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The Relevance of Personal Integrity in Corporate Ethics: A Study based on Indian Scenario

Abstract:

Corporate unethical behaviour is the result of the conflicts of interest between various corporate relations: namely, the relationship between employees and the corporation as such, the relationship among the employees, and the relationship between the corporation and its stakeholders. Corporate integrity theories are the proposed solution. There are two types of corporate integrity theories such as social contract based and civic citizenship based. Both corporate integrity theories try to create moral corporate structure and culture for overcoming corporate ethical challenges. In this paper I will argue that corporate moral structure and culture alone is insufficient for inspiring good corporate conduct. Even when a company has a morally based corporate culture and structure, the successes of these depend upon the managers and employees. Despite of the fact that corporations are moral agents; individuals remain as the real constitutive elements because only individuals can act and corporations cannot. Therefore, the moral imagination and creativity of the managers and employees of the company are inseparably related with the ethical structure and culture of corporate integrity theories.

Key Words: Conflicts of Interests, Corporate Integrity Theories, Moral Agency, Personal Integrity.

Introduction

Corporate unethical behaviour is the result of the conflicts of interest between various corporate relations: namely, the relationship between employees and the corporation as such, the relationship among the employees, and the relationship between the corporation and its stakeholders. Corporate integrity theories are the proposed solutions for corporate misconduct. My research of the available literature enables me to divide the ideas of corporate integrity into two categories: social contract based and corporate civic citizenship based theories.¹ These theories propose implementing the compliance based ethical approach. The essence of these theories is forming an ethical corporate culture and structure through codes of conduct to “prevent, detect, and punish illegal violations.”² However,

¹Muel Kaptein, Johan Wempe and Marvin T. Brown propose two different types of corporate integrity theories, which are social contract and civic perspective, based corporate integrity theories. Social contract based corporate integrity theories try to create an ethical corporate culture, behavioural principles and structure and in the hope that this would lead to ethical corporate behaviours. However, civic-based corporate integrity theories suggest that a corporation is a member of the civil society. It is important to integrate the civic context and structure of corporations. Civil society is a whole and corporations are part of the whole. Corporate integrity helps corporations mesh with the whole. Both of these corporate integrity theories try to create corporate structure and culture with corporate qualities, behavioural principles and certain communication patterns. Cf. Muel Kaptein and Johan Wempe, *The Balanced Company: A Theory of Corporate Integrity* (Oxford: Oxford University Press, 2002), 165. See also Marvin T. Brown, "Corporate Integrity and Public Interest: A Relational Approach to Business Ethics and Leadership," *Journal of Business Ethics* 66, no. 1 (2006), 11-18.

²Lynn Sharp Paine, "Managing for Organizational Integrity," *Harvard Business Review* 72 (1994), 106.

organizational ethics is more than rules and punishment. In this paper I will argue that compliance based approach alone is not enough for a good corporate conduct. Even when a company has a morally based corporate culture and structure, its success depends upon the virtue or integrity of managers and employees because individuals are the ones really making decisions in corporations. In this paper, firstly, I will describe various conflicts of interest in corporate arena based on Indian contexts. Secondly, I will critically evaluate corporate integrity theory, which is the proposed solution for corporate unethical behaviour. Thirdly, I will elaborate on the need to incorporate personal integrity of managers into corporate integrity theories.

1. Various Conflicts of Interest

In organisational contexts, ethics is connected with the problems of corporate dilemmas. The quest for an ethical understanding of corporate dilemma is also connected to the discussion about the corporation as a moral agent,³ as well as to the distinction between three types of relationships in corporation. Conflicts can arise between the various levels of relationships if the company fails to take care of the interests, expectations and responsibilities of employees and stakeholders at each level in a harmonious manner. Although corporations are moral agents, individuals are the real constitutive elements of corporations, and corporations cannot make decisions – individuals are making decisions on behalf of corporations.⁴ So the individual decisions are crucial in corporate dilemmas. On the basis of the conflicts of interests, generally we divide corporate dilemmas into three, such as conflict of interests between corporation and stakeholders, conflict of interests between corporation and employees and conflict of interests among employees.⁵

1.1 Conflicts of Interests between Corporation and Stakeholders

Since corporations cannot exist by themselves, they depend on employees and other external stakeholders for their existence and survival. The most efficient way for corporations to survive is by attracting both collective and individual stakeholders. In order to achieve stakeholder trust, a corporation must be able to share an advantage with individual stakeholders⁶ because “those stakeholder(s) that are necessary for the functioning of the corporation and who only receive compensation for this at a later time must be

³ Peter A. French, "Corporate Moral Agency," in *Encyclopedic Dictionary of Business Ethics*, ed. Patricia H. Werhane and R. Edward Freeman (Oxford: Blackwell Publishers, 1998), 149.

