

Creating Ethical Environment and Restoring Trust: Bridging the Skill Value Gap

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Part I

[This part of the paper attempts to describe the concepts related to understanding of ethics and the role of mind in propelling ethical or un-ethical behaviour. It also attempts to explain as to how mind is guided by the combination of virtue and vice driven values when it propels ethical or unethical behaviour with the kind of intelligence possessed by a person.]

What is Ethics?

Ethics (vai Latin ethica from the Ancient Greek “moral philosophy”, from the adjective of “custom, habit”), a major branch of philosophy, encompasses right conduct and good life. It is significantly broader than the common conception of analyzing right and wrong. A central aspect of ethics is “the good life”, the life worth living or life that is satisfying, which is held by many philosophers to be more important than moral conduct. The major problem is the discovery of the *summum bonum*, the greatest good. The right act can be identified as the one causing the greatest good and immoral act as the one impeding it.

Ethics and morals are respectively akin to theory and practice. Ethics denotes the theory of right action and the greater good while morals indicate their practice. “Moral” has dual meaning. The first indicates a person’s comprehension of morality and his capacity to put it into practice. In this meaning, the antonym is “amoral”, indicating an inability to distinguish between right and wrong. The second denotes the active value of those values. In this sense, the antonym is “immoral”, referring to actions that violate ethical principles.

Ethics is related to morals or moral principles and moral is concerned with the conduct and duties of man and the moral philosophy is the science of right living and the just conduct of living. Ethics is concerned with philosophy which treats of human character and conduct, of distinction between right and wrong, and of moral duties and obligations to the community.

Personal ethics signifies a moral code applicable to individuals, while social ethics means moral theory applied to groups. Social ethics can be synonymous with social and political philosophy, in as much as it is the foundation of a good society or state.

Ethics is not limited to specific act and defined moral codes, but encompasses the whole of moral ideals and behaviour, a person’s philosophy of life.

A few years ago, sociologist Raymond Baumhart asked business people, what do ethics mean to you? among their replies were the following.

“Ethics has to do with what my feelings tell me is right or wrong”

“Ethics has to do with my religious beliefs”

“Being ethical is doing what the law requires”

“Ethics consists of the standards of behaviour our society accepts”

“I don’t know what the word means”

These replies might be typical of our own. The meaning of “ethics” is hard to pin down and the views many people have about ethics are shaky.

Like Bahamart’s first respondent, many people tend to equate ethics with their feelings. But being ethical is clearly not a matter of following one’s feelings. A person following his or her feelings may recoil from doing what is right. In fact, feelings frequently deviate from what is ethical.

Nor should one identify ethics with religion. Most religions, of course, advocate high ethical standards. Yet if ethics were confined to religion, then ethics would apply only to religious people. But ethics applies as much to the behaviour of the atheist as to that of the saint. Religion can set high ethical standards and can provide intense motivations for ethical behaviour. Ethics, however, cannot be confined to religion nor is it the same as religion.

Being ethical is also not the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. But laws, like feelings, can deviate from what is ethical. Our own pre-civil war slavery laws and the apartheid laws of present day South Africa are grotesquely obvious examples of laws that deviate from what is ethical.

Finally, being ethical is not the same as doing “whatever society accepts.” In any society most people accept standards that are, in fact, ethical. But standards of behaviour in society can deviate from what is ethical. An entire society can become ethically corrupt. Nazi Germany is good example of a morally corrupt society. Moreover, if being ethical were doing “whatever society accepts”, then to find out what is ethical, one would have to find out what to accept, for example, to decide what one should think about abortion in the USA, a survey of American society will have to conform to beliefs to whatever society accepts. But no one tries to decide an ethical issue by doing a survey. Further, the lack of social consensus on many issues makes it impossible to equate ethics with whatever society accepts, one would have to find an agreement on issues which does not, in fact, exist.

In fact, there are situations where a societal consensus exists, yet one individual may resist and revolt against the societal consensus driven beliefs ultimately forcing the society at large to change the beliefs. Examples are Mahatma Gandhi forced the Indian Society to change its belief of “Untouchability” of Shudras (poors & downtroddens in the pre-independent India) and Rajaram Mohan Roy got the Law enacted in India under British Rule against the custom of forcing widows to self-immolate on the burning pyre of their husbands.

What, then is ethics ? Ethics is two things. Firstly, ethics refers to well based standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethics, for example, refers to those standards that impose the reasonable obligations to refrain from rape, stealing, murder, assault, slander and fraud. Ethical standards also include those that enjoin virtues of honesty, compassion and loyalty. And ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury, and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well founded reasons.

Secondly, ethics refers to the study and development of one's ethical standards. As mentioned above, feelings, laws and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well founded. Ethics also means, then, the continuous effort of studying our own moral beliefs and our moral conduct and striving to ensure that we, and the institutions we help to shape, live upto standards that are reasonable and solidly based.

Some of the important terms which are related to ethics and ethical behaviour are; Meta Ethics and Moral Relativism (Redirected from Ethical Relativism):

Meta-ethics

Meta-ethics is concerned primarily with the meaning of ethical judgments and or prescriptions and with the notion of which properties, if any, are responsible for the truth or validity thereof. Meta-ethics as a discipline gained attention with G.E. Moore's famous work *Principia Ethica* from 1903 in which Moore first addressed what he referred to as the *naturalistic fallacy*. Moore's rebuttal of naturalistic ethics, his open Question Argument sparked an interest within the analytic branch of western philosophy to concern oneself with second order questions about ethics; specifically the semantics, epistemology and ontology of ethics.

