

BBA

BBA 301: Values & Ethics in Business

Unit-I

lectures:-10

Introduction: Values-Concept, types and formation of values, ethics, values and behaviour, Values of Indian Managers, Ethics, development of ethics, ethical decision making and decision making process, relevance of ethics and values in business.

Management of Ethics: Management process and ethics, managerial performance, ethical issues, ethos of Vadanta in management, Hierarchism as an organizational value.

Unit-II

lectures:-10

Corporate Social Responsibility & Consumer Protection: Corporate responsibility of business: employees, consumers and community, Corporate Governance, Code of Corporate Governance, Consumerism, unethical issues, in sales, marketing and technology.

Unit-III

lectures:-12

Understanding Progress, Results & Managing Transforming: Progress and Results definition, functions of progress, transformation, need for transformation, process & challenges of transformation.

Understanding Success: Definitions of success, Principles for competitive success, pre-requisites to create blue print for success. Successful stories of business gurus.

Unit-IV

lectures:-13

Knowledge and Wisdom: Meaning of knowledge and wisdom, difference between knowledge and wisdom, knowledge worker versus wisdom worker, concept of knowledge management and wisdom management, wisdom based management.

Stress Management: Meaning, sources and consequences of stress, stress management and detached involvement.

Concept of Dharma & Karma Yoga: Concept of Karama and kinds of Karam Yoga, Nishkam Karma, and Sakam Karma. Total quality management, Quality of life and quality of work life.

UNIT - 1

Importance of Values And Ethics in Business

Ethics is important not only in business but in all aspects of life because it is the vital part and the foundation on which the society is build. A business/society that lacks ethical principles is bound to fail sooner or later. According to International Ethical Business Registry, “there has been a dramatic increase in the ethical expectation of businesses and professionals over the past 10 years. Increasingly, customers, clients and employees are deliberately seeking out those who define the basic ground, rules of their operations on a day today....” Ethics refers to a code of conduct that guides an individual in dealing with others. Business Ethics is a form of the art of applied ethics that examines ethical principles and moral or ethical problems that can arise in business environment. It deals with issues regarding the moral and ethical rights, duties and corporate governance between a company and its shareholders, employees, customers, media, government, suppliers and dealers. Henry Ford said, “Business that makes noting but money is a poor kind of business”. Ethics is related to all disciplines of management like accounting information, human resource management, sales and marketing, production, intellectual property knowledge and skill, international business and economic system. As said by Joe Paterno once that success without honor is an unseasoned dish. It will satisfy your hunger, but won't taste good. In business world the organization's culture sets standards for determining the difference between good or bad, right or wrong, fair or unfair.

“It is perfectly possible to make a decent living without compromising the integrity of the company or the individual, wrote business executive R. Holland, “Quite apart from the issues of rightness and wrongness, the fact is that ethical behavior in business serves the individual and the enterprise much better in long run.”, he added. Some management guru stressed that ethical companies have an advantage over their competitors. Said Cohen and Greenfield, “Consumers are used to buying products despite how they feel about the company that sells them. But a valued company earned a kind of customer loyalty most corporations only dream of because it



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appeals to its customers more than a product”. The ethical issues in business have become more complicated because of the global and diversified nature of many large corporation and because of the complexity of economic, social, global, natural, political, legal and government regulations and environment, hence the company must decide whether to adhere to constant ethical principles or to adjust to domestic standards and culture.

Managers have to remember that leading by example is the first step in fostering a culture of ethical behavior in the companies as rightly said by Robert Noyce, “If ethics are poor at the top, that behavior is copied down through the organization”, however the other methods can be creating a common interest by favorable corporate culture, setting high standards, norms, framing attitudes for acceptable behavior, making written code of ethics implicable at all levels from top to bottom, deciding the policies for recruiting, selecting, training, induction, promotion, monetary / non-monetary motivation, remuneration and retention of employees. “Price is what you pay. Value is what you get” – Warren Buffet. Thus, a manager should treat his employees, customers, shareholders, government, media and society in an honest and fair way by knowing the difference between right or wrong and choosing what is right, this is the foundation of ethical decision making. REMEMBER: GOOD ETHICS IS GOOD BUSINESS. “Non-cooperation with the evil is as much a duty as is co-operation with good” – Mahatma Gandhi.

Values and ethics in simple words mean principle or code of conduct that govern transactions; in this case business transaction. These ethics are meant to analyze problems that come up in day to day course of business operations. Apart from this it also applies to individuals who work in organizations, their conduct and to the organizations as a whole. We live in an era of cut throat competition and competition breeds enmity. This enmity reflects in business operations, code of conduct. Business houses with deeper pockets crush small operators and markets are monopolised. In such a scenario certain standards are required to govern how organizations go about their business operations, these standards are called ethics.

Business ethics is a wider term that includes many other sub ethics that are relevant to the respective field. For example there is marketing ethics for marketing, ethics in HR for Human

resource department and the like. Business ethics in itself is a part of applied ethics; the latter takes care of ethical questions in the technical, social, legal and business ethics.

Origin of Business Ethics

When we trace the origin of business ethics we start with a period where profit maximization was seen as the only purpose of existence for a business. There was no consideration whatsoever for non-economic values, be it the people who worked with organizations or the society that allowed the business to flourish. It was only in late 1980's and 1990's that both intelligentsia and the academics as well as the corporate began to show interest in the same. Nowadays almost all organizations lay due emphasis on their responsibilities towards the society and the nature and they call it by different names like corporate social responsibility, corporate governance or social responsibility charter. In India Maruti Suzuki, for example, owned the responsibility of maintain a large number of parks and ensuring greenery. Hindustan unlevel, similarly started the e-shakti initiative for women in rural villages. Globally also many corporations have bred philanthropists who have contributed compassion, love for poor and unprivileged. Bill gates of Microsoft and Warren Buffet of Berkshire Hathaway are known for their philanthropic contributions across globe.

Many organizations, for example, IBM as part of their corporate social responsibility have taken up the initiative of going green, towards contributing to environmental protection. It is not that business did not function before the advent of business ethics; but there is a regulation of kinds now that ensures business and organizations contribute to the society and its well being. **Nowadays business ethics determines the fundamental purpose of existence of a company in many organizations.** There is an ensuing battle between various groups, for example between those who consider profit or share holder wealth maximization as the main aim of the company and those who consider value creation as main purpose of the organisation.

