

# P R A Y A T H N A

A CSR NEWSLETTER



# Ethics

in Business

STRENGTHENING YOUR INTEGRITY IN A GREEDY WORLD

# Editorial Board

## Faculty Coordinator

Prof Lakshmi Iyer

## Student Coordinators

Mallika Dey

Arun M

## Creative and Design Work

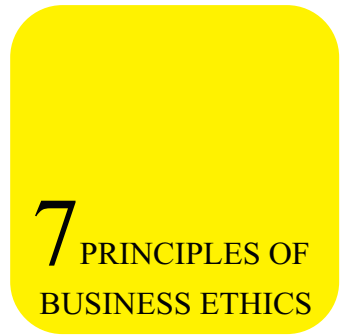
Rahul Singh Choudhary

Today's widely growing Indian marketplace is getting more and more capitalist in nature - and people love it. Now, there are more brands to choose from, more items to buy, more services present and all this in a growing era of science and IT. But in the midst of all this profit driven, high intensity rat race towards becoming the market leader, how much real value are we adding to our lives - both as a customer and as a provider. Does morality and ideals have a part to play in the money making world. That 's the central subject of this issue of our magazine with the theme - "ETHICS IN BUSINESS??"

As students of the corporate world, it is of utmost importance for us that we learn the importance of environmental responsibility and a feeling of societal belong ing along with the required com petitive skills. And PRAYATHNA - the CSR magazine of CUIM, Kengeri has always emphasized on this. We have a range of thoughts and ideas from our students and faculty on the concept of ethics and business. It's all about playing it fair, in the right manner so that there is a brighter tomorrow.

Also check out the events and activities conducted by the CSR team of our campus on promoting the cause of a clean environment and a healthier world.

Happy Reading!!



Generations have proved that life without trust, faith, respect and transparency is ought to break into brittles. Same is the relationship among business and their stakeholders. It's never by hook or by crook it in fact has become more cut throat- survival circle. It's for the benefit of the business after all to maintain ethical ways of conduct for sustainability. Business ethics means that the business should be conducted according to certain self recognized moral standards. Few unethical elements in the present day business are cheating, stealing, lying, bribing, corrupting etc.

In the past primary objective of a business was profit maximization but the present perspectives on business objective is not maximization. It is profit maximization in long run besides fulfilling the ethics in the business. A business is regarded as social institution forming integral part of social systems.

Because any type of social system is influenced by

- 1. The way the business functions
- 2. The organization of the business
- 3. Innovations
- 4. Transmission and diffusion of information.
- 5. New ideas etc.

They have either direct or indirect effect on the society. Good business ethics should be a part of every business. There are many factors to consider. When a company does business with another that is considered unethical, does this make the first company unethical by association?

Some people would say yes, the first business has a responsibility and it is now a link in the chain of unethical businesses. Many global businesses, including most of the major brands that the public use, can be seen not to think too highly of good business ethics. Many major brands have been fined millions for breaking ethical business laws. Money is the major deciding factor. The problem is that the amount of money these companies are making outweighs the fines applied. Billion dollar profits blind the companies to their lack of ethics, and the dollar sign wins. In the end, it may be up to the public to make sure that a company adheres to correct ethics. If the company is making large amounts of money, they may not wish to pay too close attention to their ethical behavior. There are many companies that pride themselves in their correct ethics, but in this competitive world, they are becoming very few and far between.

Annette Brookes Mary  
I MBA D

In today's ultra progressive and high paced life with modern complexities where achieving the desired objectives in the shortest span of time and minimum effort possible, irrespective of the ways and means followed, more specifically the business world interlaced with rising cost, labor problems and cut throat problems, ethics appears to have lost its relevance. The times when ethics were a part of moral values imbibed in children so that on growing these children form part of the society with strong culture and high moral standards are a matter of past and in the business world of today "deliver" or "achieved" with or without "ethics" are the central theme of materialistic world.

