

COMPARATIVE STUDY OF VALUE SYSTEM OF PUBLIC AND PRIVATE SECTOR

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ABSTRACT

The paper is an attempt to analyze and compare the value system of private and public sector organizations in India. A comparative analysis of value systems of 334 top and middle level executives, 154 from public sector and 180 from private sector covering 22 states has been made in this paper and the sample was drawn from selected 155 organizations located in 134 cities of India. From both the angles i.e. perceived importance and application of values in the organizational situation of the executive this study has been made. It has been found that Loyalty, Reverence, Gratitude, Self-actualization and Compassion were the five most important values, whereas, Caste, Dependence, Aggressiveness, Wealth and Power were the least important values of the executives of public sector organizations of India. Reverence, Self-actualization, Gratitude, Loyalty, and Truth were found the five most important values and Rest, Caste, Dependence, Absence of Hatred, and Benevolence the five least important values of the executives of private sector organizations of India. The perceived importance and application of all the values of the executives of organizations of private sector in India was found to be the same.

Introduction

The growth of organizations is in imbibing its value systems of academic excellence, social and ethical responsibility, special concern for weaker sections of society and dedication to work and promotion of social justice shall serve as a beacon of light for the future generations who will follow your footsteps.

The Hindu spiritual tradition teaches us (Manusmṛti, 4.176)

Prityajet artha-kamau

Yau syatam dharmā-vajitāu;

Dharmam capyasukhodarkam

Loka-vikrustameva ca-

'Give up those *arthas* and *kamas* (wealth and sensory cravings) which are opposed to *dharmā*; and (give up) even that *dharmā* which results in one's own unhappiness (like donating all wealth without thought for the care of one's children) and in the suffering of other people'.

Thus earning wealth by right means and honest labor is *dharmic*; but greed, and its impulsion to dishonesty and unscrupulousness, is opposed to *dharmā*; it is opposed to *dharmā* means, it is opposed to general welfare and one's own inner spiritual growth; it is *dharmā* which

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equalizes a strong man and a weak man in society; if the restraint of *dhama* is not there, the strong will have all the *kama* and *artha*, and the weak will be deprived of even elementary human satisfactions; and that was what obtained in our feudal social order, where the haves monopolized all the good things of life and the have-nots were left to live a near-animal life. This is what we have to change fully in our democratic state, by infusing moral, ethical, and human values into our society.

These values not only play prominent role in the success of social life but are essential for growth and development of business organizations also. **Swami Ranganathananda (1997)**.

Chakraborty (1987) opines that values such as Karma, Sanskars, Gunas, and *Karmayoga of Bhagwadgita* would promote quality of work life, ethical managerial behavior and provide better motivational basis for Indian executives.

Chakraborty (1983) has also suggested that purity of mind and self-transcendence (Moksha) would enhance quality of decision-making in the organizations.

Chairman of the Rs. 27,000-crore Aditya Birla Group, **Kumar Mangalam Birla**, for the growth and development of the organization, framed a code of conduct for employees – comprising a preamble, two pages of principles, and 15 pages of explanation – spells out the values and ethics of the group was formulated. This is signed by each employee. Some of the principles of the code include integrity, giving proper feedback, no paying bribes to or taking kickbacks from anyone, no accepting gifts, how to be a good corporate citizen, responsibility to the government, etc. If someone does receive a gift, there is a format of how to refuse the gift as well. Any sign of corruption by employees is treated with a swift removal, irrespective of the level of person. (Business India 2004)

Terming Infosys chief as “India’s ethical software king”, Asia week said “Murthy keeps one message high on his agenda: Do business ethically and legally.”

Narayan Murthy bettered his position to 27 this year as compared to 40 last year while his competitor Premji’s ranking went down below 50 from the previous year’s rank of 15.

Bimal Jalan, former RBI governor spoke about JRD Tata, the only businessman to be conferred with the Bharat Ratna, India’s highest civilian honor. He said JRD was special because, whenever, there was a trade-off; JRD always put the interests of society and the nation ahead of the interests of his own companies. JRD’s values would be anathema to economists like Milton Friedman who say that the business of business must only be business, and to those management consultants and business analysts who expect business leaders to focus single-mindedly on producing money for their own shareholders. JRD’s concern for small shareholders was legendary and his striving for excellence in the businesses he ran, such as Air-India and Tata Steel, made the nation proud. His greatness lay in keeping two goals in sight at the same time – the goal of business and the broader goals of society. **Maira (2004)**

“In a bid to stop unethical practices by corporate and prevent frauds, the Securities and Exchange Board of India’s committee on corporate governance has suggested ‘whistle-blower policy’ where an official of a company who observes an unethical or improper practice can approach the audit committee of the company without necessarily informing his supervisors. The committee, headed by the Infosys Chief Mentor, N.R. Narayana Murthy, said the intention was to enable the management to establish a mechanism for employees to report concerns about unethical

behavior, actual or suspected fraud or violation of the company's code of conduct." (Business Line, 2003).

