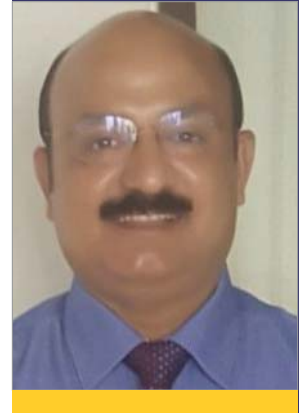


Corporate Ethics – Organizational DNA for Ethical Conduct

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'Corporate ethics' is a buzzword, often heard in the corridors of many organizations & regularly discussed during senior leadership meetings. Corporate ethics are primarily the moral principles that govern employee behavior within/ outside the organization or conduct of any official activity as outlined in the code of conduct guidelines of the company. The word 'ethics' is derived from the Greek word *ethos* symbolizing character, habit, custom or disposition & what is good for individuals & society. The aim of ethics has been viewed in different ways; it is a discernment of right from wrong actions. It separates that which is morally good from what is morally bad. Ethics purports to devise the principles, which helps in leading a life, worth living.

The code of conduct describes the basic DNA of the organization & the literal dictionary definition of DNA is “deoxyribonucleic acid”, substance carrying genetic information. From the family perspective we even refer to DNA, to carry forward the family tree. Since the last couple of years, corporate ethics has gained tremendous importance amongst leadership teams & is a reflection of the leadership team's vision. But in many corporates sometimes, it remains in the background of routine corporate life due to various reasons; primarily due to its inaccurate perception of not being as significant to core objectives of top & bottom line. Corporate ethics is not a demonstration by few individuals, but more a matter of collective culture created by sustained actions by cross-section of employees. This is where the senior management plays a key role in establishing the corporate DNA. Employees are more receptive to ethical messages when the leadership embodies it in their day-to-day behavior & practices, rather than limiting it to pep-talks and email communication. Like it said, “Actions always speak louder than words”. Team members observe their leaders & often emulate their behavior. It is the responsibility of all employees from the security and welcome lobby team of the company, to the MD/ CEO & board of directors to build the ethical culture by demonstrating personal ethics in whatever they do or say. Culture in an organization is built when the management

team emulates the details of the 'Code of Conduct' document, encouraging all employees to adopt the same with all internal/external stakeholders.

It is said that parents' conduct is the best ethical education for every child. Ethical conduct of each individual is inherited from parents, teachers, close friends & relatives. We all carry forward the value system taught to us from our childhood time & it is nurtured more as we embark on our professional journey. At home, mothers are the best example of setting high ethical standards as they only believe in unconditional love, care & forgiveness. We don't choose our earliest habits, we imitate them, we follow the script handed down by our family, friends, school, local community & from society at large, and they do impact the ethical behavior of the individual at some point of time both in personal & professional life.

It is also related to the individual judgment of what is being considered right or wrong, employees decisions & actions are influenced both by their own personal character as well as by organizational culture ,most of the organizations guide employees towards right actions which are ethical & correct in all aspects ,the decision to act ethically at all times & more particularly during turbulent times is the moral decision of the employee & on the other hand the unethical behavior damages the organization reputation ,credibility ,brand & good customers/partners would not like to be associated with such unethical companies, the reputation of the organization is critical to business relationships & it is a vital asset .

Business ethics generally result from an individual's own moral standards in the context of the political & culture environment in which the organization is operating. Work ethics is a set of moral principles, an employee uses in his/ her job & it encompasses some of these traits.

Some of the basic principles that form the basis of business ethics, can be broadly classified under following heads –



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- Contributed Rs. 20.5 crores to PM CARES Fund (including employee contribution of Rs.51 lakhs) to support the Government of India in fighting COVID-19.

* As of March 31, 2020



1. Honesty – We need to be honest in all our actions & every communication we make with our stakeholders. It is the quality of being honest and sharing the truth, even if something goes wrong.
2. Integrity – Always maintaining high level of integrity by uprightness of character or action. It is perhaps the most important principle of leadership as it demands truthfulness irrespective of the consequences.
3. Keeping promises – Our word is one of the most important tools as business manager. One must keep every promise made & fulfill it, in letter & spirit.
4. Loyalty – One needs to be loyal to his/her company, team & oneself. The loyalty should come from the heart & not due to commercial obligations.
5. Being Fair – In all our actions, we must strive to be fair & treat all people equally without favoritism, discrimination, biasedness, prejudice or partiality. As senior leaders, we should be open minded & willing to admit mistakes to appropriately change our position & belief.
6. Caring – This involves having a genuine concern for others as well as a sense of compassion, being benevolent & kind. It would make you re-consider your own decisions. Caring creates deeper bonding, as individuals need emotional support.
7. Respect – Being ethical means treating everyone with respect. Being courteous & treating people equally, regardless of their level in the organization. We must strive to treat others, the way we would like to be treated.
8. Obeying the Law – An ethical executive always obeys the law & never breaks the rules, regulations or laws surrounding the business activities.
9. Accountable – Being ethical means holding yourself accountable, acknowledging & accepting personal accountability for the decisions taken and its consequences.
10. Excellence – Being ethical in business is also about pursuing excellence in everything we do. Persistence is a twin sister of excellence; as latter is the matter of quality & the former is a matter of time. It is the quality of excelling & being truly the best in class.
11. Reliability & Dependability – The quality of being trustworthy & performing consistently well, as an ethical team member. One must go to workplace on time & should always aim to complete his/her work within stipulated timeframe.
12. Team Work & Professionalism – One should always demonstrate the ability to work together & succeed as a team with clear focus on end result by showing the highest level of professionalism from one's conduct, behavior, attitude, skills & knowledge.
13. Responsibility & Cooperation – To finish the job on time, help/support the team members & always delight the customer.
14. Being humble – The more we should accomplish, the more humble we should be. Being humble is essential as it helps us to understand the context better.
15. Lead by example – The best way one can enforce the ethical standards is to lead by example. The leaders must demonstrate the principles & ethics that is expected from the team members.

As leaders we must always endeavor to cultivate love, compassion, kindness & care for all stakeholders, to see the cultural change in the organization.

The strong ethical foundation takes organization to the success it deserves. Basic ethical traits are universally acceptable as traits of being a good citizen as well.

Conclusion

Individual ethical conduct is “doing the right thing under all circumstances without aiming any personal benefit”.

**Mr. Tarun Samant has more than three decades of corporate experience in the financial services, general insurance & two wheeler automotive industries. He has held senior positions such as Executive Vice-President and Ethics Officer, Tata Motors Finance Ltd., and was superannuated in August 2017 as CEO, Tata Motors Insurance Broking & Advisory Services Ltd.* ■