

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Embedding Ethics and Values through Training and Development in Manufacturing Sector

Shubhangi Bhosale

Lead Business Consultant, South Africa

Pratik Ghosh

HR, Intentional Operations, India

Dr. Asha Nagendra

Professor, Symbiosis Institute of Management Studies, India

Abstract:

Purpose – The paper aims to provide a perspective on how ethics and values can indeed be conveyed and re-enforced through proper training and development. It also focuses on alignment of individual and organisational goals to foster the culture of the organisation.

Design/methodology/approach – The paper opted for an exploratory study using the questionnaire methodology. The questionnaire was administered to 50 employees of Forbes Marshall Pvt Ltd. representing middle and senior management. The data were complemented by documentary analysis, including training and process documents, descriptions of internal processes.

Findings – The paper provides empirical insights proposing that there is an effective way by which Training and Development can promote Ethics and values in an organisation through a channelized sharing process. The findings also indicate the correlation of organisation values and employee views on them

Research limitations/implications – Because of the chosen research approach, the research results may lack generalizability. Therefore, researchers are encouraged to test the proposed propositions further in other sectors and organisations

Practical implications – The paper includes implications for the development of a powerful organisation culture with employee's values aligning to that of the organisation.

Originality/value – This paper fulfils an identified need to explore can ethics and values be imparted through training and development

Keywords: *Ethics, values, organisation culture, training and development*

1. Introduction

“When you get what you want in your struggle for self
 And the world makes you king for a day
 Just go to the mirror and look at yourself
 And see what that man has to say.
 For it isn't your father, or mother, or wife
 Whose judgment upon you must pass
 The fellow whose verdict counts most in your life
 Is the one staring back from the glass.
 He's the fellow to please – never mind all the rest
 For he's with you, clear to the end
 And you've passed your most difficult, dangerous test
 If the man in the glass is your friend.
 You may fool the whole world down the pathway of years
 And get pats on the back as you pass
 But your final reward will be heartache and tears
 If you've cheated the man in the glass”

-Peter Dale Wimbrow Sr.

Life of a human being is viewed and discussed through different approaches. Humans, unlike other animals, can be distinguished primarily by their mind. It is this mind that creates an overwhelming success to achieve great feats in agriculture, industry, writing, tools, etc. Human an intelligent animal is filled with passion, impulse, desire and emotions. His intelligence and invention has led to many complexities in the social structure. Given that impulse or intelligence, alone, would have no room for ethics and values. There are two extreme poles- one of impulse, desire and on other side, control. However, posterity suggests that man loves happily if he adheres to good values and lives ethically.

The paper begins with the above poem, to make us ponder upon our existence and our work. It links directly to Ethics and Values which goes in shaping professionals for the future and help conduct business in the right manner. Are Ethics and values so important? If so, why? How can one handle the common ethical dilemmas that are faced both on personal and professional front? Why organisations emphasize on following Code of Ethics? And how are they successful in keeping their employees ethical?

- “With all these questions in mind on Ethics and values the researcher debates if these things can be taught through training and development”.

Ethics and Values are separate and while the first one has a positive connotation, the second one necessarily does not have the same. Both these however, do not state facts but disguises emotions, such as hope or fear, some desire or aversion, some love or hate. The feelings relevant to ethics and values are easily seen in considering hypothesis of a purely material universe consisting of matter. Such a universe is neither good nor bad and nothing in it is right or wrong. Ethics and values are long believed to be bred in individuals through their upbringing within their family. One learns the most about these in their childhood and gives it meaning while growing up. However, there an inflection point hits, where we all are exposed to dilemmas, which makes us question these beliefs. This would crop up through experience and circumstances, both at home and at the workplace. This article intends to provide a perspective on how ethics and values can indeed be conveyed and re-enforced through proper training and development. Each company executive is faced with the challenge of taking decisions at different phases of their career. It is quite possible that at this stage the person is not aware as to which decision, will protect the interest of the company and whether this is done in the right manner. A “right” is often challenged in a corporate environment. These are basic absolutes, which are foundation of any successful business. However, through awareness and education, this can be addressed and can go a long way in building formidable leaders. This education is important, because as technology and society progresses more are we exposed to diverse situations and all those situations evoke a sentiment and judgment. Therefore, to make the right choice at that stage becomes critical and here is where Training and Development can play a magnificent role. However, this role needs to be carefully created and not seen as moral policing but something that convinces to create a fair bend of mind and understanding the logic of making right ethical choices. This needs to be done carefully by sharing why it helps to be ethically good and driven by values!

How many of us really practice this? How many of us really believe this? Ethics and Values, though sound like cliché, have become buzzwords in the business environment. They, of course, emerge important given the various business circumstances people face while joining the world of business in an organization. These are built in the roots of people at their stage of upbringing.