The semantics of ethics divides naturally into descriptivism and non-descriptivism. The former position advocates the idea that prescriptive language (including ethical commands and duties) is a subdivision of descriptive language and has meaning in virtue of the same kind of properties as descriptive propositions, whereas the latter contends that ethical propositions are irreducible in the sense that their meaning cannot be explicated sufficiently in terms of truth- conditions.

Correspondingly, the epistemology of ethics divides into cognitivism and non-cognitivism; a distinction that is often perceived as equivalent to that between descriptivist and non-descriptivist. Non-cognitivism may be understood as the claim that ethical claims reach beyond the scope of human cognition or as the (weaker) claim that ethics is concerned with action rather than with knowledge. Cognitivism can then be seen as the claim that ethics is essentially concerned with judgments of the same kind as knowledge judgments; namely about matters of fact.

The ontology of ethics is concerned with the idea of value-bearing properties, i.e. the kind of things or stuffs that would correspond to or referred to by ethical propositions. Non-descriptivist and non-cognitivists will generally tend to argue that ethics do not refer to objects in the same way the descriptive propositions do. Such a position may sometimes be called anti-realist. Realists on the other hand are left with having to explain what kind of entities, properties or states are relevant for ethics and why they have the normative status characteristic of ethics.

Moral relativism

In philosophy, moral relativism is the position that moral or ethical propositions do not reflect objective and / or universal moral truths, but instead make claims relative to social, cultural, historical or personal circumstances. Moral relativists hold that no universal standard exists by which to assess an ethical proposition's truth; moral subjectivism is thus the opposite of moral absolutism. Relativistic positions often see moral values as applicable only within certain cultural boundaries (cultural subjectivism) or in the context of individual preferences (moral subjectivism). An extreme relativist position might suggest that judging the moral or ethical judgments or acts of another person or group has no meaning, though most relativists propound a more limited version of the theory.

Some moral relativists-for example, the existentialist Jean-Paul Sartre- hold that personal and subjective moral core lies or ought to lie at the base of individual's moral acts. In this view public morality reflects social convention and only personal, subjective morality expresses true authenticity.

Moral relativism differs from moral pluralism-which acknowledges the co-existence of opposing ideas and practices, but accepts limits to differences, such as when vital human needs are violated. Moral relativism, in contrast, grants the possibility of moral judgments that do not accept such limits.

After attempting to discuss various aspects of ethics related to the definitions and what it includes, we now attempt to describe, in brief, what our great ancient philosophers have expressed about the word ethics.

1. **Socrates** : Socrates was one of the first Greek philosophers to encourage both scholars and common citizen to turn their attention from the outside world to the condition of man. Knowledge having a bearing on human life was placed highest, all other knowledge being secondary. Self Knowledge was considered necessary for success and inherently an essential good. A self-aware person will act completely within their capabilities to their pinnacle, while an ignorant person will flounder and encounter difficulty. To Socrates, a person must become aware of every fact (and its context) relevant to his existence if he wishes to attain self-knowledge. He posited that people will naturally do what is good if they know what is right. Evil or bad actions, are the result of ignorance. If a criminal were truly aware of the mental and spiritual consequences of his actions, he would neither commit nor even consider committing them. Any person who knows what is truly right will automatically do it,

- according to Socrates. While he equated knowledge with virtue, he similarly equated virtue with happiness. The truly wise man will know what is right, do what is good and therefore be happy.
2. **Confucius** : The Chinese scholar Confucius, born 551 BCE, maintained an enormous set of rules by which he suggested one should live. These rules include the following :
 - What you do not wish done to yourself, do not do to others.
 - Do not wish for quick results, nor look for small advantages, you will never accomplish great things.
 - When you see someone of worth, think of how you may emulate. When you see someone unworthy, examine your own character.
 - Wealth and rank are what people desire, but unless they are obtained in the right way they not be possessed.
 - Feel kindly toward everyone, but be intimate only with the virtuous.
 3. **Aristotle** : Aristotle posited an ethical system that may be termed “self-realizationism”. When a person acts in accordance with their nature and realizes their full potential, they will do good and be content. At birth, a baby is not a person, but a potential person. In order to become a real person, the child’s inherent potential must be realized. Unhappiness and frustration are caused by the unrealized potential of person, leading to failed goals and poor life. Aristotle said “Nature does nothing in vain” Therefore, it is imperative for persons to act in accordance with their nature and develop their latent talents, in order to be content and complete. Happiness was held to be the ultimate goal. All other things, such as civic life or wealth, are merely means to the end. Self-realization, the awareness of one’s nature and the developments of one’s talents is the surest path to happiness.

Aristotle asserted that man had three natures: Vegetable (Physical), Animal (Emotional) and Rational (Mental). Physical nature can be assuaged through exercise and care, emotional nature through indulgence of instinct and urges, and mental through human reason and developed potential. Rational development was considered the most important, as essential to philosophical self awareness and as uniquely human. Moderation was encouraged with the extremes seen as degraded and immoral. For, example, courage is the moderate virtue between the extremes of cowardice and recklessness. Man should not simply live, but live well with conduct governed by moderate virtue. This is regarded as difficult, as virtue denotes doing the right thing, to the right person, at the right time, to the proper extent, in the correct fashion for the right reason. Important Aristotelian virtue are : Courage, Self-control, Generosity, Magnificence, High-mindedness, Gentleness, Friendliness, Truthfulness, Wittiness, and Modesty
 4. **Plato** : Plato has said “Until philosophers are kings, or the kings and princess of this world have the spirit and power of philosophy, and political greatness and wisdom meet in one, and those commoner natures who pursue either to the exclusion of the other or compelled to stand aside, cities will never have rest from their evils no, nor the human race.”

