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Business and Business Orientation: A Perception Study of 'Insiders' and 'Outsiders'

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Abstract *The current time can be described as a period of protests and public anger not only in political space but also against business. A number of business and political misdemeanors have rocked the consciousness of people in different countries. The corporate misdemeanors are unlikely to be outcomes of randomness and confusion prevalent in business systems. This study was undertaken to gauge perception of two integral territories of business- the mangers and consumers. The motivating purpose was to explore perceptions of insiders and outsiders on different facets of their orientation or philosophical underpinnings with respect to shareholders, stockholders, environment, legal compliance, societal interest and ethics. The study found that perceptions on the orientation facets do not differ between the two groups. That is, if managers perceive business to work for profit maximisation so do outsiders. Secondly, the perceptions do not exhibit extreme tendencies. This implies that insiders and outsiders' perceptions concur on the fact that business is neither extremely oriented towards ethics or environment nor has complete disregard for these aspects. This is a positive sign because at least business is not found be completely insensitive to aspects that go beyond conventionally coveted metrics of business performance.*

Keywords *Business Misdemeanors, Business Raison D'être, Consumer Manipulation, Quasi Moral Obligation, Sustainability, Ethics, Community Orientation*

INTRODUCTION

In the last two decades business organisations and philosophy of free enterprise system have become subjects of intense scrutiny. The consensus that seems to have been developing in favour of free enterprise system after the collapse of regimented economies is getting fragmented. The instrumentality of enterprises created out of pure play of economic or wealth logic has attracted a lot of counter arguments. The logic of shareholder maximisation and correction effectiveness of market forces has seen emergence of opinions and people sharply divided for and against the two arguments. Arguments questioning the effectiveness of free enterprise system's ability to deliver collective well-being of people of the planet have become loud and powerful. The pervasive hunger and deprivation has received the attention that it deserves in the last few decades. Similarly corporate rationality that views corporate system as means to maximizing the shareholders' wealth is challenged by perspectives that seek to extend corporate performance evaluation metrics to include externalities. This paper visits the orientation that business is driven by and explores and compares the perception of insiders with outsiders.

BACKGROUND

The current time can be described as a period of protests and public anger. Politically, states are run by governments either elected by the people or thrust upon them by way of powers vested in a ruler. In terms of economic delivery of wellbeing and wealth creation, company form of organisation has come to occupy a dominant position. In the contemporary society they hold central position (McDermott, 1991). But the arrival of twenty-first century is marked by a distinct public disenchantment with both the political and business systems. There has been a rise of voice against the perceived failure in the social, political and business spheres of institutions that were conceived to deliver the results in respective areas. A number of business and political misdemeanors have rocked the consciousness of people in different countries. Protests and anger essentially are symptomatic manifestation of a friction between conflicting goals or ends. For instance when people in power pursue ends that are at departure from what they were mandated for is likely to make people protest. Similarly when a business is solely driven by the concerns of one stakeholder at the expense of others, it becomes reason enough for some to protest. The pervasiveness of protests in political and business spheres in current times seriously questions the instrumentality and role of business and political institutions in achieving their envisaged goals.

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Business Misdemeanor

Consider the business sphere. Several scandals that reveal business misdemeanors have come to the light. Atvarious instances the managers have used the organisation as a platform to enrich themselves at the cost of the shareholders. The metaphor of 'golden parachute' provides testimony to this reality. Employees use clauses in their contracts with companies which entitle them to lucrative benefits in case of termination arising out of mergers or takeovers. For instance American Airlines defended about $ 20 million severance package for its departing executives after its parent AMR Corp merged with US Airways (Bates, 2012**)**. Bill Johnson got a $ 44 million payoff after being in his job for just twenty minutes for newly merged Prospects Energy and Duke Energy (Jensen & Meckling, 1976). Some of the worst financial scandals that dented shareholders wealth include Enron, WorldCom, Tyco, AIG, Lehman Brothers, and Satyam. It seems that the tendency to deviate from anticipated path is inherentin business systems. The problems of displaced probably are embedded in the agency system. The professionals responsible for running the business according to the mandate misuse their positions for self-aggrandizement at the cost of owner's interest.