⁴ Johan Verstraeten, "From Business Ethics to the Vocation of Business Leaders to Humanize the World of Business," *A European Review* 7, no. 2 (1998), 120.

⁵ Similar division can be seen on the following source. Cf. Kaptein and Wempe, *The Balanced Company*, 174.

⁶ Example of an individual stakeholder is an employee. Employees are ready to contribute to the corporation only if they are convinced that they will profit from this. Cf. Kaptein and Wempe, *The Balanced Company*, 167.

convinced of the corporation's importance as a long-term partner. Only then can these parties be prepared to contribute to its continued existence."⁷

The production and supply of goods in the market at less cost is a legitimate demand from the common stakeholders and a corporation has to be mindful of it. Therefore, on the one hand, the corporation has to safeguard both the interest and rights of common stakeholders, and on the other, honour the rights of individual shareholders as far as possible.⁸ Due to the pressure of competition and desire for survival and more profit, a corporation may ignore those stakeholder interests which are not immediately necessary for realizing their competitive objectives. The need to produce goods and services and to make profit may be considered to be the justification for neglecting common stakeholder interest.⁹ This conflict can be summarised as follows:

In order to safeguard the continuity of the corporation and, thereby, the rights and interests of the collective stakeholders, these rights and interests must be honoured as minimally as possible. Running a business requires dirtying one's hands. Here the corporation encroaches upon legitimate stakeholder interests and expectations in order to realize other legitimate interests and expectations that are seen as more important in keeping the corporation afloat.¹⁰

There are plenty of examples of the negation of external stakeholder interests from Indian business contexts. The Coca-Cola Company started a bottling plant in Plachimada in Palakad district of Kerala State of India in the year 2000. This part of Kerala is known as 'rice bowl' because 35% of the rice production of the State comes from this area and the majority of the people in the district depend on agriculture, which is based on natural resources, for their livelihood. Over the course of time, the Company decided to do over-extraction of ground water from more bore wells which were permitted by the State. They also discharged toxic waste back to the ground water.¹¹ Top managers of the Company took a selfish decision in this dilemma because at any cost they had to increase their profits and they ignored the rights and justifiable interests of the local people.¹² Although the local people complained about the shortage of water in wells, stinking in the water and health-

⁷ Kaptein and Wempe, *The Balanced Company*, 167.

⁸ Muel Kaptein, "The Ethics Thermometer: An Audit-Tool for Improving the Corporate Moral Reputation," *Corporate Reputation Review* 2, no. 1 (1998), 11-12.

⁹ Muel Kaptein, *Ethics Management: Auditing and Developing the Ethical Content of Organizations* (Boston: Kluwer Academic Publishers, 1998), 107.

¹⁰ Kaptein and Wempe, *The Balanced Company*, 168.

¹¹ C. R. Bijoy, "Kerala's Plachimada Struggle: A Narrative on Water and Governance Rights," *Economic and Political Weekly* 41, no. 41 (2006), 4332-4339.

¹² Mahesh Menon, Lessons from Plachimada for Water Law: Who should own the Groundwater, Cf.

http://www2.lwr.kth.se/Publikationer/PDF_Files/LWR_EX_13_44.pdf [accessed 27 June 2014], 5-6.

related problems, the Company went ahead with their own selfish interest.¹³ It is obvious that the top managers of the Company took an unfair decision in favour of the Company by disregarding the rules and permissions of the local Government. After many battles in the court, the Company is called “for the permanent closure of the Coca-Cola bottling plant and compensation, the campaign was also demanding that the Coca-Cola Company be held criminally liable for its actions in Plachimada.”¹⁴ 2G Spectrum corruption in India is also an example of business firms giving bribes in order to get unjust favour from government. Here the interests of the stakeholders are neglected because it creates financial damage to the country.¹⁵

1.2 Conflicts of Interests between Employees and Corporation

Corporations act through managers and employees, and because of this, employees are able to access the corporation’s wealth, goods, equipment and time. Employees are both stakeholders and agents who have to fulfil the self interests, interests of stakeholders and corporations; thus, employees function in two roles: as an individual person and as a stakeholder.¹⁶ Since in corporate life employees have multiple identities, they sometimes favour their own interests and values against those of the corporation. Therefore, it is always possible that a conflict arises between the personal interests of the employees and the interests of the corporation and its stakeholders.¹⁷