Plato, before Aristotle, was a believer of virtue ethics claiming that key to good lies not in rules (like Confucius), rights and responsibilities, but in the classic notion of character. Plato and Aristotle, both contended that our attention should be given to strategies for encouraging desirable character traits such as honesty, fairness, compassion, and generosity. He believed that the individual human flourishing was the main concern of the ethics and setting up a culture or environment where such flourishing was possible was the main task of societal regulation. From this perspective, human beings are part of nature like everything else, and just as plants cannot flourish unless they have an environment of rich soil, so human beings cannot flourish unless their honesty and trust and cooperation and caring are part of a rich robust human life. To live among people who lie, are untrustworthy and who do not care for one another is to live in a sort of human hell. To enter such an environment daily has a debilitating effect, and if one capitulates to that environment one necessarily diminishes one self.

5. **Immanuel Kant (1724-1804)** : A German philosopher was intrigued by the bases of human knowledge and understanding. In considering the origin of morals and morality he concluded that 'reason' is the final authority for morality. Only those actions that are undertaken from a sense of duty dictated by 'reason' are moral; those acts that are dictated only by law or custom cannot be moral.

What is the justification for 'duty dictated by the reason' and the rationality of the reason which dictates the thinking an action. Kant has proposed one categorical imperative which can be used to justify the dictate's of the reason to act in a given fashion and it is this: Act only according to that maxim (some kind of universal law) whereby you can at the same time will that it should become a universal law. Thus, if all imperatives of duty can be derived from this one imperative as their principle, then these can at least be shown what is understood by the concept of duty and what it means, even though there is left undecided whether what is called duty may not be an empty concept.

The universality of law according to which effects are produced constitutes what is properly called nature in the most general sense (as to form), i.e. the existence of things as determined by universal laws. Accordingly, Kant concluded that the universal imperative of duty may be expressed thus; Act as if the maxim of your action were to become through your will a universal law of nature. Kant also developed the concepts of division of duties such as ; duties to ourselves and to others and perfect and imperfect duties.

The foregoing discussion on the basic concepts related to the phenomena of ethics and morals lead to one single imperative and it is this; the 'human mind' has been always in focus whenever and wherever we address ourselves to this very important discipline touching human being and humanity in all times and ages (ancient medieval and modern) and for all societies, tribes, and races.

We, therefore, discuss herewith the way human of mind functions when it is engaged in addressing itself to the external world and to environment internal to it and how its functions is dependent on the states of consciousness

which one is able to attain through meditation, i.e. concentration of mind wherein human mind tries to focus all the five senses – hearing, seeing, smelling, testing and touching- in the mid- way of the two eyes and ‘yoga’ i.e. exercises leadings to unification of three known entities of human life i.e. mind, body, and soul.

The ensuing discussion is based on the writings contained in Vedas & Upanishads- the ancient Indian scriptures dealing with the philosophy of living- being in general and human being in particular.

What is Mind ?

Mind in living being enables them to learn and use the learning for growing and surviving in the nature. The mind finds its basis in physiological entity called ‘brain’. The ‘brain’ in all living being is capable of receiving stimuli from its environment through sense organs (eg. eye, ear, nose, tongue and skin in case of human being) and converting them into meaning and retaining the meaning into its memory in the form of some ‘concepts’. The concepts in the memory is the learning and form the basis for converting additional stimuli into newer and additional concepts. The sensory nerves enable the living beings in receiving the message from its environment while the motor nerves enable them to engage in action. The ability to learn and capacity to retain learning in its memory and ability to use the learning from its memory in the form of action for growth and survival depends on one’s intelligence (IQ) and emotions (EQ). The nature and level of intelligence and emotions are different in different living beings and it is believed that it exists in the most developed form in human beings. In this context, it will be interesting to note that four physiological emotions namely, hunger, fear, sleep and sex, commonly known as natural instinct, are common in all living beings.

Thus, we may say that mind is repository of our brain when it is engaged in the process of continuous, ever-ongoing system of receiving data from its environment, processing these data and converting them into ‘meaning’ and retaining the ‘meaning’ into its memory and based on input of data which the mind is capable of perceiving it can produce some output through action/ utterances / writings. In this sense, reading, listening, observing are the most common modes of receiving data and writing, speaking and engaging in action are the most common modes of outputs produced by human being with the help of mind. It is important to note that opportunity to receive data through reading and to produce data through writing is available to only those who are literates (can read and write).

In the following paragraphs we describe the abilities of minds in human beings as it engages its attention to different aspects of human life and how these abilities are dependent and are determined by the states of consciousness of mind and also its ego states.

The Indian philosophy presumes that human life has three distinct entities namely; Body (Physiological), Mind (Psychological), and Soul (Philosophical).

Let us examine as to how mind functions when it addresses to these three entities of human life; Body, Mind, and Soul.

