Personal Values as Predictor of Ethical Behavior of Managers : A Study of Select Indian Public Sector Undertakings

** A.K. Pattanaik*
*** Sanjay Modi*
**** Sunil Budhiraja*

Abstract

In this study, an attempt was made to capture the personal values possessed by Indian managers and measuring their influence on the ethical behavior of the same. A construct was hypothesized after reviewing existing literature on the identified variables. Data were collected from 150 senior managers of two public sector petroleum and natural gas companies of India. As a leading outcome, a set of 12 personal values and four ethical, unethical behavior factors were extracted by applying exploratory factor analysis. In the second phase of the study, it was observed that out of the 12 personal values, five had a direct and significant influence on the ethical behavior of the respondent managers. The paper offered an in-depth analysis by making use of multivariate analysis. The findings of the study confirmed that Self Orientation and Materialistic Orientation were the major personal values which promoted unethical behavior among managers. On the contrary, Selfless Work, Conformity to Authority, and Achievement Orientation discouraged unethical behavior among managers. The findings of the study validated the results of some of the existing studies conducted in the international context and attempted to answer various questions posed or unexplored in literature. The research is original and will add value to researchers and organizations to understand the importance of various personal values and their influence on ethical behavior of managers.

Keywords : **personal values, ethical behavior, public sector undertaking, India**

JEL Classification : M12, M140, L2

Paper Submission Date : June 10, 2015 ; Paper sent back for Revision : July 8, 2015 ; Paper Acceptance Date : July 23, 2015

Globalization and liberalization have ushered in a host of technological and scientific changes, promoted cultural multiplicity, stiff competition, and greater corporate social responsibility, which have made it increasingly necessary to have high-performance standards and excellence in management, thereby drawing greater attention to corporate culture and values. Petrick and Quinn (1997) observed that without improved managerial ethical decision making, in the context of a corrupt national environment, managers risk ruining their careers, their firms' reputations, and the opportunity to compete in a free market on a level playing field.

Stories of unethical practices across several MNCs are hitting headlines in most developed as well as developing countries of the world. There are several evidences to this. Frauds in Satyam, 2G telecom spectrum allocation, purchases of defense equipments in India, insider trading, money laundering, system hacking, and

* *Retired General Manager Engineering,* Oil India Ltd., India. E-mail: ajitpattanaik@yahoo.com
** *Executive Dean,* Lovely Professional University, Jalandhar - Delhi G.T. Road (NH-1), Phagwara, Punjab - 144411. E-mail: sanjay.modi@lpu.co.in
*** *Assistant Professor,* Lovely Professional University, Jalandhar - Delhi G.T. Road (NH-1), Phagwara, Punjab - 144411. & *** *Research Scholar,* Panjab University, Chandigarh. E-mail: sunil.budhiraja@lpu.co.in

kickbacks in procuring purchase orders and so forth have thrilled the world. Even respected multinational giants like Enron defrauded its investors by hiding losses in shady partnership and illegal activities (Johnson & Phillips, 2003).

Arpinder Singh, India Leader of Ernst & Young's Fraud Investigation & Dispute Services said in a statement (Ernst & Young, 2013) :

> In the current challenging market conditions, the incentives for unethical conduct can be strong when personal remuneration is at stake and pressure to deliver growth is being felt directly. At the same time, a focus on growth and cutting costs can weaken the systems and teams are put in place to prevent and detect these actions. (para 3)

Consequent upon this awareness and interest in ethics in business, a number of research studies have been conducted. However, the area namely, "Ethics and Values of Managers of Public Sector Undertakings" is so far a less explored area. Little work has been done to determine the ethical behavior of Indian managers with respect to public sector undertakings.

Personal Values and Value Systems

Values are a set of principles or standards of behavior that are regarded as desirable by a particular society in which a person lives and failure to uphold them result in condemnation. Our idea of what is the right thing to do in a situation comes from our values (Sharma & Bhal, 2004). According to Super (1970), values are objectives that one seeks to attain to satisfy a need. Values reflect one's personal attitudes and judgment, one's decisions, and choices. Rokeach (1973) defined individual values as the degree of worth ascribed to an object or a class of objects. It is an enduring conviction that a specific mode of conduct or end state of existence is personally or socially preferable to the alternate mode of conduct or end state of existence.

Indian organizations display a mixed set of values, characteristic of both East and West, that is, belief in attachment vs. individualism; humanism vs. power orientation. For example, according to a study conducted by Kidder (1994), basic common values are love, truthfulness, fairness, freedom, unity, tolerance, responsibility, and respect for life, which illustrate a sense of Eastern characteristics. A study by Goel and Kumar (2000) largely authenticated the results of Kidder's study.