How do we define it?? Is it following the truth, right and the straight path, the path of honesty and integrity in a set system or is it a path whereby you can benefit many including our self but with minor deviations to the so prescribed procedures in the course of delivery. Did lord Krishna not say in our Gita "that dishonesty if it benefits others is not bad and hence permissible". So where do we stand? Do we embrace ethics and lose in the race? But then will I be able to deliver to the clients, pay my employees and still be able to achieve my goal when every next competitor is out to see me go down the black hole of failures and bankruptcy and of course he may not think twice to go ahead in the race whatever be the means and see me obliterated from the phase of business book. A answer is difficult and will depend on ones circumstances, priorities, prevalent social norms and many other factors and above all is consciousness. One has to take a call on this and decide and go ahead with his attitude towards life, career and everything relevant but of course if "ethics" where a norm in today's business world, it would be a different world altogether.

Shipra Varshney  
I MBA C

Ethics in business can be demonstrated by citing Nike's Thai suppliers. "Three or four employees were trying to unionize the workforce; the factory manager insisted the other employees didn't want the organizers there and that their intentions weren't good. They were dismissed.

Nike sat out of the ensuing legal battle for reinstatement, preferring to let local authorities handle the situation. Nike did, however, persuade the supplier not to appeal if the court ruled in favor of reinstatement, which it did. "Now there are two unions in that factory, and the worker at the center of the debate was promoted for his leadership abilities.

Nike was criticized for not getting involved, but it knew that the rest of the world doesn't always view things the way the United States does, and that the greatest progress can be made by educating rather than dictating.

## **Collaborate**

Nike takes foreign timeframes and differing cultural norms into account by working with suppliers and their employees, other buyers and non-governmental organizations to design CSR endeavors. Nike helps them define the project goals, implementation and accountability components.

One of the first steps in crafting a successful CSR plan is defining what "good" looks like, Morris says. Key elements are designing upstream business processes that support good working conditions and efficient product flow. It's also important to clearly define the rules and hold Nike employees accountable for compliance with Nike's principles. This includes supporting sustainable business practices, encouraging suppliers to invest in worker training and by sharing best practices and the results other Nike suppliers have seen when they implemented some of those practices in their own facilities. Nike also employs suppliers' human resources department as a strategic partner.

It's vital, Lee says, to view these efforts from the suppliers' perspective. "What's in it for them?" he asks. While buyers need to be accountable for the performance of the extended supply chain (which includes the suppliers' suppliers), Rochlin explains, they must understand the situations within their supply chain, the cost of compliance and, most importantly, how that cost will translate into long-term benefits. That's where collaborative leadership can be an advantage.

Nike is definitely engaged in dialog and collaboration with its suppliers, van Heerden says. For example, Nike's Vietnamese suppliers are developing and sharing their own best practices, as well as information gained from Nike's Vietnamese training center, Morris says. With Nike's help, they've established a corporate responsibility committee that shares best practices among themselves. "We seeded it. They own it," Morris says. "We're building trust with our suppliers there.

They are seeing there are no repercussions for sharing that the buyer is part of the problem." So, if a Nike process creates a problem for a supplier, it's okay to talk to Nike about that problem and its ramifications. Then, the two may work together to find a mutually acceptable solution.

Additionally, Nike is collaborating with the International Labor Organization's Factory Improvement Program in Vietnam to improve communication between management and trade unions. In China, it's working with the Xiaochen Hotline Program to provide training on China's labor laws and to improve Nike's own worker grievance program and worker access to the hotline.

It's important to note that collaboration only works when the parties all maintain their independence, van Heerden points out. Nike is a member of the Fair Labor Association (FLA) and other NGOs, but it and other corporate members are forbidden to provide funding. Membership criteria for the FLA require corporations to provide a list of all their suppliers, let third parties visit and audit those suppliers and to accept transparency. The FLA audits about five percent of Nike's supply chain each year, conducting secret, unannounced audits and publishes the results.

Nike is on the FLA board, van Heerden notes, so questions sometimes arise regarding whether FLA is afraid to penalize a board member. "Look at our results," he challenges. FLA has reported violations regarding freedom of association, sexual harassment and other issues among Nike's suppliers.