The dedication and commitment of employees are important for a corporation to function well. At the same time, although employees and managers are corporate assets, they are not like inanimate corporate assets. They are human beings with their own interests and limitations. It is also important to realize that corporations must create a corporate context to attain corporate objectives.¹⁸ Therefore, corporations must define certain limits or boundaries for the corporate behaviour. Johan Verstraeten states that “morally responsible behaviour begins with the realization that no society is possible, and hence no market or business, without a number of commonly recognized fundamental norms.”¹⁹

¹³The selfish interest of the company is clear from High Court judgement. Cf. Coca Cola Case, 2003, Judgement of the High Court of Kerala in *Perumatty Grama Panchayat vs State Of Kerala*. Cf. <http://www.indiankanoon.org/doc/1161084/> [accessed 26 July 2014].

¹⁴ Tineke Lambooy, "Corporate Social Responsibility: Sustainable Water Use," *Journal of Cleaner Production* 19 (2011), 855.

¹⁵ V. Chandrasekaran, "Corruption in India and Mechanism to Control - a Study," *Journal of Radix International Educational and Research Consortium* 1, no. 12 (2012), 3-5.

¹⁶ Kaptein and Wempe, *The Balanced Company*, 170.

¹⁷ Laura L. Nash, *Good Intentions Aside: A Manager's Guide to Resolving Ethical Problems* (Boston: Harvard Business School Press, 1990), 7.

¹⁸ Muel Kaptein and Jan Van Dalen, "The Empirical Assessment of Corporate Ethics: A Case Study," *Journal of Business Ethics* 24 (2000), 99.

¹⁹ Verstraeten, "From Business Ethics to the Vocation of Business Leaders," 144.

Even though there are norms, codes of conduct and other guidelines in corporations, there is always the possibility for conflicts between the individual and corporate interests. Employee's interests include "career, personal development, power, influence, standing, pleasure, comfort and pleasant working conditions."²⁰ As Kaptein observes,

This dilemma would not exist, if employees had no interests at heart other than those of the corporation: employees would then have no motive for misusing the corporation's assets. Some of the dilemmas that can occur are concerned with the extent to which employees are allowed to make use of the corporation's assets, to hold other jobs that are incompatible with the interests of the organization, to accept promotional gifts, to have business relationships with family members, and to make private purchases from the corporation's suppliers.²¹

In Indian business contexts, especially in family owned business, the exploitation of shareholders resources for personal gain becomes very wide (corruption).²² The Satyam Computers Limited scandal bears this point out. In 2009 Mr. Ramalinga Raju (the top manager and major shareholder of the company) reported to Satyam Computers' Limited Board of Directors that "he had been manipulating the computer's accounting numbers for years."²³ Commenting on the misconduct of Mr. Raju, Bashin states that "greed for money, power, competition, success and prestige compelled Mr. Raju to "ride the tiger", which led to violation of all duties imposed on them as fiduciaries—the duty of care, the duty of negligence, the duty of loyalty, the duty of disclosure towards the stakeholders."²⁴

1.3 Conflicts of Interests among Employees

Internal coordination, cooperation and perfect division of labour all reveal the efficiency of corporate functioning. The internal stakeholder is considered to be the representative agent of a large corporation.²⁵ The duties and responsibilities of each internal stakeholder must be clear; if these are not clear to employees then no one feels accountable for a particular misdeed or acting negligently. However, since corporate actions are the effects of a collective endeavour, it is difficult to assign individual responsibility for the activities undertaken by corporations.²⁶

Conflicts among employees can arise in corporations through many ways. If the corporate mission and aim are not well coordinated and employees are ill informed, then each would

²⁰ Kaptein, *Ethics Management*, 76.

²¹ Muel Kaptein, "Integrity Management," *European Management Journal* 17, no. 6 (1999), 627.

²² Pratip Kar, "Fighting Abusive Related Party Transactions in Asia: Workshop on Implementation," Background document, OECD-Asian Roundtable on Corporate Governance,

Cf. <http://www.oecd.org/daf/ca/corporategovernanceprinciples/46435512.pdf> [accessed 28 June 2014].