Business Raison D'être

Business organisations have come under close scrutiny over their singular focus on wealth and profit maximisation. The old established idea which views business firm purely as an instrument created by the shareholders to maximise their wealth is now hotly debated. In its narrow interpretation, business is viewed as a money making machine. Accordingly profit and wealth becomes the *raison d'être* for a business organisation. In this kind of conceptualisation the only valid reason and rationality that imposes itself over business decision making is maximisation of wealth for its shareholders. It is for this reason the stock prices become the top manager's key metric of decision effectiveness. This way of operation relegates the other effects or 'externalities' to the background. This single minded obsession of business with shareholder's interest becomes a bone of contention for many thinkers as they look at business using a multiple lens.

Beyond Profit

In a departure from conventional orientation one perspective suggests that business should be seen as a part of society and its performance should be judged employing multiple dimensions including its environmental footprint. It is for these reasons the passing decades have been a witness to emergent strong pro-environmentgroups.Ed Freeman said, "We need red blood cells to live (the same way a business needs profits to live), but the purpose of life is more than to make red blood cells (the same way the purpose of business is more than simply to generate profits)" (Kelin,2009).

The Triple Bottom Line (TBL) is not a new concept anymore. Firms are urged to adopt three dimensional metric to assess their performance which are social, environmental and economic. The performance metrics of a firm should include economic value, social value or 'people account' or degree of social responsibility and 'planet account' or degree of environment responsibility (Elkington,1997). Underlying this concept is the concern of sustainability. The business firms should be oriented to behaving in environmentally sustainable ways. The triple bottom line thinkers want business to adopt two more P's to include people and planet besides the one singular financial P of profit (profit and loss account). The full cost of doing business must be incorporated in business accounting.

Fairness and Ethics

Consciousness has been growing against corporations with ethical violations. This signifies a significant departure from conventional corporate logic which locks corporate rationality within the narrow confines of profits. Accordingly the themes of ethics and morality have begun to find impression in business thinking. The profit maximisation agenda which works with revenue and cost equation establishes correctness of everything that reduces cost and increases revenue. But this often legitimizes many mal practices as fair like child labour, dislocation of communities, and poor working conditions. Several companies have become theme of discussions on account of unfair practices including Nike, Wal-Mart and Tesco. These companies attracted criticism for sourcing their products from suppliers in Bangladesh, Indonesia and Mexico with questionable ethical standards.

The Fair-trade movement is one development. It seeks to help commodity producing communities in developing countries by advocating higher prices, social and environmental standards **(**Moseley, 2008**)**. Various cases involving ethical questions of right and wrong such as Nestle baby formula, Tylenol poisoning, McDonald's unhealthy food, Apple child labour, Texaco oil dump and Siemens AG bribery case in Argentina have brought to the fore the role of ethics in business. Many areas of marketing have been subjected to ethical debates including misleading and false advertising, consumer manipulation, overselling, and promotion of materialism and compulsive consumption. It for this reason morality has come out of closet to make way into business decisions. Ethics is no longer considered to be an integral part of marketing discourse rather it has evolved into a sub-discipline **(**Nil and Schibrowsky, 2007).What standards should managers apply in their conduct of business?

Confusion often arises because ethical standards vary from one environment to the other which makes it difficult to universalize moral principles.

Social Role

In a major departure from pure financial logic, many thinkers view business as an integral part of society. Business is a powerful organ of society. How good is it to cast its role in narrow confines of shareholders wealth maximisation? Would it be fair to impose an agenda for social good on business? A study of corporate executives revealed that business should plays a role in solving social problems irrespective of whether those problems are created by a business or not and not withstanding whether there is short or long run profit potential (Webster, 1975). McKinsey in 2012 found that more than eighty percent of executives and proprietors of small business believe that society expects businesses to take an active role in social, political and environmental issues. An expectation about law compliance is essential but not sufficient. (Mckinsey on sustainability, 2002). It is in this respect there has been an exponential rise, awareness and activism about social responsibilities of business. Notwithstanding the concept of social responsibility of corporation having become a cliché, it is based on some very real and profound trends occurring in our society (Sanderson and Wingerter, 1977).