Executives in India have much faith in human values and consider them very important in their job life. The executives almost always in organizational situation have applied these values. Goel (2001).

A survey was conducted in the US to assess the success of its MBA programs. Questionnaires were sent to the corporate community of Fortune 500 companies as well as business schools. It revealed that out of 12 core areas of management curriculum like Accounting, Finance, Marketing, Management, and Economics and so on ethics is the one which is strongly supported by the corporate community (Presidents of Fortune 500 companies) as well as business schools. From a survey conducted to assess the importance of various organizational goals, it was observed that the managers place due emphasis on the high morals of organization. They rated the importance of high morals at 6.04 on a 7-point scale. (Tuteja 1996).

Mohammed Galib Hussain (1996) conducted a research study on 271 middle level executives of different types of organizations numbering 86 located in 14 cities of south India. Hussain classified values in terms of their orientation into progressive and regressive after identifying 26 values from the Indian literature namely Loyalty, Self-actualization, Reverence, Truth, Purity of motive, Purity of mind, Love, Code of life, Gratitude, Status, Personal relationship, Compassion, Modesty, Wealth, Equanimity, Power, Forgiveness, Non-violence, Liberation, Aggressiveness, Caste, Dependence, Rest, Benevolence, Absence of hatred and Cosmic causation. Out of 15 progressive values, 13 values have been marked on high scale (higher scale refers to combined frequencies of first two points in the 5 point scale i.e., very high

and high scales) by the majority of executives. They are: Truth, Purity of mind, Self-actualization, Love, Compassion, Code of life, Purity of motive, Non violence, Gratitude, Modesty, Benevolence, Absence of hatred, Liberation. He suggested that if the organizations decide to improve upon the existing organizational culture, deepening of love, biophilis, freedom and liberation should be the main thrust of their HRD policies.

The type of organization (private and public) and age of employees are found to have a positive influence on unethical practices and work behavior. Public sector organizations derive power from state or political bodies and meet the long-range interests and needs of the public. They operate in an environment of red tapism and bureaucratic nepotism. Contrarily, private sector companies have a constant drive to meet the demands of the consumers. They operate in an intense competitive environment and try to beat their competitors. Their survival depends on retention of market share along with profit maximization. They are sensitive and respond quickly to the changing business environment. (Petrick 1990)

Studies on the work culture in private (including a fertilizer cooperative) and public sector companies in India revealed two distinct cultures. In the 'soft' work culture and pliant management of the public sector, employees engaged in non-work activities, social personal interests, did not work hard, did not have a positive influence on work and maximized personal gains. Managerial policies, practices and philosophy were more liberal. The opposite existed in the private sector, a synergetic work culture with assertive and people oriented management. Given these findings, the unethical practices of employees are likely to be less and work attitudes more favorable in private than public sector companies. (Sinha 1990).

Middle level managers in the public sector violated the organization's norms more than managers in the private sector. Managers in both sectors endorsed manipulation and cheating in performance and misuse of finance to the same extent. Managers in the private sector had higher performance, job involvement, effective commitment, predominant intrinsic job satisfaction and initiative than managers in the public sector. By and large, middle level managers in the private sector were less unethical and had more favorable work behavior than managers in the public sector. (Damodar 2004)

A very few number of researches have been conducted in this field and there is hardly any research work at national level which could study the value system of the executives of top and middle level and could compare the perceived importance and the application of values in the organizational situation in public and private sectors and small and large sized organizations. Due to keen interest in the field of spirituality and management the researcher felt the need for further research in an area, which has been neglected by the people but needs special attention.

On the bases of the perceived importance of selected twenty six values and the application of these values in the organizational situations, the present effort has been made to study the value systems of three hundred thirty four executives of one hundred and fifty five selected organizations in India by including industrial, manufacturing, service, mining and other units in the survey. Broadly, the organizations included in survey were public and private sector, (154 executives of Public sector organizations and 180 executives from Private organizations).

