

Impact of Quality on Ethics and Social Responsibility in Marketing, in Industries in Kerala in the present Indian Scenario

*N.R.U.K. Kartha**
*Dr. V.P.Jagathy Raj***

Abstract

The paper 'Impact of Quality on Ethics and Social Responsibility in Marketing in Industries in Kerala in the present Indian scenario' highlights the observations, based on a descriptive research carried out in five leading industries in Kerala, in the private and public sector. Ethics and social responsibilities, practiced in these industries, are reflected in the results of the survey conducted on specific queries like awareness of products/services provided by them, total understanding of the requirements of the customer, open discussion on technical matters, accountability of employees to the society and social needs, consumer ethics vis a vis business ethics etc. Team working goes a long way, in building relations, which in turn, results in a progressive and effective marketing strategy. This assumes paramount importance, considering the severe competition we are facing in the light of liberalization, privatization and globalization, which encompasses the globe. The prediction of India becoming a lead nation, along with USA, China and Japan, in this decade, can get fructified only if we follow a very high standards of ethics and social responsibility, in all domains including marketing.

Organizations like TRW.Rane, Sundaram Fasteners, TVS Motors, in Chennai are a few among others in India, who have achieved the highest distinction in quality viz Deming Prize, and these demonstrate their commitment to quality, society and humanity at large. Cost effectiveness, without jeopardizing quality has become the need of the hour and MRTP has become history. This trait is being brought out through the survey and the results speak for themselves. Unethical practices like switch and bait, not only brings shame to the organization, and country but also results in the company getting wiped out from the market. Adherence to standards like ISO 14000 helps to maintain the minimum level of social responsibility and environmental friendliness. Like quality audit, safety audit etc, social audit is being insisted in all progressive countries to ensure that the organization comply with the minimum statutory requirements.

The paper also touches upon Corporate Social Responsibility practiced in the industries and this becomes crystal clear through their commitment to improve the community. Green Marketing lays a lot of importance on the three Rs of environmentalism viz Reduce, Reuse and Recycle. The objective of any business is to achieve optimal profit and this is possible only by reducing the cost as well as waste. In this context, management tools like brainstorming, suggestion schemes, benchmarking etc becomes helpful. These characteristics are brought out through the analysis of survey results. The conclusions drawn throw a lot of information on the desirable practices with respect to Ethics and Social Responsibility in Marketing.

Introduction

This paper deals with the study of 'Impact of Quality on Ethics & Social responsibility in marketing' with special reference to industries in Kerala in the present scenario of Liberalization, Privatization and Globalization. An extensive survey has been conducted in five industries/institutions to take stock of characteristics like awareness of process and products, involvement in process changes, customer preferences and response to these, two way communications to analyze and improve quality and productivity, transparency on matters of mutual concern etc.

* *Principal, US Technology Resources, Capital Mark, Gandhari Amman Kovil Road, Trivandrum – 695001.
E-mail: nruk_kartha@hotmail.com*

** *Professor, School of Management Studies, Cochin University of Science & Technology, Cochin-682022
E-mail: jagathy@cusat.ac.in*

How does Ethics and Social Responsibility Depend on Quality?

Ethics encompasses moral principles and values that control actions and decisions of an individual or a group. Increased pressure for achieving larger quantities, to match the demand may lead to decline in business ethics and devaluation of values and culture. Judicial blending of social culture and norms, business culture and industry practices, and corporate culture and expectations will result in creation of a friendly environment for increasing productivity, participation and involvement, quality and thereby achieving improvement in profitability. Social responsibility has taken the frontline today and like any other audit, social audit also is made mandatory for ensuring right practice of ethics.

Marketing has a great deal to do with consumers and unless a proactive philosophy is adopted by the industrial houses, the consumers will switch from one to the other, depending on the quality of product or service, after sale services, extent of warranty/ guaranty etc. Post purchase behavior influences the clients to a very great extent. Mutually beneficial relations between the customer and the seller ensures and re-ensures customer loyalty. Customers' perception is yet another important feature, which has strong link with ethics and manners in marketing. Customer friendly organizations always try to improve their commitment to the society through excellent business practices. The socially responsible company cares for the customers, employees, suppliers and society at large. The quality of life is the major concern of the environmentalists and this also is termed as Green marketing. In this case the three Rs of environmentalism viz., Reduce, Reuse and Recycle are practiced in abundance.

