

Ethical Practices of Employees in BHEL, Haridwar

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Abstract

The ethical perspective has been the part of human thought since ages. Since the beginning of the nineties, every significant profession and every institution that thinks anything of itself has its something ethics to proclaim, environment ethics, media ethics, research ethics and even corporate ethics are the consequence. But employees being a very important stakeholder, the micro level approach towards them and its formulation of human resource (HR) policies has been scrutinized under the ethical lens. Ethical choices are unavoidable. In this globalize economy of the world, corporate sector has been playing a dominant role since the last few decades. The issues of business ethics, which were primarily targeting large global corporations, are gradually broadening to corporate social responsibility.

The objective of this research is to scrutinize the extent to which employees at BHEL conform to ethical norms. The study aims to explore the degree to which the employees apply his personal and moral standards to the activities and goals of his commercial enterprise. Thus, the basic premise, which is open for scrutiny and discussion in this research paper is, the extent to which employees in BHEL conform to ethical norms. We have to attempt to evaluate the ethical perceptions of the employees towards diverse variables of employees. All the employees of these two plants of BHEL will be treated as universe of the study. One hundred employees working at both the plants in BHEL, Haridwar have been selected as a sample for analysis. The convenient sampling method has been used for collection of data. Age, experience and amount of salary of the employees are the independent variables as well as ethical behavior / practices is the dependent variable used in the study. One-way ANOVA method has been used with the help of SPSS along with statistical methods of averages and percentage for analysis and interpretation of data. The ethical behaviour (dependent variable) and experience, age, salary of employees (independent variables) are associated significantly. Changing demography, diversity, expectations of workforce, ever expanding globalization of business and increasing concern for improving quality in offering quality products and services pose challenges and offer opportunities to the managers involve in organizational behavior (OB).

Introduction

The employees of high principle attract high caliber people more easily, thereby gaining a basic competitive and edge. A high caller-caliber person favors the business of principle and avoids the employer whose practices are questionable. For this reason, companies that do not adhere to high ethical standards must actually maintain a higher level of compensation to attract and hold people of ability. The ethical perspective has been the part of human thought since ages. Since the beginning of the nineties, every significant profession and every institution that thinks anything of itself has its something ethics to

proclaim, environment ethics, media ethics, research ethics and even corporate ethics are the consequence. The first attempt know the concern over the ethics of business executives was made by Baumhart, R.C. (1961) who enquired that readers of Harvard Business Review about their opinion on business ethics. Recent scandals err corporate world has shock the world's conscience and a need it felt to make ethical conduct compulsive rather than adopting a persuasive approach.

Ethics is a highly elusive, enigmatic, complex and sensitive concept (Singh, S.P. 2001). It is a moral or ethical statement may assert that some particular action is right or wrong, or that some actions of certain minds are so, it may offer a distinction between good and bad characters of dispositions, or it may propound some principle from which more detailed judgments of these sorts might be. Chakarbory, S.K. (2002) prefers ethics in business ethics. He believes that Business ethics sends out the message that business is first and ethics is a secondary rider. This mitigates against the genuineness of spirit. Ethics in business conveys a sense of priority. Ethics a first. According to Lamb et.al., (2004), ethics refer to the moral principles or values that generally govern the conduct of an individual or a group.

Rationale of the problem

The general business ethical issues had been addressed from the perspective of corporate business. The term ethical practices have many connotations from the perspective of a corporate firm. It refers to the firm's principles, which dominate its interactions with a variety of stakeholders. It deals with legal, moral and social responsibility issues. At this juncture, it is imperative to take account of only those stakeholders who are important to the corporate firms and not consider all the stakeholders relevant for firms.