The Body comprises of Food sheath (Anna-Maya Kosh) and Life- Breath Sheath (Pran-Maya Kosh). The word sheath indicates that as mind is engaged in regulating physiological entity, i.e., the body of human being, it is deprived of knowing about the soul (the inner-self, Atma or Brahma).

The Food sheath, the physical body is the rudimentary state with capability of reflex action wherein the mind acts with the help of nervous system. The body by its nature is a docile and faithful instrument. But it very often is misused by mind with its dogmas, its rigid and arbitrary principles and by the vital with its passions, its excesses and dissipations. These are causes for the bodily fatigue, exhaustion and disease.

The vitality in Body ie, Life-breath sheath or (Pran Maya Kosh), is the secondary state consisting of all vital life supporting system like, respiratory system, circulatory system, digestive system, etc. This secondary state is seat of impulses and desires; of enthusiasm and violence; of passion and revolt. A wide, strong, calm but dynamic vital capable of right emotions, right decision and right execution by living force and energy, is an invaluable aid to the psychic and spiritual realization.

It is worthwhile noting here that mind engages in physical exercises to keep the Rudimentary state/ Reflex Action of Physical Body fit and capable of learning and action. Also, the mind engages in different kinds of respiratory exercises (Pranayam) to keep the secondary state of energy giving system fit enough to have emotions and passion required for survival & growth.

The second important entity of human life is 'Mind' and is capable of attaining four level of consciousness, namely, Mental, consciousness, Inner Consciousness, Transcendental consciousness and Super consciousness. The first two level of consciousness are normally possessed by all human beings and can be developed in varying degrees depending on the family and the parents to whom a person is born, family circumstances, education & training received by an individual, society's cultural norms & standards, country's law and systems of justice etc. The third level of consciousness, i.e. Transcendental Consciousness can be attained through the practices of Dhyan or Concentration of five senses and Yoga (Unification of Mind with Body & Soul). With continuous practices of Dhyan & Yoga one reaches the state of super consciousness and realizes 'The self' / 'The Soul' / 'The Atman' which remains in the spiritual core of human life.

As mind is normally engaged in addressing itself to physical body, vitality in body, and external environment with the help of mental consciousness and inner consciousness, it is deprived of addressing itself to

inner-environment to attain the state of Bliss (Ananda) by achieving transcendental consciousness and to realize the ‘Self’ by achieving the state of super-consciousness. Therefore these three levels of mental consciousness are known as Psychological sheath (Manomaya Kosh) Intellect Sheath (Vignana Maya Kosh) and Bliss Sheath (Anand Maya Kosh).

We describe in the following paragraphs, the characteristics features of the three sheaths associated with each level of mental consciousness.

1. Mental Consciousness – Psychological Sheath (Mano-maya Kosh) : A wide, subtle, rich, complex, attentive but quiet and silent mind is an asset not only for the discovery of the deeper, ethical, aesthetic psychic and spiritual realities but also for manifesting their truths and powers. With these characteristics, the human mind is capable of perceiving the external states of its environment which includes the physical body & its vitality.
2. Inner – Consciousness – Intellectual Sheath (Vijnana- Maya Kosh). This level of Consciousness enables the human mind to make sense of the stimuli that it is capable of receiving from its environment with the help of mental consciousness. It includes three mental activities of feeling, willing and knowing. In the mental consciousness, thoughts propelled by external stimuli have not taken a specific shape, they are vague, amorphous and hence ineffective. But at the level of inner- consciousness, which develops in individuals as they physiologically grow, the mind is capable of interpreting the external stimuli and converting them into firm ideas, concepts, and knowledge and is ready for connecting the same with action. This level of consciousness consists of one’s intelligence, i.e., thinking – abilities which include logical, rational, analytical comprehension, arithmetical and rational abilities and emotions i.e. feeling abilities which include : lust, anger greed, fear, attachment, pride, hatredness and jealousy etc.
The mental consciousness & inner consciousness together constitute ‘Mind’ for a normal human being.
3. Transcendental Consciousness- Bliss Sheath (Anand – Maya Kosh). This level of consciousness is attained with the yogic exercises of concentration or meditations and yoga. Through these exercises, we are able to detach the consciousness from food sheath, life- breath sheath, psychological sheath and intellect sheath and start experiencing bliss in an intense form such that gross delights which comes from lights, sound, taste, touch and smell are left behind in the experience of subtle joys which do not require any external stimuli. This level of consciousness is beyond all human knowledge and is abstruse, mystical and intuitive. After attaining this level of consciousness, one is able to transform into the State of ‘Becoming & Knowing’ from the State of ‘Being’ and gets the knowledge of truth, righteousness, peace, love, compassion and fortitude.

The Fourth State of Mental Consciousness known as “State of Super - consciousness” can be achieved by practicing detachments from all experiences which one acquires through five senses or through mental processes. It is believed that this level of consciousness has been achieved by very few personalities in our history of mankind. For example, Lord Buddha, Bhagwan Mahavir, Jesus Christ, Prophet Mohammad, Guru Nanak Dev etc. It is also

believed that these persons have realized Atman – The Almighty and that this realization is infinitely more than the physical body, more than vital force in the body or the mind and intelligence or all these put together. They all have reached the state of enlightenment.

The Mind as it is engaged in physiological, psychological and philosophical endeavors can be described, schematically by the following chart.

