Abstract

Since the last two and a half decades an increasing number of HR initiatives have become value based and value driven. Consequently ethics has entered the curriculum of human resources management in a big way. Detailed literature survey shows that there has indeed been a lot of work done on ethics in India especially during the last three decades. However what emerged decisively by 2000 was the fact that there are two distinct schools of thought in the field of business ethics. One is headed by S K Chakraborty from Kolkata and is called the soul-based approach. He depends on the fact that the heart, soul and mind must work in unison and also uses the rich Vedantic philosophy to buttress his arguments. He uses values and ethics almost synonymously. The other is headed by Sorab Sadri from Pune (now in Jaipur) and is called the mind-based approach. He discounts the soul from his calculus not because he is an agnostic but because it is empirically un-verifiable. For him human beings are the beginning and the end of all analysis they are both the subject and the object of all social inquiry. Human beings thus must be able to act ethically and be willing to act ethically. This is the classic choice paradigm in microeconomics and Sadri relies on the homo logicus philosophicus (rational man). Hence to him values are a thought-based concept while ethics are an activity-based concept. Subhash Sharma from Bangalore uses Sadri’s paradigm of praxis and converts it into soul based argument thereby treading a thin logical line between Sadri and Chakraborty with academic brilliance. This academic-review paper essentially looks critically at the seminal work done on ethics by the mind-based theorists in India and especially by Sorab Sadri. In my considered opinion, they deserve pride of place in the pantheon of scholars who have worked on ethics and so are singled out for treatment in this paper.

The UGC has laid great emphasis on Value Management in the postgraduate curriculum and it is under the shadow of this great initiative that this review paper is written. Ethics has become a major current of academic investigation among management scientists in India especially after the first generation economic reforms were kicked off in 1991. It has drawn attention of scholars from several other disciplines as well and consequently a lot of fuzziness has crept in, requiring clarity. This task fell to the lot of scholars like S K Chakraborty of IIM Kolkata, Sorab Sadri of Bharati Vidyapeeth University, Pune and Subhash Sharma of Indian Business Academy, Bengaluru. This review paper attempts to take up one important variant of thought and remove some degree of fuzziness about the subject of ethics in the process. Laying down the fundamentals let it be made clear that whereas values and ethics are not to be used synonymously. Values are based on one’s innate belief system and therefore it is a thought-based concept. Ethics are behavioural norms or patterns that spring from one’s view of good and bad, right and wrong and so it is an activity-based concept. Similarly, it is erroneous to use the terms business ethics and managerial ethics interchangeably. Business Ethics deals with strategic policy considerations founded on an organization’s values and core beliefs. Managerial Ethics treats the managerial response at the time of decision-making and decision executing when faced with a dilemma, a la Jayashree 1996. Hence the latter is subsumed within and relies for its existence on the former.

When a person or organisation declares these are my values the term takes a subjective connotation and such a person or organisation is called value based. When an organisation declares this is the quantum of value added by a person, process or product then the term takes an objective connotation and such an organisation is called value driven. In the light of increased market competition organisations need to be both value driven and value based and in such a case they are termed as being value centred. This is the precise point where ethics enters the paradigm of HR especially since Human Resource Interventions are increasingly becoming value centred.

Persons from all walks of life have spoken on ethics and professionals ranging from Justice Bakhtavar Lentin to the Mumbai Dabbawallas have their own take on ethics. However, fuzziness disappears only when one puts pen to paper or finger to keyboard. Writing on the subject of ethics is however; far more academically acceptable than facilitation of this subject, which has been given the short shrift for a variety of reasons, that is examined briefly below.

Human Resource Interventions are increasingly becoming value centred. Hence, concepts like values, ethics and governance must necessarily enter the business lexicon and be seriously taken up within academic requirements when lecturers facilitate the subject of people management at the postgraduate level. This author’s research indicates that unfortunately there are three other variants, which fall short of the required rigour when the subject of ethics is taken up for academic treatment. (a) The subject is hijacked into a discussion of case studies where students open their mouth before engaging their brain into gear. Hence audibility takes precedence over substance and no real learning ensues as there is no theoretical foundation. (b) The subject is diverted into corporate governance, business excellence or managerial leadership behaviour not because of any causal relationship with ethics but because that is all that the lecturer knows something about and “somehow” links ethics to it. Hence fuzziness about the subject is enhanced making the task of research scholars all the more difficult, not to mention that the managers in waiting (students) are ill equipped to use their learning when they finally enter the world of business and industry. (c) Ethics is equated to or treated synonymously with religion, (rather than spirituality), and separate treatment of morals, for instance according, to the Hindu Code, the Islamic Code, the Buddhist Code, and the Christian Code ensues. Often metaphysics takes a back seat when religious ritual becomes the locus standi for the discussion on ethics.