Since corporate companies are comparatively more in number as compare to other prominent forms of business in this segment, stakeholders receive little attention. But employees being a very important stakeholder, the micro level approach towards them and its formulation of human resource (HR) policies has been scrutinized under the ethical lens. Ethical choices are unavoidable. The three basic areas of managerial decision-making are choices about the law-what it, should be and whether or not to obey it; choices about economic and social issues beyond the domain of the law-usually called grey areas or people values, and choices between self-interest and the interests of the enterprises (Nash, 1993). It is critically important to do right. It is not adequate to meet the letter of the law-the spirit and the intent are what have to be kept keenly in mind (Couto et.al. 2005). Choices are simple, either self-regulate or let the laws take over. As is clear by recent developments, due to unethical practices of the corporation the government in India and outside has come out with stringent rules and regulations.

In this globalize economy of the world, corporate sector has been playing a dominant role since the last few decades. Their contribution to a nation's economy cannot be over looked because of its inherent capital-employment generation capacity, ability to nurture the spirit of technological innovation and entrepreneurship and their financial flexibilities. The issues of business ethics, which were primarily targeting large global corporations, are gradually broadening to corporate social responsibility. The real challenge for many big enterprises in the new millennium will be to navigate the complexities of an increasingly globalize market place in an ethical manner, to ensure

their sustainability. In order to secure one's competitive advantage in the global arena, it is becoming imperative for the business to imbibe ethical practices in their management processes and accept responsibility for their impact on society. Entrepreneurs aim for the short term success of their enterprise in terms of the bottom line, but the visionary ones have realized that the changes rules of the game require them to attend to the long term psych-social health and wealth of all stakeholders involved in and affected by the business.

Review of Literature

Spence (1999) therefore, suggested a new set of ethics-eyes for businesses characterized by owner-management, independence, multi-tasking, fire-fighting, personal relationship and informality. With increasing pressures of competition, the probability of high mortality is so severe for the entrepreneurial ventures, that the role of ethics in these businesses is often questioned. In businesses where the mark of success lies in avoiding bankruptcy rather than raising Return On Investment (ROI), Enderle, G (2004) examines the appropriateness and the importance of ethical conduct.

Studies conducted to examine the differences in ethical standards maintained by corporate businesses having different forms of ownership and capital density are not many. Only a limited number of discussions corroborate the fact that limited companies tend to demonstrate higher ethical standards. Hessen, R. (1979) attempt to establish that the criticisms, which undermined corporations, were not all justified. By comparing them with other forms of business ownership, he tried to legitimize their presence from an ethical perspective. Philips, M. (2001) thinking about business ethics in the economic domain, sees a need to find out which form of ownership serves society best. He categorizes the forms of ownership as unregulated private ownership (that is, laissez-faire capitalism), private ownership with restrictions (regulated capitalism) and public ownership (socialism) and then contends that business ethics should ask questions about the degree to which private ownership should be regulated.

Jenkins, H.M. (2004) discuss the importance of employee issues as one of the key areas of ethical involvement in corporate businesses. There are many ways in which businesses can behave ethically towards their employees. Some of these would include providing for health and safety at work (Longo et.al., 2005), facilitating employee motivation (Castka et al., 2003), providing for employee development (Besser and Miller, 2001; Enderle, 2004) and soon.

The micro level compliance with environmental norms and proactive effort at preventing environmental damage needs to be established. Consumers constitute an important external stakeholder group. Fitchett (2005), Castka et al. (2003), Anderson (1999) and Longo et al. (2005) all state that being ethical to customers constitutes the primary obligation of a firm. This article looked into the veracity of these assertions from the corporate business perspective. The limited number of studies focused on this issue has helped me to identify a lacuna promoting us to examine this issue in-depth.

Objective of the Study

The objective of this research is to scrutinize the extent to which employees at BHEL conform to ethical norms. The study aims to explore the degree to which the employees

apply his personal and moral standards to the activities and goals of his commercial enterprise. Thus, the basic premise, which is open for scrutiny and discussion in this research paper is, the extent to which employees in BHEL conform to ethical norms. We have to attempt to evaluate the ethical perceptions of the employees towards diversified variables of employees.