Physiological		Psychological			Philosophical
Physical Body	Vitality in Body	Mental Consciousness	Inner Consciousness	Transcendental Consciousness	Super Consciousness
Food Sheath	Life Breath Sheath	Psychological Sheath	Intellect Sheath	Bliss Sheath	Seat of Spirit The Realization of Soul
OR	OR	OR	OR	OR	
Anna- Maya Kosh	Pran – Maya Kosh	Mano – Maya Kosh	Vignana – Maya Kosh	Ananda – Maya Kosh	The true understanding of the self.

Like the states of mental consciousness attained by one’s mind, the mind is also guided by the ego- states which are present in a person and are based on conditions under which one is put during the process of up – bringing (the social- family environment). Ego is the force inside a person where-in the mind is engaged in serving the self interest of that person.

The psychologists have categorized the ego states of mind into three categories, namely ;

1. Ego (Aham)
2. Id-ego (Idam), and
3. Super – ego (Ati- aham)

Similarly, the three physiological states of mind are classified into three categories; namely ;

1. Conscious Mind
2. Sub Conscious Mind
3. Super Conscious Mind

The Conscious mind represents the awakened state of a person where in all his five sense are active so that the thinking and actions of a person are guided by the norms, standard rules, regulations established by the society in general and groups & organizations in particular. The normal ego which propels action to serve one’s self – interest is associated with the conscious – mind.

The Sub – Conscious mind represents the semi – active state of mind where mind may not take into consideration the society’s norms & standards of behaviour while thinking and acting to serve one’s self- interest.

The Id – ego propels these actions for serving self-interest which may be in violation of the norms & standards set by the society in general and groups and organizations in particular. The Id- ego is associated with our sub – conscious mind.

The Super-Conscious mind represents the level of enlightenments attained by a person through spiritual efforts and exercises of meditation. This state is inspired by the characteristics of the ‘soul’. The super-ego where in the action of person is propelled by the tendencies which emerge from our soul. The super-ego is associated with super-conscious mind of a person.

In the continuum: Idego-Ego-Superego, it is important to note that Id ego is likely to be guided by negative tendencies leading to the act of stealing, bribing, deceiving, coercing and discriminating unfairly while super-ego is always guided by positive tendencies which are driven by the principles of benevolence like- do good, act of kindness love of mankind, generosity, etc.

It is also important to appreciate and understand that positive tendencies are generated by values driven by virtues while negative tendencies are generated by values driven by vices. Some of the important virtue-driver and vice-driven values are given below :

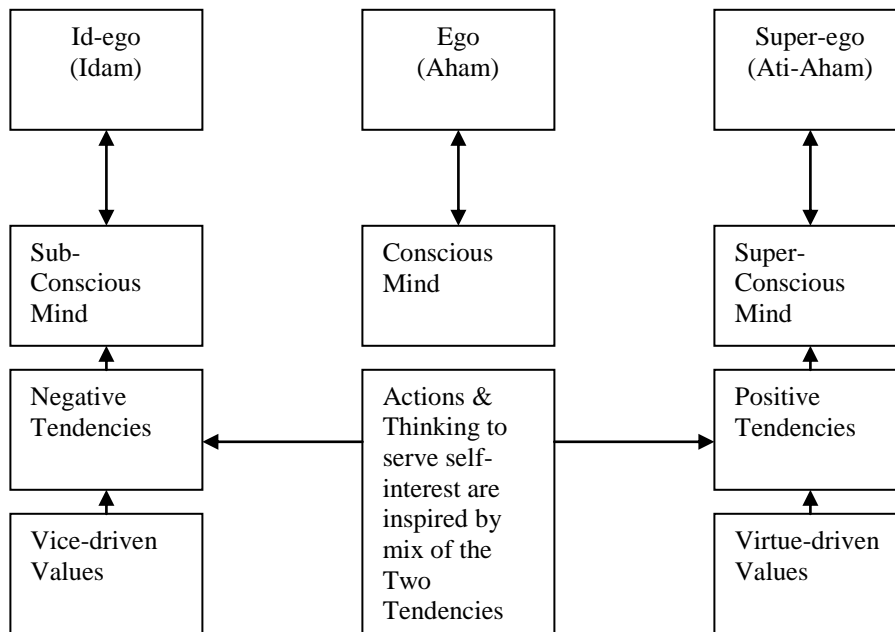
Virtue-driven Values (Good Values or Human Values)

Tolerance	Humility
Forbearance	Honesty
Tranquility	Faith and self control
Courage	Purity and equality of vision
Consentient	Duty of Justice
Love and respect	

Vice- driven Values (Bad- Values or Anti Values)

Lethargy	Falsehood
Malice	Jealousy
Vengefulness	Hatred
Arrogance	Lust
Anger	Greed
Fear	Craving
	Injustice and undutiful

The following schematic presentation explains the egos continuum and their association with physiological state of mind and virtue/ vice driven values.



A person's behaviour (whether ethical or un-ethical) is determined by the dominance of values, (whether virtue driven or vice driven) which propel that behaviour. When ego is leaned towards idego, an un ethical behaviour ensues and results in generation of climate of distrust. On the other hand, when ego is leaned towards super-ego an ethical behaviour is observed and creates a climate of Trust. The Ethical Behaviour and the Trust therefore can be considered as an inter-dependent phenomenon.

PART II

This part of our paper discusses the scenario of ethical environment which is currently prevailing in business & government in various countries of the world in general and in India in particular. It also attempts to identify some of the root causes for the prevailing unethical practices in Business & Government.

