and objectives. The added value of a non-executive director may be the experience, knowledge, public life and reputation. The non-executive directors should bring an independent judgment to bear on issues of strategy, performance resources and standards of conduct.

Q-62- Write a note on Ethics Audit

Ans-62- An ethics audit is a systematic evaluation of the ethical programme of an organisation undertaken to determine effectiveness of ethical programmes. It also examines the effectiveness of social responsibility initiatives undertaken by the organisation. Ethical auditing measures the ethical commitment to stakeholders. It improves the ethical commitment to stakeholders like employees, customers, investors', suppliers and social activists.

Ethics auditing is similar to financial auditing and has to be conducted by an expert from outside the organisation. In financial auditing, the focus is on money flow whereas in ethics auditing, the focus is on the ethical performance of the organisation. Ethics auditing is a voluntary process.

Ethics auditing improves the organisational climate and strategy. There is an improved relationship with the stakeholders. Companies can plan for crisis management based on the ethical performance. An ethics audit can identify the employees who are violating the ethical standards of the company. The reports of ethics audit should be made known to all. The defect has to be rectified and rewards to be given for the best ethical practices. Organisations should make continuous efforts to improve the ethical standards.

Q-63- Discuss about Professional Values and Professional Codes

Ans-63- A professional is one who has a thorough knowledge of a particular of operation He should have a thorough knowledge and practical skills. He should be able to implement certain tasks with care, confidence and uptight conduct. A good professional should have innovative thinking, a person for ethical accuracy and practical vision, Ethical practices have to be followed in the execution of professional skill' and services. A professional should be humble and humane without any professional arrogance.

1. Every profession should be based on appropriate principles and good ethical practices.
2. Professional conduct should be guided by reason, rational thinking and independent judgement.
3. Every profession should be associated with transparency, responsibility and accountability.
4. A code of conduct is necessary for every profession. The conduct should be based on honesty, truth, duty, devotion, discipline and dedication.
5. Essential services have to be provided to people as prescribed by the code of conduct.
6. Professional services have to be offered with integrity, good skills and a human face.
7. Merit and competence should be combined in discharging every professional service.

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Q-64- Discuss about the Emerging Opportunities in Various Sectors

Ans-64- It is well known to all of us that more often than not, a business organisation exists in the market to earn profits. But can a company make profits without delivering the OUtput it IS committed to? Businesses organisations thus, produce and distribute goods and services that enhance our quality of life, promote growth, and generate prosperity. They provide a spur to innovation, reward to entrepreneurial effort, and return on investment and also constantly improve their performance responding to market feedbacks. They draw on the skills, effort and ingenuity of individual workers, and share with them the economic value created by the enterprise.

The change in the economic conditions world over has provided immense opportunities to may in various sectors. Successful management practice requires, among other things, identifying current

requirements in the market place and providing relevant goods and services that satisfy these requirements. However, only firms that provide these on competitive terms will make the most of their business. In an era of globalisation, this issue becomes very significant. Policy changes and economic reforms made in one country can open up new opportunities for firms in other countries. Non-profit organizations give us ways to celebrate, build and protect many human values that give rise to healthy and thriving communities. They work to ensure that all people belonging to all strata of the society have adequate necessities of life, including clean air, water, food and shelter; an equitable share of wealth and resources; and opportunity to develop their full physical, mental and spiritual potential. They create spaces to celebrate the joy of CUIture and artistic expression, and reveal opportunities for generosity. Thus they present an excellent opportunity to venture so as work as well as dedicate oneself to the corporate social responsibility. The corporate houses attaching themselves with one NGO or the other, for a good cause, can not only improve their social picture, but also improve their sales thereby witness an increase in growth of profit. Also, working with these NGOs give one a sense of internal satisfaction also as they work in many ways for the society such as helping to protect the environment and working to ensure that human capacities, technologies and organizations sustain and support, not systemically alter/degrade or destroy the Earth, its diversity of life or the ecological systems that support life.

Sectors such as IT Enabled Services (ITES), Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) are sectors that provide immense opportunity in the wake of new economic trends. The relatively low cost and high availability of skilled manpower in India have unique advantages. They enable Indian firms to provide services to developed countries in a competitive fashion. Biotechnology, Pharmacy and other

Q-65- Discuss about the Management Practices and Cultural Issues

Ans-65- For the past several decades, it has been clearly established that a strong association exists between various diversity issues related to the cross cultural presence of the workers in the business organizations. One of those issues as noted by Dr. Naichen" Chen. was that we live and work here since it is the best location for cultural experiment and the best Moratory for humanities and social sciences. We are experimenting right here based on the virtues "of compassion, mutual respect, learning from each other, and benefiting others and selves.