- I believe the distinction between a good company and a great one is this: A good company delivers excellent products and services, a great one delivers excellent products and services and strives to make the world a better place."

- William Clay Ford, Jr. Ford Motor Company

It is now, more than ever, essential for business leaders to repair relations with customers and employees by stepping up to the ethical plate, says Howard Gardner, John H. and Elisabeth Personal values and ethics can, at times, be in conflict. To illustrate: If a person's strongest personal value is to be rich, this value's influence on his behaviour and decision making could be in conflict with society's rules of behaviour. An individual, who wants to be rich, may believe it is okay to cheat people or lie to get what he wants. An ethical person is honest, diligent, respectful, trustworthy, and responsible. An honest person does not lie, cheat or steal, or try to achieve personal gain at the expense of others. It is never acceptable to break society's code of conduct, or ethical standards, to achieve a personal value!

Why the focus is more on Knowledge and Skills is because of organizations being result oriented and people being career oriented and seek this for their own growth. This is recognized as a primary source to grow in one's career. In many ways this is right. It is because the corporate organization one joins do not carry the responsibility in building characters but careers. Nonetheless, it falls on the organization and its reputation to build good characters such that business flourishes in the right manner.

2. Literature Review

2.1. Ethics and Values

In recent years the topic of business ethics has become an important issue, be it the press, politics, life, or corporates. Ethical behaviour is extensively discussed and accepted as an important component of managerial decision-making, but what remains problematic is how exactly ethical behaviour is taken into consideration¹. Socially responsible practices in business have been extensively discussed in recent years^{2, 3, 4, 5}, and have been accepted as significant aspects of management practice and decision-making. While few reputable authorities argue against their importance in principle, there is a good deal of controversy about the extent to which they should be taken and their relevance to organizational effectiveness. Some authorities^{6,7,8} argue that managers should conduct business in the interests of the stockholders, that applying the organization's resources to the social good undermines the market mechanism, jeopardizes organizational survival and places management in the role of non-elected policymakers. Others argue that, as business is an influential element of society, it has a responsibility, or at least an obligation, towards solving problems of public concern, that it is in the enlightened self-interest of organizations to be socially responsible⁹ or that ethical behaviour is more

profitable and more rational than unethical behaviour, and crucial for the effectiveness of business organizations¹⁰. Corporate ethical values (CEV) can be explained as “a subset of organizational culture, representing a multidimensional interplay among various “formal” and “informal” systems of behavioural control”¹¹

Victor and Cullen¹² defined organizational ethical climate as “the prevailing perceptions of typical organizational practices and procedures that have ethical content.” Victor and Cullen derive ethical climate criteria from moral philosophy and psychological theories, and loci of analysis from sociological theories.

2.2. Training and Development

Ferrell and Gresham noted the importance of opportunity in influencing ethical decision making¹³. Hunt and Vitell acknowledged the importance of culture, and considered both organizational culture and organizational learning factors^{14, 15}. Trevino noted, “Organizational culture influences thoughts and feelings and guides behaviour¹⁵. The role of organizational training is changing because of the business and technological trends mentioned earlier. Specifically, Shandler predicts a structural change in the training function through an emphasis on employee and organizational performance, new models of learning, technology, and use of external training providers¹⁶. Training and instruction in ethics raises an individual's awareness of the ethical content in various situations¹⁷ Ritter makes mention in her 2006 study that “most theorists suggest that given the proper implementation, an ethics curriculum can be designed for effective learning”¹⁸. A study conducted by David, Anderson and Lawrimore (1990) reported that only 24% of the respondents indicated that ethical issues were emphasized throughout their program¹⁹.

3. Research Methodology

Although literature provides many scales to measure ethical climate, the researcher used the scale developed by Victor and Cullen (1987)²⁰, the Ethical Climate Questionnaire (ECQ), an instrument that is used to determine the ethical climate of a firm or group. The questionnaire examines employee perceptions concerning how members of their organizations deal with ethical choices that confront them. The ECQ instrument specifies different events, practices, and procedures which require ethical criteria for decision making.

3.1. Sample and Data Collection

The population consists of members working in Forbes Marshall (hereafter referred as FM). A self-administered questionnaire was filled personally by the members of FM. The questionnaires were filled by 50 employees, done by random sampling across levels, and 2 questionnaires were discarded due to incomplete information. The final number of usable questionnaires was 48 with a response rate of 98.06%. All responses were confidential.