BUSINESS AND STAKEHOLDERS

Business involves economic relationships among many groups of people known as stakeholders : customers, employees, stockholders, suppliers, competitors, government and communities. With globalization now in place, these stakeholders are likely to be located in multiple countries rather than in a single country.

The complexity of the relationship among stakeholders increases when stakeholders have conflicting interest and in such situations; regardless of the decision a manager makes, some stakeholders will gain at the cost of others. We are concerned with those issues within the complex business relationship, which involves moral relationships among people. These issues contain ethical dimensions. Some decision makers quietly go about their business adhering to high ethical standards. Others do not. Most of the ethical / moral issues as confronted by decision makers in business can be classified in to categories involving one or more of the following five unethical behaviour, namely; Bribery, Coercion, Deception, Theft and Unfair-discrimination. i.e. discrimination on the basis of caste, race, religion, sex, age, etc.

The sudden fall of American giants like Enron, Tyco International, Adelphi Communication Corporation and the World com are examples of dismal state of ethical standards in American Business Scenario_ a direct fall out of greed and dishonesty. India also has witnessed a whole spate of event in 1990's shattering the Corporate World. Starting with the stock exchange Scam, the TISCO Succession imbroglio, the India Hotel drama, one can go on adding. The 21st Century began with UTI scam of 2000, the Chairman of certain State Public Service Commission amassing Rs.100 crores and so on.Lack of moral behaviour on the part of Corporate Leadership (CEOs) is considered to be the factor causing maximum hindrance. Moreover, silence on corrupt practices in public statements of corporation is a matter of serious concern, especially when there is an outbreak of scams and scandals involving top-notch global corporations. This calls for according primary importance to issues of ethics and values in business beyond laws, norms and procedures.No other phase in human history had experienced the intensity and speed of unethical practices in corporations which have presented unprecedented challenges to nations, cultures and modern organizations.

If we examine our Indian mythological literature which contained stories about the wars that were fought between Devas * and Demons ** or even the story from the great Indian epic Mahabharata regarding Arjuna and Aswathama (both having the weapon of Brahmastra)***, we find one thing in common, they all possessed the same levels of competencies in terms of skills in the use of weaponry which they have used. They differ in terms of values. The Devas and Arjuna had human values in abundance so they were ethical in using their skills in winning the war (achieving objectives), while demons and Aswathama had dis-values (anti-human values) and used their skills for wrong ends. Professor S K Chakraborty**** calls this phenomenon as value-skill gap.

While Arjun was offered Brahmastra by his Guru Dronacharya on the basis of his meritorious performance, Ashwathama got this weapon from his father Dronacharya because he happened to be his son. (Unfair discrimination).

The Role of Corporate Governance :

The scams and scandals in corporations and the deteriorating standards of officers in the government occupying key positions and are responsible for controlling the growth and regulating the working of corporations have given rise to the need of a transparency practices for the formulations and reporting of financial policies of corporations. In India, in the wake of globalization perspectives, the practice of sound Corporate Governance has been gaining acceptance among Indian Corporations. The details of the code of corporate Governance have been worked out in the Kumar Mangalam Committee and the Confederation of Indian Industries.

The domain of Corporate Governance must take the view pertaining to its impact of economic activity at firm level on socio-economic development of the Country which, in India, has received a low priority.

There are two important aspect of Corporate Governance namely, Structural and Cultural. The Structural aspects of Corporate Governance deal with systems and processes, norms and regulatory mechanisms, policies and guidelines. It is observed that companies in India have started giving increasing emphasis on these areas. The cultural aspects require that the Indian Corporate Sector must put in efforts for creating a vision and mind-set among the top management to enable them to address towards integrated development involving the community and the environment at large. Which means the scope of Corporate Governance must be extended to include the

* Devas are person with good human values.

** Demons are persons with dis-values or anti-human values.

*** Brahmastra is weapon which has been described in Indian Mythological stories as the one which, if used will not miss the target

****Professor S. K. Chakravarthi is the Former Professor and Head of the Centre for Human Values at the Indian Institute of Management, Kolkatta (India)

assimilation of values in the members of the organization. Sensitization to ethical issues and sustenance of high ethical standards by individuals and organizations assume paramount importance.

The attitudes, values, sentiments, rituals etc. bind people and societies together, and identity is necessary to generate the feeling of belongingness to particular society.

In India, two things are important in the context of culture and traditions :

1. The individuals acquire in the process of growing (primary socialization) a strong need of family ties and affiliate relationship and have tendencies for dependencies and the like, and
2. The individuals are deeply influenced by values, attitudes and sentiments in the ancient writings, i. e. our thinking and feelings have been shaped by our readings about Buddha, Mahavir, Mahatma Gandhi, Vivekanand, Rajaram Mohan Roy, Shri Aurobindo, etc.

Why Unethical Behaviour :

Yet scandals and scams in present-time are on the rise. What has really changed ? Individual ethics, organization ethics or societal ethics. Prof S K Chakraborty observes many similarities between Aswathama and individuals involved in recent scandals/scams in India and in the Western Countries.

1. Every major actor was a highly skilled professional in his or her respective field.
2. All of them also were very well off.
3. They were highly professional people with very sharp intellect, and
4. They were highly motivated people.

With these combinations of high virtues that the people at the helm of affair possessed, yet the result was scams and scandals.

