

the light of the objectives of the firm and have highlighted the utility of case method as a pedagogical tool.

The strength of the book lies in the precise development of the concepts of economics and in providing linkages of these concepts with the areas of managerial decision-making. The real life applications of forecasting techniques to estimation of demand of tea and steel in India, the demonstration of usefulness of pricing concepts to recessionary situation, utility and government, application of linear programming to transportation and nutrition problems, etc. are excellent examples of such linkage. For advanced students the appendices at the end of some chapters provide additional interest and challenge. The cases, particularly ATIRA (A) and (B), Ahmedabad Municipal Transport Service (A), Western India Pharmaceuticals, Kamdhenu Dairy and Atul Products Ltd., present good real life situations for class discussion.

As the authors point out, the book makes somewhat increased use of mathematics and econometrics in its exposition. While this may be well-acceptable by students in leading management institutes, one gravely doubts about its acceptability among university students, few of whom in India have strong mathematical background. Besides, the book does not really develop the tools to a level where the students would feel confident about making use of them in real life situations.

For Practicing Managers having some preliminary knowledge of modern mathematics, and economics, the book may be found to be eminently readable. It can make

them aware of the recent developments in the managerial tools and techniques. Similarly, persons having some engineering or mathematical background, can also find the book useful in understanding the assumptions which the economists make about individual and industrial behaviour.

The printing of the book has been generally good, though at some places it lacks the intensity and uniformity. There are also many printing errors at critical places, which may create confusion for not very familiar readers (e.g., description of utility function at p. 46 ; defining a linear function in a quadratic form at p. 78 ; defining total profit wrongly as PABC at p. 88). The price also is on the higher side (compared to the price of Managerial Economics, by Haydes, Mote & Paul, Bombay, Vakils, Feffer and Simons Private Ltd., 1970).

Despite all these, there is little doubt that the book would fill the void in the field of Managerial Economics. With its well-focussed concepts and matching cases, it also has a potential of being used by teachers and managers in the area of Accounting and Finance.

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The Ethical Attitudes of Indian Managers.
Arun Monappa. New Delhi, All India Management Association, 1977. 125p. Rs. 30.00

At the risk of appearing to be miming—and poorly (but honestly) at that—Rousseauian confessions, this reviewer admits for himself how hard it is to comment

or write on ethics when one is only too aware about his own failings in this dimension of life. Professor Monappa must surely be commanding better credentials for such an effort.

Monappa analyses the responses of 115 managers to a standardised questionnaire. He also uses quotes from verbal interviews with several respondents. In his quest for factors influencing ethical decisions, he examines separately the roles of superiors, of education, of religion, of working environment, and codes of ethics. In conducting his own study Monappa acknowledges the dominant influence of Raymond Baumhart's book, *Ethics in Business*.

Monappa finds that in response to his very first question ('sound ethics is good business in the long run'), 96 out of 115 have shown agreement (p.8). The observation leads the author to derive "great consolation in the fact that the ethical standards of Indian managers are high—though they may not always act according to them". (p.11). But does it appear to be something like saying that one is a great linguist, but makes too many spelling mistakes when writing. There is a maxim which says 'Example is better than precept'. The Indian milieu and Monappa's sample apparently turn the maxim upside down and proclaim 'Precept is better than example'! The author explains that at least the existence of such a consciousness, that deviations from ethical norms take place in practice due only to circumstances beyond the control of an individual, is quite propitious. The mental groundwork for ethical behaviour is in readiness. Only some support from superiors

and environment, from education and codes of conduct could make ethical flowers bloom in abundance. Such humane optimism is inflections, and I wish to share in the same.

Monappa has mentioned about 'profits at all costs' as a reason for tarnishing company image (p.14). He also mentions about 'managers' greed for profits (p.31). I have two problems to share with him in this section of his analysis. Firstly, he never states any where (especially pp. 3-5) whether his sample of 115 managers consists of a mix from both public and private sector enterprises. Perhaps there are no public sector respondents. Nevertheless, one could have taken up the possible response pattern of this class on an a-prior, analytical basis. For, doubtlessly the public sector enterprise is not erected on the sole or even major foundation of conventionally computed profits. Public sector managers have always, and more so in the recent past, been exported to adopt a missionary outlook, qualitatively much different from the private sector emphasis. The hypothesis that merits testing, therefore, is : Would the response pattern of public sector manager regarding the gap between precept and practice of ethics reveal far less discrepancy between the two than what Monappa's sample has shown? I for one would at least expect public sector managers to be more ethical in the a-priori sense. But is this borne out by reality? Secondly, in private sector enterprises, where profit motive towers, above all else, is it correct to speak of '*managers' greed for profits*'. One might recall here Prof. Galbraith's argument in his book, *The New Industrial State*, that the managers, comprising the firm's technost-structure, have no logical reason to pursue

profit maximisation in their own enlightened self-interest. Professional, employee-managers have a greater collective stake in the survival and growth of the enterprise in the long-run, than in profits at any cost. The latter stand might cause the enterprise itself to become vulnerable to perilous exercises of dubious profit-making.