4. Analysis and Results

Correlations analysis was used to determine correlation coefficients between the four values of FM: Family Spirit, Innovation and Entrepreneurship, Integrity, and Value Delivery to Customers, Members, and Society. The internal consistency of the scale was assessed with considering the number of items, inter-item correlations, and Cronbach's α levels. The descriptive statistics indicated normal distribution of the data. The descriptive statistics are as mentioned in Table 1

	Family Spirit	Innovation and Entrepreneurship	Integrity	Value Delivery
Mean	3.37	3.36	3.31	3.78
Median	3.00	3.00	3.00	4.00
Mode	3.00	3.00	3.00	4.00
Standard Deviation	0.49	0.68	0.58	0.78

Table 1: Descriptive Statistics

Correlation between Integrity and Value Delivery	0.68**
Correlation between Integrity and Family Spirit	0.93**
Correlation between Innovation and Entrepreneurship	0.96**
Correlation between Value Delivery and Innovation and Entrepreneurship	0.61**
Correlation between Value Delivery and Family Spirit	0.73**

Table 2: Correlation between the values of FM

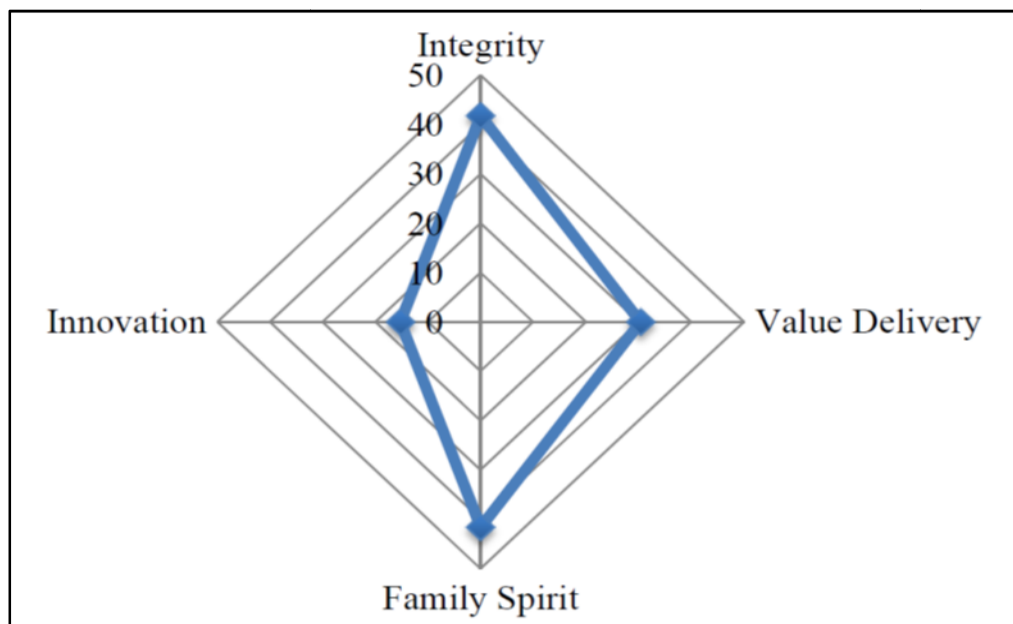


Figure 1: Ethics and Values Training Gap Analysis

5. Findings

The above analysis clearly indicates a culture where Integrity is linked to the way an individual performs. It is through a set of role models, training inputs and process of the organisation that helps determine members to act in a way that is useful in the company. The result shows that the highest correlation is between Integrity and, Innovation and Entrepreneurship. This is something that indicates a culture by which FM has actually wanted to do things. This means that an individual can honestly practice what he/she desires in the best interest of the organisation and in the process innovate and do it on their own.

Integrity is a value that associates with doing things in the right manner, through honest means and behaviour. As an outcome of this, the individual feels equally empowered to innovate and try new things by keeping ethical standards intact. This also indicates that in our random survey of fifty members, everyone feels that the organisation shall respect you to try out new things all the time, as long as one does it with utmost honesty. This is directly proportional to being part of an ethical organisation. Similarly, Family Spirit, which is linked to Innovation re-enforces the culture of FM people in general having the ability to Innovate.

Linking both these above, the organisation culture clearly allows you to try new things all the time and conduct its activities by keeping the overarching value of Integrity constant. This is why all three of them are correlated.

Now, while Value Delivery should ideally have been seen as a natural outcome of the above to correlations, it is something which FM can look at improving by utilising the above two correlations. As part of its Training and Development needs, the immediate next step would be to link the other values with value delivery and develop programmes around that theme. There could be many ways by which this training can be delivered and as a result the organisation could then monitor this correlation to measure the impact of this process. The programmes could be role modelling these values by adopting this theme and show casing examples apart from providing inputs on how these can be effectively used.