The phenomenon is described by Prof. Chakraborty as 'Perverved Application of Sharp Skill'. The perversion in the application of skill comes from value gap. Possession of skill is a necessary phenomenon for achieving results. But we must appreciate and understand that the skills are propelled by the underlying values. Then the main question is : "What were these propelling directing values which made these top notch, professionally skilled individuals in that respective sphere, do things which do not go with the normal expectation of the society ?"

Professor Chakraborty calls these values as disvalues for example, 'Jealousy' Aswathama was jealous of Arjun which guided the persistent demand made by him to his father Guru Dronacharya for being given the ultimate weapon the Brahmastra. Similarly, in all other examples cited above, one or the other disvalues, or a combination of them would be found when we unwrap those events; Vanity, selfishness and overpowering greed, envy and impatience.

The other set of values is called human-values and are responsible for propelling behaviour as per the expectation of the society, e.g. gratitude, humbleness, contentment, sincerity, forbearance. Incidentally, these are set of values which make a human being a better human being. In fact, these are the values which determine the ‘goodness’ in human being.

The Role of Values in Guiding our Behaviour:

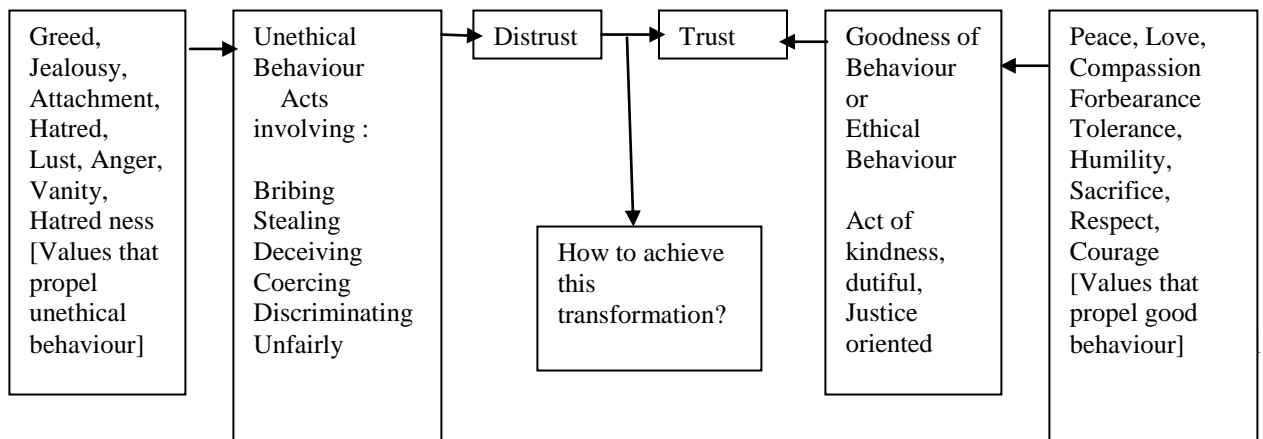
We have mentioned in part I of our paper about virtue- driven & vice-driven values. These values propel tendencies which control our emotions which in turn direct our intellect to engage in certain behaviour (Human action). Human tendencies (vrittis) are categorized as either belonging to mind or to heart. All tendencies of Mind (Buddhi Vrittis) are concerned with the intellect of a person. All tendencies of the Heart (Heridaya Vrittis) are concerned with feeling or emotions (combination of human values and dis-values).

As one undertakes a serious job of internalizing the virtue driven values and neutralizing the vice driven values, the mind gains greater strength and power day by day. One can take time for judgment in specific situation for a cause greater than own interest. The mind itself then becomes one’s own teacher (Guru).

Unless our emotions, our hearts are adequately cultured, it will not be easy for us to internalize human values and to drive- away anti-values. The result will be that the intellect will play havoc and the seams & scandals will be at the rise. From the perspective of a firm, ethical behaviour (those which are impelled by human values) is closely associated with trust, i.e. in order to develop trust, the behaviour must be ethical i.e. the absence of the acts involving bribery, coercion, deception, stealing, and discriminating unfairly; Trust is very important in business relationships and is considered as indicator of ethical practices which are practiced by the members of an organization.

Thus, the ethical behaviour and the trust are synonym of each other. And the ethical behaviour can be displayed only if we are able to keep disvalues at bay by our reason and intellect. In other words: our thinking and action must be impelled by human values (virtue driven values as mentioned in Part I of our paper). The problem of bridging the gap i.e. from the climate full of distrust to an environment where trust prevails can be described in the following model.

MODEL DEPICTING TRUST Vs DISTRUST BEHAVIOUR



PART III

Proposed Strategy For Transforming The Environment Of Distrust Which Dominantly Prevails In Many Countries Of The World Into An Environment Where In People Coexist Peacefully With Prevalence Of Trust.

In the model described in Part II of this paper we have seen that the behaviour which are impelled by virtue driven values (human -values) signifies ‘goodness’ while vice-driven values impel behaviour which involve one or more acts of bribery, stealing, coercing, deceiving, and discriminating unfairly and this, in turn, gives rise to creation of distrust.

We should also appreciate the fact that intellect enables a person to perceive the surrounding environment in order to define the problems and to conceive the situations confronted by him / her.

