

## **Values in Business give volumes in Business: A core engineering & manufacturing sector perspective.**

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**ABSTRACT:** - *'As you sow, so you reap', this idiom can be experienced in Business. The ethical inputs will definitely be appreciated by masses which result into more benefits. The three Ms, MEN (manpower), Money (the capital) and Material (raw form of product) are very crucial when we consider the manufacturing of the final form of a product from a crude form. If these three Ms are well used then the result will be ultimately beneficial to the nature is the same for everyone, but what matters is, how you use it. Manufacturing the biodegradable final product helps the nature maintain the balance. The moral values in selection of employees decide the overall culture of the company and obviously the nourishment of good culture attract good employees and quality of final product increases. Thus a good ethnical business is an asset to society and yields more than the expectations.*

**Keywords:**-*Ethical values, Green and clean technology, Natural resources, Recycling, Values in Human resource.*

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### **I. INTRODUCTION:**

The manufacturing sector has been the growth driver since the beginning of industrial revolution. Manufacturing's role is changing. The way it contributes to the economy shifts as nations mature: in today's advanced economies, manufacturing promotes innovation, productivity, and trade more than growth and employment. The traditional ways of manufacturing had not only depleted the precious natural resources but also impacted the customers who paid heavily for the products they consume. Mindless ways of manufacturing, surplus capacities have taken its toll on industries as well as on economies world over. In the Indian context, though we are blessed with natural resources, we could not match with global productivity standards as well environmental friendly manufacturing practices. The cleantech-enabled transformation to a low-carbon, resource-efficient economy may be the next industrial revolution. Therefore there is tremendous scope for Indian manufacturing industries to rule the world if they judiciously use a vast pool of skilled manpower and value based manufacturing practices.

### **II. LITERATURE SURVEY:**

McKinsey report [1] on the modern manufacturing practices deliberated at the share of manufacturing in Global GDP and how manufacturing can play its role in creating opportunities not only in manufacturing but also in allied services which manufacturing supports. In India number of companies such as TATA STEEL and ITC are using values in manufacturing which is well documented in their corporate communications [3] and annual reports [2].

#### **[a] Tata Steel**

Tata Steel has been named among the world's most ethical companies by an American think tank, Ethisphere Institute. It has achieved a distinction of being the world's the lowest cost steel producer. Tata Steel has continued to invest effort and resources in relation to the key priorities that underpin its vision with regard to climate change [3]. These priorities are:

- Invest in longer-term breakthrough technologies for producing low-carbon steels
- Develop new products and services that generate lower CO2 emissions through the life cycle.
- To put systems in place to meet international standards for environmental management such as ISO14001.
- Respecting and safe-guarding the environment is a central principle held by all Tata Group companies and can go hand-in-hand with profitable business. The company does not just look at CO2 emissions, but at the whole range of environmental, social and economic considerations. It also means taking a 'life-cycle' approach to decision-making – assessing products in terms of how they are made, used and finally disposed of. Tata Steel promotes life-cycle thinking so that decisions are taken on the basis of manufacture, use and end-of-life phases for any material or product.

**[b] ITC**

ITC has adopted a policy to align to integrate social investments/CSR, societal value creation programmes with the business value chains [2]. Followings are some glimpses.

i. Social farm & forestry initiative:

Development & greening of more than 142,000 hectares of land including the waste land.

ii. Women empowerment:

A gainful employment to more than 14000 rural women, through competitive value chain.

iii. Livestock development programme:

Animal husbandry services to more than 8, 00,000 milch animals to support a sustainable dairy value chain. May help company's plans to foray in dairy products business in near future.

iv. Responsible sourcing: The transparency & effectiveness of the *ITC e-choupal* system contributed towards increasing rural incomes, whilst ensuring a sustainable agri-sourcing for the company's businesses.

v. Sustainable development: i. Recycling company achieved over 99% of waste recycling in various process plants & business units. ii. Carbon positive (for 8 years), iii. Water positive (for 11 years).

Above companies are in business in India for more than 100 years and still growing strong. They are creating employment opportunities for millions, use environmental friendly practices, practice best HR policies, reward stake-holders; contribute to central & state exchequers. This clearly demonstrates that, only values in business give you profit volumes in the business.

**III. THE DISCUSSION OF THE THEME:**

Three Musketeers of Value chain in any manufacturing industries are:

- i. M: values in men
- ii. M: values in Money (financing the business)
- .iii. M: values in Manufacturing & Marketing.

A manufacturing life cycle using these factors for a business practicing values is depicted in the fig.1.

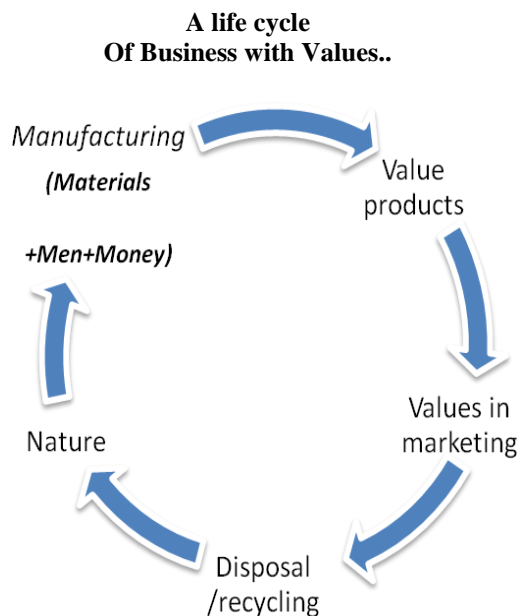


Fig.1.

