

Dwindling Ethics in Modern Times: A Study of Young Indian Managers

Mrinalini Pandey

Assistant Professor, Department of Management Studies, Indian School of Mines University, Dhanbad, Jharkhand, India

Abstract

This is an era of “have more and want more”. No one is satisfied by what he or she has, and thus, in the quest to quench the insatiable thirst for more, people often take on to corrupt practices at the cost of their ethics and values. The cut-throat competition of the modern times has led to dwindling ethos. This article broadly speaks about dwindling ethics of youth of modern India. It posits a discussion on the ethical orientation of new managers. Through a theoretical enquiry substituted by empirical research, the study tries to determine the ethical standards of the newly appointed managers of a leading coal mining company of India. The broad objective of the paper is to understand the effect and role of ethical environment and culture of an organization on ethical practice of new entrants. The findings of the empirical study indicate that ethical standards of employees are dwindling in the modern times. As such, the paper contributes to developing an insight on ethical practices and has implications for managers, government, employees and society at large.

Introduction

Renowned business guru Clayton Christensen at the end of every class at Harvard Business School discussed with his students about the purpose of life. He asked his students to consider three questions of which one was “How can I be sure I'll stay out of jail?” This is a very pertinent question to ask the working youth of today because they are the future of any organization. More so, when every now and then, we hear news of unethical activity or scam happening in some reputed organization. Thereby, the newly appointed managers have a greater responsibility to bring positive changes in the work environment of the organization. Presently, there is a growing concern towards the moral functioning of the companies. In this scenario, the newly appointed managers are hub of the attention to bring phenomenal positive changes, as they are insiders of the organization, and can affect corporate culture more than any outsider. The recent multicore scam in one of the leading coal companies of India makes it even more important to gauge the prevailing perception about the ethical standards of the employees working in that Company.

Literature Review

There is vast expanse of literature available in the area of ethics. The literature reviewed included, studies of ethics by gender, ethical perception at work and attitudes towards ethics. Donaldson and Werhane (1993) referred ethics as a study of 'whatever is right and good for humans'. In the same line business ethics was referred as 'a study of the human values of people in business practice'. Most of the studies on ethics are centered around perceptions, attitudes and values of people in the society. It is commonly researched that ethical perceptions and beliefs affect people's attitudes and the degree to which they accept or do not accept unethical practices, or the manner in which they view ethical decisions made by other people (Lantos, 1987).

The studies on ethics can be segregated into two level; one organizational or macro level and other individual studies or micro level studies examining the individuals' ethics and belief and attitude about ethics. At the macro level the researchers examined managers' ethical perceptions in different organizational and national settings. Financial crises, giant corporate failures, and the increased public concern for fairness and ethical practices, show that there something wrong in corporate

businesses and their environment. It is found that poor ethical decisions made by managers in larger corporations have far reaching effects on society, either as a result of financial losses to investors or negative publicity brought to the firm or the country. Thus it is imperative for an organization to implement a code of business because it can be great source to get higher profitability and performance (Fatoki & Merembo, 2012). At the individual level it is seen that the ethical decisions individuals make widely manipulate through their personal background, culture, and gender (Sigma-Mugan et al., 2005). Kohlberg (1981) proposed that virtue is based on principles of justice and that during their lifetimes individuals move through several stages of cognitive moral development. The basic values which constitute these stages are necessarily developed through formal training but are embodied in social institutions (Borkowski & Ugras, 1992) and cultivated within a group-based moral atmosphere (Kohlberg, 1987).

Also it is found that an individual's years of experience are linked to an adult's moral development. Dees and Starr (1992) argue that research in this area has been limited, and that additional research can be useful in highlighting changes in behavioural patterns and perceptions of managers. Also, it is contended that managers think that ethical standards are lower than in the previous decades (Vitell et al., 2000). In addition, Vogel (1992) found evidence to suggest that business ethics are not universally similar, but vary by country. Further they state that business ethics and business civilization can even become engrained in the national psyche of people.

Most of the empirical research in India has focused on ethics and professional values in business but there is a limited research on what is the perception of newly appointed managers of an organization about ethics. Since it commonly believed and seen that there is a vast difference in ethics as is studied in classroom and what is practiced in organizations. So it is interest to see how the new entrants of an organization feel about ethical practices and to what extent they are ready to

compromise their ethical values in order to stay in an organization.

Objective

The broad objective of the study is to understand the role and impact of ethical environment on personal ethics newly appointed managers of a leading PSU.

