

Ethical Practices and Employee attitudes in SME s

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ABSTRACT

This study seeks to understand the ethical practices or the lack of it, within selected Small and Medium Enterprises (SME s) in Chennai. It proposes to achieve this, through an analysis of the employee attitudes towards the work life, policies, plans, procedures and practices in their institutions.

Studies in Ethics will always be of topical interest, and more so for Modern business organizations. This is so because, businesses are often blamed for the several problems faced by man, like environment pollution, corrupt practices, exploitative management policies, etc. These problems are much debated on, and the study and research on business ethics are seen nowadays, more as a necessity, than merely a fashionable choice. Ethical studies and corporate governance issues are therefore seen as critical to the very survival of our globe. Many nations are going beyond just tinkering with their local laws, to seriously enforce norms and measures that ensure a safer world. Moralists and Consumer bodies have also succeeded in convincing politicians and governments alike, to move beyond the rhetoric. Businesses too have joined the Ethics bandwagon.

Ethical organizations, which care for stakeholder interests, enjoy better brand value, deliver results, gain recognition, and ultimately achieve success. Ethical practices at the philosophical, managerial, and operational levels in a firm are postulated in this study, as the key difference between the successful/ visionary type businesses, and the 'fly by night', exploiter ones.

How do SME s' handle competition, achieve efficiency, maintain quality, control, and employ humanistic practices in work life? Do they have actionable and validated methods to establish management ethics and governance in its activities? How ethical are they in the achievement of all its plans and dreams? These are the important research questions raised in this study.

The study design is expected to be exploratory, descriptive, and also normative. It proposes to draw insights from a sample of 150 respondents drawn from about 25 SME s in Chennai. The enquiry is a preliminary assessment of the ethical practices at the SME s level.

Viewing Management practices positively, we could expect humanistic and ethical practices within SME s. This may not be entirely surprising, as Indian culture and its people are always known for its religiosity, tolerance, enterprise, and holistic values. These are qualities and traits, which should have a positive ‘rub off’ effect, on the products and services in businesses too. This study assumes that the business philosophy and practices in any society are a reflection of its social milieu and culture of its stakeholders.

We could therefore expect to find ethnic management practices, operating successfully, along with certain undesirable ones, which Indian businesses can best avoid. Both of these are expected to be eye-openers to the Business Ethics world. The study may also help identify certain untold problems or bottlenecks faced by these institutions, while discovering hopefully, certain creative ethical practices in Indian Industry. The ideal outcome would be to identify key ethical practice predictors, for organizational performance at the SME level.