Let the reader first realize that the first two books are diametrically opposite to one another in their appeal and method. The first is using the medium of the short story for sociologically analyzing real life situations from Eastern India. Here the method used is the Harvard Case Study method of experiential learning. The second is using the findings of an all India study to posit a Theory of Managerial Behaviour. Here the method used in the Hegelian Dialectic whereby a critical sociology of managerial ethics has been created. The principal author is Sorab Sadri, who is an internationally known academician. He is a J N Tata Scholar and a product of both the Xavier Labour Relations Institute and the London School of Economics and Political Science. Sadri is an economist by avocation and a specialist in human resources management by vocation, presently based in Bharati Vidyapeeth University, Pune.

Both Dastoor and Jayashree adopt Sadri’s position in their later individual works. Judging from the published work Jayashree’s is more student-friendly and she provides the back up to his argument. She takes pains to define her position in the highest tradition of Voltaire whereas Sadri concentrates on method and measurement mainly from a rationalist perspective. Sadri operates on a stratosphere above cloud nine while she is firmly rooted on terra firma. This is witnessed in S Jayashree (2005) What Every MBA Should Know about HRM, Himalaya Publishing House, Mumbai.

During the second era, three books were produced. (1) Sadri S and Jayashree S (2008) Business Ethics and Corporate Governance: towards organizational excellence, Universities Press, Hyderabad. (2) Sadri Sorab and Guha Bijoy S (2008) Business Excellence: concepts, criteria, confluence and commentary (forthcoming). Though the principal author is the same, the paradigms are so very different that a review is necessitated. (3) The third book is the second edition of Theory and Practice of Managerial Ethics by Jayashree, Sadri and Dastoor and published once again by Jaico.

Let me first examine the book co-authored by Sadri, then of XLRI, Sinha then of Eastern Spinning Mills (Barasat) and Bonnerjee then of TELCO (Jamshedpur). This book is a collection of 48 case studies taken from the industrial environment of Eastern India and put together in a cogent form. The cases 48, 49 and 50 are in fact a continuum and look somewhat like the corporate tussles is certain boardrooms not too long ago. In sum the collection consists of cases on man management viewed from a values and ethics perspective spanning several important and specific managerial functions.

There is evidence enough of the wide grasp of the three authors and the general significance of their work. There is little doubt that the cases are culled from real life and camouflaged with artistry. The pen used seems to be uniform and could safely be ascribed to the scholastic style of Sadri. The data could only have gathered and assimilated by someone from industry and this is where Sinha and Bonnerjee have excelled. Also, the Beliefs are so much unlike Sadri’s other works that it is very possible that either Bonnerjee or Sinha have authored that section of the book independently of Sadri. In fact, Sadri seems to have made a paradigm shift in this book from his well-known position.

However, this book is not about business ethics as such and the title could be quite misleading. Ethics, however, is built into each case with the central theme being the industrial human, his/her goal, role, accountability, desires and wisdom. The appeal is to the mind of the executive. Just as in Positive Economics, all choice is based on a subjective criteria (willingness) as well as the objective criteria (ability), so too is the case with ethical judgement. Mind based thought reduces management decisions in the face of an ethical dilemma to making a conscious choice that is based on the heart and the mind responses of the individual. The lucid prose used makes the book very easy to read and there is a real fear that the style may eclipse the message, unless the reader is alert. This book uses case studies to put forth a message: that in the long run managers and organizations that succeed are the ethical ones. The novice Corporate Facilitator is likely to be tempted to use some of these case studies in industry and unwittingly impart the wrong message unless he has been well tutored himself. Hence the publishers are under a moral obligation to market the book in a better manner than they are. The book is of significance to any manager at any level who has a flair for the human side of enterprise. Management trainers in high-tech high growth industries would do well to imbibe and spread the message that business ethics is crucial for sustained business development. However, one needs to weigh the authors’ words well and read a lot in between the lines to glean its essence. A Trainer’s Manual was promised and awaited. All concerned must get their act into gear and publish the same without further ado. The title of the book could have been more appropriately Value Based Studies in the World of Industry and Business, since that is effectively what it is all about. The word Business Ethics in the title is somehow misplaced and I really wonder how it got there. If however, the word ethics was to be included then a longish introduction on the subject would have to be called for so that the readership was effectively led through the discourse with the help of cases. Now, without that scholastic - theoretical introduction the lay reader will be at sea.