Beyond Business Obligation

Is business's only and singular reason for existence to make money for its owners within the boundaries imposed by the legal framework of a society and nothing more? Or business being a powerful organ of society is supposed to play role other than profit motive? Can it be an instrument of solving problems that plague a society? The skills, resources and power enjoyed by business place it in a privileged position and accordingly may charge it with quasi moral obligation that extend much beyond financial or economic goals. The fundamental tenets of corporate social responsibility are that business's responsibility goes beyond mere production of goods and services. Business has responsibility to solve social problems, especially the ones they themselves create and their impact goes far beyond simple marketplace transactions (Buchholz, 1991). However Friedman holds the supremacy of shareholders wealth maximisation business's supreme and sole responsibility. Therefore business must be guided by singular objective of making as much money as possible legally without any violation. Friedman, in a way, is Smith reincarnate and carries forward his core ideas of free markets. He says, *"There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits."(Friedman, 1970).*

RATIONALE, PURPOSE AND DESIGN

The organisational values are manifested in different forms including policies and practices. Values constitute an important aspect of any organisation. Values are important in creating and optimizing internal integration and coordination within the organisation (Furnhamand Gunter, 1993). The business misdemeanor of various kinds has brought value debate at the centre of a raging controversy. The essential question therefore is why businesses misbehave socially, ethically and ecologically. Does the legitimisation process begin within the organisations as a result of express or implied communication by the top? The corporate misdemeanors are unlikely to be outcomes of randomness and confusion prevalent in business systems. Broadly this study was undertaken to gauge the perception of two integral territories of business- the mangers and consumers on their orientation and role of ethics in conduct. Business is perpetrator of practices to which outsiders are subjected. In this conceptualisation various direct and indirect stakeholders become 'subjects' of business behaviour. How people inside the business view different domains of their working is critical because it is perception that becomes basis of practice. On the other hand, the study of different constituencies is essential to find their attitude towards business. A perception indicating malaise is likely to lead to a sense of violation and fuel activism against corporate misdemeanor. The rise of collective voices against various corporate practices has led to movements like environment protection, consumer protection and community protection. Heightened activism finds expression in political solution making though enact ion of laws. Specifically the study was guided by the following objectives:

1. The first aim of the study was to explore philosophical orientation of insiders (managers) towards different business constituencies-shareholders, customer, competition and employee. What beliefs guide policy formulation with respect to these groups? These groups constitute immediate constituencies which have direct bearing on business and business responds and adjusts to the impositions made by them.
2. Besides the immediate constituencies, the study sought to explore manager perception towards more indirect and abstract concerns like ethics, legality, environment and society. These concerns hitherto have been considered to be a matter of personal concern. But now business is also viewed as an organic system with its own heart and mind. Issues like morality and societal orientation are believed to apply to a collective entity. Like individuals, business organisations can be

Table 1: Shareholder orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Shareholder Orientation	Pursuit of shareholder interest only	2.39	0.97	2.35	0.95	0.817

distinguished on the basis of their values and belief systems.

3. The business as an important organ of society has come under intense scrutiny and skepticism. The study sought to gauge perception of outsiders as to how business is placed in terms of its orientation towards immediate constituencies- shareholders, customers, competition and employees. And how people perceive business in terms of more abstract and general aspects like morality, society and environmental orientation.
4. Lastly, the study is aimed to explore how the perceptions of 'insiders' compare with 'outsiders'. Are the perceptions of people who run the business, significantly different from the people outside the business?

The study was carried out through a personal survey which involved personal administration of questionnaire. Two hundred questionnaires were administered with an equal distribution between the managers and outsiders. An instrument titled 'attitude to business survey' was designed in which respondents were asked to check their level of agreement on items that were designed to capture their perceptions. A total of nine components were included in instrument- shareholder orientation, stakeholder orientation, societal orientation, customer orientation, employee orientation, competition orientation, ethical orientation, environmental orientation, and legal orientation. The study employed multi-item scale in which some of the items were negatively worded to minimize respondent bias. A five point Likert scale was used to map degree of agreement with 'strongly agree' and 'strongly disagree' forming the end of the continuum.