Following twenty-six values were included in the study for the purpose:

1. **Wealth (Dhana)** Monetary gain should

- be deciding factor
2. **Power (Adhikara)** Capacity to dominate other person
 3. **Rest (Vishrama)** Escape from responsibilities
 4. **Status (Sthiti)** Position in one's social group
 5. **Self-actualization (Atama Yatharthikarna)** Realization of one's potentials
 6. **Absence of hatred (Advasha)** Even towards a person who causes suffering to you
 7. **Compassion (Daya)** Kindness to distress human being
 8. **Liberation (Moksha)** Realization of Atman within
 9. **Benevolence (Daan)** Renouncing one's right to one's wealth in favor another living being
 10. **Forgiveness (Kshama)** Unaffected condition of mind of a person when he is reviled
 11. **Love (Abhinnanga)** Feeling of identity of one's self other
 12. **Modesty (Vinaya)** Absence of self aggrandizement
 13. **Reverence (Sharaddha)** Extreme respect for old age, authority or tradition etc.
 14. **Cosmic causation (Karma)** Present sufferings and fortunes are the results of actions in this or earlier births
 15. **Code of life (Dharma)** Code of ethics in one's position
 16. **Personal relationship (Atama Sambandha)** Preference for affinitive relationship rather than task oriented

17. Dependence (*Paradheenta*) Seeking support, help and protection
18. Caste (*Jaati*) Status ascribed by birth
19. Loyalty (*Bhakri*) Firm in allegiance
20. Equanimity (*Nirdvanata*) State of mind which rises above pleasure and pain etc.
21. Truth (*Satyam*) Elimination of discord between thought, word and deed
22. Purity of mind (*Mana Prasada*) Freedom from anxiety and unagitated condition
23. Purity of motive (*Bhaava Samshuddhi*) Freedom from hypocrisy and falsehood etc.
24. Aggressiveness (*Aakramakta*) Self assertiveness as a sign of emotional reaction
25. Non-violence (*Ahimsa*) Non-violence in thought, word and action
26. Gratitude (*Kritugyta*) Goodwill towards someone for the favors received in past

Hypotheses

1. Executives of public sector and private sector do not perceive same importance to the human values in their organizational situation.
2. There is difference between the application of values of the executives of private and public sector.
3. Most important values of the executives of public and private sector are different.
4. Least important values of the executives of public and private sector are not the same.

Research Methodology

The study is based primarily on the use of

primary data generated through structured questionnaire to be filled in by different top level and middle level executives of selected organizations in India and their personal interviews. The questionnaire employed in the study for primary data is divided into the parts briefly described below:

The first part of the questionnaire contains the personal information, the second part deals with 26 values. Every respondent was asked through structured questionnaire on a five point Likert type scale. 'How much important do they consider the value in organizational situation?'

To ascertain the degree of importance of values they were asked to mark their valuation, very high, high, moderate, low or very low and the executives were asked to mark any of them. The third part deals with the application/realization of the values. Every respondent was asked the following question:

'How often do they apply/use or realize that value in the organizational situation?' To know the frequency of application/realization of a particular value in the organizational situation of the executives, they were given five alternative choices viz. always, usually, sometimes, rarely or never and were asked to mark any of them.

The questionnaires were issued to the top and middle level executives personally by the researcher and some were sent by post whereas to some executives these were emailed. The data was collected till August 2004.

Statistical Technique

Perceptions of the people cannot be measured precisely hence non-parametric statistical test namely Chi-square has been used for analyzing and interpreting the data generated through structured questionnaire and personal interviews.

Chi-square test has been used to test whether there is significant difference of opinion between the respondents of public & private sector and the executives of large and small size organizations. The scale index (mean, percentages and weighted mean) has been calculated to find the average score on five-point Likert-type scale to make the analysis easier. Weighted mean was calculated by giving weights to very high, high, moderate, low and very low as 5, 4, 3, 2, and 1 respectively in case of perceived importance and 5, 4, 3, 2, 1 to Always, usually, sometimes, rarely and never respectively in case of application/realization.

Comparative Analysis of Values of Public Sector

Perceived importance & application of values of public sector

The executives ranked 26 values in order of perceived importance to them. The table 1 shows below for the ranks of perceived importance and the application of values of the executives of India in public sector clarified that almost all the values were applied by the executives in their organizational situation according to the importance given by them to those values.

The rank for perceived importance for each and every value was found almost the same as it was noted for the application of that value.

Five Most Important & Five Least Important Values in Public Sector

Results exhibited by the table Loyalty, Reverence, Gratitude, Self-actualization and Compassion were found the five most important values of the executives of public sector organizations of India as is clear from their ranks viz. 1, 2, 3, 4, and 5 respectively. The executives had applied also these most important values very frequently in their organizational situation

because the ranks for these values were found as 3, 1, 2, 4, and 5 respectively for their application.