²³ Madan Lal Bhasin, "Corporate Accounting Fraud: A Case Study of Satyam Computers Limited," *Open Journal of Accounting* 2 (2013), 30. Cf. <http://dx.doi.org/10.4236/ojacct.2013.22006> [accessed 28 June 2014].

²⁴ Bhasin, "Corporate Accounting Fraud," 30.

²⁵ John Ladd, "Morality and the Ideal of Rationality in Formal Organizations," *The Monist* 54, no. 4 (1970), 493.

²⁶ Kaptein and Dalen, "The Empirical Assessment of Corporate Ethics," 99.

interpret the corporate aim and mission in their own way. This may have negative influences on the handling of individual responsibilities. Furthermore, due to lack of coordination, employees may show unwillingness to undertake certain tasks together with others and to concentrate only on his/her authorised responsibility. This tendency focuses on fulfilling one's own task at maximum level while at the same time losing the feeling that the corporation is a corporative body.²⁷

These conflicts include corporate problems such as the emergence of a "department within an organization which often provides others with information that is incorrect [...] unhealthy competition among the departments [...]. There are all sorts of ways of allocating one's own mistakes to other departments and for claiming other department's success for oneself."²⁸ Therefore, it is not easy to handle these dilemmas as part of corporate life, but it is necessary to present a possible solution for this kind of corporate situation.

Although conflicts of interests are normal in corporate relationships at various levels, the most important element is the decisions of managers and employees in these situations. What we need is a justifiable decision which would consider the interests of different parties that is sometimes beyond the codes of conduct. To have a justifiable decision at the time of conflicts of interests, business ethicists suggest an integrity approach.²⁹ In the following section we deal with the integrity approach.

2 Critical Appreciations of Corporate Integrity Approach

Both social contract and civic citizenship based corporate integrity theories try to safeguard stakeholder interests. Both theories hold that there is no isolated existence of corporations in society and these theories hesitate to absolutize wealth creation as the only aim of corporations. Furthermore, both theories agree that corporations have moral agency. Corporate integrity is perceived by both theories as a connective link between either different ethical conduct principles or various dimensions of a corporation's relationship with stakeholders.

Generally social contract theories of corporate integrity suggest that corporate integrity is a balancing of different claims and obligations. This balancing metaphor, however, does not indicate the ethical reason for this balancing act. According to Kaptein and Wempe, the reason for balancing corporate acts often is reduced to the efficiency of production and services.³⁰ Brown points out that corporate efficiency is not a criteria for corporate integrity. A company can make very dangerous agricultural pesticides in an efficient way

²⁷ Kaptein and Wempe, *The Balanced Company*, 169.

²⁸ Kaptein, *Ethics Management*, 94.

²⁹ Kaptein and Wempe, *The Balanced Company*, 97.

³⁰ Kaptein and Wempe, *The Balanced Company*, 165.

but that does not mean the company has a high degree of corporate integrity. Corporate integrity demands more than mere efficiency. It must have an ethical purpose without denying the economic motive.³¹ Furthermore, according to Kaptein and Wempe, the consequence of the corporate integrity is sustainable mutual advantage. They define sustainable mutual advantage as a corporation's positive influence on the environmental, social and economic realms of society.³² If the purpose of corporate integrity is efficiency of production and services then how can we hope to have a positive influence on stakeholders using corporate integrity? I think that a social contract based corporate integrity neglects the moral purpose of a corporation.

Furthermore, social contract based corporate integrity theories try to create an ethical corporate culture, behavioural principles and structure with a hope that they would lead to ethical corporate behaviours. The corporate ethical structure and culture and corporate conduct are related or embedded in a corporate code of conduct. According to Kaptein and Wempe, corporate integrity is completely dependent upon the corporate code of conduct.³³ If corporations have corporate integrity, that is, a code of conduct, then they would be able to balance conflicting values, ideals and moral theories. I have serious doubts whether a code of conduct is sufficient to ameliorate all corporate dilemmas. I suggest that individual creativity and individual moral integrity are more important in corporate ethical life than a code of conduct because it is the individual who is interpreting and applying the corporate code of conduct in daily corporate life. However, I do not want to degrade the value of a corporate code of conduct with regard to limiting unethical corporate behaviour. Nevertheless, in a corporate collective context, although a code of conduct helps to a certain extent, it is not enough for the formation of ethical behaviour.