FINDINGS AND DISCUSSIONS

Shareholder Orientation

Business entities are creations by shareholders who invest in them for the purpose of maximisation of their wealth. The perspective moves profit at the centre of business decision making. The dominant view holds business corporation as a shareholder value maximizing entity (Banerjee, 2007). Milton Friedman is the most visible and a powerful advocate of this doctrine that proposes that business's singular purpose is to maximise profit for its shareholders. The supreme responsibility of business is to make money for the people who have invested in it by following the rules of the game. Similar view is also held by Levitt (1958) who also considers seeking material gain as one of the two supreme responsibilities of business. This line of thinking renders pursuit of profit and its maximisation a fundamental value.

Table 1 reports the mean perception scores on the dimension that business seeks to maintain its economic health for the sake of shareholders only. It is interesting to discover that quite contrary to the expectations that managers are likely to exhibit strong agreement, their actual score is in the middle. This probably is indicative of the perception that people inside the business neither see business as having only one singular purpose to work in the interest of shareholders nor completely disagree with the notion. The perception of people outside the business is also the same. Their perception neither reveals complete agreement nor disagreement. The clustering of scores in the middle of both the sets of respondents reveals disagreement on the belief that business's singular responsibility is to work primarily for the sake of shareholders. The perceptions of both insiders and outsiders do not differ significantly on this issue.

Stakeholder Orientation

In a departure from earlier thinking which held that business is expected to take care of the interests of shareholders it is now believed that business should attend to the interest of other stakeholders as well. There are many parties who directly or indirectly have interest in business and these include employees, suppliers, trade unions, customers, creditors and society. The stakeholder concept joined the corporate lexicon in the early sixties. Stakeholders imply groups on whose support an organisation depends for survival (Freeman *et al*., 1983). Two types of stakeholders can be distinguished. Primary stakeholders have economic relationship with business and secondary stakeholders are external and don't have direct economic relationship like media and communities. A company like J&J presents good example of stakeholder orientation. It says that that J&J is first responsible to its stakeholders like doctors, nurses, users, supplier, distributors and communities. However the company must make profits for its shareholders. To them the company is finally responsible.

Table 2: Stakeholder Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Stakeholder Orientation	Honesty	2.89	0.88	2.75	1.02	0.162
	Interest	2.95	0.90	2.69	1.03	
	Total	2.92	0.75	2.73	0.87	

In this perception study we aimed to discover stakeholder's orientation with two statements which sought to find degree to agreement on 'dealing honestly for their interest' and 'take care of their interest'. This was done using an aggregate measure without anchoring thoughts on a specific stakeholder. Prima facie the insiders (managers/executives) rated themselves higher compared to outsiders (Table 2). But perceptions by these groups were not found to be significantly different from one another. That is a strong agreement is not found on honestly dealing and taking care of stakeholders. This mid score reveals slight stakeholder's orientation and both groups concur on this perception. The stakeholder theorists have always laid stress on the importance of stakeholder management and how it can significantly affect financial performance (Freeman, 1984). This supported the hypothesis that managerial attention to stakeholder interest influence financial performance (Berman *et al*., 1999). A lack of strong agreement to these statements indicates that people who run the business yet do not recognise the importance of stakeholder orientation in achieving better financial performance.

Customer Orientation

The marketing philosophy put customer at the center of the marketing universe. It is one of the pillars on which marketing concept rests. Business relies upon its customers for revenues and profits. Therefore entire business processes, strategies, policies and products should be centered on its customers. It begins by cultivation of customer like mindset. Customer oriented businesses show extreme sensitivity towards customer requirements and then developing appropriated offerings, channels and assets (Kotler, 1999). Carlzon turned around SAS by making the company breathe and walk customer. In his bid to make SAS customer focused he inverted the corporate hierarchy and placed customers on top (Carlzon, 1987). Customers are one of the most important stakeholders. The study aimed to explore the extent to customer orientation perceived by insiders and outsiders. The scores were obtained on a scale consisting of four items: provision of quality goods, fair dealing, customer problem solving and safety.

