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'Focus on business ethics to reap benefits'

Special Correspondent

Else organisational performance will suffer, says NSDC chairman

"It is important to understand our roots"

"Managers should build a culture of trust"

– Photo: E. Lakshmi Narayanan



M.V. Subbaiah, Chairman, National Skill Development Corporation, confers post-graduate degrees on students of Sona College of Technology in Salem on Monday

SALEM: "Business ethics is all about finding the right balance between performance and integrity. Success in business is seen as making profits and advancing private interest and having an unlimited ambition for money, position,

and power and whereas the moral life by contrast, focuses on duties to others and places others' interest over self," said M. V. Subbiah, Chairman, National Skill Development Corporation (NSDC) .

Delivering the convocation address while conferring degrees on post graduates of Sona College of Technology here on Monday, he said many organisations had poor environment because they could concentrate on maximising the profits without thinking about the people and the processes that they adopt. Sooner than later these businesses would run into problems.

When the ethical environment was poor, organisational performance would suffer due to poor group dynamics, suppressing openness and communication.

These of course were hard to measure but easily felt. The easier and measurable drop was on the yield or productivity. Overall the morale got badly affected leaving the organisation vulnerable to setbacks. He added that the word "Ethical Businesses" seemed to be an oxymoron. Nowadays more unethical practices and frauds than ever before were reported.

The Satyam scandal, financial crisis and 2G scam had made it seem that business was fundamentally an unethical enterprise. It revealed that there were major tensions between business and moral life – tensions that are disturbing as they were important.

"On the other hand, businesses that are ethical have a lot to benefit – a more accurate perception of the world around, a stronger business, a sustainable enterprise and above all mental peace for people working in the business. Failure in business occurs because people are not provided with an environment to think, plan, adapt and execute effectively as a team," he pointed out.

Evidence had suggested that this kind of capability was not talent driven, but was culturally derived and could be advanced or regressed through cultural practices.

This culture not only prevented unhealthy behaviour but inspired superior reasoning and performance, greater levels of innovation and better group dynamics.

"Ethical enterprises become preferred employers and also tend to have more committed and mutually beneficial relationships.

All these are real strategic advantages to any organization. The question is how can an organization become ethical and maintain it over time?

“The level of ethics in the organization is determined by its culture and values – these trickled down from the top.

The bottleneck of the bottle is at the top – so unless the senior management 'walks the talk' the ethical culture cannot be created.

Senior managers have to build the culture on the basis of trust and effective solution. As you graduate and walk into one of these organizations you will be confronted with number of choices, challenging your ethical and moral quotient in every possible way.

He said that his generation resisted change and allowed greed and corruption to erode roots.

Two hundred years of colonial rule had a lasting impact on the generation.

British believed that they could not rule India without creating a class of people, Indian in blood and colour, but British in taste, in opinions, in morals, and in intellect. It was this belief, which had led to the creation of various elite services such as ICS followed by IAS, IPS, IAAS and other bureaucracies.”

As a result, the Indian society got degenerated not only into groups but also into a pseudo culture and value system. In spite of the warning no political or business leader took note of it or with the seriousness that one should have taken it.

“Some 60-odd years after Independence as we march ahead into the 21st century, it becomes more important for us to understand our roots, in order to avoid the dilemma while making such a choice.

“So, it is in this context that I feel honoured in having been born in Nagarathar community, similar to that of the founding family of Sona Group of Colleges.

The community till date consists of 1.5 lakh people, who have not only been at the forefront of economic development of this country, but have made significant contribution in the field of education and social welfare. As a community, it has always believed in giving back to the society.

It has also provided the country with 3 universities, several colleges and polytechnics, over 200 schools, hospitals etc.

He said the exploding entrepreneurship, growing consumption and high savings rate continue to break the shackles of our dependency on the west.

The political fragmentation and caste based politics had led to “important” being replaced by “urgent.”

Surplus

While one could boast of surplus and let food grains rot in government warehouses, millions below the poverty line continued to starve. The growing corruption continued to burden the poor.

Chairman, Sona Educational Institutions C.Valliappa, college secretary A.Dhirajlal and principal P. Govindarajan spoke.

A total of 490 post graduates received degrees among whom 12 Gold Medalists and 31 Rank Holders. A sum of Rs. 5 lakh was disbursed.