As a spin-off from the last point I would like also to share my confusion with Monappa in the definitions of 'businessman' and 'manager' (p. 7). It is my feeling that the words 'businessman' and 'manager' should have been clearly stated to mean different roles. All said and done, the word 'businessman' or 'industrialist' does convey primarily the sense of ownership/entrepreneurship. On the other hand, the expression 'manager' or 'executive' conveys primarily the role of a hired employee. Once this distinction is accepted, it then does not seem to make for an 'ethical' viewpoint to speak of manager's lust for profit. It also then becomes easier and justifiable in Monappa's own optimising way to exonerate managers for not always being able to practise some of the ethical precepts. The greed for profits is more an attribute of businessmen or industrialists who are owners of enterprises.

The author has also touched upon the roles of 'company policy' (p. 31) and 'codes of conduct' (p. 85) in fostering an ethical climate within organisations. Let me quote Monappa for a while :

"The allegation most frequently hurled at business corporations is that company policy is only a force to protect the image of the company ... This is true, but every

human being likes to be convinced that what has been expressed is really meant to be taken seriously. Perhaps that is why a majority of respondents gave company policy top priority in influencing their ethical decisions" (p. 39)

If managers are cynical about the real intent behind proclaimed company policies, it appears paradoxical as to why they should be attaching top priority to them. Perhaps, they mean top priority to honest practice — visible and evident as broad daylight. While penalties for violation of ethical norms, as down through company policy, have their own place, I would like to suggest an alternative, or perhaps a complementary approach. There seems to be no system in organisations whereby basic honesty, truthfulness, and conscientiousness is acknowledged on a continuous basis. (I am not talking here only of gold watches on retirement, or annual double or triple increments, or even holiday trips.) If the above elements of human character constitute ethical behaviour, and they are not easy to come by in practical life, there is all the more reason to build up visible yet simple systems of recognising — almost to the extent of hero-worship to start with — such manifestations of ethical conduct amongst employees who prefer to lie low in an otherwise cut-and-thrust business world. They have to be deliberately spotlighted, and their fortitude and forbearance, lionised. One misses such a line of thought in Monappa's book.

I agree with Monappa on his comments about the problem of maintaining a professional attitude in practice (p.83), about professional managers being not necessarily ethical in their conduct (pp. 104-5), and

about the need for emphasising ethical conduct to students of management (pp. 49-54). What causes concern to my mind is our attempt to instil and maintain such ethical attitudes and practices when we are already managers, or on the threshold of such roles. Even if we conceive of a livewire top management embarking on such a venture with a full package of company policy, code of conduct, education and training, and so on, what end-result can we expect? I am not able to share Monappa's optimism here —not because of lack of faith in ourselves, but because the above strategy for fulfilling such faith is not fool-proof. Basic values of life are imbibed by us all in our homes, residential localities and schools. This process begins early in our childhood, and much of our future behaviour pattern is nearly permanently moulded before we cross ten years. I believe, to talk of ethics among managers, is more fundamentally a question of what human material is being shaped at the grass roots. As I have argued elsewhere (see my *Managerial Development and Appraisal*, Macmillan, 1977, Chapter 9) management development—ethical or attitudinal, call it as you may—has to be preceded by proper man-development. One can build a strong edifice only if the mortar and bricks are of good quality. I wonder whether business houses can engage themselves in operating the sequence from as early a stage as that of making bricks and mortar. But then, I know the answer to this point of view too : after all we have to make a start from somewhere !

Monappa has made the point about 'stiff competition' forcing the adoption of unethical means. I really do not know if this is to be accepted in the business or economic

sense of the term. In a by-and-large scarcity-ridden economy it is more common to find the lack of the chastening influence of competition. But I can see another flank opened up by Monappa's mention of stiff competition — of which he perhaps may not be aware. The thrust for rapid economic development, especially through accelerated industrial growth, seems to have created unintended social consequences within industrial organisations. Large organisations have sprung up almost overnight with all symbols of affluent executive behaviour (one or more chauffeur driven cars, about half-a-dozen valets, free-furnished accommodation, and so on). In most cases a poor country cannot and should not afford these things. Be that as it may, there are unseemly scrambles for such posts, and all ethical norms are thrown to the winds in the process. The need for rapid hierarchical growth — and not profits — induces cutting the corners in subtle as well as obvious ways. 'First deserve and then desire' has no operative meaning in our lives. But then, as Monappa rightly says, the environment as a whole is such. Where is ethics in politics (e.g. crossing of floors), in education (e.g. mass copying) and in religion (e.g. larger the sum you pay, quicker is your chance to see the face of God)? So, let charity (and ethics) literally begin at home.

All said and done, Prof. Monappa deserves plaudits for discussing a deep subject in a straight and lucid manner. It eschews pretensions, and that is a strong point.

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