Civic based corporate integrity sees corporations as members of a civil society. Furthermore, it gives importance to the civic context and structure of corporations. There are five dimensions of civic based corporate integrity such as cultural, interpersonal, organizational, civic and natural. Corporate integrity is seen as a sum total of these five corporate integrity dimensions. I do appreciate the perfect combination of both shareholder interest and public interest or stakeholder interest by stating that the corporation is a member of civil society.

However, there is no clear indication in this theory about the cultural difference in the civic context. I think, in a civic perspective of corporate integrity, the different ethical context present within a country or a culture will be a challenge for multinational firms.

³¹ Brown, "Corporate Integrity and Public Interest," 8-9.

³² Kaptein and Wempe, *The Balanced Company*, 228.

³³ Kaptein and Wempe, *The Balanced Company*, 264-265.

In civic based corporate integrity, cultural, interpersonal, organizational, civic and natural dimensions are worked out by individuals. All these dimensions help a corporation to become one with the whole that is the civil society. Both social contract and civic perspective corporate integrity theories try to create corporate integrity by taking into consideration of corporate policies, mission, culture, structure and codes of conduct³⁴ for overcoming corporate dilemmas. In Indian corporate context, although we do not see corporate integrity theories as such, we can see the main elements of corporate integrity theories such as codes of conduct, corporate structure and culture with ethical principles and corporate qualities.³⁵ Although corporate ethical culture and structure help to have ethical corporate behaviour, corporate corruption and conflicts of interest are existing realities in Indian corporate contexts. Therefore, I think that in any case corporate integrity depends upon the integrity of managers and employees along with ethical corporate structure and culture because managers and employees act on behalf of corporations and corporations cannot act in itself.

3 The Need of Personal Integrity in Corporate Ethics

Although there are different definitions of personal integrity, my position is that personal integrity is the moral motivation of the self or collection of virtues, which enable a person to connect with different theories, values, interests and role responsibilities.

The need for personal integrity in corporate integrity theories or corporate ethics is substantiated with good reasons by the following five arguments.

Firstly, as we have already seen corporate ethics are related to three types of relationships in corporation: namely, the relationship between employees and the corporation, the relationship among the employees, and the relationship between the corporation and its stakeholders. There are situations that create conflict of interests between employees and the corporation and its stakeholders. When conflict of interests arises corporate rules and behavioural principles are not enough for moral reasoning because a code of conduct cannot cover all the issues in the business arena. Moreover, codes hold every conflicting situation to the same ethical standards regardless of the context and circumstances within which they operate.³⁶ Therefore, managers have to take into account each context, different ethical theory, and code of corporations in order to arrive at a decision in conflicting situations. This can be called nothing more than correct practical wisdom and since

³⁴ Kaptein and Wempe, *The Balanced Company*, 264-265. See also Marvin T. Brown, *Corporate Integrity: Rethinking Organizational Ethics and Leadership* (Cambridge: Cambridge University Press, 2005), 222-226.

³⁵ Srinivasan Elankumaran, "Corporate Codes of Conduct in India: A Survey," *Journal of Human Values* 12, no. 1 (2006), 65.

³⁶ Mollie Painter-Morland, "Triple Bottom-Line Reporting as Social Grammar: Integrating Corporate Social Responsibility and Corporate Codes of Conduct," *Business Ethics: A European Review* 15, no. 4 (2006), 353.

integrity is connected with the totality of a person (being), practical wisdom depends upon whether a person has integrity or not.

Secondly, business ethics is more than codes of conduct, duties, punishments and limitations. According to many ethicists, good life or entire happiness is the primary concern of ethics.³⁷ In order to have good life, managers and employees need not only codes of conduct but also their own values and ends in organizational life, which give meaning to their work. This is possible by “giving individuals opportunities to thoughtfully participate in the management of their company's affairs and contemplate the ultimate meaning of things.”³⁸ These personal involvements at the core of organizational life transform managers and employees from a passive mentality to being motivated members of a meaningful organization.³⁹ According to George Bragues the meaningful lives of employees, managers and stakeholders are possible by (1) “the creation of more participatory workplaces so that employees can contribute their particular expertise and play a greater role in company decisions; (2) less hierarchical structures and more shared responsibilities in order to reduce the necessity of unreflective order taking and mind numbing specialization; (3) more respect shown for employee's rationality by ensuring that management liberally discloses information pertaining to the firm's condition and prospects and provides reasons for company policies; [...]” In short, as prof. Verstraeten says a company should not be a closed circle and both company and employees should be a source of inspiration for each other in order to have meaningful lives.⁴⁰ Therefore, corporate integrity theories should incorporate personal integrity of managers and in such a way create a better atmosphere to handle the corporate dilemmas.