Hypotheses

The following hypotheses will be tested with empirical data -

- (H₁) Ethical practices and experience of employees at BHEL, Haridwar are not associated.
- (H₂) Ethical practices and age of employees working at BHEL, Haridwar are not associated .
- (H₃) Ethical practices of employees is not associated with the quantum of salary of employees at BHEL, Haridwar

Conceptual Frame Work

Although many companies now spend significant sums of money to comply with their own codes of ethical conduct, most view these expenditures only as an essential cost of doing business, not as an investment that will provide a return (Cogman, D. and Oppenheim, J.M. 2002).

Many believe that a corporation cannot simultaneously have high principles and high profits. In fact, there is an increasingly common view that many corporations are ethically irresponsible, pursuing their profits unscrupulously at the cost of the environment and the safety and health of consumers. Theodore Levitt (Levitt T., 1958) argued that business should never indulge in altruism unless it makes economic sense. Charity of self denial and similar values are important in certain walks of life but these virtues are irrelevant to business. This is the rule of capitalism i.e. something is good only if it pays. The basic question is can ethics and business co-exist in a sustainable way? Now, economic performance alone is no longer enough to give businesses legitimacy. Non-economic demands, e.g. the sustainable fulfillment of social and environmental responsibility in industrialized and developing countries, have been increasing their significance for legitimating for many years.

Deontological ethics theories hold that fulfilling obligations, responsibility following proper procedures, doing the right thing and adhering to moral standards determine the ethical value of an action. Unless one convince business sector that including ethics in their functions will offer better outcome in terms of bottom line or could suggest a altogether different frame of reference that broadens the canvas, all the tenets about ethics will stay at the best to papers and training halls. Bower, M. (2003) summarizes these benefits by stating that a business with high ethical standards has the primary advantages over competitors whose standards are lower.

Research Methodology

Research methodology is a way to systematically solve the research problem. It may be termed as a science of studying how research is done scientifically. In

methodology, we study not only methods or techniques in studying research problems, but also the logic behind them.

Survey Research

Survey research is the most popular method in organizational behavior research. A questionnaire consisting of a series of questions has been formulated to supply it to the respondents to collect required information from them.

Universe and Sample

There are two plants of Bharat Heavy Electricals Limited (BHEL), a reputed Navratana undertaking of Central Government of India, established in 1956 at Haridwar. There are about 7000 employees in both the plants of BHEL at Haridwar. All the employees of these two plants of BHEL will be treated as universe of the study. One hundred employees working at both the plants in BHEL, Haridwar have been selected as a sample for analysis. The convenient sampling method has been used for collection of data.

Variable Used

Age, experience and amount of salary of the employees are the independent variables as well as ethical behavior / practices is the dependent variable used in the study.

Data Collection

Primary as well as secondary data have been used in the study. Based on the hierarchies of the employees and units of the plants at BHEL Haridwar, convenient proportionate sampling method have been used to collect the primary data.

Data Analysis

One way ANOVA method has been used with the help of SPSS along with statistical methods of averages and percentage for analysis and interpretation of data. A rating scale developed by R.N. Jussier (1993) and used by Stephen P. Robbins (1956) will be used to indent fey the ethical behavior rating in the universe through testing the hypotheses.

Discussion and analysis

Table no 1 Showing Descriptive Statistics of Respondents

<i>Variable</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Ethical behaviour	100	1.20	2.93	1.79	.354

Table no 1 shows the descriptive statistics of the ethical behaviour of the respondents. The mean value (1.79) shows that the ethical behaviour of the employees is at average level which needs to be enhanced in order to increase the profitability of the organization for the long run. The standard deviation of (.354) the data validates the validity of the scale, as $.354 < 1$.

Testing of Hypotheses

(i) One-way ANOVA across Ethical Behaviour and Experience of the employees

In order to measure the impact of experience on ethical behaviour of the employees, one-way ANOVA used to gauge the difference. The experience of the employees was measured among three groups as shown in table 2. Table 2 ($p < 0.5$) shows there is significant difference among the experience and the ethical behaviour of the employees ($F= 4.88, p =.010$). Hence validating hypothesis H1 that the ethical behaviour and experience of employees are associated significantly. As the experience of the employee increase it enhances the ethical behaviour of the employee. So the null hypotheses (H_1) stands rejected.