The comparison of customer orientation perception at aggregate level between insiders and outsiders reveal insignificant difference between the two groups (Table 3). That is consuming population and business managers do not differ with respect to their customer mindedness. However the hovering of scores at the middle or slightly higher than the midpoint shows perception of neither agreement nor disagreement. This means a mixed perception. People do not categorically consider business to be customer-oriented or completely devoid of customer mindedness. As a matter of fact competition is catching up in most industries. It is expected that business should have high sensitivity towards this issue. The customerorientation scores on this count reveal presence of a mixed perception. Like insiders do not 'strongly agree' that business provides good quality, treats customer fairly, resolves customer problems and ensures customer health, outsiders also feel the same.

Employee Orientation

Employees constitute one of the most important stakeholders in business universe. They directly determine and drive results. A discernable linkage exists between employee

Table 3: Customer Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Customer Orientation	Quality	2.08	0.72	2.13	0.57	0.817
	Fairness to customers	2.85	0.91	2.63	0.91	
	Problem Solution	2.55	0.78	2.63	0.84	
	Safety of consumers	2.73	0.98	2.67	0.82	
	Total	2.55	0.57	2.53	0.54	

Table 4: Employee Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Employee Orientation	Safety	2.49	0.86	2.25	0..70	0.857
	Grievance handling	2.64	0.74	2.74	0.93	
	Equal opportunity	3.12	1.05	3.02	1.08	
	Skill building	2.21	0.82	2.31	0.82	
	Employee standard of living	2.59	0.87	2.58	0.90	
	Honest treatment	3.01	0.89	3.00	0.88	
	Total	2.67	0.58	2.66	0.54	

satisfaction, customer satisfaction and organisation success called service profit chain (Heskett*et al*., 1997). This is particularly true for service business. Employee satisfaction is fundamental to service quality which determines customer satisfaction (Rachel *et al*., 2008). Like customer orientation, employee orientation is essential to achieving effective marketplace response. The employee orientation has been the hallmark of Tata Group. Its key values include fairness and transparency in human resource practices. The group considers people as its 'greatest assets'. Vineet Nayar of HCL wrote a book titled 'Employee First, Customer Second' which espouses the value of employees and claims that leadership lies at the bottom of the corporate hierarchy. By defying the conventional wisdom the management structure is turned upside down (Nayar, 2010).

Our study sought to find perception on employee orientation using a six item scale which included: provision of safe working conditions, listening to employee grievances, and investment in skill development, honest treatment and improvement of employee's standard of living. On the question whether people inside the organisations and outsiders hold significantly different perception on employee orientation, the answer that emerges is categorical no. Table 4 shows that the mean scores of these two groups do not differ significantly. Taking a close look at individual items reveals that item on skill building particularly has received low score which implies respondents disagree to the statement that companies invest in employee skill building. The presence of mean ratings at the center of the scale shows absence of extremely favorable or unfavorable perception. That is business is neither perceived to be fully employee-oriented or completely devoid of it. And this is held both by the insiders and the outsiders.

Environmental Orientation

Environmental concerns have come to dominate discussions in both political and business arena. The unchecked and unscrupulous exploitation of natural resources has triggered debate that sooner or later the life on the planet is likely to be compromised. One of the early critiques of industrial revolution has been Carson (1962) who wrote how natural world has been negatively impacted by industrial practices. Carson's focus was on blatant use of pesticide and how it impacted birds, animals and humans. One of the important aspects covered in the Earth Charter is respect for nature (The Earth Charter, 2012). The word 'sustainability' has moved beyond environment protection groups and commonly figures in corporate boardroom discussions. The natural environment for a long period has been perceived like a resource to be exploited at will (Cronon, 1991) but now its relationship with humans as a biophysical system is gaining attention (Oskamp, 2000). The essence of sustainability is to consider the carrying capacity of the eco system in the project of improving quality of life. Green is the new label for businesses to indicate their inclination in the adoption of ecologically sensitive or pro-environment mindset and practices (Peattie,&Ratnayaka,1992). The concern for environment protection and preservation has given rise to green processes, products, buildings and green consumers.