Thirdly, although there are different ethical theories, utilitarianism, and deontology and virtue ethics are normally used in the business arena along with a code of conduct for ethical decision making. However, different ethical theories or values, on the one hand, are interrelated, but, on the other, they are distinct from one another and cannot to be reduced to one or the other theory or value. Application of these theories do not lead ethicists to an absolutely certain conclusion⁴¹ because we have no comprehensive moral theory which determines or outweighs one theory over another in particular conflicting situations.⁴² Moreover, according to ethicists, we need an integration of different models including those

³⁷ George Bragues, "Seek the Good Life, Not Money: The Aristotelian Approach to Business Ethics," *Journal of Business Ethics* 67, no. 4 (2006), 343.

³⁸ Bragues, "Seek the Good Life, Not Money," 343.

³⁹ Verstraeten, "From Business Ethics to the Vocation of Business Leaders," 115.

⁴⁰ Verstraeten, "From Business Ethics to the Vocation of Business Leaders," 117.

⁴¹ Johan Verstraeten, "Non E Solo Questione Di Applicare De Principi," in *L'etica Negli Ambiti Di Vita*, ed. Simone Morandini (Padova: Proget Edizioni, 2010), 38. I have made use of the original English translation of this article which I got from the author.

⁴² Manuel G. Velasquez, *Business Ethics: Concepts and Cases*, 3 ed. (New York: Prentice Hall, 1992), 111-112.

of utilitarian, deontological and idealist strands in order to reach an optimal solution.⁴³ This leads to a valuing of integrity (and hence virtue); the ability to assess conflicting values or obligations or interests in such a way that, taking into account the specificity of the context and different theories, one makes the best possible decision.

Fourthly, codes of conduct of companies can instrumentalize employees and managers for the benefit of the company. It is clear from Kaptein and Wempe that the purpose of corporate integrity theory is to have an efficient means of production and services.⁴⁴ A company can make very dangerous agricultural pesticides in an efficient way but that does not mean the company has a high degree of corporate integrity. Corporate integrity demands more than mere efficiency and obedience to codes of conduct. Corporate integrity or business ethics has to consider employees and managers as subjects with moral frameworks and not as a means to an end. Therefore, corporate integrity theories have to allow for sufficient space for individual integrity.

Finally, if corporate integrity does not allow sufficient space for personal integrity then it consequently neglects the link between moral acts of managers and employees and the moral quality of their lives as a whole. Present corporate integrity theories try to separate the corporate integrity role from personal integrity. When employees and managers blindly follow their role integrity through codes of conduct of the company, they will be unaware of the consequences of their professional behaviour and it may lead to unethical behaviour in conflicting situations. IBM engineers, technicians and managers in the time preceding the holocaust are an example of disconnected role integrity. They made an efficient mechanic punching card system and they neglected the question of ultimate meaning and reason of this card system which was used for the systematic extermination of millions of Jews. Personal integrity along with corporate codes of conduct enables managers to foresee the broader consequences of their professional activities because personal integrity is a connective link between the role responsibility and moral motivation, which connects different theories, values, interests and role responsibilities in the business arena.

Conclusion

Corporate integrity theories are the proposed solutions for corporate misconduct. My literature research enables me to divide the ideas of corporate integrity into two: social contract based and corporate civic citizenship based theories. These theories propose implementing codes of conduct for corporate ethics. Moral reasoning and decision in the midst of moral dilemma is a matter for corporate ethics. Although there are codes of conduct in corporate culture, the real decision makers are the top managers of the

⁴³ Vincent Barry, *Moral Issues in Business* (California: Wadsworth Publishing Company, 1986), 67.

⁴⁴ Kaptein and Wempe, *The Balanced Company*, 165.

corporations. There is no absolute moral theory for moral reasoning and there are similarities as well as tensions associated with different theories. Therefore, moral imagination and personal integrity of managers play an important role in moral reasoning in corporate life. Ethics is for good life and it is possible to attain through mutual inspiration of a corporation and its employees. So corporations should create space for employees to live according to their personal values. Above all, there is need for a link between moral acts of managers and employees and the moral quality of their lives as a whole. So, corporate integrity theories can incorporate personal integrity of managers along with the code of conduct of corporations because personal integrity is the moral motivation of the self, which enables a person to see the connective link between different theories, values, interests and obligations.

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