Nike takes these issues seriously. As the first world countries become increasingly aware of working conditions throughout the world, corporate social responsibility has become increasingly important —to publicity and to the bottom line. Nike has become a business ambassador, teaching suppliers that regardless of their location or local operating environment it makes good business sense to treat their workers fairly. Suppliers, for their part, increasingly understand that the benefits of ethical practices can enhance their own bottom lines, through expanded markets, better quality, more business and increased revenues. Increased innovation through freedom of association, plus a more prosperous workforce and a more robust local economy are icing on the cake. By working with its suppliers rather than dictating to them, Nike really is changing the world, one factory at a time.

Ashutosh Kumar Gupta  
I MBA A



**ASPIRING GREEN FUTURE**

2 0 1 1

As Christ University always strives for spreading environmental awareness and moral integrity among people, this year we decided to put CSR as the main message behind Chrizellenz – the management fest of Kengeri campus. With the theme of "ASPIRING GREEN FUTURE", we welcomed a group of students from nearly 40 B-schools to come and participate in various events and enjoy the occasion. The parks, groves and buildings of our lush green campus was decorated with charts, cut-outs and models depicting the artistry of nature and how man is plundering it. There were life size designs of animals and trees set up at different places. A giant snake and a group of spiders in their webs made from paper and ropes welcomed our guests to the main stage area. A symbolic graveyard was made indicating the grim future that is to come if we don't mend our ways; and there was also a realistic volcano prototype fuming away in all its glory. The run up to the fest began with a street play organised to show the ill effects of plastic in our cities. The events were conducted across two days and included a quiz on the green factor in business and an exclusive event focussing on Corporate Social Responsibility.

**IF FUTURE CAN BE SEEN  
LET'S MAKE IT GREEN**



**DO WE REALLY WANT TO WAIT FOR THIS?  
PLANT TREES. GO GREEN.**

CHRIZELLENZ 2011

Today's challenge to business leadership is ensuring profitability while doing the right thing using environmentally sustainable methods. It is possible for business leaders to make money, engage in ethical leadership, and participate in preserving the environment for future generations. It is possible to fit these ideas together, but it is not an easy task. Business people are now held accountable for their own actions, as more and more people are now demanding that they meet their social duty not just for their country but most especially to their customers, which are considered as their life and blood. An unsatisfied customer can definitely hurt any company, something that no one would want to happen.

*"If your business model relies upon customers not understanding your business model, your business model is not an ethical one".- Chris MacDonald*

Businesses can and often do stand for something more than profitability. Many companies stand for creating value for customers, employees, and shareholders. Business leaders can no longer afford the ethical missteps that led to the epidemic of scandals in the last decade. SATYAM, 2G SCAM to name a few. To leave a liveable world for future generations, business leaders also must pay attention to environmental matters. Yet most of the methods, concepts, ideas, theories, and techniques used in business do not put business, ethics, and the environment together. Neither ethics nor regard for natural systems is typically central to the way we think about business. More companies are proving it is possible to make money and actively help to slow the degradation of the planet for future generations. Within these companies, the push for change comes from the top—it's all about leadership.

7 Principles of Admirable Business Ethics:

**Be Trustful:** Recognize customers want to do business with a company they can trust; when trust is at the core of a company, it's easy to recognize. Trust defined, is assured reliance on the character, ability, strength, and truth of a business.

**Keep An Open Mind:** For continuous improvement of a company, the leader of an organization must be open to new ideas. Ask for opinions and feedback from both customers and team members and your company will continue to grow.

**Meet Obligations:** Regardless of the circumstances, do everything in your power to gain the trust of past customers and clients, particularly if something has gone awry. Reclaim any lost business by honouring all commitments and obligations.

**Have Clear Documents:** Re-evaluate all print materials including small business advertising, brochures, and other business documents making sure they are clear, precise and professional. Most important, make sure they do not misrepresent or misinterpret.

**Become Community Involved:** Remain involved in community-related issues and activities, thereby demonstrating that your business is a responsible community contributor. In other words, stay involved.

