RELEVANCE OF ETHICS IN BUSINESS-A STUDY ON PUBLIC TRANSPORT SYSTEM

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ABSTRACT

Adam Smith said, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

As per Adam Smith all the marketers are hypocrites by virtue of all sort of business summit but in reality it end up with some business issues which is often not ethical. Yes, it may be correct; in the seller’s market, but now, situation has undergone sea change aftermath 1990, now it is buyer’s market and the consumerism fever. Hence Ethics has taken birth in Business and it has its lasting relevance. And the Zig Ziglar’s golden rule philosophy, “you will get all that you want in life if you can simply help enough others to get what they want”.

The golden rule philosophy of Zig Ziglar has opened up two major objectives of business and market. One is the optimization of profit (you will get all that you want in life) and another is delivered what customer want (if you can simply help enough others to get what they want).

Of late in business and marketing the two new vital anchors beside various tools and quality are, service and ethics in business. These anchors are necessary for survival in competitive market and to generate better profit. Due this obvious reason most of the Management Schools are waking up to impart lessons in Ethics to their students. Prof. G. Anandalingam, Dean of Robert H. Smith School of Business-University of Maryland said that; “We at Robert H. Smith School of Business have revised the curricula of the BS and MBA programmes to include more course work on ethics and corporate social responsibility ...."
The term ‘business ethics’ came into common use in the United States in the early 1970s and interest in business ethics accelerated dramatically during the 1980s and 1990s. In short Ethics in Business is nothing but the do’s (good things and honest activities) and don’ts (bad things, cheating, bribe, duplicate products etc.) by the marketers in the business. In other words it could be referred as set of principles and guidelines to operate business in good faith and broadly speaking; ‘the greatest good for the greatest number.’

There should be business ethics, means that the business should be conducted according to certain self recognized moral standards. Most of the government office / agencies and reputed business houses have very strict conduct of rules and moral standard on which the entire functioning is hovering and most of the time user/customer gains the benefits.

According to the Harvard Business Review 2003 the subject of ethics receives increasing levels of attention in the business and management. The burgeoning information systems address the social, cultural and ethical issues in business and management. Thus business ethics has to do with the moral values of the business. Good Business Ethics is the backbone of every forward thinking business house. Business Ethics brings much goodwill to the organization that will in long run translate into tangible benefits.

Hence an attempt has been made in this paper to analyze the ‘Relevance of Ethics in Business’ in the ‘Public Transport System.’ (KSRTC)

Figure No. 1

INTRODUCTION

Indian market and overall economic scenario is indeed better than earlier of 1990 and now market or product is by choice but not by availability of product and service. Most of the unethical practices either at work place or in the market are not at all accepted neither by the organization nor by the customer at market. As per our Indian practices and context insincerity, deliberate absenteeism, nepotism, harassment, careless, financial fraud, cheating customer as well as shareholder is all unethical. The true meaning of culture, ethics and values is defined by Prof. Eric.G. Flamholtz Professor Emeritus, Anderson School of Management, University of California, in his article, ‘Is Corporate Culture The Ultimate Strategic Asset?’ which he wrote for Business and Economy magazine in July 2011, stated that, ‘some companies believe strongly in their culture-they swear by it. And while many have brushed aside this concept of culture as just
another soft factor, the truth remains—corporate culture can become the very reason why your company performs well at the stock market and why it creates bottom-line which are far superior than those of industry peers. Although there are many different definitions of the concept of Corporate Culture, the central notion is the culture relates to core organizational values.”

In the year 2010 a report by Hay Group and Ethics Research Centre (US) titled, Ethics and Employee Management made three key points:

1. Positive perception of an organization’s and management’s commitment to ethics is particularly important for employee engagement. Managers and supervisors should work actively to demonstrate a commitment to ethics, and encourage accountability.

2. Employees who observed misconduct were less engaged than those who did not; 67% who witnessed environmental violations were disengaged, 67% who saw the misrepresenting of financial records were disengaged, and 60% who observed insider trading were disengaged.

3. Engaged employees are more likely to report misconduct, thus reducing the company’s ethics risk.

In the year 2005 survey titled, Fast Track Leadership Survey, 1,655 employees of Fortune 500 companies were asked questions about their CEO’s. The key finding was “nearly 95% say that a CEO’s business ethics remain very important and play a meaningful role in the way business gets done. Thus in precise and concise the ethics means honest business practices guided by rules and regulation of the company.

Now the issue is ethics in the business of public transport systems. The most of the State Road Transport is just manage and functions on term of ethics and has trusted commuters and daily travellers?

STATEMENT OF THE PROBLEM

In this sheer, edge to edge competition some of the ‘Public Sector, business and services houses are surviving, though the services are poor, maintenance is deadly worst and ambience is very dirty and not at all satisfying but still sizeable population prefer, ‘public transport for daily commuting and travelling. That is what, and how it woos the customer? hence it calls for study, to know the reality.

Therefore a study is carried out on 200 respondents and their statements were noted. These respondents are from 5 KSRTC buses at Indapur bus stand night service (Maharashtra State). As per the respondents statements the analysis has been made to draw the inference and judge the ethicality in the KSRTC bus services, perhaps which made them to sustain in this competitive market.