The former argue that if an organizations main objective is to increase the shareholders wealth, then considering the rights or interests of any other group is unethical. The latter, similarly argue that profit maximization cannot be at the expense of the environment and other groups in the



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society that contribute to the well being of the business. Nevertheless business ethics continues to a debatable topic. Many argue that lots of organizations use it to seek competitive advantage and creating a fair image in the eyes of consumers and other stakeholders. There are advantages also like transparency and accountability.

SOURCES OF BUSINESS ETHICS

Ethics in general refers to a system of good and bad, moral and immoral, fair and unfair. It is a code of conduct that is supposed to align behaviors within an organization and the social framework. But the question that remains is, where and when did business ethics come into being? Primarily ethics in business is affected by three sources - culture, religion and laws of the state. It is for this reason we do not have uniform or completely similar standards across the globe. These three factors exert influences to varying degrees on humans which ultimately get reflected in the ethics of the organization. For example, ethics followed by Infosys are different than those followed by Reliance Industries or by Tata group for that matter. Again ethical procedures vary across geographic boundaries.

Religion

It is one of the oldest foundations of ethical standards. Religion wields varying influences across various sects of people. It is believed that ethics is a manifestation of the divine and so it draws a line between the good and the bad in the society. Depending upon the degree of religious influence we have different sects of people; we have sects, those who are referred to as orthodox or fundamentalists and those who are called as moderates. Needless to mention, religion exerts itself to a greater degree among the orthodox and to lesser extent in case of moderates. Fundamentally however all the religions operate on the principle of reciprocity towards ones fellow beings!

Culture

Culture is a pattern of behaviors and values that are transferred from one generation to another, those that are considered as ideal or within the acceptable limits. No wonder therefore that it is



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the culture that predominantly determines what is wrong and what is right. It is the culture that defines certain behavior as acceptable and others as unacceptable. Human civilization in fact has passed through various cultures, wherein the moral code was redrafted depending upon the epoch that was. What was immoral or unacceptable in certain culture became acceptable later on and vice versa. During the early years of human development where ones who were the strongest were the ones who survived! Violence, hostility and ferocity were thus the acceptable. Approximately 10,000 year ago when human civilization entered the settlement phase, hard work, patience and peace were seen as virtues and the earlier ones were considered otherwise. These values are still pt in practice by the managers of today. Still further, when human civilization witnessed the industrial revolution, the ethics of agrarian economy was replaced by the law pertaining to technology, property rights etc. Ever since a tussle has ensued between the values of the agrarian and the industrial economy!

Law

Laws are procedures and code of conduct that are laid down by the legal system of the state. They are meant to guide human behavior within the social fabric. The major problem with the law is that all the ethical expectations cannot be covered by the law and specially with ever changing outer environment the law keeps on changing but often fails to keep pace. In business, complying with the rule of law is taken as ethical behavior, but organizations often break laws by evading taxes, compromising on quality, service norms etc.

IMPORTANCE OF ETHICS

Most of us would agree that it is ethics in practice that makes sense; just having it carefully drafted and redrafted in books may not serve the purpose. Of course all of us want businesses to be fair, clean and beneficial to the society. For that to happen, organizations need to abide by ethics or rule of law, engage themselves in fair practices and competition; all of which will benefit the consumer, the society and organization.



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Primarily it is the individual, the consumer, the employee or the human social unit of the society who benefits from ethics. In addition ethics is important because of the following:

1. **Satisfying Basic Human Needs:** Being fair, honest and ethical is one the basic human needs. Every employee desires to be such himself and to work for an organization that is fair and ethical in its practices.
2. **Creating Credibility:** An organization that is believed to be driven by moral values is respected in the society even by those who may have no information about the working and the businesses or an organization. Infosys, for example is perceived as an organization for good corporate governance and social responsibility initiatives. This perception is held far and wide even by those who do not even know what business the organization is into.
3. **Uniting People and Leadership:** An organization driven by values is revered by its employees also. They are the common thread that brings the employees and the decision makers on a common platform. This goes a long way in aligning behaviors within the organization towards achievement of one common goal or mission.
4. **Improving Decision Making:** A man's destiny is the sum total of all the decisions that he/she takes in course of his life. The same holds true for organizations. Decisions are driven by values. For example an organization that does not value competition will be fierce in its operations aiming to wipe out its competitors and establish a monopoly in the market.
5. **Long Term Gains:** Organizations guided by ethics and values are profitable in the long run, though in the short run they may seem to lose money. Tata group, one of the largest business conglomerates in India was seen on the verge of decline at the beginning of 1990's, which soon turned out to be otherwise. The same company's Tata NANO car was predicted as a failure, and failed to do well but the same is picking up fast now.
6. **Securing the Society:** Often ethics succeeds law in safeguarding the society. The law machinery is often found acting as a mute spectator, unable to save the society and the environment. Technology, for example is growing at such a fast pace that the by the time law comes up with a regulation we have a newer technology with new threats replacing



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the older one. Lawyers and public interest litigations may not help a great deal but ethics can.

Ethics tries to create a sense of right and wrong in the organizations and often when the law fails, it is the ethics that may stop organizations from harming the society or environment.

UNIT – 2

Corporate Social Responsibility & Consumer Protection

Corporate responsibility of business:

Definitions of social responsibility

Corporate social responsibility (CSR) is:

- An obligation, beyond that required by the law and economics, for a firm to pursue long term goals that are good for society
- The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large
- About how a company manages its business process to produce an overall positive impact on society

Corporate social responsibility means:

- Conducting business in an ethical way and in the interests of the wider community
- Responding positively to emerging societal priorities and expectations
- A willingness to act ahead of regulatory confrontation
- Balancing shareholder interests against the interests of the wider community
- Being a good citizen in the community



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Is CSR the same as business ethics?

- There is clearly an overlap between CSR and business ethics
- Both concepts concern values, objectives and decision based on something than the pursuit of profits
- And socially responsible firms must act ethically

The difference is that ethics concern individual actions which can be assessed as right or wrong by reference to moral principles. CSR is about the organisation's obligations to all stakeholders – and not just shareholders.