Traditional culture and modernity have combined to transform the Indian managerial mindset in an unique way, resulting in dualities of value that are often difficult for others to understand (Chatterjee, 1995; Garg & Parikh, 1995). Many researchers (Athreya, 1995 ; Chakraborty, 1991) have suggested that Indian managers feel comfortable with the traditional system of hierarchy in all spheres of life. Leading Indian scholars (like Gupta, 1996) suggested that the economic reforms in India have affected the value system of managers to a certain extent. In addition, there is a flavor of the Western value system which can be sensed in Indian managers.

A study by Sinha and Sinha (1980) in the Indian context provided a broad range of personal values which is a mix of the East and the West. They identified 21 values in their study. These values are - ability utilization, achievement, altruism, advancement, authority, autonomy, lifestyle, personal development, prestige, risk taking, social interaction, social relation, dependency, aesthetics, creativity, economics, physical activities, variety, working conditions, peace, and comfort. The values like achievement, advancement, personal development, and risk taking are examples of the changing value system of Indian managers. The Western culture promotes achievements and success, activity and involvement, efficiency and practicality, professionalism, progress, material comfort, individualism, freedom, autonomy, equality, pleasure, humanitarianism, youthfulness, and fitness & health.

The findings of another study (Chatterjee, 1995) ascertained that traditional values still dominate the consciousness of the Indian society and institutions, but surprisingly, managers are able to work with global

values at their individual levels of work ideology by successfully building and relying upon 'meso' level work value sets.

Mishra's (1993) work on unethical behavior of managers was based upon 11 dimensions of 'Personal Value Measures' which were initially identified by Prakash (1983). These personal value measures include kindness, social status quo, materialistic orientation, power orientation, work value, conformity to authority, work aspiration, personal development, *dharma*, self-diligence and non-attachment, which is a mix of Eastern and Western sets of values.

Ethics and Ethical Behavior of Managers in Organizational Context

Ethics have been derived from the Greek word 'ethos,' which means character. Ethics reflect a character of individuals and collectively represent an organization. Ethics is the application of moral values or codes to complex problems using a rational decision-making process. The outcome of the process is normally a behavior or a set of behaviors.

Petrick and Quinn (1997) defined ethics as the study of individual and collective moral awareness, judgment, character, and conduct. According to Henderson (1982), ethics are commonly defined as a set of principles prescribing a behavior that can explain what is good and right or bad and wrong; it may even outline moral duty and obligations. Churchill (1991) defined ethics as application of moral values or codes to complex problems using a rational decision making process.

Brumback (1991) examined the nature of unethical behavior, which is a mix of personal and situational conditions and discussed some elements of a programme for institutionalizing ethics in the government. Cooper and Frank (1991) conducted a survey in the life insurance industry which consisted of 32 ethics-related statements covering 1,173 insurance professionals. A total of 437 professionals responded to the survey, and the respondents were asked to give a rating on a 5-point scale from *very helpful* to *least helpful*. The study identified six issues of concern, namely misleading representations of products or services, failure to recommend products and services that meet client needs, lack of competence among employees, conflicts between opportunities for personal financial gain or benefits, and proper performance of one's responsibilities, misrepresenting one's abilities to provide services, and making disparaging remarks about competitors.

Mishra (1993), in a study on managers' unethical behavior, categorized some of the unethical behaviors in organizations as given below :

- Time theft, that is, taking extra personal time in lunch hours, breaks, early departures, and so forth.
- Misappropriation of public funds and consumption & sale of office articles.
- Giving or accepting gifts or favours in exchange for preferential treatments.
- Manipulation of appointments, promotions, and misuse of authority.

In the Indian organizational context, Sadri, Dastoor, and Jayashree (1999) in a national study of managerial ethics identified 31 unethical behavior issues and classified them into five categories as given below:

- Environmental Issues : Pollution noise,
- Bribery: Corporate individual,
- Authorizing unethical subordinate behavior,
- Consumer satisfaction: Complaints, social risk,
- Market dis-equilibrating forces: Product piracy, dumping.

Pitman and Radtke (2002), in their study, cited the survey conducted by Ethics Resource Centre in the U.S. and noted that the types of misconduct in the workplace observed include lying, withholding needed information, abusing and intimidating behavior towards employees, misreporting actual time or hours worked, discrimination, sexual harassment, theft, breaking environmental and safety laws, and falsifying records.

From the above review, we can interpret that there are several types of unethical behaviors which we can be classified in the following four types:

(1) Unethical behavior related to moral obligation (environmental issues, etc).

(2) Unethical behavior related to moral strength (dishonesty, lying, manipulation, etc).

(3) Unethical behavior related to personal development (misusing official time for personal development and growth).

(4) Unethical behavior related to social interactions (coercion, discrimination, sexual harassment, etc).