**Maintain Accounting Control:** Take a hands-on approach to accounting and record keeping, not only as a means of gaining a better feel for the progress of your company, but as a resource for any "questionable" activities. Gaining control of accounting and record keeping allows you to end any dubious activities promptly.

**Be Respectful:** Treat others with the utmost of respect. Regardless of differences, positions, titles, ages, or other types of distinctions, always treat others with professional respect and courtesy.

A company is known for the legacy they leave behind and the society taking the central stage, corporations cannot neglect the responsibilities towards the societies thus CSR. According to Carrol (1979) for a CSR model to be accepted in an organisation, it should be framed in a way that it is embedded with the whole range of business responsibilities, he suggests that four kinds of social responsibilities constitute to the complete implementation of CSR. In this article I would concentrate on the ethical social responsibilities of businesses in INDIA

*“What we are today, we owe to future generations”*

According to me ethics in business consists of doing the right things so that the next generation or the next set of occupants of the earth enjoy the same environment as we do, i.e. leaving the environment out of the contamination which can be or is already caused by the greed we possess for profits or fuel or the thirst for technology, and obsolescence of the older hardware (which are being disposed at the wrong places). A situation will arise when there will be all kinds of waste over the land (like in the movie WALL-E), scorched/ flooded earth's surface, deformed /diseased babies playing the parks/learning at the schools. So what is causing all this misery, is it the chemicals that are released into the environment by the chemical based companies or the e-waste by the obsolete technology or the improper disposal of waste or the plastic solid waste that chokes the animals.

According to a survey conducted by Greenpeace entitled “Dirty Laundry” gives a profile of the toxic water pollution caused by the release of hazardous chemicals like NOYLPHENOL ETHOXYLATES (NPEs) (found to have hormone disrupting characteristics pose to have a serious implications to both the ecosystem and human health) by the textile industry of CHINA. On a broader perspective it may turn out that many of the brands have no means of measuring the toxic that is being released into the environment. Another example in the Indian context would be Tirupur textile wet processing industries (dyeing and bleaching industries). There are about 700 textile industries which have been releasing their salt based effluents into the nearby Noyyal River causing damages to the farmers of the Noyyal river base.

So what kind of CSR should SMEs follow, is CSR only related to large organisations, or is it that micro scale organisations are causing huge loss in the ecology. The conglomeration of small units becomes a large unit. There should be strict caps on the amount of effluents micro scale companies release into the environment. Unlike the large organisations SMEs consists of smaller companies which are struggling to survive and would go any extent to make profits and move up the value chain. These are the organisation that should be imposed with or educated with the ethics that can be/has to be followed with respect to environment we live in.

From the report submitted by Mr. Anil Revenkar in Study of CSR practices in small and medium scale Industries in Pune, even though the CEO's of many SMEs were involved in many philanthropic activities, there were very few who followed the ethical code of conduct or even give my priority to implementation of CSR in the organisation.

Although not another SME, the case of **TIMBERLAND** which is a clothing brand clearly shows the company derives its benefits from social innovation and community service activities. Environment management has been the starting point, stage and also the leather processing is associated with substantial upstream carbon emissions and downstream water and air pollution.



Our very own campus, CUIM Kengeri, organized a Blood Donation Camp on 1<sup>st</sup> December 2011 in collaboration with Indian Red Cross Society. Keeping up with the tradition of bringing changes in the society, the main aim of this Camp was to utilize the opportunity to donate blood and help thousands of other people who are really in need. Every student who donated was provided with a Certificate for Donating Blood. Around 100 students took part in this event and made this one of the most successful CSR event.

## CSR Street play

The Best time to plant a tree was twenty years ago.

The second best time is now.

GO GREEN INDIA! GO GREEN!!

At Christ University, we emphasize a lot on Corporate Social Responsibility, and to promote this concept, the students of Christ University Institute of Management (CUIM), Kengeri campus conducted a street play on the theme “REDUCING THE USAGE OF PLASTICS AND SAVING THE ENVIRONMENT”. It was performed at two places – GOPALAN ARCADE MALL and GOPALAN INNOVATION MALL and showed how usage of plastics affect the health of children with diseases like asthma and what are the consequences of cutting trees as "Civil ization is a limitless multiplication of unnecessary necessities." . The students had put a great show and we had received overwhelming response by the crowd and some of them even turned up to us later, saying that this play had helped them in reducing the usage of plastics.