There are four dimensions of corporate responsibility

- Economic - responsibility to earn profit for owners
- Legal - responsibility to comply with the law (society's codification of right and wrong)
- Ethical - not acting just for profit but doing what is right, just and fair
- Voluntary and philanthropic - promoting human welfare and goodwill
- Being a good corporate citizen contributing to the community and the quality of life

The debate on social responsibility

Not all business organizations behave in a socially responsible manner, And there are people who would argue that it is not the job of business organizations to be concerned about social issues and problems.

There are two schools of thought on this issue:

- In the **free market view**, the job of business is to create wealth with the interests of the shareholders as the guiding principle
- The **corporate social responsibility view** is that business organisation should be concerned with social issues



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Free market view - a summary

- The role of business is to create wealth by providing goods and services
- “There is one and only one social responsibility of business- to use its resources and engage in activities designed to increase its profit so long as it stays will the rules of the game, which is to say, engages in open and free competition, without deception or fraud.” [Milton Friedman, American economist]
- Giving money away is like a self imposed tax
- Managers who have been put in charge of a business have no right to give away the money of the owners
- Managers are employed to generate wealth for the shareholders - not give it away
- Free markets and capitalism have been at the centre of economic and social development
- Improvements in health and longevity have been made possible by economies driven by the free market
- To attract quality workers it is necessary to offer better pay and conditions and this leads to a rise in standards of living and wealth creation
- Free markets contribute to the effective management of scarce resources
- It is true that at times the market fails and therefore some regulation is necessary to redress the balance
- But the correcting of market failures is a matter for government - not business
- Regulation should be kept to a minimum since regulation stifles initiative and creates barrier to market entry

The free market case against corporate social responsibility

- The only social responsibility of business is to create shareholder wealth
- The efficient use of resources will be reduced if businesses are restricted in how they can produce
- The pursuit of social goals dilutes businesses' primary purpose
- Corporate management cannot decide what is in the social interest
- Costs will be passed on to consumers



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- It reduces economic efficiency and profit
- Directors have a legal obligation to manage the company in the interest of shareholders – and not for other stakeholders
- CSR behavior imposes additional costs which reduce competitiveness
- CSR places unwelcome responsibilities on businesses rather than on government or individuals

The corporate responsibility view

- Businesses do not have an unquestioned right to operate in society
- Those managing business should recognize that they depend on society
- Business relies on inputs from society and on socially created institutions
- There is a social contract between business and society involving mutual obligations that society and business recognize that they have to each other

Stakeholder theory

The basic premise is that business organizations have responsibility to various groups in society (the internal and external stakeholders) and not just the owners/ shareholders. The responsibility includes a responsibility for the natural environment. Decisions should be taken in the wider interest and not just the narrow shareholder interest

Arguments for socially-responsible behavior

- It is the ethical thing to do
- It improves the firm' public image
- It is necessary in order to avoid excessive regulation
- Socially responsible actions can be profitable
- Improved social environment will be beneficial to the firm
- It will be attractive to some investors



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- It can increase employee motivation
- It helps to corrects social problems caused by business

Enlightened self interest

This is the practice of acting in a way that is costly and/or inconvenient at present but which is believed to be in one's best long term interests. There is a long history of philanthropy based on enlightened self interests e.g. Robert Owens's New Lanark Mills, Titus Salt's Solitaire as well the work of the Quaker chocolate makers such as Cadbury at Bourneville and Row tree in York.

CSR behaviour can benefit the firm in several ways

- It aids the attraction and retention of staff
- It attracts green and ethical investment
- It attracts ethically conscious customers
- It can lead to a reduction in costs through re-cycling
- It differentiates the firm from its competitor and can be a source of competitive advantage
- It can lead to increased profitability in the long run

CORPORATE GOVERNANCE

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others. Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and



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responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Another point which is highlighted in the SEBI report on corporate governance is the need for those in control to be able to distinguish between what are personal and corporate funds while managing a company. Fundamentally, there is a level of confidence that is associated with a company that is known to have good corporate governance. The presence of an active group of independent directors on the board contributes a great deal towards ensuring confidence in the market. Corporate governance is known to be one of the criteria that foreign institutional investors are increasingly depending on when deciding on which companies to invest in. It is also known to have a positive influence on the share price of the company. Having a clean image on the corporate governance front could also make it easier for companies to source capital at more reasonable costs. Unfortunately, corporate governance often becomes the centre of discussion only after the exposure of a large scam.

Corporate governance is "the system by which companies are directed and controlled". It involves a set of relationships between a company's management, its board, its shareholders and other stakeholders; it deals with prevention or mitigation of the conflict of interests of stakeholders. Ways of mitigating or preventing these conflicts of interests include the **processes, customs, policies, laws, and institutions** which have impact on the way a **company** is **controlled**. An important theme of corporate governance is the nature and extent of accountability of people in the **business**, and mechanisms that try to decrease the principal-agent problem. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees. It guarantees that an enterprise is directed and controlled in a responsible, professional, and transparent manner with the purpose of safeguarding its long-term success. It is intended to increase the confidence of shareholders and capital-market investors.



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CONSUMERISM

Consumerism is a social and economic order that encourages the purchase of goods and services in ever-greater amounts. The term is often associated with criticisms of consumption starting with Thorstein Veblen. Veblen's subject of examination, the newly emergent middle class arising at the turn of the twentieth century, comes to full fruition by the end of the twentieth century through the process of globalization. Sometimes, the term "consumerism" is also used to refer to the consumerists movement, consumer protection or consumer activism, which seeks to protect and inform consumers by requiring such practices as honest packaging and advertising, product guarantees, and improved safety standards. In this sense it is a movement or a set of policies aimed at regulating the products, services, methods, and standards of manufacturers, sellers, and advertisers in the interests of the buyer. In economics, consumerism refers to economic policies placing emphasis on consumption. In an abstract sense, it is the belief that the free choice of consumers should dictate the economic structure of a society (cf. Producerism, especially in the British sense of the term). The term "consumerism" was first used in 1915 to refer to "advocacy of the rights and interests of consumers".