Personal Values and Unethical Behavior

Theoretical and empirical literature indicates that individual values are related to employee attitudes and behaviors. Dawis and Lofquist (1984) and Ronen (1978) viewed personal values as an integral part of an individual's personality structure and argued that one's personal value system is a relatively stable and fundamental component of the individual's psychological makeup which influences attitudes and behavior.

The importance of personal values on ethical decision making have been studied in the management and business literature for a number of years (e.g., Laroche, Bergeron, & Barbaro-Forleo, 2001). A recent study made an assessment and concluded that ethical judgments are influenced substantially by personal values and ethical sensitivity. The study further confirmed the moderating effects of ethical climate between the relationship between personal value systems and ethical behaviors of managers. In a similar study (Liu, 2008) in the Chinese context, the effect of Chinese auditors' personal values on their ethical reasoning (ethical judgments and behavioral intentions) was assessed. The major findings of the study indicated that relativism orientations were negatively associated with, while idealism orientations were positively associated with auditors' ethical judgments and behavioral intentions.

Several decision models incorporate values as an influence on the ethical dimension of decision making. Ferrell, Gresham, and Skinner (1988) cited values and attitudes as individual factors that influence individual decision making in their contingency model of ethical decision making. Fritzsche (1991) specified individual instrumental and terminal values as the initial input for his model of decision-making, incorporating ethical values later in a more complete process model (Fritzsche, 2004). There is an agreement among most business ethics scholars that personal values play a role in the ethical dimension of decision making.

Monappa (1977), in a survey of business executives in India, brought out that the practice of ethical behavior is not always a policy that can be easily followed. Every individual is conscious of how easy it is to fall prey to the temptations of unethical actions, especially under pressure. The factors already quoted in the preceding section significantly influence not only the attitudes, but also the behavior of managers.

In the Indian context, a recent study by Gupta and Sukumaran (2013) suggested that the issue of ethics and morality has been studied largely in the area of marketing, and to a certain extent, in accounting; whereas, ethics and morality research has been largely ignored in finance and economics research. Natarajan and Nagar (2011) explored personal values as a predictor of perceived organizational values, but the study was not able to link the set of personal values with ethical behavior.

Objectives of the Study

(1) To explore and discuss the set of personal values and ethical behavior of managers in select public sector undertakings in the petroleum and natural gas industry in India.

(2) To examine the relationship and influence of personal values on the ethical behavior of managers.

Hypotheses

Under the light of the above discussion, the following two null hypotheses are developed :

➲ **H01:** There is a set of personal values which is associated with unethical behavior of managers.

➲ **H02:** There is no cause and effect relationship between the unethical behavior of managers and their personal value systems.

Research Methodology

The study was undertaken in two PSUs in the oil and natural gas industry in India. Data were collected from managers of these two PSUs through the questionnaire method. The questionnaire was first validated through a pilot study in one of the two PSUs. Necessary modifications in the questionnaire were made after receiving responses through the pilot study.

(1) Instruments Used : The instrument consisted of three sections - namely demographic information of the respondents, identification of personal values, and ethical behavior of the respondents. The instrument used in the study was adapted from a study by Mishra (1993) for ethical behavior and Prakash (1983) for personal values after some modifications suggested by a panel of experts to achieve high face and content validity. Modifications were incorporated using other studies conducted on the subject by Monappa (1977) and Sinha and Sinha (1980).

The reliabilities of these instruments were determined through SPSS 17.0 and the Cronbach's alpha values were found to be significantly high. The respective alpha values are:

Table 1. Personal Values : Factor Description

Factor Code	Factor Name
PV_F1	Virtuousness
PV_F2	Humanism
PV_F3	Social Orientation
PV_F4	Self Orientation
PV_F5	Achievement Orientation
PV_F6	Materialistic Orientation
PV_F7	Righteous Work
PV_F8	Independence
PV_F9	Social Affiliation
PV_F10	Authoritativeness
PV_F11	Conformity to Authority
PV_F12	Selfless Work

Table 2. Unethical Behavior Factor Description

Factor Code	Factor Name
PV_F1	Manipulative Behavior
PV_F2	Misappropriation, Unfair, and Corrupt Practices
PV_F3	Compliance with Organizational Rules & Norms and Employee Welfare
PV_F4	Fair, Just, and Responsible

(i) Personal Values Instrument: 0.8165,

(ii) Managerial Ethics (Ethical Behavior) Instrument: 0.9841.

(2) Sample Design : Out of the total six companies in exploration and production of crude oil in India, it was decided to consider two out of these six companies for analysis. A 10% sample was drawn from each company through random sampling using a standard random number table. A total of 150 respondents were considered for the study. The data were collected from the respondents in the year 2014.

Data Analysis and Results

The data analysis was done using SPSS (version 17). The major findings of the study are categorized into three parts, which are discussed in the following sections.