So important is the issue of business ethics that it is hoped that another book of value based case studies is written very soon so as to cover the following fields missed out in this volume: Marketing, Finance, International Business, Stock Markets and Corporate Governance. It would then be interesting to see how these Beliefs unfold to envelop this larger canvas.

The first book makes good supplementary reading to a post graduate course while the second book is a primary text that, in many ways, furrows a path of scholarship, making it a very hard act to follow. This second book by Sadri, which is co-authored by Dastoor and Jayashree, is a tribute to high degree of scholarship for which both XLRI and LSE are justly famous. It cogently puts forward that strain of thought founded by Sadri in 1993-4 and called the Praxis School of Managerial Ethics. Padma Bhushan Sorabjee Godrej, the doyen of Indian business and industry wrote the Foreword for this book. The authors could not have found a nobler and worthy person to kick off the debate, which this book has started, and for the paradigm the authors have expounded. This is because Sorabjee Godrej was not just an ethical captain
of industry or a Gandhian who has made business history. He was managerial ethics personified. The book was published in 1999 and after three reprints was out of stock by 2004. On pressure from the publishers a second edition of this book is now in print and this is being authored by Jayashree, Sadri and Dastoor (in that order).

The first book is an example of clear prose; the second is an instance of brilliantly abstruse argument and intellectual abstraction. The distinction between Values and Ethics on one hand and between Business Ethics and Managerial Ethics on the other is important. Unfortunately, both are used synonymously in modern journalism, and while being aware of the fact, the authors do not clearly attempt to separate the two. The distinction must be gleaned by reading in between the lines since the authors (erroneously) assume that the reader is well aware of this difference between values and ethics. This most distinction is important to understand if the reader is to fully comprehend the message of this second book. The authors seem to take the readership’s innate knowledge on this score for granted and it is there that they erred. The Second Edition, due to efforts of Jayashree, addresses this lacuna substantially lending greater clarity to the overall argument. Coming to Sadri’s (2005) book the visible influence of Jayashree’s down to earth logic and style is unavoidable. These case studies are in fact an attempt at highlighting issues within Human Resources Management from a values and ethics perspective. What makes this book eminently readable and useful for the facilitator is the short hints and pointer towards a possible solution given at the end of each case-let.

Coming to the formulation of the Praxis paradigm, Sadri gave the initial formulation of the paradigm in the form of an Occasional Paper for the JRD Tata Foundation on Business Ethics in 1994. Then Dastoor carried out the all India study as a part of her Fellowship Thesis in 1995. Finally, Jayashree, in her 1996 paper published by the International Journal of Value Based Management in USA, crystallized the paradigm and finally gave shape to the present position adopted. Jayashree (2003) later expanded the Sadri paradigm to say that perception is the reality. In the same work, she also linked ethic to governance and formulated a strategic triad arguing for the first time that when ethics and governance combine an organisation can possibly approach excellence.

Sadri is a Political Economist (of a radical variety), and his emphasis on bounded rationality can be well understood. His ideological leanings can be gleaned from the manner and respect with which he treats Lukacs, Gransci, Marcuse and Sartre. The liberal mind comes to the fore when he retains a high degree of intellectual regard and personal respect for the two other leading scholars (who are on the ideological right) S K Chakraborty and Subhash Sharma. Sadri champions liberty and equality in the highest tradition of Voltaire and Rousseau having scant regard for fundamentalism of any sort while treating it as anti-intellectual and anti-social.

The Praxis Paradigm of Sadri makes him stand apart from the others decisively. Traditionally authors on managerial ethics have argued that when faced with ethical dilemma managers adopt either the consequential or teleological mode of response or the non-consequential or deontological mode of response. The first mode is born out of Jeremy Bentham’s Utilitarianism on the one hand and William Stanley Jevon’s Sumnum Bonum on the other. The second mode is born out of Immanuel Kant’s Categorical Imperative on the one hand and Georg Frederick Wilhelm Hegel’s concept of the minority of one on the other. Based on an all India survey, Sadri et al found that the Indian Manager, when confronted with an ethical dilemma, largely adopts a third mode of response, which is the acceptance mode or the Praxis Mode. Managers do what is socially acceptable within the peer group so that they can discuss their decision openly. An open discussion, on certain decisions as those taken in many a political forum, the authors argue, does not ipso facto make them ethical. And it is here that the founder of the Praxis School consciously accuses that very strain of thought for India’s moral decline. Demonstrating the high level of intellectual integrity of the authors, in the End Note (1999) Jayashree actually regrets the findings and hopes that they are proved false.