UNETHICAL ISSUES, IN SALES, MARKETING AND TECHNOLOGY

Ethics in marketing deals with the principles, values and/or ideals by which marketers (and marketing institutions) ought to act. Marketing ethics is also contested terrain, beyond the previously described issue of potential conflicts between profitability and other concerns. Ethical marketing issues include marketing redundant or dangerous products/services transparency about environmental risks, transparency about product ingredients such as genetically modified organisms possible health risks, financial risks, security risks, etc., respect for consumer privacy and autonomy, advertising truthfulness and fairness in pricing & distribution.

Markets present a clash of interest between various players. There is competition for resources, customers and price etc, which breeds ground for activities that may not get ethical sanctions. A certain code of conduct, policies and practices called ethics are required to manage markets and



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marketing. Marketing is the heart of all businesses and all other functions depend upon the same for keeping the business moving. It is one business function that interacts the most with markets, in fact markets are meant to sell and they exist only when they sell! In such a scenario there are bound to be multiple players and a clash is inevitable. Such clash leads to malpractices like hoarding, price competitions, brand wars and use of unfair tactics, which is precisely where marketing ethics come into play. Simply put, ethics means principle or values by which marketing ought to be conducted in the market place. Logically also when there are huge number of transactions involved, a certain code or guiding principles are required to ensure that operations and industry competitiveness is fair and beneficial to the end user.

There are different philosophies or schools of thought for ethics in marketing, one is the political philosophy and the other is the transaction focused.

Whereas one school of thought says that all marketing efforts should be focused on maximizing the shareholder value and that this is the only marketing ethics; the other believes that that marketing and market is equally responsible to consumers, other stake holders and the shareholders. The tactic of targeting targeted segments, creating needs that were inexistent till now, transparency about the source of labor and environmental risks, transparency about the use of source and the ingredients, appropriate labeling, mentioning associated health risks, advertising jurisprudence and not making false promises fall within the ambit of marketing ethics. Lots of marketing and promotion was carried out for goods and services that were not a need till yesterday and only a luxury. Today cell phones have become a need and a status symbol! These are issues that are being discussed in marketing ethics nowadays. Marketing ethics is in its budding stage only considering that it came into being only in late 1990s.

Like other ethical disciplines, marketing ethics is also looked up from various perspectives. There is the perspective of virtue, expediency and other perspectives. But like other ethics there is also the difficulty of deciding the agency responsible for ethical practice. Since there is not one single agency responsible for ethics this gives the independence to an individual or to any marketing agency to act on its own and be ethical. Marketing ethics unlike other business



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ethics is not only restricted to the field of marketing alone. It influences many aspects of our life and especially in developing perceptions in the minds of people and creating identities, classes and sections in the society. The visual channels of communication used for marketing sometimes lead to closure of knowledge, opinions, ideas and beliefs. It creates prejudices in the mind of people.

UNETHICAL ISSUES IN TECHNOLOGY

Scientific advances allow businesses to use technology to reach goals more easily and more completely than ever before. In some areas, however, such applications of technology start infringing on the rights of individuals and may be unethical. Governments and ethically operated companies are aware of these limitations. Governments have passed privacy laws and regulated communication companies. Some companies self-censor and apply internal policies to limit unethical behavior. Businesses that wish to be considered ethical must look at whether applying certain technologies may harm some individuals and constrain such applications to what is absolutely necessary.

Privacy

Individual privacy is one area that has been identified clearly as a base for unethical business behavior through the application of technologies. Companies can track Internet usage, buying habits and individual movement as well as collect personal information about millions of customers or even potential clients. While governments have passed legislation restricting the collection of personal data and allowing individuals some control over what companies can collect and store, ethical businesses must decide -- independently of legislation -- what is appropriate behavior.

Security

Companies monitor employees and visitors and collect much additional information in the name of security. Ethical issues arise from the continuous monitoring of employee activity and the recording of security camera images. An unjustified level of employee surveillance is ethically



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questionable; the ethical company must try to establish a level of monitoring it can justify. The surveillance of non-employees, such as visitors or suppliers' representatives, must be constrained to an even lower level to be ethically acceptable.

Businesses today are technology and innovation driven. There is huge competition in the sphere and therefore like other industry or business function ethics is essential here also. Specially because ethics by itself is only a tool to create and doesn't know ethics or morals. Every day we have innovative products and services that announce their arrival in the market place and others that go obsolete. It is this technology and innovation that leads to ethical issues, considering the competition to stay ahead by innovating is immense. Issues like data mining, invasion to privacy, data theft and workplace monitoring are common and critical.

In technology we speak of ethics in two contexts; one is whether the pace of technological innovation is benefiting the humankind or not, the other is either severely empowering people while choking others for the same. Technology, for example, has drastically replaced people at work.

In the first case we are compelled to think about the pace at which technology is progressing. There are manifold implications here, be it things like computer security or viruses, Trojans, spam's that invade the privacy of people or the fact the technology is promoting consumerism. Nowadays data storage is primarily on computer systems. With the advent of internet technology the world has got interconnected and data can be accessed remotely by those who are otherwise unauthorized to do the same. This is one of the pitfalls of innovation. The other one i.e. the pace of technological change also raises the question of ethics. New products make their way and leave the existing ones obsolete. In fact technological change and innovation is at the heart of consumerism, which is bad for economy and environment in general. The recent economic downturn makes up for a very good example. Increasingly technological products are adding up to environmental degradation. Computer screens, keyboards, the ink used in the printers are some of the ways in which technology is polluting the environment. All these produce toxins that cannot be decomposed easily.



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The other major issue in technology that brings in ethics is interface between technology and the computers. Many scientists are of the opinion that the world will come to an end with a war between the humankind and the technology. Technology they say will advance to an extent beyond the control of those who have made it!

No doubt technology has replaced people at work and made certain others redundant. On the flip side many people have been raised to power while others have been severely handicapped. The latter is especially true for third world countries. New manufacturing processes that are outsourced either replace manpower there or either exploits the latter in the name of employment by engaging them cheaper prices. Technology has also made inroads into the field of medicine and life care. New cloning techniques, genetic modifications or other life saving drugs need continuous monitoring and surveillance. Bioethics has thus emerged as ethics in the field of medical technology. Whereas we cannot talk of controlling technology and innovation, the better way is to adapt and change. The role of ethics in technology is of managing rather controlling the same. Continuous monitoring is required to keep track of latest innovations and technological changes and for ensuring fair practices.

