

Gender-related differences in Social and Ethical Values of Management employees: Implications for Talent Management in 21st century

Akanksha Chaudhary

PhD Research Scholar

IMSAR, MDU

The ethical and social values found in men and women are different at every possible state of their application in practical life. However this study aims to find exactly that i.e. the gender related difference on two variables i.e. social and ethical values and its implications for talent management in Business Management.

Ethical Values have been deeply embedded in Indian Philosophy from days primordial as the origin of Ethics in Indian Philosophy is considered to be divine. Work is often worship and a customer is treated like a God. According to Bhagwad Gita, a manager must develop *Janana Chakshu*, the third eye of wisdom, insight and foresight. Kautilya, who is called as the first management guru, defined in his *Arthashastra* that *Ethical Values as imperative for paving the way to heaven but also similarly essential for maintaining prosperity on earth by having intrinsic as well as instrumental values.*

The word ethics has been taken up from the Greek word 'Ethikos' which means conduct, habit or custom and thus it is best understood as science of morality. In other words, ethics is moral philosophy dealing with moral conduct, habit, rules or principles. (1)

Often the two terms; Morals and Ethics are synonymously used, however morals is only a sub-set of ethics as morals are nothing but set of motivation principles based on your 'sense' of right and wrong while Ethics define those precise 'rules' of right and wrong. Although the terms values, morals and ethics are all behavioural terms yet values are different from morals and ethics. Values differ at different levels like social, personal and political etc.

A classic definition of "value" from Milton Rokeach (1973): "A conviction or firm belief in time that a certain way of behaving or an end-state of existence is personal or socially preferable to the opposite mode of behaviour or opposite end-of state existence". (2)

Maslow, who is also known as the father of American Humanism defined values by analysing the personal and humanistic side of psychology and thus developed self-actualization and development as needs of a human being.

Also according to S.K. Chakraborty, Values can mean both 'end-state values' as well as 'values-as-means'. Therefore Values as means serve the process of becoming in the sense of transformation of the level of consciousness to purer, higher levels.(3)

Principles of Ethics

There are four broad principles of Ethics, namely:

- Ego-based Principle
- Rule-based Principle
- End-based Principle

- Care-based Principle

Ego-based Principle believes that human actions are basically selfish and ego-centric while Rule-based principle talks about ethical action being based on certain rules of ethics. End-based principle enumerates that actions should only be taken considering their end results which should be positive. While Care-based principle has been reserved as the golden rule in ethics as the actions are rather based on care and sensitivity of an individual.

Ethics in Business Management

Business Ethics has off lately gained a significant level of importance as modern day organization are fast picking up words of wisdom, some of the key business principles and strategies from ancient vedic texts like Bhagvad Gita and Arthashastra.

According to *Carter McNamara* has defined: "Business ethics is generally coming to know what is right or wrong in the work place and doing what is right- this is in regard to effects of products/services and in relationship with stakeholders."

Thus Business Ethics can be defined as sum-total of rules and principles which can be taken as the standard norms to evaluate and direct business activities. Also *Mark Putnam*, a business ethics advisor and president of *Global Ethics University/Character Training Institute*, says business ethics are the daily choices employees make at work, regardless of their position with the company. Ethics are the right thing to do, the "adult" way to behave, but they are also essential for a business to succeed.

Two Broad Areas of Ethics in relation to Business

1. **Managerial mischief:** includes "illegal, unethical, or questionable practices of individual managers or organizations, as well as the causes of such behaviours and remedies to eradicate them." There has been a great deal written about managerial mischief, leading many to believe that business ethics is merely a matter of preaching the basics of what is right and wrong. More often, though, business ethics is a matter of dealing with dilemmas that have no clear indication of what is right or wrong.

2. **Moral mazes:** The other broad area of business ethics is "moral mazes of management" and includes the numerous ethical problems that managers must deal with on a daily basis, such as potential conflicts of interest, wrongful use of resources, mismanagement of contracts and agreements. (4)

Social Values in Indian Culture

The first and foremost social value present in Indian culture is that the *individual must be respected* not just because of his or her individuality but because of the transcendent, the divine enshrined in him or her. So an individual's social stratus does not really matter on the basis of hm being poor, rich or bad.

Among the other several values that are present includes co-operation and trust, lack of jealousy to preserve mental health, Chitta Shuddhi or Purification of mind with encompassing values like kindness, compassion, gratitude, and humility etc, providing top quality product to the customer, work is worship, customer satisfaction, ethico-moral soundness, creativity, renunciation and detachment and inspiration to give.