Our study sought to measure environmental orientation of people who run the businesses and opinion of outsiders on a scale consisting of four items. The scores were obtained by getting respondent rating on their environment sensitivity, wastefulness, cautious use of resources, and priority to environment protection. On the whole at the aggregate level the differencein perception between two groups were found to be statistically insignificant. That is how 'insiders' view themselves is similar to how 'outsiders' view business on their environmental orientation. Taking a look closely at item wise scores the perceptions on most counts is placed around the middle- at this point the respondent 'neither agrees nor disagrees' with the statement (Table 5). This shows perception is that business is neither fully perceived to be environmentally-oriented nor exhibits complete disregard of it. This perception may have been caused by environmental tokenism by business. Businesses do attempt to 'manage' their image and want to come across as pro-environment

Table 5: Environmental Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Environment Orientation	Environment sensitivity	2.95	1.09	3.02	0.92	0.995
	Reckless use of resources	2.60	1.03	2.60	1.06	
	Avoids wastefulness	3.13	1.06	2.96	1.03	
	Takes care of needs of future generation	3.04	0.96	3.07	1.05	
	Accords priority to environment protection	3.22	0.97	3.30	1.02	
	Total	2.99	0.59	2.99	0.67	

entities in order to avoid governmental scrutiny, stronger legislations and non-governmental group activity. Most of the companies now include sustainability goals in their targets including Coke, Apple, and Nike. Coke's sustainability framework is summed up in the expression, 'Me, We, World'. One of its core priorities is water conservation. ITC, one of the champions of sustainability in India, view it as a business strategy. It believes that responsible businesses create societal value by serving their consumers through competitively superior value, environment preservation and replenishment and creating sustainable livelihood (ITC sustainability report, 2012). One of the most impressive campaigns that sought to convey broader corporate role in society was that of Tata which about twenty years back went by the slogan, 'We also make steel'.

Societal Orientation

The earlier schools of business thoughts did see the role of 'heart' in business functioning. The finance and economic thinking made profit and its driving metrics like sales and market share as corporate rationality and thinking. Marketing concept urged businesses to adopt marketing philosophy which singularly focused on customer satisfaction as means to achieving corporate goals. But later marketing concept was extended to include society's wellbeing (Kotler and Levy,1969). Mere customer satisfaction should not dictate business response; rather their overall impact on societal welfare must also be factored in. Business cannot exist in isolation. JRD Tata famously remarked that in a free enterprise, the community is not just another stakeholder rather 'the very purpose of its existence'. Tata defined the raison d'êtredifferently and the house of Tata is founded on this fundamental value. The buzzword of now, CSR or corporate social responsibility is related to this vision of business.

Mere working within the cannons of law is one thing but the spirit of social responsibility goes for more conscious inclusion of actions that further social good (Williams, 2001). One of the ways of implementing social agenda for business is to get engaged in communities through various support activities like providing employment, skill training, and assistance in local events and programs. Many value 'power of giving back 'in brand development. The present consumers are sophisticated and intelligent and they watch the collective impact of corporations and close to eighty percent of consumers consider CSR in deciding what products to buy and where to shop (Cone communication, 2013). PWC's community involvement statement begins with the sentiment that they are not just responsible for their clients but to broader society. PWC's vision is doing the right thing for clients, their people and their communities; it is about giving back to society (PWC community involvement, 2014).

In our study we attempted to explore the societal orientation through a battery of four statements. These statements explored aspects like the need to contribute to society, recognition of importance of social development, concern for communities and respect for community culture. Table 6 shows that the global scores on societal orientation are towards 'disagreement', that in the perception of both insiders and outsiders business is not societally-oriented. The actual score is below the numerical value of three which is a point of neither agreement nor disagreement. This perception is shared by both the groups. The difference between the mean scores on this scale between the insiders and outsiders is not significantly different. The analysis throws up an interesting insight that both the groups' perceived business not to be completely oblivious of its societal obligation and it is neither completely heartless in its utter disregard for social responsibility nor fully committed to social obligations.