UNIT – 3

DEFINITION OF PROGRESS

People have been thinking about what progress means for at least two millennia. The concept has taken a variety of directions and forms, with various notions gaining favour depending on prevailing political regimes, cultural influences and environmental conditions. But, in all cases, the notion of progress has been used to reflect those qualitative dimensions that are missed by more conventional and quantitative definitions of economic growth. Progress, in other words, takes us back to a broad notion of wellbeing and welfare, and to how these concepts are changing over time.



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TRANSFORMATION

Transformation is the process of changing from one qualitative state to another, Transformation as a process of transmutation from one state to another can apply to an individual or an organization or the product or service supplied by the organization. When related to higher education, transformation usually refers to the transformation of the student via learning or the transformation of the institution so that it is better able to provide transformative outcomes, that is, transformative learning or research.

SUCCESS

Success is comprised of three things: being happy with what you're doing, constantly growing as an individual, and contributing to other people in meaningful ways. If these three things are present, then you're successful

UNIT – 4

Knowledge and wisdom

KNOWLEDGE is stored information. It is whatever you 'know.' Knowledge does not require that information which you hold be true, it simply requires that you know something. Knowledge comes exclusively from learning. This means you can gain knowledge in school or from books. You can learn from experiences you have or from observing the experiences of others. The single defining factor of knowledge is that it is data which is stored in your brain—on your hard drive.

WISDOM is far different from knowledge. Wisdom is the ability to process knowledge. To play on the hard drive analogy, wisdom is the software that is able to organize the data on the hard



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drive and put it into practice. In a practical sense, wisdom still does not require that the data you are processing be truth, it simply is the ability to put knowledge into practice.

From a philosophical stance, wisdom requires that data be true. To process information which is false and apply it would be foolish. Think about statistics. Say I interview three people and ask what their favorite color is. The first person says that his favorite color is green. Not wanting to be left out, the second and third person also says green even though their favorite colors are yellow and red respectively. As the statistician, I conclusively state that all mankind has the favorite color of green. This is obviously wrong so philosophically this is not a wise [conclusion](#)

Difference between Knowledge and wisdom

Knowledge... knowledge is the appropriate collection of information, such that it's intent is to be useful. Knowledge is a deterministic process. When someone "memorizes" information (as less-aspiring test-bound students often do), then they have amassed knowledge. This knowledge has useful meaning to them, but it does not provide for, in and of itself, an integration such as would infer further knowledge. For example, elementary school children memorize, or amass knowledge of, the "times table". They can tell you that " $2 \times 2 = 4$ " because they have amassed that knowledge (it being included in the times table). But when asked what is " 1267×300 ", they cannot respond correctly because that entry is not in their times table. To correctly answer such a question requires a true cognitive and analytical ability that is only encompassed in the next level... understanding. In computer parlance, most of the applications we use (modeling, simulation, etc.) exercise some type of stored knowledge.

Wisdom... wisdom is an extrapolative and non-deterministic, non-probabilistic process. It calls upon all the previous levels of consciousness, and specifically upon special types of human programming (moral, ethical codes, etc.). It beckons to give us understanding about which there has previously been no understanding, and in doing so, goes far beyond understanding itself. It is the essence of philosophical probing. Unlike the previous four levels, it asks questions to which there is no (easily-achievable) answer, and in some cases, to which there can be no humanly-known answer period. Wisdom is therefore, the process by which we also discern, or judge,



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between right and wrong, good and bad. I personally believe that computers do not have, and will never have the ability to possess wisdom. Wisdom is a uniquely human state, or as I see it, wisdom requires one to have a soul, for it resides as much in the heart as in the mind. And a soul is something machines will never possess (or perhaps I should reword that to say, a soul is something that, in general, will never possess a machine).

KNOWLEDGE WORKER VS WISDOM WORKER

A knowledge worker is anyone who works for a living at the tasks of developing or using [knowledge](#). For example, a knowledge worker might be someone who works at any of the tasks of planning, acquiring, searching, analyzing, organizing, storing, programming, distributing, marketing, or otherwise contributing to the transformation and commerce of information and those (often the same people) who work at using the knowledge so produced. A term first used by Peter Drucker in his 1959 book, *Landmarks of Tomorrow*, the knowledge worker includes those in the information technology fields, such as programmers, systems analysts, technical writers, academic professionals, researchers, and so forth. The term is also frequently used to include people outside of information technology, such as lawyers, teachers, scientists of all kinds, and also students of all kinds.

CONCEPT OF KNOWLEDGE MANAGEMENT

The term knowledge management is something which is difficult to define. In an organization which is giving preference to knowledge based working, the knowledge is managed in a better way in terms of quantity and quality in compliance with the organization policies to achieve the ultimate goal of the organization. Knowledge is everywhere and it is scattered. In knowledge management, the people are treated as assets and they are termed as human assets. Business organizations which have given importance to knowledge have become a success by implementing new knowledge based methods.

The instruments of knowledge management

The process of knowledge management is never complete with the following heads.

- Change management
- Best practices
- Risk management
- Benchmarking

Change management: Change is inevitable. An organization undergoes change due to so many reasons. It might happen because of environmental, economical, legal, political and technological factors. The organization which adopts change quickly will be able to cope with the new developments. In change management the business becomes sensitive to change. The business might be able to achieve the good results on the basis of how sensitive they were in adapting to changes.

Best practices: The best practices in business mainly consist of a leader who leads the organization. He or she should be able to lead the human assets by example. The best practices include establishing attainable targets, flat management structure, transparent and flawless communication from top to bottom level and vice versa and constructing futuristic plans for generating positive results.

Risk management: Presence of a good risk management system will help in the smooth flow of the business for a longer period. A good risk management system should be able to understand and measure the risks. The management should sketch new policies and the policies have to be executed on the right time to overcome the risks. When the risks are monitor periodically, then the business is able to diminish various kinds of risks.

Benchmarking: Benchmarking, in simple terms is the process of setting standards. The set standards are practiced in the future for better productivity both in qualitative and quantitative terms.



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Knowledge for business:

Knowledge is power. The time has gone when people carried their businesses with good old principles. It is time to adopt quality information and knowledge of the related areas to run business in a better way.