Role of Social and ethical values in Talent Management

In today's world of ever growing demand for competitive and well fitted employees, its ever so important to be able to find employees that fit in and can relate to value system that an organization believes and practices. Mere mission statement of a firm matters little as its important to understand the business ethics employed in carrying out business activities first for maintaining longer association with the firm. That's why most of the corporate firms these days combine the company values in to their mission statement and also in to their day to day activities, like hiring, performance review and talent management.

Nan DeMars says 'We're like fishes in a bowl. Everyone is watching what corporations and employees are doing and ethics has an important role to play.' (5) Therefore incorporating ethics and social values in the company helps in recruiting those individuals whose values align with company values. It also helps in building a robust talent management strategy as the company

can award those employees who made ethical decisions and followed the company values. Talent management when aligned with social and ethical values of an organization, it helps build and protect the global reputation of that organization.

Seven Keys to Effective Talent Management

- Develop an integrated, proactive talent management strategy: View "employer of choice" status as an outcome of coherent corporate culture rather than ad-hoc programs.
- Balance grassroots involvement in talent attraction and retention with management accountability.
- Know the company's business environment and plans—the competitive climate: Know plans for growth, merger, divestiture, new products or technologies and project their impact on immediate and longer-term talent needs.
- Know what factors contribute to difficulties in attraction and retention: Base initiatives on the real concerns of employees. Raw numbers on turnover can show where retention problems are but not what they are.
- Keep various retention factors in balance, especially the mix of compensation and nonfinancial motivators.
- Track turnover: Know its costs and where they are the greatest and convey them to management to support the business case for retention.
- Market the company and its brand to current employees as vigorously as to the outside talent pool. (6)

In order for HR leaders to link strategy to successful outcomes, they will need to focus their efforts on building highly collaborative and efficient work environments, promoting a global mind-set based on relevant socially displayed behaviour and ethics and delivering products and services that enrich business value to customers, investors and employees alike.(7)

Implications on Talent Management

Empirical research on business ethics began thirty five ago, triggered by rising scandals in business corporations, with Baumhart (1961, 1968) publishing a descriptive study on the ethical behaviour of managers.

During the last two decades, phenomenal growth in the globalization of business and a corresponding increase in ethical conflicts faced by multinational firms such as Nestle (infant food formula controversy), Lockheed (problem of bribery), Union Carbide (Bhopal tragedy), Mitsubishi (sexual harassment), Ford-Bridgestone/Firestone (tire crisis), Royal Dutch Shell (environmental controversy), Nike (sweatshop conditions in Southeast Asia), Enron, ImClone, Adelphia, Tyco, Qwest, Global Crossing, and WorldCom (accounting irregularities and fraud), Johnson and Johnson (falsification of data to cover lapses in the manufacture of Eprex) and McDonald's (exploitation of workers and human health) have spurred research interest in international business ethics, particularly on the influence that culture has on the ethical attitudes and conduct of business managers.

Values form the core of culture (**Hofstede, 1970**). They are enduring beliefs about important goals in life, which serve as guiding principles in people's lives (*Rokeach, 1973; Schwartz, 1994*). They serve as criteria for determining what is good and bad, for choosing between available alternatives. Though values may change in response to major changes in technology, economy and politics, they are fairly stable (*Schwartz, 1992*). People from different societies (cultures) may hold different values with varying degrees of intensity (relevance) and direction (*Hofstede, 1980*). Each culture has its own value system, i.e., hierarchical ordering of values in terms of their importance

Milton Rokeach (1973) A classic definition of "value" from: "A conviction or firm belief in time that a certain way of behaving or an end-state of existence is personal or socially preferable to the opposite mode of behaviour or opposite end-of state existence".

Maslow (1991) also defined values, and tried to analyse the humanistic and personal side of psychology, which lead him to develop the so-called needs of a human being, self-actualization and development. These needs are fulfilled by taking into consideration a series of values which he summarised into eight: realism, acceptance, spontaneity, intimacy, independence, optimism, humility and creativity.

There are two scientific perspectives addressing the reasons for gender differences:- *Biological determinism* and *differential socialization* (*Kimmel, 2000*). According to the first perspective, gender differences are a result of biological differences between men and women, such as differences in brain and some hormones. The second perspective rejects that innate biological differences between men and women may lead to gender differences in attitudes, values, psychological characteristics, and behaviours, and posits that the latter are due to differential socialization of boys and girls. In area of Management and gender, there is a lack of specific theoretical framework for understanding gender differences (*Fischer et al., 1993*). Several theoretical perspectives help to explain the existence of differences between male and female entrepreneurs and their ventures.