METHODOLOGY

It is an observational study approach and randomly refers to the Karnataka State Road Transport – KSRTC Buses. It is totally confined to the observation of few services and naturally it has better further scope of research and study. The statistical tools were not much used rather it is an observational approach study. The respondent statements were recorded for drawing inference and based on average, percentage the analysis is made.
OBJECTIVES OF THE PAPER

As a matter of fact the objectives are end number, but the main objectives are delineated herein:

a) To study why passenger prefers KSTRC buses though it has lot of flaws.
b) To examine the commuters feeling on services of KSRTC.
c) To analyze ethical issues in the KSRTC.
d) To determine commuters status about KSRTC buses.

ETHICS IN BUSINESS

KSRTC was set up in the year 1961 under the provisions of Road Transport Corporation Act, 1950. It is wholly owned by the Govt. of Karnataka as well as Govt. of India is also a shareholder in this corporation. The company runs a fleet of buses of all types like ordinary, semi-luxury, deluxe, and air-conditioned Volvo "Airavat" buses. The KSRTC operates services within Karnataka as well as far flung destinations out of state. The KSRTC runs different type of buses to suit every section of the society.

Figure No.2

In Karnataka State there are 7,298 villages and KSRTC covers at present 92% villages viz 6,743 villages. It operates with 21,302 buses and on an average, 24.57 lakh passengers per day with effective distance of 23.74 lakh km and it generates the profit.

Volvo 8400 Low Floor Intercity from Udupi To Mangalore

These under beneath statistics were revealed in a report submitted to the Ministry of Road Transport and Highways (MoRTH) by the Transport Research Wing (TRW) on the ‘Performance of State Road Transport Undertakings (STU) for April 2010 – March 2011,’ comparing 34 Public Transport Corporations on various aspects.

The total count of public transport buses operated in India stands at 1,22,355 as in March, 2011. Of them, Maharashtra accounts for 23,261 buses while Karnataka runs 21,302, followed by Andhra Pradesh with 21,802 and Tamil Nadu with 19,856 buses. In the north, Delhi has a fleet of 5,771 buses.

Among the 34 STUs, only five corporations make profits and Karnataka’s KSRTC and BMTC top the list with Rs 62.05 crore and Rs 50.35 crore respectively. Other profit-making STUs are Maharashtra State Road Transport Corporation, Punjab State Department of Transport, and the Orissa State Road Transport Corporation.
## Respondents’ Choice for KSRTC Buses

<table>
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<tr>
<th>Description</th>
<th>Respondents Feedback</th>
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<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>1. Guaranteed service</td>
<td>178</td>
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<tr>
<td></td>
<td>89%</td>
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<td>2. Stand by bus</td>
<td>150</td>
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<td></td>
<td>75%</td>
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<tr>
<td>3. Place to place service</td>
<td>125</td>
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<td></td>
<td>63</td>
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<tr>
<td>4. Correct fare</td>
<td>190</td>
</tr>
<tr>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>5. No cheating</td>
<td>180</td>
</tr>
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<td></td>
<td>90%</td>
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</table>

Source: Primary survey data.

**Green:** The green colour indicates that, 95% respondents like the KSRTC bus service because of correct fare collected by bus conductors and return of balance money in proper way. Further the issue of ticket is also proper at the place of passenger.

**Yellow:** The yellow colour indeed represent that, there is no cheating in the KSRTC bus by the bus conductors especially in the stoppage, returning of balance money etc. Almost 90% respondents vouch for this.

**Brick Red:** In this colour 89% respondents shows that, arrival of KSRTC buses is guaranteed, one can wait for the bus no matter late arrival but certainly there will be bus service, as per the schedule service / time table.

**Sky Blue:** This colour indicate that always there will be stand by bus, in case of any breakdown and other issue most of the time passengers are not stranded but some other bus will be arranged. In our survey 75% of respondents feel that KSRTC provides alternative arrangement for commuting in case of any breakdown etc.

**Faint Black:** 63% respondents feel that KSRTC provides destination service and that is reason they like use KSRTC bus service.

### INFERENCE

The main parameters in KSRTC buses are the Ethics in Business, which the bus conductor general follows due to so many reasons. As per above figure No. 3 the evidences of ethics are;

1. Collection of correct fare
2. No cheating by the bus conductors
3. Bus service / arrival of bus is guaranteed
4. Always there is stand by bus in case of breakdown etc.
5. Destination to destination bus services are available

Due to these ethical parameters the commuters and travelers desire to use KSRTC buses, despite of its limitation and other non-marketability issues.
The respondents have rated the overall attitude and behaviour of floor level KSRTC staff is by and large good but it needs and call for the improvement. As per above table/figure No.4 analysis are;

1. **Enquiry Counter:** Out of 200 respondents 150 appears to be satisfied in the category of just OK, Good and Best. But still 50 respondents seem to be not happy in category of bad and can’t say. Hence it has lot of scope to improve in these areas alongside of ethics.