Legal Orientation

Business is expected to operate within the boundaries imposed by legal framework of a country. Being legally

Table 6: Societal Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Societal Orientation	Need to contribute to society	2.82	1.02	3.02	0.99	0.661
	Recognised importance of social development	2.60	0.92	2.52	0.91	
	Communities	2.47	0.96	2.33	0.79	
	Respects culture of communities	2.55	0.86	2.37	0.81	
	Total	2.61	0.68	2.56	0.61	

compliant is not a choice but a compulsion. Compliance to laws can be minimum starting point and rightness of decisions is judged on the basis of higher order norms of morality. At the same time, for some businesses, compliance becomes the maxim to judge the rightness of decisions. Two levels of corporate orientations can be distinguished- one is compliance based and the other is value based (Josephson institute, 2102). A compliance oriented culture focuses on rules and regulations and these are considered the ultimate guides of decision making. The business decisions are expected to in accordance to law however rules could be interpreted to suit the need. The business is not expected to commit a violate laws. This orientation values legality as final word in business conduct without bothering about undesirability of actions, what is legal is right. This is a minimalistic perspective to business decision making.

Four statements were used in our study to explore the legal orientation in the perception of insiders and outsiders (Table 7). These explored whether business takes care of only legality, focuses on bare conformance, respects law and engages in illegal practices. The last item was negatively worded. What is surprising is that in all cases the perception scores are below the midpoint of neither agreement nor disagreement. The low perception scores reveal that people feel business is not entirely driven by pure compliance mindedness and bare legality of their actions. At the same time 'disagreement' to the third item indicates that people do not feel that business respects the laws of the country. This supports a common perceptionthat laws are not highly regarded and their breach is common. In a high country of higher law enforcement one is likely to find a strong disagreement to a statement-'indulges in illegal practices'. But our study found that the perception score does indicate disagreement but not strong disagreement. On the whole two things are discernable. First perception scores between two groups are not significantly different. This indicates similarity of perception. Second, business is perceived to comply and yet defy the law at the same time.

ETHICAL CONDUCT

The functioning of business is now not solely seen through the lens of legality. Rather business as an important organ of society has begun to be watched through higher ideals of morality and ethics. What is legal may not be right. In rule compliant culture the critical questions is 'can I' and 'is it legal' however in value based ethical culture the question becomes 'should I' and 'is it ethical' (Josephson, 2002). Ethics or morality involves questions about what is right and what is wrong. Ethics is related to beliefs that someone holds about what is morally right and wrong (Cambridge, 2008). Business decision making draws its construction of correctness from philosophical underpinnings of economic and financial thinking. There tends to be a relationship between goals and ethical behaviour (Murdock &Anderman, 2006). But now many vouch for inclusion of conscience and higher values into corporate decision process. However the ethical ideology is not universal. The ideologies which

Table 7: Legal Orientation

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Legal Orientation	Takes care of only legality	2.27	0.88	2.34	0.97	0.643
	Focus on bare conformance to law	2.31	0.94	2.47	0.98	
	Respects law of country	2.41	0.90	2.12	0.82	
	Engages in illegal practices	2.68	0.99	2.63	0.93	
	Total	2.38	0.44	2.42	0.50	

provide ethical framework to guide decisions explain difference in ethical judgments (Forsyth, 1980). A strong performance focus or goal-oriented culture is likely to inadvertently motivate unethical behaviours (Anderman *et al*., 1998). Organisation factors have a great bearing on determining ethical decision making in business (Ferrell, 2005). The distinction between legality and morality is often blurred. Actor Shah Rukh Khan's take on product endorsement is that if endorsing a product is legal then nothing is wrong (Kumar, 2014). Some may see wrong in his rightness because his influence on people may cause them to buy products which may be harmful and cause obesity and addiction.

Table 8 shows that a battery of seven items was used to gauge perception on the ethical aspect of business. The items included perception on aspects like engagement in unethical practices, corrupt practices, accords importance to ethical conduct, truthful operation, and values fairness in conduct. The perception scores are given in the table. The insiders and outsiders do not differ in their perception on ethical aspects of business. This shows similarity in their perception on different aspects related to ethical conduct. Respondents disagree with the statements that business promotes ethical conduct but at the same time business does not seem to engage in unethical and corrupt practices. It emerges that business does not 'freely' engage in corrupt practices. The respondents agree to the statement that business operates truthfully. However no express importance is attached to ethical conduct. The absence of scores indicating extreme agreement or disagreement indicates ethics and morality operate at the borderline. The business in the perception of both insiders and outsiders is neither strongly perceived to be engaging in corrupt practices nor is committed to high moral conduct.