Vorhauser-Smith said "Although the Indian workplace has similarities to those of western nations, its unique cultural characteristics can make it challenging for multinational companies to fully leverage the country's dynamic talent pool.

Journal of Business Ethics (2010): Based on survey responses from more than 6300 business students attending 120 colleges and universities in 36 countries.

Two well-documented determinants of business ethics (gender and religiosity) were investigated as moderators of the nationality–business ethicality relationship. The major research finding is that, while statistically significant differences were found between the business-related ethicality of American survey participants and the business-related ethicality of the non-American survey participants, the magnitudes of the differences were not substantial. The results of the study suggest that (i) more empirical cross-cultural/national research is required on business-related ethicality and (ii) previous explanations for cross-cultural/national differences in ethics need to be reconsidered before further generalizations are warranted.

The Chartered Institute of Management Accountants (CIMA) and the American Institute of CPAs (AICPA) concluded the study which was started late 2011, titled “*Managing Responsible Business*”, surveyed almost 2,000 Chartered Global Management Accountants (CGMA) in nearly 80 countries. The key finding was that while 80 per cent of organisations provided a code of ethics to guide employees about ethical standards in their work, few took care to ensure that the guidelines were implemented.” The report found that in many companies, the ethics pitch from the top was enfeebled and that put all the pressure on professionals lower down especially in emerging economies, to act unethically. While 84% of the people surveyed in India felt that their organisation provided a detailed code of ethics to guide staff, 51% of them said they felt pressurised from their peers or supervisors to compromise on ethical business conduct.

The culture of an organisation is set by the tone at the top, noted the study, be it senior management, or branch managers, or team leaders. Doing business ethically is not just something which is handled by someone in compliance or legal, it should be part of the way everybody works within an organisation. The study added that however, it was heartening to see that a significant majority of management accountants who responded to the survey recognised that their role contributes to managing ethical performance.

A Cross-Cultural Comparison of Ethical Attitudes of Business Managers: India, Korea and the United States used primary data collected from 345 business manager participants of Executive MBA programs in selected business schools in India, Korea and the United States using Hofstede’s Value Survey Module (94) and an instrument designed by the researchers to measure respondents’ ethical attitudes (attitudes toward business ethics in general and toward twelve common questionable practices in particular). Results indicate that national culture has a strong influence on business managers’ ethical attitudes. In addition to national culture, respondents’ general attitudes toward business ethics are related to their personal integrity; their attitudes toward questionable business practices are related to the external environment and gender, as well as to their personal integrity.

References

- B.N. Ghosh, Business Ethics and Corporate Governance(2012), Mc Graw Hill, Pg-4
- Rockeach, M. (1973), The nature of Human Values, New York, MacMillan.
- S.K. Chakraborty, (2009)The Management and Ethics Omnibus,New York, Oxford
- Abid Ullah Jan, Trainers’ Retreat 2001, VALUES IN TRAINING FOR CITIZEN SECTOR ORGANISATIONS

- Nan DeMars, 2011, You've Got to be Kidding – How to Keep Your Job Without Losing Your Integrity, Wiley
- Dell, D., & Hickey, J. (2002). Sustaining the talent quest. New York: The Conference Board.
- 2011 Global HR Barometer Research Report

Bibliography

- Jain, Arun Kumar, 1997, Relevance of Business Ethics, All India Management Association, India.
- Sen, Sanat Kumar, Indian Philosophy and Social Ethics, Journal of the Indian Academy of Philosophy, 6(1/2), (1967), 63-74
- Maslow, A.H. (1991), Motivation and Personality, Ed. Díaz de Santos S.A. Madrid.
- Rockeach, M. (1973), The nature of Human Values, New York, MacMillan.
- Harris H. (2008), Promoting ethical reflection in teaching of business ethics, Business Ethics: A European Review, 17 (4), 379-390
- Stead, B.A.; Worrell, D.L. and Stead, J.G. (1990), An integrative descriptive model for understanding and managing ethical behavior in business organisations, Journal of Business Ethics, 9: 233-242.
- Smith, P.L. and Oakley, E.F. (1997), Gender –related differences in ethical and social values of business students: implications for management. Journal of Business Ethics, 16: 37-45
- De Cremer, D. and Van Lange, P.A.M.(2001), Why pro-socials exhibit greater cooperation than pro-selfs: the roles of social responsibility and reciprocity, European Journal of Personality, 15, S5-S18
- De Cremer, and Van Vugt, M.(1999); 'Social identification effects in social dilemmas: a transformation of motives', European Journal of Social Psychology, 29, 871-93.