Personal Value Factors

In order to achieve the first objective of the study, an exploratory factor analysis was administered in order to explore the major personal values of the respondents. A total of 36 values were identified on the basis of the instrument used. Twelve factors were extracted from 36 items as shown in the Table 1 as a result of exploratory factor analysis. Only variables having a factor loading of more than 45% in the factor were considered. These extracted factors are discussed below:

(i) Virtuousness : This factor includes values like trust, honesty, kindness, and truth, possession of which makes a person virtuous.

(ii) Humanism : This includes the values of altruism, developing as a person, respect for humanity and dutifulness, which are related to humanitarian values. Persons with these values tend to be helpful, dutiful, and humanitarian.

(iii) Social Orientation : This factor, which includes personal values of accepting challenges, social interaction, social work, and social image, indicates the orientation of a person who is concerned about his/her social image and believes in regular social contacts.

(iv) Self Orientation : It includes values like autocratic style, non-discriminating conduct, being unperturbed, courageous, and diligent.

(v) Achievement Orientation : This factor includes values like ability utilization, achievement, advancement, knowledge, and skill, which determine the achievement orientation of an individual.

(vi) Materialistic Orientation : This value factor creates a desire to view things from a materialistic point of view. It makes a person strongly attached to the results and is more likely to make a person corrupt and consequently, more cautious.

Table 3. Correlation Matrix of Ethical Behaviors and Personal Values

(PV.F)→ ↓(EB.F)	PV_F.4	PV_F.6	PV_F.10	PV_F.11	PV_F.12
EB.F1	.230*				
EB.F2	.325**		.220*		-.269**
EB.F3		.256**		-.308**	
EB.F4				-.207*	

** - Significant at the 0.01 level (2-tailed)
* - Significant at the 0.05 level (2-tailed)

Legend:
PV_F.4 : Self-orientation PV_F.6: Materialistic Orientation PV_F.10: Authoritativeness PV_F.11: Conformity to Authority PV_F.12: Selfless Work EB.F1: Manipulative Behavior EB.F2: Misappropriation, Unfair, and Corrupt Practices EB.F3: Compliance (Rules and Norms) and Employee Welfare EB.F4 :Fair, Just, and Responsible

(vii) Righteous Work : Values like detached work, commitment to duty *(dharma)*, and justice together make this a personal value factor.

(viii) Independence : This factor comprises of values like independent life style and independent action, enabling a person to take decisions freely and on his/her own.

(ix) Social Affiliation : This factor comprises seeking social relationships and is typical of the Indian cultural milieu as Indian managers desire social relationships and affiliation at their workplace.

(x) Authoritativeness : Self reliance is a predominant trait of this factor with tendency to impose one's decisions on others.

(xi) Conformity to Authority : This factor includes detachment from results or consequences and acceptance of authority.

(xii) Selfless Work: This value factor includes values like non-attachment to the results and work aspiration, which will make the manager motivated to work without expecting any returns.

Ethical, Unethical Behavior Factors

The 14 items used to identify ethical, unethical behavior were subjected to another exploratory factor analysis resulting in the extraction of four factors (Table 2). Only variables having a factor loading of more than 55% in the factor were considered. These extracted factors are discussed below :

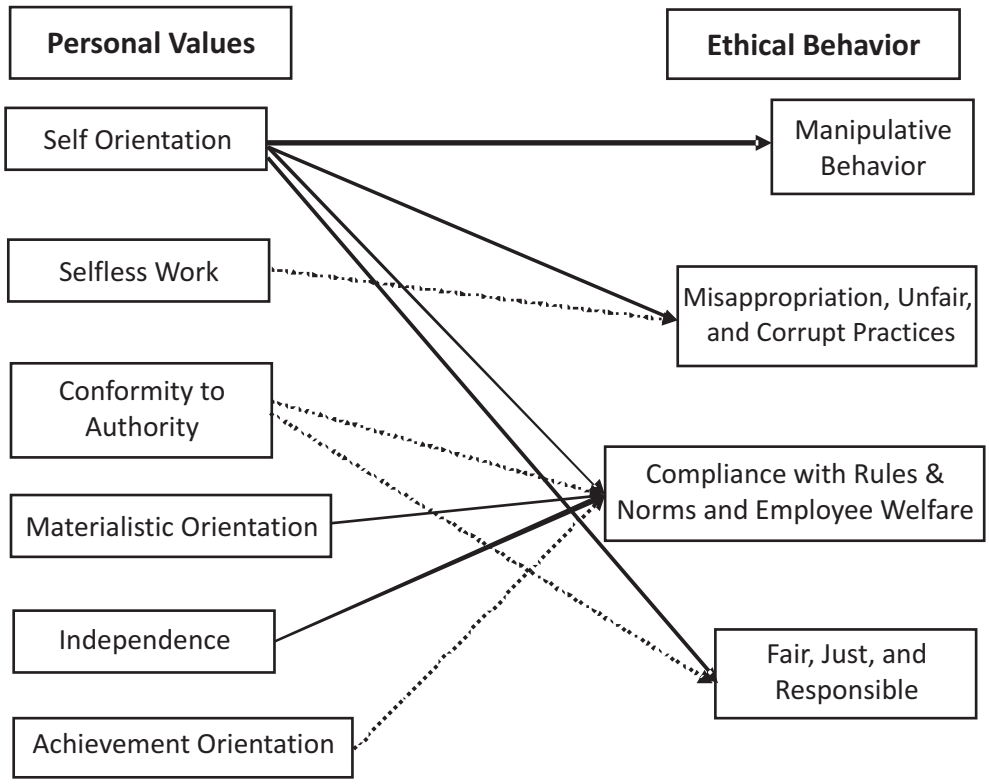
(1) Manipulative Behavior (EB_F1) : The factor Manipulative Behavior includes all the variables relating to manipulations for personal gains, manipulations in appointments and promotions; misuse of authority, misuse of company articles; time theft such as late coming and leaving early from office, doing personal work during office time, taking longer time for completing a task, and so forth ; and concealing facts to gain advantage for self, stealing others' credit, and manipulating a situation to blame peers.