Drawing inferences pertaining to various course of action and to choose a particular course of action however, is a joint function of one’s intellect (skills) and emotions (values). The intellect can be blunt or sharp, the feelings i.e., emotions can be pure or impure. There is no connection between intellect and values. This means that one’s intellect does not determine his/ her emotions and vica-versa. The intellect is determined by the DNA of person and develops till one enters into adulthood while the emotions or values can be learned and practised throughout one’s life.

The whole society can be described as consisting of people who can be broadly put into four matrix squares which represent four different ways in which the intellect and emotions may combine in a person.

		Intellect (Reason)/ Skill.	
		SHARP	BLUNT
Emotions (Values)	PURE	A	B
	IMPURE	D	C

Matrix Square A : This square represents people who are pure at heart capable of leading or serving an organization well by ethical means. They prefer to set ethical goals and to use ethical means for achieving these goals. These persons are capable of contributing positively in the development, growth and maintenance of ethical society.

Matrix Square B : People belonging to this square are not so intelligent but their bringing up in family and by religion, and other related institutions and organizations including education & training have been such that their

thinking and actions will be impelled by human values. (pure emotions). Such people can be trusted for carrying out operations required for achieving the goals of organizations and for realizing their missions. They on their own can not set goals and decide the course of action. Such people will find it most uncomfortable if they are asked to do something which their values system does not permit.

Matrix Square C : People belonging to this category are unfortunately not very intelligent and have been brought-up in such a way and by such institutions and organizations and under such circumstances that their thinking and actions are dominantly driven and impelled by dis-values or anti-human values. Such people can be easily motivated to indulge in unethical acts of bribing, coercing, stealing, deceiving and discriminating, unfairly, even for petty gains. These persons can easily be tapped by clever (not wise) people for fulfilling their unethical ends.

Matrix Square D : People belonging to this square are highly intelligent persons possessing sharper skills with impure emotions. These are people who often tend to use vice-driven values in their thinking and action for achieving short- term and long-term goals. As these persons are highly intelligent, their deeds and the consequences thereof remain unknown to the persons of the organization or to other stakeholders or to society at large. Only in some cases, their deeds make headlines in the news-papers as scandals & scams which affect different stakeholders with varying degrees of adversity. They are often top ranking people in government and business organizations and are highly motivated.

The task of transforming the society into ethical society is conceptually equivalent to converting people of matrix square C & D into B & A respectively. This movement is possible as emotional intelligence can be learned by education, training and practice while intelligence is determined by birth and can be considered as in-born qualities.

The Government and Business must work together in this task of transformation. The children of a country must be put to undergo through a system of education wherein one compulsory course is introduced in all the classes from standard 4th to standard 12th which are directed towards values and character-development. This is possible by designing and implementing these courses at the primary, secondary and higher secondary schools. The Government, therefore, must evolve a policy and direct all the schools to implement these courses.

The teachers who are assigned the teaching of these courses must be persons with high character and also possessing high moral values so as to imprint these values in the children whom they teach. Many of the inspirations are energized by observation than by listening in the classrooms. This effort on the part of the government in developing and implementing policies aimed at imparting value based education in schools and the role of Principals and Teachers in creating a climate through proper feed-back and control in a way that students learn these subject through- out their school career will be very important. This will result in the development of thinking system in these students which will be driven by human vales as mentioned in part I of our presentation. Thus, these students will

form the part of the population belonging to quadrants (Matrix Square) A & B depending upon their intelligence (reason).

The second set of important steps which are required to be undertaken by the business and other organizations and institutions of a society must be aimed at creating an environment wherein people are motivated and encouraged to work and act according to ethical code of conduct. This can be achieved if every organization seriously undertakes the job of developing ethical codes of conduct and asking the members to observe these codes without fail. This may be done by forming an ethical-practices committee with an executive responsible for the implementation of policies aimed at creating ethical environment in a given organization. The executive (ethical practices) must be given the responsibility of conducting the meeting of the ethical practices committee wherein all decisions taken by different departments and executives must be examined for its ethicality so that ethical anomalies can be removed and corrective measures may be taken well in time.

The Executive (Ethical Practices) must also conduct Development Programmes (with the help of outside experts) for different levels of executives and operating personnel which are aimed at enlarging their knowledge base in the area of business ethics. This effort on the part of business & other organizations will help persons belonging to Matrix Square C & D move into Matrix Square A & B.

Further, the Executive (Ethical Practices) can also undertake research projects with the help of Universities & Colleges which may be aimed at delineating the factors which are responsible for the distrust which may be existing in the relationship between business and different stakeholders like investors, employees, vendors, customers, government and society at large. For example, researches may be aimed at improving the relations between business & government so that the outcome of the research may be used in restoring trust in their relationship.

A particular and specific research project to restore the trust in business-government relationship may aim in fulfilling the following objectives:

- (1) To know the nature of Business Government Relationship.
- (2) To explore the nature of surveillance the Government Agencies have over the business operations.
- (3) To identify important factors which cause the atmosphere of distrust between business & government
- (4) To identify the measures currently undertaken by: the government agencies and the business for either reducing the level of distrust or for eliminating the same so that the trust prevails in their relationship, and
- (5) To find the frequency and the extent of unethical acts engaged in by people in Business & Government which create feeling of distrust in business-government relationship.

Similarly, researches may be undertaken for studying other relations like business-investor; business-employees, business-customers, business-vendors and so on so forth.

With the measures suggested above it is hoped that in the long run, say after 10 to 15 years the whole society will be transformed in to an ethical society wherein the peace will prevail and trust will dominate in different relationships.

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