## CSR Street Play



## “BANDHAN” Village Visit

Far from the busy life of the city, we got the chance to interact with the people of **Jodipura and Toranhalli** – two remote villages in Karnataka. The occasion was “**BANDHAN**”- the village visit program of our campus. The trip was of great learning for us about the life of the people living there. Also the effort put in by them to come out from the poverty-stricken condition they are forced to live in. We discussed on the issues of health, hygiene and poverty. The facilities provided by the government are just enough to live but not smoothly. The village is deprived of even basic medical facilities.

Centre for Social Action(CSA) started a Self Help Group in which they collected money from the members, and gave loans to those villagers in need with an interest rate of only 2% monthly. This visit has brought a transitional change in us.



"The differently abled are not DISABLED, they are ESPECIALLY abled"

## Never-The-Less

On a cool Friday morning, around 30 -40 odd MBA students from CUIM, Kengeri campus arrived at the main campus at 10am, with beaming faces, volunteering for the esteemed Never-The-Less campaign awareness towards a better future and an inclusive society for the differently abled.

Our esteemed guests' list included **Mr. Harsh Gupta IAS** ( Director Sarva Shiksha Abhiyan), **Ms. M V Savitri** ( Director, State Dept for the Empowerment of Differently Abled & Senior Citizens), **Mr. Ashwin Mahesh** ( Adviser to the Office of the Chief Minister), Padmashree Dr. Malathi Holla, Mr. G.G . Hegde (HRD manager, BMTC), others. Personally speaking, my most breathtaking moment of the day was the way a group of specially abled kids "sung" the national anthem. The silent (yet beautiful and more colorfully vibrant) national anthem. They invoked in us a sense of patriotism with their silence, which the usual national anthem could never achieve. The pride and confidence with which they carried themselves made us realize that they were a million times stronger than the most abled of us humans.

It was indeed a huge take-away for all of us by the end of the day.

# Gallery



In this modern world there are few life changing opportunities that we encounter along the way. On a sunny Saturday afternoon around 1:30 pm, a group of 50 CSR volunteers, students from CUIM, Kengeri started a new adventure headed by Prof. Lakshmi Iyer. We were headed towards the new recycling unit setup at Main Campus, Koramangala. The people working in this unit come from a slum and work rigorously to ensure that no waste goes unnoticed. The collection of waste happens within the campus itself.

There was also a Paper Unit there producing handbags, files, folders, pen stands, photo frames, photo albums, notepads and books which are sold at reasonable prices. The concept of Going Green, can be heard everywhere, but happens only when we decide to take the first step. CSR volunteers and other students are involved in building awareness among the student community so that they can start practicing the three values of **reduce, reuse, and recycle**.



Slum visit



Recycling visit



Blood Donation Camp



Never-The-Less



Street Play



Bandhan Village Visit



Child Sponsorship



Aids Day

Business is usually referred to commercial activities to achieve at making profit. Today, progressively there is a substantial change in the way in which people view the business. In the present perspective business objectives is not maximization of profit, a sustainable business along with profit fulfilling ethics in business is inclusive. Being good is good business, ethics are moral guidelines which govern good behavior and so behaving ethically is doing what is morally right. Behaving ethically in business is widely regarded as good business practice. Theorists or Logician have systematically addressed the issue of right and wrong conduct for a basic understanding of morality that will keep them out of trouble. Ethical values are mechanism that controls behavior in business and in other areas in life. Reciprocity a form of social behavior in which people behave supportively in the expectation that this behavior will be given in return.