Comparative Analysis of Values of Private Sector

Perceived importance & application of values of private sector

The executives ranked 26 values in order of perceived importance and application of those values in the organizational situation. Results exhibited by the Table 2 made clear that except Purity of mind, Equanimity and Forgiveness all the twenty-three values were almost applied by the executives as per the importance given to those values. This was made clear by the ranks given for those values. All the twenty-three values were given almost the same rank for the perceived importance as it was for the application/usage of that value. Purity of mind and Equanimity were considered more important by the executives of Private sector in India as the rank for these values were 6 and 16. But at the time of application of these values the executives could not apply with that frequency in their organizational situation as the rank for application of these values were found 13 and 21. This case was found reverse as far as the value Forgiveness was concerned. This value was applied most frequently (rank 16) by the executives of private sector in comparison to the importance given to this value (rank 19).

Five Most Important & Five Least Important Values in Private Sector

Reverence, Self-actualization, Gratitude, Loyalty, and Truth were found the five most important values of the executives of private sector organizations in India, as their ranking were 1, 2, 3, 4, and 5 respectively. The executives of these organizations had applied most these values viz. Gratitude, Reverence, Loyalty, Self-actualization and Truth as is clear from their

ranks for application. It was also very clear that the perceived importance of values and their application of those values were found almost the same as per the opinions Benevolence, Absence of hatred, Dependence, Caste and Rest were the least important values in private sector of India and except Absence of hatred the executives had applied also these values in their organizational situation with almost the same frequency as they gave importance to these values. Absence of hatred was given least importance in comparison to the frequency of application of this value as the rank for perceived importance was 23 and for application it was found 20.

Comparative Analysis of Values of

Public and Private Sector

Perceived importance of values of public and private sector

The executives ranked 26 values in order of perceived importance to them. Results stated that there was difference of perceptions in rating the human values by executives of different organizations. Hence the hypothesis that executives of public and private sector organizations do not perceive same importance to the human values in their organizational situation stands accepted.

The executives of both the types of organizations have not given the same importance to all values. Undoubtedly, they have rated Loyalty,

Table 1
Perceived Importance & Application of Values : Public Sector

VALUE	RANKING OF PERCEPTION	RANKING OF APPLICATION
Loyalty	1	3
Reverence	2	1
Gratitude	3	2
Self actualization	4	4
Compassion	5	5
Truth	6	8
Code of life	7	6
Purity of motive	8	10
Love	9	7
Purity of mind	10	12
Non violence	11	9
Modesty	12	11
Forgiveness	13	13
Liberation	14	16
Status	15	15
Personal relationship	16	14
Equanimity	17	18
Cosmic causation	18	17
Absence of hatred	19	21
Benevolence	20	18
Power	21	22
Wealth	22	20
Aggressiveness	23	23
Dependence	24	24
Caste	25	25
Rest	26	26

Reverence, Gratitude and Self-actualization the same. It was also clear that the executives of private sector were found more wealth conscious in comparison to public sector organizations because the ranking for wealth of private sector executives was 15 whereas the public sector's ranking for this value was 22. The private sector executives had given more importance to Status and Power in comparison to public sector executives according to the ranking of values of these organizations. The ranking for Status is 15 by the public sector executives and 10 for private sector executives. For Power, the ranking is 21 by public and 18 by private sector executives. One more important finding was that the degree

of forgiveness in the executives of public sector executives (ranking is 13) was found to be high in comparison to private sector executives (ranking is 19). This might be due to the fact that the private sector is more result or goal oriented so they cannot afford forgiveness when the goals are not achieved. But the ranking for Compassion by the executives of public sector was 5 whereas by private sector was found 12.

Comparative Analysis of Values of Public And Private Sector

Application of values of public and private sector

The results showed that there was difference

Table 2
Perceived Importance & Application Of Values: Private Sector

VALUE	RANKING OF PERCEPTION	RANKING OF APPLICATION
Reverence	1	2
Self actualization	2	4
Gratitude	3	1
Loyalty	4	3
Truth	5	7
Purity of mind	6	13
Code of life	7	5
Purity of motive	8	6
Love	9	8
Status	10	11
Modesty	11	9
Compassion	12	10
Non violence	13	14
Personal relationship	14	12
Wealth	15	15
Equanimity	16	21
Liberation	17	18
Power	18	17
Forgiveness	19	16
Cosmic causation	20	19
Aggressiveness	21	22
Benevolence	22	23
Absence of hatred	23	20
Dependence	24	24
Caste	25	25
Rest	26	26

in application/realization of values across executives of different organizations i.e. public and private. Hence the hypothesis that the ranking of values on the basis of realization/usage by the executives of public and private sector organizations in India is different stands accepted.