6. Conclusion

The paper, therefore, proposes that there is an effective way by which Training and Development can promote Ethics and values in an organisation through a channelized sharing process. An organisation, through various means, can gauge the strength of its values and ethics, through different engagement surveys and health check tools. Just by doing a random sample survey at FM, itself, showed results in the role that training and development can play to link different values and ethics to better performance and culture at work. Given that an organisation in its length and breadth witnesses so many situations and circumstances, that Training and Development can be the custodian of all this and ensure different parts of the organisation knows how to deal with it and in the process know how BEST to deal with it through consistent correct behaviour.

7. References

- i. Etheredge, J.M. (1999). The Perceived Role of Ethics and Social Responsibility: An Alternative Scale Structure. *Journal of Business Ethics*, 18, 51-64.
- ii. Carroll, A. B. (1993). *Business and Society: Ethics and Stakeholder Management* (2nd Ed.) Cincinnati, OH: South-Western Publishing
- iii. Drucker, P. (1984). The new meaning of corporate social responsibility. *California Management Review*, 26(2), 53-63.
- iv. Paine, L. S. (1996). Moral thinking in management: An essential capability. *Business Ethics Quarterly*, 6, 477-492.
- v. Weiss, J. W. (1994). *Business Ethics: a managerial, stakeholder approach*. Belmont, CA: Wadsworth.

- vi. Carlson, L., Grove, S. J., & Kangun, N. (1993). A content analysis of environmental Advertising claims: a matrix method approach. *Journal of Advertising*, 22, 27-40.
- vii. Friedman, M. (1962). *Capitalism and freedom*. Chicago: University of Chicago Press.
- viii. Friedman, M. (1970, September 13). The social responsibility of business to increase its Profits. *New York Times Magazine*, 32, 122-126.
- ix. Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal*, 16, 312-322.
- x. Velasquez, M.: 1996, 'Why Ethics Matters: A Defense of Ethics in Business Organizations', *Business Ethics Quarterly* 6(2), 201-222
- xi. Trevino, L.K., Butterfield, K.D., and McCabe, D.L.1998.The Ethical Context in Organizations: Influences on Employee Attitudes and Behavior. *Business Ethics Quarterly*, 8(3): 447-476.
- xii. Victor, B., & Cullen, J. B. (1988). The Organizational Bases of Ethical Work Climates. *Administrative Science Quarterly*, 33(1), 101-125.
- xiii. Ferrell, O. C. and L. G. Gresham: 1985, 'A Contingency Framework for Understanding Ethical Decision Making in Marketing', *Journal of Marketing* 49, 87-96.
- xiv. Hunt, S. D. and S. Vitell: 1992, 'the General Theory- of Marketing Ethics: A Retrospective and Revision', in J. Quelch and C. Smith (eds.), *Ethics in Marketing* (Richard D. Irwin, Chicago).
- xv. Trevino, L.K. 1986. Ethical Decision-Making in Organizations: A Person-Situation Interactionist Model. *Academy of Management Review*, 11(3), 601-617
- xvi. Shandler, Donald: 1996, *Reengineering the Training Function: How to Align Training with the New Corporate Agenda* (St. Lucie Press, Delray Beach, FL).
- xvii. Velasquez, Manuel and Gerald Cananaugh: 1988, 'Religion and Business: The Catholic Church and the American Economy', *California Management Review* 30(4), 124-140.
- xviii. Ritter, B. A. (2006). Can business ethics be trained? A study of the ethical decision-making process in business students. *Journal of Business Ethics*, 68, 153-164.
- xix. David, F. R., Anderson, M. L., & Lawrimore, K. W. (1990). Perspectives on business ethics in management education. *SAM Advanced Management Journal*, 9, 26-32.
- xx. Victor, B., & Cullen, J. B. (1987). A Theory and Measure of Ethical Climate in Organizations. In W. C. Frederick (Ed.), *Research in Corporate Social Performance and Policy* (Vol. 9, pp. 51-71). Greenwich, CT: JAI Press.
- xxi. R. Durgadoss, B. Yerram Raja: *A Saint in the Board Room*, BN ID: 2940013871632, Publication date: 12/1/2011, Pages 400
- xxii. Bertrand Russell :*Human Society in Ethics and Politics Quotes* ISBN-13:9781134523900, Publication date: 10/15/2013, Pages: 248
- xxiii. *Corporate Social Responsibility- Readings and Cases in Global Context*, p.3 ISBN-10: 0415683254, Publisher: Routledge, Pages: 616
- xxiv. Dunphy, D., Griffiths, A. and Benn, S. *Organizational change for corporate sustainability*. Routledge, 2007. London Reference Collections