Table no 2 Showing one-way ANOVA across ethical behaviour and experience

S.no	Experience	N	Mean	Std. Deviation	F	Sig..
1	1-10 Years	31	1.65	.274	4.88	.010
2	11-20 Years	32	1.79	.431		
3	21 – Above Years	37	1.91	.303		
	Total	100	1.79	.354		

(ii) One-way ANOVA across Ethical Behaviour and Age of the employees

In order to measure the impact of Age on ethical have been behaviour of the employees one-way ANOVA used to gauge the difference and data classified into table 3. The age groups were divided into three groups as depicted in the table no 3. Table 3 ($p < 0.5$) shows that there is significant difference among the age and the ethical behaviour of the employees ($F= 4.88, p =.010$). Hence validating hypothesis H2 that the ethical behaviour and Age of employees are associated significantly. With the increase of the age of the employee the ethical behaviour also develops more and more. So the null hypotheses (H_2) stands rejected.

Table no 3 Showing one-way ANOVA across Ethical behaviour and Age

S.no	Age	N	Mean	Std. Deviation	F	Sig..
1	20-30 Years	34	1.65	.296	6.03	.003
2	31-40 Years	31	1.78	.426		
3	Above 41 Years	35	1.93	.284		
	Total	100	1.79	.354		

As from the table no 2 and 3 the mean value of the group having experience more 21 years and above (mean = 1.91) and the mean value of the group having age above 41 years (mean =1.93). Hence validating hypothesis H3 the employees having more experience and more age tend to be more ethical. Therefore, we can interpret that with increase in age and experience the ethical behaviour of the employee enhances.

(iii) One-way ANOVA across Ethical Behaviour and salary of the employees

In order to measure the impact of salary on ethical behaviour of the employees, one-way ANOVA used for interpretation. Three groups were created to measure the income of employees as shown in the table 4. Table 4 ($p < 0.5$) shows there that is significant difference among the salary and the ethical behaviour of the employees

($F= 7.321, p =.001$). Hence validating that the ethical behaviour and Salary of employees are associated significantly. The more the employee is paid the more ethical behaviour of the employee gets enriched. So the null hypotheses (H_3) stands rejected.

Table no 4 Showing one-way ANOVA across Ethical behaviour and Salary

S.no	Salary(pm)	N	Mean	Std. Deviation	F	Sig..
1	10000-50000 K	26	1.63	.262	7.321	.001
2	51000-100000 K	29	1.72	.397		
3	Above 100000 K	45	1.92	.326		
	Total	100	1.79	.354		

Significance of the Study

Changing demography, diversity, expectations of workforce, ever expanding globalization of business and increasing concern for improving quality in offering quality products and services pose challenges and offer opportunities to the managers involve in organizational behavior (OB). Now, OB managers need to understand better and more about human behavior than before to make organizations run effectively. Human behavior is caused and is highly unpredictable also. Why people behave as they has, therefore, been a subject of much interested and concern since our earliest years. Therefore, understanding human behavior has assumed great significance for the managers for managing people effectively.

Relevance of Implications

Human beings possess the vital instinct of inquisitiveness for when the unknown confronts us, wonder and out inquisitiveness makes us probe and attain fuller understanding of the unknown.

This research will help to establish the relevance of ethical conduct from the perspective of managerial hierarchy of pubic sector firms. It would be an interesting study to note whether the managerial hierarchy of the employees has positively or negatively affected the level of ethics in corporate sector, specially in public sector undertaking. In addition, the co-relation between ethical practices and hierarchy of the corporate firms can also be investigated. This will probably go a long way in drawing up a policy prescription for the corporate sector on the lines of corporate social ethics.

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