(2) Misappropriation, Unfair, and Corrupt Practices (EB_F2): This factor of unethical behavior includes variables related to misappropriation of company funds, properties, misuse of company property and corruption

Table 4. Personal Values as Predictors of Ethical Behavior : Stepwise Multiple Regression Analysis

Dependent Variable (Ethical Behavior)	Independent Variable (Personal Values)	Standardized Coefficient Beta	*t*	Significance
Manipulative Behavior	Self Orientation	.230	2.396	.018
Misappropriation, Unfair, and Corrupt Practices	Self Orientation	.378	4.247	.000
	Selfless Work	-.330	-3.710	.000
Compliance with Rules & Norms and Employee Welfare	Conformity to Authority	-.348	-4.076	.000
	Materialistic Orientation	.335	3.915	.000
	Independence	.312	3.482	.001
	Achievement Orientation	-.249	-2.779	.007
Fair, Just, and Responsible	Conformity to authority	-.234	-2.438	.016
	Self Orientation	.195	2.036	.044

Figure 1. Relationship Between Personal Values and Ethical Behavior*



*Thick Arrows – Positive Influence ; Dotted Arrows – Negative Influence

of every kind such as misuse of power, offering and accepting bribes, unfair dealings with subordinates, clients, customers, and so forth.

(3) Compliance with Organizational Rules & Norms and Employee Welfare (EB_F3) : This factor contains variables related to compliance of rules and norms. It also has variables related to employee welfare or concern

for employees. People who demonstrate such positive behavior do not believe in applying pressure or using unfair means for appointments and promotions or to achieve any other objective. Such people are also concerned about the welfare and safety of employees and consumers.

(4) Fair, Just, and Responsible (EB_F4): This factor has variables related to being fair, responsible, and just in dealings. This set of behavior indicates righteousness of a manager. A manager demonstrating such behavioral traits is always responsible and judicious in appraisal of subordinates and ensures penalty for the guilty and reward for the deserving persons.

Personal Values and Ethical Behavior

The results of the correlation analysis (Table 3) between 12 personal value factors and four ethical, unethical behavior factors show a significant correlation between five personal value factors and four ethical, unethical value factors. In order to assess the cause and effect relationship between the variables, a stepwise regression analysis was performed considering Personal Values as independent variables and Ethical Behavior as the dependent variable. The results of the regression analysis are shown in the Table 4.

Major Findings and Discussion

Six out of the 12 personal value factors, namely, Self Orientation, Materialistic Orientation, Achievement Orientation, Conforming to Authority, Independence, and Selfless Work were found to predict ethical behavior of managers, while the rest failed to establish a cause and effect relationship. The personal value factors which did not predict ethical behavior of managers are : Virtuousness, Humanism, Social Orientation, Achievement Orientation, Righteous Work, Independence, and Social Affiliation.

Only those personal values which appear in both correlation and regression analysis are considered for further analysis. The influence of various personal values on ethical behaviors of managers is discussed below. The cause and effect relationship between personal values and ethical behavior has been exhibited with the help of Figure 1.

The overall findings of our study are in agreement with the results obtained by Fritzsche and Oz (2007), who too came up with the findings that there existed a significant positive contribution of altruistic values (justice, peace, and environment) to ethical decision making, and the authors observed a significant negative contribution of self-enhancement values (wealth, authority, and influence) to ethical decision making.