The executives of public sector have applied more frequently the value 'Non violence' in comparison to private sector as the ranking for public and private sector on the basis of the application of this value is 9 and 14 respectively. The executives of public sector (ranking is 13) had applied Forgiveness more often in comparison to private sector (ranking is 16).

Status, Wealth and Power are the values, which have been found most commonly applied/used by the executives of private sector in comparison to public sector organizations in India. The rank by public and private sector executives, for the application of values, Status was ranked 15 & 11, Wealth 20 & 15, and Power 22 & 17 respectively. All these values are more or less related to each other.

In private sector, for an executive it is possible to have good status and more power according to the quality and quantity of work performed which is not possible in public sector where the promotion or power is based on the seniority basis, so the executives of private sector organizations not only try to acquire these values rather they apply also very frequently in their organizational situation because after acquiring one of these others can also be acquired easily.

Summary Findings

On comparing the value system of the executives of public and private sector organizations in India the findings emerged may be summarized as follows:

1. Loyalty, Reverence, Gratitude, Self-actualization and Compassion were the five most important values of the executives of public sector organizations of India and these executives had applied these most important values very frequently in their organizational situation.
2. Five least important values of the executives of public sector were found as Caste, Dependence, Aggressiveness, Wealth and Power and these values were applied by the executives of these organizations least commonly.
3. The perceived importance and application of all the values of the executives of organizations of private sector in India was found to be the same.
4. Reverence, Self-actualization, Gratitude, Loyalty, and Truth were found the five most important values and Rest, Caste, Dependence, Absence of Hatred, and Benevolence the five least important values of the executives of private sector organizations of India.
5. There is a lot of difference between perceived importance and its application about Purity of mind but when it came to its application they were not able to keep their mind as pure as they intended to have.
6. The executives of both the types of organizations i.e. public and private did not give the same importance to all values, yet they have rated Loyalty, Reverence, Gratitude and Self-actualization the same.
7. It was found that the executives of private sector were found more Wealth conscious in comparison to public

sector organizations and they had given more importance to Status and Power also in comparison to public sector executives.

8. One more important finding was that the degree of forgiveness and Compassion in the executives of public sector executives was found high in comparison to private sector executives.
9. Five most important and five least important values, on the basis of perceived importance, of public and private sector executives on the basis of perceived importance are almost the same.
10. Rest, Caste and Dependence are the values, which have been given the least importance by the executives of both the types of organizations and these values have been applied least commonly by the executives of both the sectors.
11. Wealth is the value, which is least important for public sector in comparison to private sector.
12. Status, Wealth and Power are the values, which have been found most commonly applied/used by the executives of private sector in comparison to public sector organizations in India.
13. Reverence, Gratitude, Loyalty and Self-actualization are most frequently applied values in both the sectors.

Table 3
Perceived Importance & Application of Values
Public & Private Sector In India

Loyalty	1	3	Reverence	1	2
Reverence	2	1	Self actualization	2	4
Gratitude	3	2	Gratitude	3	1
Self-actualization	4	4	Loyalty	4	3
Compassion	5	5	Truth	5	7
Truth	6	8	Purity of mind	6	13
Code of life	7	6	Code of life	7	5
Purity of motive	8	10	Purity of motive	8	6
Love	9	7	Love	9	8
Purity of mind	10	12	Status	10	11
Non violence	11	9	Modesty	11	9
Modesty	12	11	Compassion	12	10
Forgiveness	13	13	Non violence	13	14
Liberation	14	16	Personal Relationship	14	12
Status	15	15	Wealth	15	15
Personal Relationship	16	14	Equanimity	16	21
Equanimity	17	18	Liberation	17	18
Cosmic causation	18	17	Power	18	17
Absence of hatred	19	21	Forgiveness	19	16
Benevolence	20	18	Cosmic causation	20	19
Power	21	22	Aggressive	21	22
Wealth	22	20	Benevolence	22	23
Aggressive	23	23	Absence of hatred	23	20
Dependence	24	24	Dependence	24	24
Caste	25	25	Caste	25	25
Rest	26	26	Rest	26	26

14. But it was also found that Compassion, which was applied most frequently by the executives of public organizations, was not applied so commonly by the private sector.

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