Research Methodology

The sample for the study was selected from amongst public sector employees working in Dhanbad. A non-probability sample in the form of convenience sampling was used, and 60 usable questionnaires were obtained. Convenience sampling method was chosen because of the nature of the Study. Secondary data played an important part for this study and can be considered as the backbone of the study. In this case, this was very important issue because the research on the related topic has been done but limited research has been done in India with respect to newly appointed managers. The literature review comprised of academic work like research papers and other published sources related to the topic. For collection of primary data a questionnaire was designed to understand respondents' views on ethics and its practice in their organization. The questionnaire containing 16 statements was specially constructed. The questionnaire was divided into two parts, part one contained questions relating to age, gender etc. and part contained specific questions relating to the topic. Since, the most frequently used summated scales in the study of social attitude follow the pattern devised by Likert. Therefore the Questionnaire consisted of a five point Likert scale. This five point scale ranged from "strongly agree" to "strongly disagree", with the middle of the scale identified by the response alternative "neither agree nor disagree".

A preliminary survey was carried out through a questionnaire consisting of both open ended and closed ended questions to get the initial feedback on the issues concerned. The experts were

consulted and their views suitably incorporated in the Questionnaire. The validity of the scales used in the questionnaire was measured through face and content validity.

The Alpha value was .816 for the instrument which can be said to be an indicator of good reliability of the instrument. The survey instrument used in the present paper has adapted a set of 16 ethical items to reflect the stages of ethical change. The questionnaires were personally administered. The alpha value for perspective of respondents regarding experience of practice of ethics value was measured by five items was .700 and perception of respondents regarding ethical environment was measured by four items was .765 respectively. Change in ethical practice was measured by four items having an alpha value of .768 and corresponding change in behaviour was measured by three items having an alpha value of 0.753.

The Questionnaire thus prepared was administered on a sample of 130 respondents, drawn from those working in a leading PSU. Out of a total of 130 questionnaires that was circulated and received only 60 completely filled usable questionnaires. The data was analyzed using SPSS 17.0. The Analysis of Respondents showed that of 47% response rate. As evident the response rate was less than 50% which can be attributed to the fact that

there was no willingness of the recipients to cooperate since it is a sensitive matter. Table 1 below shows the Demographic Profile of the Respondents.

Analysis and Findings

The descriptive analysis was carried out and Mean was calculated to find out how the maximum number of respondents responded to each item. Standard deviation was carried out to find out how the responses of each item are varying around the mean of the item. This indicates how far the respondents' opinions are matching on every individual item.

Testing of Hypotheses: T-TEST and ANOVA

1. H_0 : There is no experience of change in the ethical practices among the *respondents of the study*.

All calculated value is more than the Table value: 1.671, therefore Null Hypothesis is rejected. There is change in ethical stand of the respondents of the study.

1. H_0 : There is no effect of ethical environment on the *respondents of the study*.

	Variables	No. of Respondents	Percentage of Respondents
Age Group	21-30	57	95%
	31-40	03	5%
Gender	Male	48	80%
	Female	12	20%
Educational Qualification	Graduate	36	60%
	Post graduate	24	40%
Marital Status	Married	24	40%
	Unmarried	36	60%
Total		60	100

Table 2: Descriptive Statistics Results of the Variables

S.No.	Variable	Mean Scores	Std. Deviation
1.	Undergoing change	3.75	1.099
2.	Feeling of ethical conduct as important	3.73	1.087
3.	Difference between real and ideal world	3.45	1.320
4.	Okay to cheat at times	3.78	1.166
5.	Okay to take bribe.	4.05	1.156
6.	My seniors indulge in unethical practices.	3.80	1.232
7.	My juniors to me in designation indulge in unethical practices.	3.48	1.214
8.	There is favoritism	3.95	1.241
9.	Most of the employees indulge in corrupt practices	3.95	1.156
10.	Okay to take office supplies home	3.92	1.124
11.	It is okay to absent from work and make attendance later	3.86	1.062
12.	Bribe is important for survival	3.75	1.157
13.	Okay to enjoy at the expense of organization	3.36	1.306
14.	Recently I indulged in an unethical behavior because of pressure	4.37	4.618
15.	I feel that if I have to stay in this organization I will have to indulge in unethical practices	3.68	1.310
16.	I feel that if I do not engaged in unethical practices I will be treated as an outcaste	4.08	.897