The authors lament the rise of the lumpen elements and the comprador classes. In fact, Jayashree categorically states in the End Note …a spectre is haunting us, the spectre of mediocrity. The authors thus come to a fundamental conclusion, which explains the crisis of leadership in India. They argue the average Indian manager does not usually stand up for his convictions, put his money where his mouth is, or walk his talk. The uncertainty in employment conditions and an absence of a viable social security system may have a lot to do with this, they concede. But the presence of an ethical corporate culture could easily set this right.

In the craving need to conform and be accepted, what we are producing (they argue) is a persons who tow the line rather than those who blaze a trail. They state that the teleological manager rises high in life and is often a carpetbagger by nature. The praxis manager is the mediocre man who is too busy saving his skin to do anything great. The deontological manager is the one who walks alone holding the torch alight and aloft for lesser mortals to follow. Unfortunately today the deontologists, the trailblazers, the true leaders are so few and far between that we are swamped by conformists who are too scared to rock the boat and mistake inertia for stability. It is no wonder, the authors suggest, that we have registered development less growth even half a century after being granted political independence. The moral crisis and corruption in the leadership in most fields can be attributed to the Indian manager’s need to conform and the need to be accepted rather than the need to speak one’s mind and stand by one’s beliefs.

Ethical discourse can seldom be divorced from religion and culture. All major religions have been critically treated in relation to ethics and the inherent goodness in all of them has been brought out. They divide religion into philosophy which is metaphysics, and to which they pay great tributes, on the one hand. They delineate ritual, which they call organized religion or ideology on the other hand, and to that, they pay scant respect. This is a book that makes very heavy and yet interesting reading. It is definitely a book written by scholars to be read by scholars. One could err in diminishing its importance or overlooking its message because of its abstruse prose. It carries an important message that the country cannot afford to loose sight of. The authors argue for upholding ethical standards in all managerial actions and at all times irrespective of the cost or the trouble.

This (second) book (both editions) must find a place in the library of every citadel of learning and should be critically studied by every CEO and every top-level leader irrespective of his walk of life. Our respected leaders in parliament should especially read it. Our parliamentarians should undergo a short course in ethics too. Somehow, knowing Sadri, I do not think that the last word has yet been spoken.
I am also sure Jayashree and Sadri are planning to take this school of thought further through active research in the years to come. Evidence of this assertion can be found in their forthcoming book *Business Ethics and Corporate Governance: towards organisational excellence*. However, it was Jayashree who had first argued that Business Ethics and Corporate Governance combine to take the organisation towards excellence in 2003. Sadri, Jayashree and Ajanjanakar, in fact, actualized this paradigm in their book, *Geometry of HR* (2002) Himalaya Book House. In fact, the two authors (Sadri and Jayashree) have authored a recent book *Business Ethics and Corporate Governance: towards Organizational Excellence: Business* (2008) and are working on *Ethical Concerns* (2009), the final draft of which was made available to the reviewers.

The publishers too deserve to be applauded for making public an important Indian School of Thought on Managerial Ethics. Now the time has come to take this message overseas. Perhaps some energetic young scholar will take up the gauntlet and globalize the *Praxis School of Thought* reaching new heights. Perhaps the publishers should begin by marketing the book overseas. The most question remains, can they really do so?

Whereas Chakraborty stopped at Vedanta and yet charted a path for others like Sekhar, Mathias and Bonnerjee to follow, Sadri took positivistic rationalism into a new dimension while sustaining his left wing ideological inclinations. While these are the two founding fathers of ethical thought in India, Sharma’s work provides a rich confluence of the two strands. The reviewer opines that if Chakraborty, Sadri (who is not prepared to give up his rationality) and Sharma, (who has not relinquished his spiritualist roots), were to combine their intellectual energies something wonderful can emanate by way of management thought that is distinctly Indian and yet has universal relevance (even moving from holistic to cosmic platforms). After all, assimilation and synthesis have been essence of Indian civilization since times immemorial. The time is at hand for the mind based theorists like Jayashree and Sadri to join up with soul based theorists like Chakraborty and Sharma to table an Indian alternative to ethical thought very much like what Weber did in Sociology or Huntington did in Political Science.

