

## **Accountable Managerial Ethics**

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### **Introduction**

Many of us fall victim of un-ethical practices, directly or indirectly, in some form or the other, and then we feel the necessity of 'ethics' and more particularly managerial ethical practices. But when we seriously introspect, we ourselves may be party to such practices, directly or indirectly, which might cause inconvenience to others. And the person, whom we feel to have 'cheated' us or consider having 'unethical practices', he himself might not be thinking so. Some consider such a 'lesser evil' acceptable, and justify it. 'Justification' can best be explained by taking the example of 'abortion'. Even if the conscious couple might sincerely wish to go for an abortion, how ethical it is, when we do not respect/ care the 'wish' of the 'yet-to-be-born' God-given 'speech-less' child!! Similar 'justifications' make round in case of some unethical business-practices. 'How we blame poor manager, who is to save his job, only by making profit, by any means?' Or some other way of justifying an unethical act. Many of us still believe, 'managerial ethics' is just a propaganda, with limited scope of implementation.

### **Un-avoidable evil?**

Since ages, we have enough examples of un-ethical practices some people/ party, where other parties get affected, at least to some extent. Sometimes bribe giver and receiver do the act with 'mutual agreement/ consent' and they justify the 'act'. They accept the 'act' as harmless or 'lesser-evil'. Even one party goes to the extent of justifying it as 'unavoidable' (lesser-evil). But as we take impartial view of such act, in most of such cases, some other party is directly/ indirectly affected or hurt. Getting a deal/ contract signed/ granted, we hear of some undue 'favour' being made/ shown. Ministers/ officers accepting 'favours' (like using chartered flights or air-travel offers) from business houses, for their personal/ family work is a common incident these days. Though it appears to be 'harmless' or even 'lesser evil' at that very point of time, there is surely expectations of return 'favour' for those very 'harmless' favours.

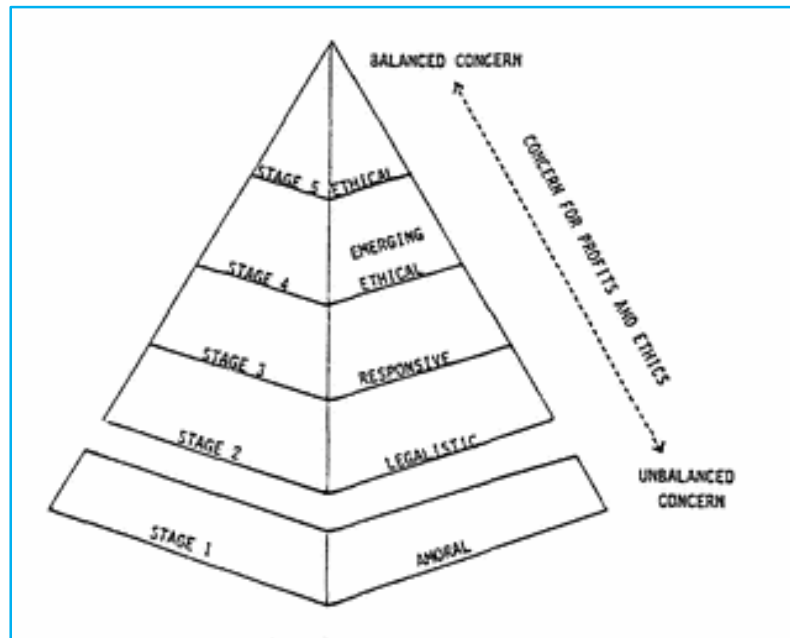
Such stories goes on.

### **Research and Cases on 'Business Ethics'**

When we look back to the history of systematic (academic) study or research on this grave issue, affecting our society since many centuries, 'Business Ethics' came as an independent subject of formal/ serious research only after 1970's. It now attracts much more attention of researchers, these days. There are many notable findings, which tries establish the 'necessity' of practicing 'ethical practices' by business-houses, for their very own existence and long run sustainable business. It is beyond the scope of this paper to enlist exhaustively all such notable research. But Reidenbach' work is the one worth mentioning here, which categorises business organisations into following four groups and urges transformation for the best form:

**Stage 1:** Amoral Organisation;  
**Stage 2:** Legalistic Corporation;  
**Stage 3:** Responsive Corporation;  
**Stage 4:** Emergent Ethical Organisation.

**Fig.: Conceptual Model (Reidenbach-Robin) of Corporate Moral Development**



[From: Reidenbach & Robin, 'A conceptual model of corporate moral development', Journal of Business Ethics, 1991]

### **MNC's Indian Business:**

In the era of globalization, we cannot talk of 'purely' Indian business or 'purely' 'Indian ethical values'. Many MNCs are doing very large business, contributing economically to Indian society, where many Indians get employment. But they are governed mostly by their own rules, ethics/ ethos. In some cases, their (compensation) rules are much better than Indian rules. But 'ethical belief' differs. We all remember the tragic episode of 'Bhopal gas-leak' disaster and the legal war against Union carbide. Hundreds of people were critically affected. Legal fight was on for over a decade for monetary compensation. But what about human values? Can life be ever compared in monetary terms?

Perhaps a lesser known, similar episode is the deadly 'mercury-spill' by one HLL (thermometer) industry in Kodaikanal, Tamil Nadu, in 1980's. Over 600 workers were badly affected (because exposure to mercury-waste substance). Harmful waste was left in a local stream, that severely damaged environment. For a few years HLL covered-up things and did not listen to local protest. When many NGOs intensified the protest, the news (and factual report) became a national concern. HLL was then forced to accept the 'lapse' and closed the project, with a formal statement that, 'it is quitting thermometer manufacturing business, as its core business is actually ...soap, detergent, deodorant, food and beverages' (2001). It was also forced to send back remaining hazardous-waste (of at least 300 tonnes) to US in 2006.

Such examples (of society's fight back against un-ethical practices) are many and rising day by day. People are more aware than before. Even MNCs are realizing to respect local 'ethos', in their very own business interest.

### **Indian ethical-value considerations**

As per Indian 'ethical-values'/'ethos', we believe that we are all answerable to the supreme power. End of our life, we must introspect and 'have a look' at our 'ethical-account', on what we have done and 'how' we have done those things. Here 'we' refers, very well to all the business-practices by all the business houses, small or big. Can we not expect a policy, like mandatory CSR-contribution, to have 'Annual Ethical Statement', in place for all Business Houses/ concerns!

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