Organizations around the world have been realizing the cultural diversity within organization is not a negative aspect, rather can facilitate organizational stalk for glory. Nevertheless, it is not an easy task to manage employees with different cultural backgrounds. Diversity presents ever growing and new challenges for various businesses and managers especially for organizational success requiring a strong organizational culture and group cohesiveness. Cultural diversity can be managed by creating awareness among all employees about diverse values of peers, facilitating acknowledgement, support and encouragement of any employee' success by all other workers, and linking diversity to every business process and strategy such as succession planning, reengineering, employee development, performance management and review, and reward systems strategies. Let us first understand the basic reasons for difference in culture at workplace. They can be broad lined as:

- Different communication styles
- Different attitudes towards conflict

- Different approaches to completing tasks
- Different decision-making styles
- Different attitudes towards disclosure
- Different approaches to knowing

Q-66- Discuss about the Global Competitive Environment

Ans-66- The great challenge facing political leaders today is to persuade the public that continuing to liberalize trade will bring more benefits than costs. Distrust of global competitive environment has perhaps never been higher. To the world economies, China and India are major reasons. There is widespread fear that globalization means job losses and lower wages as the export power of these huge nations grows. So countries are becoming more protectionist, more unwilling to deal with change and make adjustments. This has resulted in an ever increased competition among the business organisations of various nationalities.

This competition is increasing at a fast pace because.

=> people around the globe are more connected to each other than ever before,

=> information and money flow more quickly than ever,

=> goods and services produced in one part of the world are increasingly available in all parts of the world, international travel is more frequent,

=> TV and entertainment are more globalised,

=> social - cultural environment is more blending than ever and the international,

=> trade barriers among nations are declining year after year, .

=> banking transactions are becoming easier globally,

=> international communication is commonplace.

As a result, everyone is forced to compete with the cheapest producers.

Many of the apparent costs of global competition reflect domestic policy failures, to the extent that they would be better tackled through domestic policy reform than through seeking to halt the forces driving globalization

But this global competition brings greater benefits than costs. It offers the opportunity for a higher rate of sustainable growth - growth that translates into longer, healthier lives and improved living standards. And there is little evidence that governments are losing power to multinational corporations or that there is a race to the bottom in environmental standards or taxati(Y1.

On average, the resultant economic growth is only benefiting the poor, and trade is benefiting the growth of economies. Since trade is also associated with lower inflation and less corruption, a significant degree of openness to trade, financial liberalization, and global financial integration are necessary conditions for sustained economic growth.

Q-67- Discuss about the Internal Scene in India in the context global competition

Ans-67- The world running helter-skelter due to the recessionary trend, India still is doing well economically as compared to other nations. The Union Government has introduced various financial incentives for investments in core and infrastructure sectors as also high priority industries such as information technology and through specific schemes such as Growth Centre Schemes, Electronic Hardware Technology Park (EHTP), the Transport Subsidy Schemes, the New Industrial Policy for the North Eastern States, Software Technology Park (STP), Export Promotion Zones (EPZs), Special Economic Zones (SEB), etc.

Foreign direct investment is freely allowed in all sectors including the services sector, except where the existing and the notified sectoral policy does not permit FDI beyond a ceiling. Virtually FDI for all items/ activities can be brought in through the automatic route under powers delegated to the Reserve Bank Of India (RBI), and for remaining items/activities through Government approval. Government approvals are accorded on the recommendation of the Foreign Investment Promotion Board (FIPB). Except for the following sectors, prior government approval is not required:

- 1) Airport
- 2) B2B e-commerce
- 3) Trading companies within notified policy
- 4) Drugs and pharmaceuticals not falling on the automatic route Integrated township development
- 5) ISPs with out gateways, electronic mail and voice mail
- 6) Courier services other than distribution of letters

This means that there is an automatic route In investment for:

- Most manufacturing activities other than those, which attract compulsory licensing /sectoral equity, cap or are reserved exclusively in small scale industries.
- Non-banking financial services.
- Infrastructure such as roads and highways, ports and harbours, electricity generation transmission and distribution, mass rapid transit systems, LNG projects, etc.
- Drugs and pharmaceuticals that does not attract compulsory licensing and involve recombinant DNA technology.
- Hotels and tourism
- Food processing
- Electronic hardware
- Software development
- Film industry
- Hospitals
- Private oil refineries
- Pollution control and management

- Exploration and mining of minerals other than diamonds and precious stones
- Management consultancy
- Venture capital funds/companies