Ethical principles could improve reasoning, especially in complex situations. An ethically responsible business must pay special attention to product safety, environmental impact, truthful advertising, scrupulous marketing, and humane working conditions. An important distinction to remember is that behaving ethically is not quite the same thing as behaving lawfully: Ethics are about what is right and what is wrong. Law is about what is lawful and what is unlawful. An ethical decision is one that is both legal and meets the shared ethical standards of the society. Business ethics therefore is the study of good and evil, right and wrong, and just and unjust actions in business. Ethical business tries to do well and avoid doing evil. Every business face difficult ethical conflicts, applying clear course of action to resolve the vast majority It is healthier to emphasize ethical principles and standards to label acceptable conduct in business and must strengthen management to make decisions. Also should ensure that a regular loom to implement a code of practice and cover areas like mutual social accountability, communication with customers, green policy & actions, a system for personal and corporate integrity. Also, better to define and resolve ethical problems in business by using thoughts of universalizability, reversibility, utility, proportionality. To consider simple decision-making devices to illuminate alternatives. To use a two column balance sheet to enter pros and cons for various alternatives and examining a series of questions about the ethical implication of an action.

Hemalatha Ramakrishnan  
Faculty, CUIM-Bangalore

It was a wonderful afternoon of 27<sup>th</sup> Jan 2012. We members of CSR club (Kengeri campus) got a wonderful chance to interact with the teachers and students of Griffith University, Briston, Australia (Gold Coast & Logan campus). Our program started with a welcome speech by Stevin Varghese followed by the prayer song by Nikita and Jui Dasgupta, backed by a mesmerising invocation dance by Pallavi and Santhya.

After dance Prof. Lakshmi Iyer briefed about our CSR club, its activities and functions. Then we volunteers briefed them in details about different work and activities done by CSR club, like the inception of CSR by Pankhuri, Ipsita about recycle unit's visit, Aakash about Banaswadi slum Visit, the initiative takes by us towards blood donation activity by Darell and scope of CSR by Himanshi. In between the presentations, we had a skit by Nikita and team depicting how mother earth prevails over all the evils of the world, and the sustenance of good.

After all these presentation and activities Dr. Julie addressed us and shared her thoughts and experiences with us. After the wonderful program, we all gathered for tea and snacks, where we got to interact with the Australian students and the faculty. We discussed with them about their culture and their opinion about CSR. Some of our students even sung songs with them, and at a particular instance we even had them dancing to our tunes! We had great time with them; it was a learning and chocolaty experience (we had lot of chocolate cake) for us, and are grateful to Prof Satinder Duggal for providing us with such a great opportunity.



# PHOTO PAGE



## PRAYATHNA Flash Back.....



## Quotes...

A man does what he must.. in spite of personal consequences, in spite of obstacles and dangers, and pressures.. and that is the basis of all human morality.

- John F. Kennedy

If you don't have integrity, you have nothing. You can't buy it. You can have all the money in the world, but if you are not a moral and ethical person, you really have nothing.

- Henry Kravis

If the firms that employ an increasing majority of the population are driven solely to satisfy the owner's greed at the expense of working conditions, of the stability of the community, and of the health of the environment, chances are that the quality of our lives will be worse than it is now.

-Mihaly Csikszentmihalyi

I believe, indeed, that overemphasis on the purely intellectual attitude, often directed solely to the practical and factual, in our education, has led directly to the impairment of ethical values.

-Albert Einstein

## CSR in rust

The soil in a leap of rust

Emerges the iron, bricks and mortar dug in

Welcoming the new manufactory

Upon reflected in a twirl of wave

Sparkles the river across

Waits the line in order

As the switch turns forward

Pours the fossils of the mess

Into mixtures of stirring black

Sinks CSR tangled in a tube

With the lustrous river

Radiating the mirrored glass

Sprinkling the heat reflecting upon



Contact Us:

Christ University Institute of Management  
Kengeri Campus  
Mysore Road, Kanmanike, Kumbalgotu  
Bangalore-560060

Phone: +91-080-85338844/55

Email: [csrke@mba.christuniversity.in](mailto:csrke@mba.christuniversity.in)

[prayathna@mba.christuniversity.in](mailto:prayathna@mba.christuniversity.in)

Website: [www.christuniversity.in](http://www.christuniversity.in)

Karthik R  
I MBA D

For Private Circulation Only