CONCLUDING REMARKS

Business depends upon its stakeholders for success. The image, that an enterprise and business in general enjoys, has bearing on its performance through direct and indirect effects. The social contract theory holds that a person's ethical and political obligations are defined by his agreement with others in the society. The society is envisioned as a bundle of contracts between members and itself (Gray *et al*., 1996). Accordingly business cannot be regarded as a private agreement between a firm and its owners. With time business has begun to be seen from a wider angle. Prior to 1960sbusiness was perceived to be amoral activity and in Sixties business began to be connected with civil rights, workplace safety, consumer and environment issues. The 1970ssaw rise of business ethics in academia and later during the eighties business ethics continued consolidation and in the current century issues related to bribery, corruption, child labour and corporate scandals further enhanced the field of business ethics (Shaw, 2012).

Business is now increasingly being scrutinized on the aspects whichwere either absent or peripheral to conventional evaluation metrics. The business misdemeanor of various kinds has brought social, ethical, and ecological issues to the centre of debate. The pressure is increasingly mounted on business to be accountable for what were once considered 'externalities'. The disregard for the external negative impacts that business practices have led to backlash from consumers and other interest groups (Crane, 2000).The essential question therefore was how business seems to perform on these metrics that go beyond narrowly constructed financial outcomes. Two groups that were taken for this perceptual study were 'insiders', the people who evolve and adopt policies and practices. The other group that as of 'outsiders', the people situated of the receiving side of the continuum.

Table 8: Ethical Conduct

Dimension	Measures	Insider		Outsider		Sig (2-tailed)
		Mean	Standard Deviation	Mean	Standard Deviation	
Unethical Practices	Unethical practices*	2.78	0.95	2.75	0.94	0.879
	Corrupt practices*	2.68	0.99	2.63	0.94	
	Supports reduction of unethical practices*	2.94	0.92	2.90	0.96	
	Importance to ethical conduct	2.62	0.74	2.81	0.96	
	Operates truthfully	3.33	0.80	3.22	1.01	
	Fairness of conduct	2.87	0.93	2.76	0.87	
	Participates freely in corruption	2.78	0.95	2.75	0.94	
	Total	2.83	0.37	2.84	0.37	

*negatively worded

This study included eight facets or dimensions for the purposes of exploring perception between two sets of respondents. The perception was obtained on business' orientation with respect to shareholders, stakeholders, society, customer, ethics, environment, legal compliance, and employees. It was hypothesized that the perception of 'insiders' and 'outsiders' is likely to be not same on these dimensions. But the study found that perception between the 'insiders' and 'outsiders' is similar. Insiders share similar perceptions. This implies, for instance, if managers perceive their business to work for profits, so do outsiders. Or business manager s perceive the business to be indifferent to ethical issues, the outsiders also feel the same way. The perception gap does not exist between two groups. However in an ideal situation, a good corporate citizen is likely to exhibit strong orientation towards all-encompassing aspects of which go beyond narrowly constructed profit or wealth maximisation. The inclusion of values that go beyond financial domain must start with the top managers. The top management through express and implied, verbal and symbolic communication can communicate the organisational code or DNA.

One conclusion that can be drawn from this absence of gap indicates the presence of transparency and admission simultaneously. Second important finding of the study is the absence of extreme mean scores on most of the considered aspects. These midpoint scores suggest clustering of scores near the point of neither strong agreement nor disagreement. This clustering of mean scores near the midpoint indicates that neither managers nor outsiders lack strong perception on aspects under consideration. This could be due to the presence of contradictions in reality like business chases profits yet a lot of signaling is done to promote its inclusive image. This is also possible that spurt in corporate social activities or environment protection activity may have diluted the negative perception and may have pulled the scored from extreme negativism to at least point of neutrality. This study has been an initial investigation into perception gauging. A more comprehensive effort is recommended to further verify these findings and also a longitudinal analysis can throw interesting insights as to how image is being managed by business over time.

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