Positive correlation of the personal value factor of Self Orientation with Manipulative Behavior indicates a tendency in the self-oriented managers to be more manipulative. Studies have found that managers perceive the bureaucratic environment to be less ethical and that they are under pressure to compromise personal standards to achieve organizational goals and believe their supervisors are interested only in results, not how they were obtained (Bowman, 1976; Brenner & Molander, 1977 ; Carroll, 1975). Negative correlation of the personal value factor - Selfless Work with Misappropriation, Unfair, and Corrupt Practices predicts that a selfless and detached person will not indulge in practicing such unethical behavior.

High Conformity to Authority leads to lesser Compliance with Organizational Norms and Rules and lower concern for Employee Welfare due to the negative correlation between these factors. This finding is in consonance with that of Sinha and Sinha (1980) and Dayal (1977), who too reported that in the public sector in India, there is more conformity to authority or loyalty to the boss, arising out of dependency proneness of Indians and an authoritarian style of leadership. The research findings also support the findings of the study conducted by Meesala, Vani, and Diana (2015), who conformed that a set of social focus values impacted job performance and the same was completely mediated by the competency of a manager. Personal values and Conformity to Authority also affect the behavior factor Fair, Just, and Responsible negatively and the factor itself is negatively

affected by environmental factors, conflict climate, and employee welfare. This indicates that in the presence of a weaker conflict climate, managers will not be fair and just to their employees and may not care for employee welfare.

However, our findings do not conform to those obtained by Shafer, Morris, and Ketchand (2001), who concluded that personal value preferences do not influence auditors' ethical judgments and behavioral intentions. Another study by Allen and Davis (1993) revealed that individual values held by management consultants were positively correlated with professional ethics, but were negatively correlated with consulting behavior.

Considering the status of the null hypotheses, it can be concluded that the first null hypothesis (H01) is accepted. The results of correlation analysis between 12 personal value factors and four ethical, unethical behavior factors show a correlation between five personal value factors and four ethical, unethical value factors. The second null hypothesis (H02) that managerial behavior does not have any cause and effect relationship with a value system is rejected as the correlation analysis and the multiple regression analysis show that there exists a significant positive cause and effect relationship between Self Orientation, Materialistic Orientation, and Independence ; whereas, the set of other personal values namely, Selfless Work, Conformity to Authority, and Achievement Orientation have a significant negative cause and effect relationship. Thus, the values do appear to play an important role in the ethical dimension of decision making.

Personal Values and Manipulative Behavior

Manipulative Behavior includes misuse, cheating, under-performing, and manipulating a situation for personal gain. The ethical, unethical behavior factor Manipulative Behavior has a positive correlation with only one personal value factor, that is, Self Orientation (unperturbedness, non - discrimination, diligence, autocratic behavior, and courage). The lack of decentralization and delegation and strict adherence to rules and regulations does contribute to the managers becoming self-oriented, thereby increasing the possibility of engaging in manipulative behavior.

Ethical, unethical behavior factor Misappropriation, Unfair, and Corrupt Practices has a positive correlation with personal value factors Self Orientation, Authoritativeness and has a negative correlation with Selfless Work (Table 3). However, the results of multiple regression analysis (Table 4) indicate that only Self Orientation and Selfless Work enter the regression analysis, thereby implying that Authoritativeness has a spurious relationship with this behavioral factor. Therefore, the influence of Authoritativeness will not be considered for further discussion. It is noteworthy to observe that a highly self-oriented manager can engage in unethical behavior of manipulation as well as can engage in unethical practices of misappropriation, unfair, and corrupt practices as both unethical behaviors are born out of the same value system.

The personal value factor Selfless Work (non-attachment and work aspiration) has a negative correlation with ethical, unethical behavior of Misappropriation, Unfair, and Corrupt Practices. This indicates that the stronger is the personal value factor - Selfless Work among managers, the less will be the probability that they will engage in this unethical behavior. A manager with the value factor - Selfless Work while performing his/her duty remains committed to organizational interests and not his/her own. Such managers are ethically fairly sound and are not likely to be tempted towards corruption, bribing, and any kind of misappropriation. The data of the study provides empirical support for one aspect of the Fritzsche model (Fritzsche, 2004) in order to validate the influence of personal values on ethical decision making.

Personal Values and Behavior of Compliance with Organizational Rules & Norms, and Employee Welfare

This ethical behavior factor comprises of behaviors related to adherence to organizational rules and norms, being

fair to employees, and being concerned about employee well-being and development. Managers who exhibit this behavior do not flout organizational rules for their personal gains or to favour / disfavour others. The correlation analysis reveals that the behavior factor Compliance with Organizational Rules & Norms and Employee Welfare has a positive correlation with personal value factor Materialistic Orientation and is in a negative correlation with the personal value factor Conformity to Authority. This indicates that in the sample organizations, managers with higher materialistic orientation will demonstrate greater compliance behavior and more concern for employees' welfare. They will be cautious and practical in their approach to ensure that rules and norms are not violated and would try to maximize the welfare and material well-being of the employees because they have the orientation to promote their own material well being as well. However, personal value factors Independence and Achievement Orientation entered in the regression due to some spurious relationship and hence, have been ignored for the purpose of further discussion.