Knowledge management

The knowledge management might be treated as a new concept. With knowledge management, the conventional business activities are getting a paradigm shift.

Advantages

The primary advantages are:

- The business can get an advantage in the competitive environment by the implementation of knowledge management and
- The tricky situations and stress of the business are minimized

There are several different, and sometimes quite confusing statements that claim to be a definition of 'Knowledge Management' and there are different perspectives on what Knowledge Management is. For example:

- KM is about systems and technologies
- KM is about people and learning organisations
- KM is about processes, methods and techniques
- KM is about managing knowledge assets
- KM is a holistic initiative across the entire organisation



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- KM is not a discipline, as such, and should be an integral part of every knowledge workers daily responsibilities

What is most important is for you to have your own definition of Knowledge Management; what KM is to you and your organization. What is even more important is that you and your colleagues have a 'common shared understanding' of what KM means for you all. To help you get started, we have included immediately below a few definitions of what KM means to some organizations. We suggest you consider them, together with any other definitions you may have, and see if there are any words or phrases that particularly 'resonate' with what you are trying to do. This will help you formulate your own definition of knowledge management. At the end of this page, we invite you to share with us all, any definitions you have discovered and/or formulated. We can then all comment and rate the usefulness of each definition as we wish. This then provides us, at the bottom of this page, with a list of KM Definitions, listed in highest rated/ranked order, to help us even further. So please share your definitions and/or any comments or rating to definitions.

STRESS MANAGEMENT

Stress is the body's reaction to a change that requires a physical, mental or emotional adjustment or response. Stress can come from any situation or thought that makes you feel frustrated, angry, nervous, or anxious. Stress is caused by an existing stress-causing factor or "stressor." Dealing with a serious illness or caring for someone who is can cause a great deal of stress. Stress is often thought about from three different perspectives: an event, a reaction or a transaction. When we associate stress with an event, that event is called a *stressor*. Examples of stressors include getting divorced, being laid off or being diagnosed with a serious illness, although minor hassles can also have an impact. People with OCD often report experiencing an increase in the number or severity of stressors just prior to their symptoms becoming worse. Stress can also be thought of as our reaction to an event. The classic stress response is the "flight or flight" reaction in which your body activates a number of physical and behavioral defense mechanisms to deal with an impending threat. It is often the physical and psychological sensations associated with these



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mechanisms that we are detecting when we say that we "feel stressed." Finally, stress can be defined as a state that results from a transaction between you and the things around you. In this model, people or circumstances are constantly making demands on you such as getting to work on time, paying monthly bills, resolving conflicts with friends or co-workers or parenting children. If you believe that you do not have the resources you need to deal with the demands placed on you, you feel stress. A feature of this model of stress is that it accounts for why different people react differently when faced with the same challenges -- there are as many different reactions to potentially stressful conditions as there are people.

SOURCES AND CONSEQUENCES OF STRESS

Stress is a normal physical response to events that make you feel threatened or upset your balance in some way. When you sense danger – whether it's real or imagined – the body's defenses kick into high gear in a rapid, automatic process known as the "fight-or-flight" reaction, or the *stress response*. The stress response is the body's way of protecting you. When working properly, it helps you stay focused, energetic, and alert. In emergency situations, stress can save your life – giving you extra strength to defend yourself, for example, or spurring you to slam on the brakes to avoid an accident. The stress response also helps you rise to meet challenges. Stress is what keeps you on your toes during a presentation at work, sharpens your concentration when you're attempting the game-winning free throw, or drives you to study for an exam when you'd rather be watching TV. But beyond a certain point, stress stops being helpful and starts causing major damage to your health, your mood, your productivity, your relationships, and your quality of life.

Causes of stress

The situations and pressures that cause stress are known as *stressors*. We usually think of stressors as being negative, such as an exhausting work schedule or a rocky relationship. However, anything that puts high demands on you or forces you to adjust can be stressful. This includes positive events such as getting married, buying a house, going to college, or receiving a promotion.



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What causes stress depends, at least in part, on your perception of it. Something that's stressful to you may not faze someone else; they may even enjoy it. For example, your morning commute may make you anxious and tense because you worry that traffic will make you late. Others, however, may find the trip relaxing because they allow more than enough time and enjoy listening to music while they drive.

Common external causes of stress

Not all stress is caused by external factors. Stress can also be self-generated:

- Major life changes
- Work
- Relationship difficulties
- Financial problems
- Being too busy
- Children and family

Common internal causes of stress

Not all stress is caused by external factors. Stress can also be self-generated:

- Inability to accept uncertainty
- Pessimism
- Negative self-talk
- Unrealistic expectations
- Perfectionism
- Lack of assertiveness

Dealing with stress and its symptoms

While unchecked stress is undeniably damaging, there are many things you can do to reduce its impact and cope with symptoms.

Learn how to manage stress

You may feel like the stress in your life is out of your control, but you can always control the way you respond. Managing stress is all about taking charge: taking charge of your thoughts, your emotions, your schedule, your environment, and the way you deal with problems. Stress



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management involves changing the stressful situation when you can, changing your reaction when you can't, taking care of yourself, and making time for rest and relaxation.

Learn how to relax

You can't completely eliminate stress from your life, but you can control how much it affects you. Relaxation techniques such as yoga, meditation, and deep breathing activate the body's relaxation response, a state of restfulness that is the opposite of the stress response. When practiced regularly, these activities lead to a reduction in your everyday stress levels and a boost in your feelings of joy and serenity. They also increase your ability to stay calm and collected under pressure.

Learn quick stress relief

Everybody has the power to reduce the impact of stress as it's happening in that moment. With practice, you can learn to spot stressors and stay in control when the pressure builds. Sensory stress-busting techniques give you a powerful tool for staying clear-headed and in control in the middle of stressful situations. They give you the confidence to face challenges, knowing that you have the ability to rapidly bring yourself back into balance.