2. **Conductor Attitude:** On the attitude of conductor out of 200 respondents almost 140 appears to be alright but none says good about conductor hence it is area of concern. And 60 respondents either says bad or can’t say viz 30 respondents respectively, hence this too also need to be address.

3. **Driver’s Attitude:** Comparing to the conductor’s attitude driver’s attitude has better response since 140 respondents are in the category of just ok, good and best 100, 30 and 10 respondents respectively.

4. **Bus Time Table:** The display of time table at bus stand and time given by conductor and drivers are not matching and hence it required improvement. In the most of the Inter-State-Bus-Stand the bus timing of KSRTC is not available, so the availability of bus time table in all bus-stand out of state should be put on in English.

5. **Overall Service:** The 180 respondents are happy with overall services render by KSRTC putting in the category of just ok 80 respondents, good 90 respondents and best 10 respondents and only 20 respondents in the category of bad and can’t say 10 each.

**FINDINGS**

The key findings of this paper are as follows;

1. No matter whatever type of business and size of the business organization, it needless to follow some system, culture, rules and values of the organizations and companies. In my paper KSRTC is focusing more on social cause with better service and employees of KSRTC especial at work place/floor level more on ethics and culture of the corporation.
2. The availability and arrival of bus at bus terminal is very much add-on trust and values. Such practices generate ducting ethics in business and help in retention of the passenger as well as better edge over the competitors.

3. Bus services to various destinations and alternative bus arrangement in case of breakdown etc. certainly promulgating word of mouth publicity among commuters and increase fleet of passengers.

4. It is found that most of KSRTC bus conductors call for passengers and notify the bus destination at loud, such practice makes the commuters easy to board the bus without any much cumbersome.

5. The electronic gadget of ticket issuing and judgment on luggage is also creating ethics in their services. Conductors reaches to the seat of the passengers and issue ticket for their destination with tender proper change.

6. The night services of the KSRTC buses for major towns are really wonderful and timing too is maintained at some extent. But for the interior Karnataka villages, generally the bus service is not good and even the buses are also not good.

7. The various type of bus service as per the segment of passengers is also very notable marketing strategy and way of giving better service to the distinct clients for the metros and other state capitals.

RECOMMENDATIONS

As matter of fact KSRTC is doing wonderful job and performance but one can’t be complacent on own work unless it measures with the competitors. Some of the respondents as well as observation reveal that KSRTC need to emphasis on some key areas. In view of respondents as well as general public and my own observation the following are few key recommendations.

Figure No. 5 A View KSRTC BUS

A. Bus maintenance: This includes lot, but in view of passenger and requirement of market the under beneath may timely suffice the needs;

i. Every day cleanliness of bus inside-seats, window glasses floor etc., as well as outer part of bus before it placed on the bus platforms.
ii. Most of the window glasses are not there, hence the broken glasses need to be replaced by good one with proper railing of the window glass.

iii. There are issues with seat and seat cover, like broken and not proper etc. Even some new buses do not have comfortable seats-small in size. Hence it need to be address properly.

iv. Other mechanical maintenance and overall ambience of the bus, so that, there should not be unpleasant sound and nuisance to the passengers.

v. The employees has been engaged effectively and monitor on every day basis and a very sever action need to be initiated on the not engaged and disengaged employees.

B. Distance Coverage: It is noticed that most of the major cities are well connected and covered but interior Karnataka is not so effectively covered, due to that reason people seats on top of bus viz shortage of bus or coverage in rural area. It is strong feeling to give a special and serious attention.

i. Wherever train connectivity is available prudently bus scheduling need to be made and more focus should be given for the areas where train facility is not available.

C. Bus punctuality: There two major issues, one is the bus on time and arrival of bus etc. and second is the travel time duration.

i. The time punctuality is one of the most important tool and issue to keep up as per schedule and time table. As per the survey by and large most of the KSRTC buses run on time, but it has scope to improve.

ii. The first and last bus timing and availability of bus must be ensure everyday without cancellation and delay. Because the cancellation and delay cause very much hardship to passengers and may lose the sense of ethics.

iii. Second is the travelling time; in this area indeed a serious thinking is required and certainly the travelling time have to be curtailed. As per the observation and requirement 100 Km distance has to be covered in 90 minutes.

iv. It is strong feeling that based on time the bus fare can be designed for instance super fast bus / fast bus / express bus / ordinary bus. It means the travel time may be 80, 90, 100 and 120 minutes respectively to cover 100 KM.

REFERENCE


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AUTHORS’ INFORMATION

Dr M.A.Lahori, is working as Director with Anekant Institute of Management Studies, Baramati – Pune 413 102. He completed his B.Com in 1982 from Karnataka University, Dharward, (Karnataka). He has completed his full time MBA-Marketing from Shivaji University Kolhapur (Maharashtra) in first class in the year 1984 and in the year 2008 he awarded with PhD in Business Administration-Mgmt from Madurai Kamaraj University, Madurai (Tamil Nadu). The thesis titled “A Study on Prospects and Problems of a Decentralized Sector in Textile Industry with special reference to Co-optex” was highly appreciated by the examiners both external as well as internal.
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