Chakraborty (perhaps) remains the doyen of Business Ethics in India even though he has stopped at modern application of Vedanta and merely raised issues for posterity to deal with. He does not even bother to indicate where the answers will come from except for quoting Vivekananda, Aurobindo and the Vedanta. In comparison, Sadri remains at the helm of the Praxis school and is the epitome of a rationalist economist constantly describing managerial behaviour as his work on the medical profession (co-authored by Jayashree) demonstrated. His line of argument was later used to good effect in a forthcoming research paper co-authored by Jayashree Sadri, Nitin Nayak and Jayant Oke. The Praxis Paradigm has indeed come to stay. Sadri in a manner of speaking tries to find equilibrium between positive political economy on the one hand wherefrom he takes the concept of bounded rationality and social psychology on the other wherefrom he tries to describe to explain managerial response to the ethical dilemma. Whereas Chakraborty remains confined to India, Sadri traverses a huge domain of philosophy from Kant and Hegel to Mill and Bentham and from Vedanta to modern day perceptions of Hinduism. In his treatment of social reality Sadri swings from the dialectic-materialism of Karl Marx to the welfare conditions imposed by Amartya Sen. Whereas Chakraborty eloquently describes his views, he does not take a definite stand nor does he go beyond the Vedas. The problem of Mathias was also the same except that Mathias did not go beyond the Bible. Compared to Chakraborty and Mathias, the work of Sharma is graphic and readable but does not say much by way of novelty. He uses soft systems methodology in a big way making his theme interesting but unfortunately his work lack Sadri’s academic rigour. The reason is simple to comprehend. Sharma writes for the common man while Sadri writes about the common man. Sharma like Adam Smith is easy to read and is widely appreciated. The argument of Sadri like Ricardo is abstruse, very difficult to read, and while being widely quoted, he is not widely read. Once again, unlike Boatright and Valesquez the stand taken by Sadri is firm and based solely on logical argument. For instance, Chakraborty speaks of religiosity and spiritualism interchangeably. Sadri pays rich tribute to metaphysics of major religions of the world and dismisses religion as ritual at the same time. His praise worthy treatment of the Sufis is a case in point, which is apparent when he speaks glowingly of the Sufi Saints as well as of thinkers like Augustine, Aquinas and Spinoza on the one hand. Yet he is highly critical of the priests, mullas, pundits and daitosors who he claims are making a profession by degrading a highly liberating metaphysics into religious fundamentalism. He treads on several corns in the bargain but goes on doing so nevertheless. He is clearly a man who “has something to say” and does not shirk in saying it. His task now is to actualise the praxis paradigm and test the 1999 and 2008 theses afresh using doctoral scholars to do so.

Now let me conclude with the post WTO works. In the book co-authored by Sadri and Jayashree, the argument is simple but rigorous: business ethics and corporate governance combine to help an organisation to approximate excellence. In the second book co-authored by Sadri and Guha it is argued that excellence is not a finite point but rather a horizon that an organisation can move towards. Excellence then is a necessary condition but not a sufficient condition for an organisation to be aspiring towards. Excellence thus needs to be converted into business sustainability and that is the message Sadri and Guha forcefully and unambiguously let forth. On a more realistic research front perhaps other scholars too could look at business ethics and corporate governance combining to generate the basis for organizational excellence *a la* Sadri and Jayashree 2008 and converting the excellence into tangible issues of business sustainability *a la* Sadri and Guha 2008. Some future doctoral degree scholar ought to use empirical support to combine all these ideas to form the ethical basis for transformational leadership that India badly needs to maintain and sustain the engines of developmental growth while improving the quality of work life at the same time.

To sum up this critical review let me summarise. Quite candidly, three scholars are identified in India within the realm of business ethics and whose works can be intellectually reckoned with at the highest level. Each has his own slant and focus and so is relevant in the given context. Chakraborty relies on Vedanta and his appeal is to the corporate manager who wants to feel good and not think a lot. Posterity has done all the required thinking already and encapsulated it in the Vedas and the Upanishads. Sadri relies on philosophy and critical social science and so his appeal to the scholar and the deep thinker on ethics and he does not write for the student. In fact, it is said “as a political economist Sadri
writes not for the common man but eloquently discusses about the common man in a style and language which is so rich and so high that the common man will not understand.” The third scholar, Sharma, relies on making things simple but unless expert facilitation accompanies his pedagogy, he may be mistaken for being simplistic. His appeal is to the student and the young teacher trying to find his feet in this subject domain. This paper was concerned only with the second variant in the main while taking up issues with the others as and when needed.

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