STRESS MANAGEMENT

Stress management refers to a wide spectrum of techniques and psychotherapies aimed at controlling a person's levels of stress, especially chronic stress, usually for the purpose of improving everyday functioning. In this context, the term 'stress' refers only to a stress with significant negative consequences, or distress in the terminology advocated by Hans Selye, rather



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than what he calls eustress, a stress whose consequences are helpful or otherwise positive. Stress produces numerous symptoms which vary according to persons, situations, and severity. These can include physical health decline as well as depression. According to the St. Louis Psychologists and Counseling Information and Referral, the process of stress management is one of the keys to a happy and successful life in modern society. Although life provides numerous demands that can prove difficult to handle, stress management provides a number of ways to manage anxiety and maintain overall well-being.

Despite stress often being thought of as a subjective experience, levels of stress are readily measureable using various physiological tests, similar to those used in polygraphs. Many practical stress management techniques are available, some for use by health practitioners and others for self-help, which may help an individual to reduce stress, provide positive feelings of being in control of one's life and promote general well-being. The effectiveness of the different stress management techniques can be difficult to assess, as few of them have received significant attention from researchers. Consequently, the amount and quality of evidence for the various techniques varies widely. Some are accepted as effective treatments for use in psychotherapy, whilst others with less evidence favouring them are considered alternative therapies. Many professional organisations exist to promote and provide training in conventional or alternative therapies.

DETACHED INVOLVEMENT

Detached Involvement requires a leader to be aware of his/her own emotions at all times and how they are changing. At its best, a leader practicing detached involvement is engaged in Level 3 Listening. Level 1 listening often results in being drawn into the drama because the listener is relating his/her own emotional experience to what's being said. Just because someone else is



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feeling angry, and understandably so, does not mean that you too should feel angry. The key to successful detached involvement is to remain emotionally connected while being separate. For many of us, we've been taught from a young age that in order to be emotionally connected to someone else, we need to be feeling the same emotions. And so we search for similar experiences we've had to conjure up the emotions we perceive the other to be experiencing. However, when you start to think about this, it really is not a genuine connection. In that moment you are creating a parallel experience, and so you are not really present, and often your efforts fall short. By working to become increasingly aware of your emotions at any moment and how they are influenced by your experiences throughout the day, you take a step toward practicing detached involvement. Own your feeling, recognize when your emotions are being influenced, accept that and let it go. This takes practice and vigilance and with time and practice you can become a master.

CONCEPT OF KARMA

Karma is a concept in Hinduism which explains causality through a system where beneficial effects are derived from past beneficial actions and harmful effects from past harmful actions, creating a system of actions and reactions throughout a soul's reincarnated lives forming a cycle of rebirth. The causality is said to be applicable not only to the material world but also to our thoughts, words, actions and actions that others do under our instructions. When the cycle of rebirth comes to an end, a person is said to have attained moksha, or salvation from samsara. Not all incarnations are human. The cycle of birth and death on earth is said to be formed from 8.4 million forms of life, but only in human life is an exit from this cycle possible.

"Karma" literally means "deed" or "act", and more broadly names the universal principle of cause and effect, action and reaction, which Hindus believe governs all consciousness. Karma is not fate, for we act with what can be described as a conditioned free will creating our own destinies. According to the Vedas, if we sow goodness, we will reap goodness; if we sow evil, we will reap evil. Karma refers to the totality of our actions and their concomitant reactions in this and previous lives, all of which determine our future. The conquest of karma lies in



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intelligent action and dispassionate reaction. Not all karmas rebound immediately. Some accumulate and return unexpectedly in this or other lifetimes. Human beings are said to produce karma in four ways:

- through thoughts
- through words
- through actions that we perform ourselves
- through actions others perform under our instructions

Everything that we have ever thought, spoken, done or caused is karma, as is also that which we think, speak or do this very moment. Hindu scriptures divide karma into three kinds:

- **Sanchita** is the accumulated karma. It would be impossible to experience and endure all karmas in one lifetime. From this stock of *sanchita karma*, a handful is taken out to serve one lifetime and this handful of actions, which have begun to bear fruit and which will be exhausted only on their fruit being enjoyed and not otherwise, is known as *prarabdha karma*.
- **Prarabdha** Fruit-bearing karma is the portion of accumulated karma that has "ripened" and appears as a particular problem in the present life.
- **Kriyamana** is everything that we produce in the current life. All *kriyamana karmas* flow in to *sanchita karma* and consequently shape our future. Only in human life we can change our future destiny. After death we lose Kriya Shakti (ability to act) and do (*kriyamana*) karma until we are born again in another human body.

NISHKAM KARMA & SAKAM KARMA



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There are two aspects to Karma Yoga - Sakam Karma and Nishkam Karma. Sakam Karma is to work with selfish expectations and your own interests in mind. Nishkam Karma on the other hand is working with unselfish/selfless motives. You have to pay back all Karmas in this life or in future lives, good or bad. It could be good Karma, but if it is selfish it is a chain that binds you. Nishkam Karma also still binds you to the Karmic law. It doesn't matter if the chain is made of iron or gold, it binds you in same way. Good and bad, both Karmas will bind you, put you into bondage. Of course negative Karma is harder, and good Karmas are softer. Nishkam Karma means free or without desire. Karma comes from the root word "kama" which means desires. Karma comes from the root word "kriya" which means to do. In the act of Nishkam Karma you have no selfish expectation, you are only giving. Give with love, devotion and happiness. What should we give? Whatever you can! But observe your limitations, don't overdo it! Nishkam Karma means doing Seva (selfless service), without the expectation of receiving acknowledgement, reward or a word of thanks. When you have even just one thought that someone should have said "Thank you", this is not Nishkam Karma. In Vedic culture there is no tradition of saying 'Thank you', only 'Blessing'.

This can be a problem for westerners when they go to India, that whatever you may do, Indians will never say thank you. But with modern education the word thank you has spread everywhere. However, when you say thank you, it means you don't accept this Seva and you give back some fruits. Nishkam Karma leads to liberation. Selfless service bears fruit similar to Raja Yoga, Bhakti Yoga and Gyana Yoga. The fruits of Sakam Karma will be paid for in this life and the fruit of Nishkam Karma will be returned after this life. Here you enjoy a life of luxury, but in another life you will have empty hands. What will go with you? Don't just think of this life, think also of your future lives. Therefore, in Yoga and Indian culture there is less focus on past lives, but more on future lives. Past is past, you no longer have any control over it. In a past life you were king and now you are a cook. Suddenly you gain knowledge of the past life when you were a king but nobody will give your kingdom back to you, instead you will be taken to a psychiatric hospital.