Ethical decisions can be evolved by adopting principles:

1. Basing Morality on Consequences (Consequentialism)
 - The Egoism Principle
 - The Utility Principle
2. Basing Morality on the Rights of Individuals
3. Basing Behavior on Moral Duties
4. Basing Behavior on Virtues

American Marketing Association (AMA) points out that ethical marketing alone is good marketing and it results in developing a long term relationship with the customers. Successful business depends upon customers' loyalty and the business house also has to meet the requirements of the interested parties like customers, employees, suppliers, banking institutions, public etc. The relation between business ethics and social responsibility is that, the former is reactive and the latter is proactive.

In order to get a hand on experience on the impact of quality on ethics and marketing in industries in Kerala, an extensive survey has been conducted. As an indicator of the impact of quality on the above mentioned factors, parameters such as top management commitment, involvement of people, customer focus and communication have been arrived at and analysis was done to arrive at certain conclusions. The descriptive research carried out comprised industries in Kerala in the private/ public/undertakings/ R&D sectors. The results and conclusions are given later in this paper.

The organizational survey included private and public sector undertakings, production and R&D establishments. The methodology adopted was a combination of sample survey technique and the group discussions. The study covered five organizations which are practicing quality and have been purposively selected, taking into considerations in the variations of practices in different sectors.

A questionnaire was circulated to the respondents and typical traits of quality like Top Management Commitment, Involvement of People, Customer Focus and Communication, as perceived by them were observed and evaluated on a five point Likert scale, starting from

strongly agree, through weakly agree, agree, weakly disagree and strongly disagree. The computation of the various indices on account of the above is as follows:

CHARACTERISTICS/ ORGANISATIONS					
	R&D Non- ISO	R&D ISO	Govt. of India undertaking (ISO Certified)	Public Ltd. Company ISO Certified	Public Ltd. Company ISO Certified
Top Management Commitment	15.4	14.72	97	24.2	50.79
Involvement of People	63.08	31.88	97	74.10	50
Customer Focus	51.21	11.37	55	7.5	84.38
Communication	49.24	58.83	98	91.60	70.83

Conclusion

The level of quality is dictated by the quality of products, processes, personnel and input materials. Whenever quality of a high order is maintained in these domains, this is an indirect reflection of professional ethics and social responsibility practiced in the organization, especially in marketing. This is because marketing or business development is one of the primary organs which decides strategy, structure and policy of the company.

The names of the organizations, where the survey was conducted are kept anonymous, based on their request. However the messages are loud and clear.

Management Commitment

- ISO Certified organization in the production sector has recorded the highest top management commitment and this is because of the fact that the leader is an outstanding personality in marketing and so ethics and social responsibility are given highest priority.
- The lowest commitment is accounted against the organization in R&D sector. Which has produced excellent results, but due to the very large strength of the employees and an inordinate span of control, the index has become low.
- In the case of a public Ltd. company, working on a production mode the commitment has been found to be excellent because it started with a very humble beginning and the workers are self motivated. In this case, the social responsibility is of a very high order.

Involvement

- Involvement across the organization is essential for maintaining quality and abundance of this is a clear indication of social responsibility.
- While the high scorer remains to be the same, a public limited company with an ISO Certification ranks second, whereas a non ISO Company the R&D sector has done extremely well, primarily because it has a smaller army with it.

Customer Focus

- The outstanding customer focus is an indication of professional ethics and it has been scored high by a public limited company in the production sector. This is primarily because of the fact that the number of customers are far and few and the company gives exceedingly high priority for customer delight and customer retention.
- The R&D organization with a low strength of personnel also has come off well whereas the public sector undertaking, with production background has done miserably because the product is more like a monopoly and the customers are not adequately enthused.

Communication

- This is the backbone of any organization, whether it is top down, bottom up or all round. The lowest level of communication is recorded in the organization with the lowest strength and this paradox can be explained only by the poor top management commitment existing in this organizations.

While there are many indices for assessing ethics and social responsibility, quality is one single factor which can throw maximum light on their practice, whether it is past, present or the future.