These findings are in consonance with those obtained by Sinha and Sinha (1980) and Dayal (1977), who too reported that in the public sector in India, there is more conformity to authority or loyalty to the boss arising out of dependency proneness of Indians and an authoritarian style of leadership.

Personal Values and Fair, Just, and Responsible Behavior

This behavior includes variables such as taking responsibility, being fair and just with respect to appraisals of employees, punishing or rewarding them for performing or non-performing. The correlation matrix shows that the ethical, unethical behavior factor Fair, Just, and Responsible has a negative correlation with only one personal value factor, Conformity to Authority, though two personal value factors, Conformity to Authority and Self Orientation entered the multiple regression analysis. A manager can act responsibly and in a fair manner if only conformity to authority is not high on his priority, as it would enable him to assess the situation dispassionately and take balanced decisions.

Managerial Implications

The study can be of substantial use for both the organizations in reference. The research shall facilitate managers and employers in assessing the employees' personal value systems and make them understand the possible reason of unethical practices taking place in the organizations and society at large. A roadmap can be planned for organizations to inculcate a value system, which shall result in ethical behavior to improve the performance of organizations. The present study adds to the literature as there is a dearth of research in the area of value system and ethical behavior and shall act as a source of reference for academicians and researchers.

Conclusion

The findings of the study indicate that managers' ethical behavior is influenced by their personal value systems. The results of the exploratory factor analysis provide a seven set of personal values which affect the ethical decision making of managers upto a certain extent. The study shall help managers in identifying the causes of certain unethical behaviors like manipulating and corrupt behaviors, unfair managerial practices, and misappropriating organizational resources. The study also uncovers the relationship between the set of personal values identified and the ethical, unethical behaviors associated with the same.

Limitations of the Study and Agenda for Future Research

Due to the sensitive nature of research, there may exist a threat of respondents' giving socially desirable responses towards values and ethical behavior. To minimize this bias, the research instrument was customized and refined to obtain strong differentiation between the set of values and behavior exhibited. In order to extract true responses from the participants, the statements regarding independent variables (response on personal values) were asked later in the questionnaire, while the feedback on ethical behavior was sought in the initial part of the questionnaire.

Since the study was administered in two PSUs in India ; so, a national level study too needs to be undertaken to study the ethical disposition of employees in an effort to find a viable solution to the grave ethical crisis currently evident in India.

References

Allen, J., & Davis, D. (1993). Assessing some determinant effects of ethical consulting behavior : The case of personal and professional values. *Journal of Business Ethics, 12* (6), 449-458. DOI : 10.1007/BF01666559

Athreya, M. B. (1995) Ancient wisdom for national human resource management. In, *Selected Papers from the National Conference on HRM in Darsanas*. Ahmedabad : Ahmedabad Management Association.

Bowman, J.S. (1976). Managerial ethics in business and government. *Business Horizons, 19* (5), 48-54.

Brenner, S. N., & Molander, E. A. (1977). Is the ethics of business changing? *Harvard Business Review, 55*(1), 55 - 71.

Brumback, G. B. (1991). Institutionalizing ethics in government. *Public Personnel Management, 20* (3), 353-364.

Carroll, A.B. (1975). Managerial ethics: A post watergate view. *Business Horizons, 18*(2), 75-80. DOI: 10.1016/0007-6813(75)90072-5

Chakraborty, S. K. (1991). *Values and ethics for organizations: Theory and practice.* Delhi: Oxford University Press.

Chatterjee, S. R. (1995). Business ethics in a global context: Practices and perspectives (pp. 257 - 260). *Proceedings of the Academy of International Business, South East Regional Conference*, Perth, Australia.

Churchill, G. A., Jr. (1991). *Marketing research: Methodological foundations*. Orlando, FL: Drydon Press.

Cooper, R. W., & Frank, G. L. (1991). Ethics in the life insurance industry: The issues, helps and hindrances. *Journal of the American Society of CLU & ChFC, 45*, 54-66.

Dawis, R. V., & Lofquist, L. H. (1984). *A psychological theory of work adjustment.* Minneapolis, MN: University of Minnesota Press.

Dayal, J. (1977). *Change in work organizations: Some experiences of renewal in social systems.* New Delhi: Concept Paper.