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QUALITY OF LIFE

The term *quality of life* is used to evaluate the general well-being of individuals and societies. The term is used in a wide range of contexts, including the fields of international development, healthcare, and politics. Quality of life should not be confused with the concept of standard of living, which is based primarily on income. Instead, standard indicators of the quality of life include not only wealth and employment, but also the built environment, physical and mental health, education, recreation and leisure time, and social belonging.

According to ecological economist Robert Costanza:

While Quality of Life (QOL) has long been an explicit or implicit policy goal, adequate definition and measurement have been elusive. Diverse "objective" and "subjective" indicators across a range of disciplines and scales, and recent work on subjective well-being (SWB) surveys and the psychology of happiness have spurred renewed interest. Also frequently related are concepts such as freedom, human rights, and happiness. However, since happiness is subjective and hard to measure, other measures are generally given priority. It has also been shown that happiness, as much as it can be measured, does not necessarily increase correspondingly with the comfort that results from increasing income. As a result, standard of living should not be taken to be a measure of happiness.

QUALITY OF WORK LIFE

Work is an integral part of our everyday life, as it is our livelihood or career or business. On an average we spend around twelve hours daily in the work place, that is one third of our entire life; it does influence the overall quality of our life. It should yield job satisfaction, give peace of mind, a fulfillment of having done a task, as it is expected, without any flaw and having spent the time fruitfully, constructively and purposefully. Even if it is a small step towards our lifetime goal, at the end of the day it gives satisfaction and eagerness to look forward to the next day.

The factors that influence and decide the Quality of work life are:

1. Attitude
2. Environment
3. Opportunities
4. Nature of Job
5. People
6. Stress Level
7. Career Prospects
8. Challenges
9. Growth and Development
10. Risk Involved and Reward

Attitude: The person who is entrusted with a particular job needs to have sufficient knowledge, required skill and expertise, enough experience, enthusiasm, energy level, willingness to learn new things, dynamism, sense of belongingness in the organization, involvement in the job, inter personnel relations, adaptability to changes in the situation, openness for innovative ideas, competitiveness, zeal, ability to work under pressure, leadership qualities and team-spirit.

Environment: The job may involve dealing with customers who have varied tolerance level, preferences, behavioral pattern, level of understanding; or it may involve working with dangerous machines like drilling pipes, cranes, lathe machines, welding and soldering machines,



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or even with animals where maximum safety precautions have to be observed which needs lot of concentration, alertness, presence of mind, quick with involuntary actions, synchronization of eyes, hands and body, sometimes high level of patience, tactfulness, empathy and compassion and control over emotions.

Opportunities: Some jobs offer opportunities for learning, research, discovery, self-development, enhancement of skills, room for innovation, public recognition, exploration, celebrity-status and loads and loads of fame. Others are monotonous, repetitive, dull, routine, no room for improvement and in every sense boring. Naturally the former ones are interesting and very much rewarding also.

Nature of Job: For example, a driller in the oil drilling unit, a diver, a fire-fighter, traffic policeman, train engine driver, construction laborers, welder, miner, lathe mechanic have to do dangerous jobs and have to be more alert in order to avoid any loss of limb, or loss of life which is irreparable; whereas a pilot, doctor, judge, journalist have to be more prudent and tactful in handling the situation; a CEO, a professor, a teacher have more responsibility and accountability but safe working environment; a cashier or a security guard cannot afford to be careless in his job as it involves loss of money, property and wealth; a politician or a public figure cannot afford to be careless, for his reputation and goodwill is at stake. Some jobs need soft skills, leadership qualities, intelligence, decision making abilities, abilities to train and extract work from others; other jobs need forethought, vision and yet other jobs need motor skills, perfection and extreme carefulness.

People: Almost everyone has to deal with three set of people in the work place. Those are namely boss, co-workers in the same level and subordinates. Apart from this, some professions need interaction with people like patients, media persons, public, customers, thieves, robbers, physically disabled people, mentally challenged, children, foreign delegates, gangsters, politicians, public figures and celebrities. These situations demand high level of prudence, cool temper, tactfulness, humor, kindness, diplomacy and sensitiveness.



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Stress Level: All these above mentioned factors are inter-related and inter-dependant. Stress level need not be directly proportional to the compensation. Stress is of different types - mental stress/physical stress and psychological or emotional stress. A Managing Director of a company will have mental stress, a laborer will have physical stress, a psychiatrist will have emotional stress. Mental stress and Emotional stress cause more damage than physical stress.

Career Prospects: Every job should offer career development. That is an important factor which decides the quality of work life. Status improvement, more recognition from the Management, appreciations are the motivating factors for anyone to take keen interest in his job. The work atmosphere should be conducive to achieve organizational goal as well as individual development. It is a win-win situation for both the parties; an employee should be rewarded appropriately for his good work, extra efforts, sincerity and at the same time a lethargic and careless employee should be penalized suitably; this will motivate the former to work with more zeal and deter the latter from being so, and strive for better performance.

Challenges: The job should offer some challenges at least to make it interesting; That enables an employee to upgrade his knowledge and skill and capabilities; whereas the monotony of the job makes a person dull, non-enthusiastic, dissatisfied, frustrating, complacent, initiative - less and uninteresting. Challenge is the fire that keeps the innovation and thrill alive. A well-accomplished challenging job yields greater satisfaction than a monetary perk; it boosts the self-confidence also.

Growth and Development: If an organization does not give chance for growth and personal development it is very difficult to retain the talented personnel and also to find new talent with experience and skill.

Risk Involved and Reward: Generally reward or compensation is directly proportional to the quantum of work, man-hours, nature and extent of responsibility, accountability, delegated powers, authority of position in the organizational chart, risk involved, level of expected commitment, deadlines and targets, industry, country, demand and supply of skilled manpower and even political stability and economic policies of a nation. Although risk is involved in every



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job its nature and degree varies in them; All said and done, reward is a key criteria to lure a prospective worker to accept the offer.

Conclusion: A happy and healthy employee will give better turnover, make good decisions and positively contribute to the organizational goal. An assured good quality of work life will not only attract young and new talent but also retain the existing experienced talent.

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