Table 3: T-Test results for hypothesis 1

ONE SAMPLE T-TEST	Test Value = 3		
	T*	Degrees of Freedom	Mean Difference
Undergoing change	5.267	59	.750
Feeling of ethical conduct as important	5.225	59	.450
Difference between real and ideal world	7.640	59	.785
Okay to cheat at times	5.205	59	1.050
Okay to take bribe.	3.243	59	1.050

*At 5% level of significance

Table 5: T-Test results for hypothesis 2

	Test Value = 3		
	T*	Degrees of Freedom	Mean Difference
My seniors indulge in unethical practices.	5.028	59	.768
My juniors to me in designation indulge in unethical practices.	5.670	59	.723
There is favoritism	7.657	59	.655
Most of the employees indulge in corrupt practices	6.365	59	.950

*At 5% level of significance

All calculated value is more than the Table value: 1.671, therefore Null Hypothesis is rejected that is to say that there is effect of ethical environment on the respondents of the study.

1. H_0 . There is no change in perception of ethics among the respondents of study

Table 6: T-Test results for hypothesis 3

ONE SAMPLE T-TEST	Test Value = 3		
	T*	Degrees of Freedom	Mean Difference
Okay to take office supplies home	9.426	59	.733
It is okay to absent from work and make attendance later	7.783	59	.450
Bribe is important for survival	8.246	59	.755
Okay to enjoy at the expense of organization	6.531	59	.967

*At 5% level of significance

All calculated value is more than the Table value: 1.671, therefore Null Hypothesis is rejected. There is a change in perception of ethics among the respondents of study.

2. H_0 . There is no change in ethical behaviour among the respondents of study.

Table 6: T-Test results for hypothesis 4

ONE SAMPLE T-TEST	Test Value = 3		
	T*	Degrees of Freedom	Mean Difference
Recently I indulged in an unethical behavior because of pressure	5.028	59	.668
I feel that if I have to stay in this organization I will have to indulge in unethical practices	5.670	59	.754
I feel that if I do not engaged in unethical practices I will be treated as an outcaste	7.657	59	.655

*At 5% level of significance

All calculated value is more than the Table value: 1.671, therefore Null Hypothesis is rejected. There is a change in ethical behaviour of the respondents of study.

Conclusion and Limitations of the Study

This study examined the role and impact of ethical environment on personal ethics newly appointed managers of a leading PSU and issues related to it. The findings related to the perspective of respondents regarding ethical behaviour as practiced in their organization. The results indicate that there exists a negative view about ethical practice among respondents of the study. There is a change experienced by the respondents with respect to their perception of ethics which they held and what is practiced in their current organization. This perceptual difference seems to affect their behaviour and they are ready to

compromise on their ethical stand in order to survive in the unethical environment. The present study is constrained by inherent certain limitations. The sample was restricted to one geographical area so maybe it will not be suitable for all geographical regions. More robust statistical methods could be used to analyze the data. Constraints of time and seriousness and willingness of respondents were another limitation. Thus, future research may be needed to support this study.

References

- Borkowski, S.C., & Ugras, Y.J. (1992). The ethical attitudes of students as a function of age, sex and experience. *Journal of Business Ethics*, 11, 961-979.
- Donaldson, T., & Werhane, P. (1993). *Ethical Issues in Business. A Philosophical Approach*. Englewood Cliffs, NJ: Prentice-Hall.

Fatoki, O., & Merembo, M. (2012). An investigation into the attitudes toward business ethics by university students in South Africa. *African Journal of Business Management*, 5865-5871.

Kohlberg, L. (1981). *The Philosophy of Moral Development*, Vol. I. San Francisco: Harper and Row.

Kohlberg, L. (1987). *Child Psychology and Childhood Education*. New York: Longman.

Lantos, G.P. (1987). An Ethical Base for Marketing Decision Making. *Journal of Business & Industrial Marketing*, 2(2), 11-16.

Sigma-Mugan, C., Daly, B.A, Oukal, D, & Kavut, L. (2005). The Influence of Nationality and Gender on Ethical Sensitivity: An Application of the Issue-Contingent Model. *Journal of Business Ethics*, 57, 139-159.

Vitell, S. J., Dickerson, E., & Festervand, T. (2000). Ethical Problems, Conflicts and Beliefs of Small Business Professionals. *Journal of Business Ethics*, 28, 15-24.

Vogel, D. (1992). The Globalization of Business Ethics: Why America Remains Distinctive. *California Management Review*, 35(1), 30-49.