**IMEN (Human Resource)**

A) Recruitment of people with values:

Human resource Embedded with values:

1. Will never use short cuts for success, have more belongingness towards organization and this in turn makes the business to maintain sustainability and profitability.
2. Shall help in Mentoring of junior cadres and set the culture of organization.

**B) Care of Human Resource**

1. Working environment: When company strives to provide a safe, healthy, clean and ergonomic working environment for its people. It shall prevent the wasteful use of natural resources and be committed to improving the environment, particularly with regard to the emission of greenhouse gases, and shall endeavor to offset the effect of climate change in all spheres of its activities.

2. Living Environment:-A Quality of life while working for is one of the drivers which can ascertain personal longevity as well term long term association with the business. This is particularly very important in manufacturing industries where plants are located far away from the cities .This can be ensured by setting up integrated townships with state of art infrastructure.

3. Pay & packages: The best possible pay & packages along with fair & transparent practices for career advancement shall create a best pool of talented & loyal employees which will sail the company smoothly through all storms in the business cycles.

**IV. MONEY**

a) Brand equity & Ethical ways of financing: Values in the business creates brand equity of the business in the eyes of stake-holders, Banks & Financial institutions in India as well as abroad; hence it is very easy to get moneys for business at most attractive terms as an when it is needed. This will have a very positive impact on business finances and hence help in sustaining the business in long run.

b) Financial reporting and records: When company prepares and maintains its accounts fairly and accurately and in accordance with the accounting and financial reporting standards, it helps in assuring the lenders as well as the shareholders and hence strengthen the brand equity.

**V. MATERIAL OUTSOURCING, MANUFACTURING & MARKETING PRACTICES**

**A) Material outsourcing:**

a) Values in processing raw material: Nature is the source, Environmental issues & long term sustainability.

b) Reluctance of the people to relocate: Whenever a business requires natural resources as raw material, it is bound to create a need to relocate the habitants; this has always created a deadlock as well bitterness, and may adversely impact new plants as well as expansion of existing ones. A value based policy of accommodating the people affected, and continuing them with the business growth story shall neutralize the stiff resistance often seen in such situations.

**B) Manufacturing :** Every business has to follow following practices :

i. Patents & trademarks: A product being manufactured should not violate the existing patents, if any. This not only helps to enhance its image but saves the business from legal suites and heavy penalties thereof.

ii. Clean and green technology: Use of clean and green energy along with energy efficient manufacturing practices shall help to improve the operating profits particularly in core sector manufacturing industries such as cement & steel etc, where cost of power puts a major dent in operating margins. Not only this, but one has to ensure that products are bio degradable or recyclable.

**C) Marketing & Fair trade practices**

**a)Rules & regulations**

A business shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

b): Quality of products & service: A business should be committed to supply goods and services of world class quality standards, backed by after-sales services consistent with the requirements of its customers, while striving for their total satisfaction

e.g Toyota has recalled vehicles even for a minor deficiency.

c) No gimmicks in selling: A business with values shall never indulge in unethical practices in promoting or selling their products. Customers if taken as granted shall shy away from company's products forever; e.g. Siemens ltd. punishes heavily, if the employees are found using unethical practices to garner business.

e) Recycling & Disposal : A network of agencies which can help in recycling & disposal is the responsibility of every business with values in manufacturing. The recycling can also help in reducing dependence on scare natural resources.

### **How businesses benefit**

A business can get benefitted in following important areas.

- Employees can be positively affected, hence productivity improves
- A positively effect on outside stakeholders, such as suppliers and customers.
- A positive public image can attract customers
- Ethical management practices can enhance corporate health and hence help in minimizing regulations from government agencies
- The benefits of taking responsibility for sustainability include an enhanced reputation which, in turn, leads to greater customer loyalty. The benefits can also be seen in terms of efficiency, with businesses using fewer raw materials, less power and more recycling. Both of these have an impact on profits and shareholder confidence.

### **VI. CONCLUSION:**

A business is a subset of and exerts a significant impact on society; it has the responsibility to help improve society. Since society asks no more and no less of any of its members, why should business be exempt from such responsibility? Additionally, profitability and growth go hand in hand with responsible treatment of employees, Customers, and the community. Therefore it is very essential for business to have a value system which shall take care of the people who are customers, people who help in creating products, and the entire ecosystem of the Nature God which gives natural resources, in order to sustain for centuries to come. Thus values can only create volumes in the business and not the short cuts of greedy profits. And as quoted by Siemens founder, Mr. Werner von Siemens, **“I won’t sell the future for quick profits”; “Only clean business is Siemens business”**.

### **REFERENCES:**

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