Ernst & Young (2013, May 7). Performance pressure in difficult times makes way for unethical practices in India [press release]. Retrieved from http://www.ey.com/IN/en/Newsroom/News-releases/PR_Performance-pressure-in-difficult-times-makes-way-for-unethical-practices-in-India

Ferrell, O.C., Gresham L.G., & Skinner, S.J. (1988). Ethical behavior and bureaucratic structure in marketing research organizations. *Journal of Marketing Research, 25* (1), 103-109. DOI: 10.2307/3172930

Fritzsche, D. J. (1991). A model of decision-making incorporating ethical values. *Journal of Business Ethics, 10* (11), 841 - 852.

Fritzsche, D. J. (2004). *Business ethics: A global and managerial perspective.* Burr Ridge, IL : McGraw-Hill Irwin.

Fritzsche, D. J., & Oz, E. (2007). Personal values' influence on the ethical dimension of decision making. *Journal of Business Ethics, 75* (4), 335-343. DOI : 10.1007/s10551-006-9256-5

Garg, P. K., & Parikh, I. (1995). *Crossroads of culture: A study in the culture of transience.* New Delhi: Sage Publications.

Goel, M. M., & Kumar, A. (2000). Corporate objectives from Indian value system. *National Seminar Proceedings on Contemporary Issues in Corporate Governance in India in the New Millennium,* Kurukshetra University, Kurukshetra, India.

Gupta, G. P. (1996). *Management by consciousness: A spirito-technical approach.* Puducherry : Sri Aurobindo Society.

Gupta, R., & Sukumaran, A. (2013). Ethics and morality in finance. *Prabandhan: Indian Journal of Management, 6* (2), 15- 22. DOI: 10.17010/pijom/2013/v6i2/59968

Henderson, V.E. (1982). The ethical side of enterprise. *Sloan Management Review, 23* (3), 37- 48.

Johnson, L., & Phillips, B. (2003). *Absolute honesty.* New York, NY : AMACOM.

Kidder, R.M. (1994). Universal human value: Finding an ethical common ground. *The Futurist, 28* (2), 8-13.

Laroche, M., Bergeron, J., & Barbaro-Forleo, G. (2001). Targeting consumers who are willing to pay more for environmentally friendly products. *Journal of Consumer Marketing, 18* (6), 503-520. DOI : http://dx.doi.org/10.1108/EUM0000000006155

Liu, M. (2008). *The effect of personal values on individuals' ethical behavioral intentions: evidence from professional auditors in people's republic of China*. Paper Presented at the Canadian Academic Accounting Association.

Meesala, A., Vani, H., & Diana, D. (2015). The influence of social focus values on performance and competency: A study on select organizations in Telangana state. *Prabandhan: Indian Journal of Management, 8* (3), 23 - 32. DOI: 10.17010/pijom/2015/v8i3/61287

Mishra, N. (1993). *Study of unethical behavior in organizational context* (Ph.D. dissertation). Indian Council of Social Science Research, New Delhi.

Monappa, A. (1977). *Ethical attitude of Indian managers.* New Delhi : All India Management Association.

Natarajan, N. K., & Nagar, D. (2011). Personal values as predictors of perceived organizational values - Implications for recruiters. *Prabandhan: Indian Journal of Management, 4* (9), 26 - 30. DOI: 10.17010/pijom/2011/v4i9/62600

Petrick, J.A., & Quinn, J.F. (1997). *Management ethics - Integrity at work.* New Delhi: Response Books, Sage Publications.

Pitman, K. M., & Radtke, R. (2004). Ethical decisions in the workplace: Are they governed by personal ethics or company codes of ethics? *Ethics and Critical Thinking, 4,* 15-49.

Prakash, A. (1983). *A study of organizational socialization of industrial worker* (Unpublished Doctoral Thesis), University of Allahabad, Allahabad, India.

Rokeach, M. (1973). *The nature of human values.* New York: Free Press.

Ronen, S. (1978). Personal values: A basis for work motivational set and work attitude. *Organizational Behavior and Human Performance, 21,* 80-107.

Sadri, S., Dastoor, D.S., & Jayashree, S. (1999). *The theory and practice of management ethics.* Mumbai: Jaico Publishing House.

Shafer, W.E., Morris, R.E., & Ketchand, A.A. (2001). Effects of personal values on auditors' ethical decisions. *Accounting, Auditing & Accountability Journal, 14*(3), 254-277. DOI : http://dx.doi.org/10.1108/EUM0000000005517

Sharma, P., & Bhal, K.T. (2004). *Managerial ethics dilemmas and decision making.* New Delhi: SAGE Publication India Pvt. Ltd.

Sinha, J.B.P., & Sinha, D. (1980). Role of social values in Indian organizations. *International Journal of Psychology, 25* (3-6), 705-714. DOI: 10.1080/00207599008247922

Super, D. E. (1970). *Manual, work values inventory.* Chicago: Riverside Publishing.