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Profit: An Overrated Excuse

AISHWARYA KUMAR¹ AND RUDRA NARAYAN PANDEY²

ABSTRACT

*“If you can fill the unforgiving minute, With sixty seconds worth of distance run,
Yours is earth and everything that’s in it, And – which is more – you’ll be a Man”*

- *If by Rudyard Kipling*

A business surviving in a dynamic market is similar to a man living his life to the fullest. With ups and downs that are not predictable, with equal consequences of their actions and most importantly the game of risk and returns. Man will be able to survive the challenges in his life and attain satisfaction only if he strikes the right balance between virtues and accommodation. Similarly, a business will be able to survive in the market only if there is a balance of competitive decisions and return to society. This “return to society” is not an easy run always, as with complex circumstances the business is put in a place to choose and this being on the heavier and the costlier side. However, it should not cloud their vision, mission and goal in the market. The business may incur a small cost in the short term but will be able to thrive in the long run. With the position a business has in the society and the inherent power it holds in people’s lives as a producer and a primary source of livelihood, it is the duty of the business to make people-centric decisions. However, many a times we encounter circumstances where companies are ruthlessly running after profit that effects every section of society involved. This paper deals with such instances and explores the option of a middle ground to get close to the ‘ideal’ of business.

Keywords: profit, consumer awareness, business, CSR, workmen compensation.

I. INTRODUCTION

Profit is a word we usually associate to every business and determine the performance of the company through its profit. It is taught at business schools that profit is the difference between the cost incurred by the company and the sales and revenue of the business. But there is much more to this than what is understood by us.

‘Profit making’ and ‘Profit maximization’ are usually synonyms but with a key differentiator is the “accountability”³. Accountability is an important aspect without which any venture could

¹ Author is a student at Symbiosis Law School, Noida, India.

² Author is a Founder of Vyolve Private Limited, India.

³ Emily Northrop, “THE ACCURACY, MARKET ETHIC, AND INDIVIDUAL MORALITY SURROUNDING THE PROFIT MAXIMIZATION ASSUMPTION” Vol. 58, No. 2, The American Economist, pp. 111-123 (Fall 2013)

go haywire. The term “profit making” is used when profit is treated as a reward for the goods and services provided in the market, while adhering to the regulatory obligations responsibly for example, if a company whose production factory produces harmful, needs to follow a certain procedure that is to be followed to dump/recycle them. This procedure adds to the cost of production thus impacting their profit. Nevertheless, the company makes normal profit thereby being a ‘profit making’ firm. However, ‘Profit maximization’ is similar in operation but different with intention. Continuing with the above example, if the company illegally dumps the harmful waste to save their cost and decides to pay the legally prescribed fine, with the mindset that the fine is cheaper than the cost they incurred, this will be profit maximisation. While profit making, may sometimes turn out costlier than practically cheaper options or approaches, it includes ‘accountability to society’ that has its own value.

After the Bhopal gas tragedy and the Oleum gas tragedy⁴ it is clear that the society’s definition of ‘businesses’ has also changed over the period of time. Before globalization, a business was expected to focus on mere profit making and survive the market competition, but over a period of time the concept of ‘corporate social responsibility’ has taken over and a level of accountability is expected from the business towards the society. Hence, it’s not always the cheaper options or the rationally beneficial schemes that are always the right decisions of the business, sometimes it is the morally beneficial scheme that help the business thrive. The ever-developing technology, changing geo-political scenarios, market globalization and social awareness has contributed to this evolution.

The thought and vision of businesses have changed from ‘profit maximization’ to ‘profit making’ by the introduction of Corporate Social Responsibility (CSR) thus focussing on societal welfare. This paper deals with this and other components where in businesses should be held duly accountable. In most cases, the effectiveness of the CSR implementation is not adequate and is done with ‘a tick in the box’ mindset. While some organization tend to focus on their branding or product visibility, few others have other hidden objectives (religious, political etc). They forget to contribute to the real intent and purpose of CSR. The greed of a business contributes to its focus on ‘profit maximization’. This has to change as, many of their actions are not profit driven but greed driven and it cannot be accepted even if ‘profit’ is the prime reason every business survives. Market listens to the trend and the forces that govern them. Therefore, the trend needs to addressed to move their mindset away from ‘profit maximization’. This is only possible if the market forces – ‘Consumers’ are more aware and

⁴ M.C. Mehta v. UOI 1987 SCR (1) 819

selective of their choices. With an aware consumer pool, the suppliers will also change their functioning leading to an ethically strong yet a profitable market. By the end of this paper, we shall be in a position to analyse whether the Indian market is still profit maximization driven or is it on its way to profit making and how the greed in the market has affected the employees, and consumers.

II. STRATEGY, COMPETITION AND CSR

In the strategy management of a company one new concept that has been established and made mandatory is the CSR. Corporate Social Responsibility is a feature inserted in the Companies Act, 2013 (Amendment) to ensure 'investor security' and protect the interests of society. After the Satyam Scam, Sahara Scam and many other such scams, accountability was the loophole missing from the business value system that led to this undue advantage taken by the companies. Other than being a limitation, CSR also helps in building the goodwill of the company amongst the investors, potential investors and its competitors.

The criticism of CSR is the fact that companies look towards more effect that it will produce for themselves than what it will produce for the society for whom it is actually being done. The whole purpose of it, is misinterpreted by some organizations. In the words of Muhammed Yunus: "The concept of socially responsible business is built on good intentions. However, some corporate leaders misuse the concept to produce selfish benefits for their companies. Their philosophy seems to be: Make as much money as you can, even if you exploit the poor to do so - but then donate a tiny portion of the profits for social causes or create a foundation to do things that will promote your business interest".

(A) Strategic Approaches

The management of the CSR is something that is not spoken about much. Many companies start the initiative but aren't locally micro managed and due to this irregular follow ups, the desired result is not received. This may happen not only because of lack of follow up on the part of the business, but many a times to due to misinterpretation of intention by the public, leading to boycott or wrong implementation. Hence the strategic management of CSR must be in respect to the external environment, considering the ethnicity, culture and crowd beliefs. For example, cow is worshipped in India by the Hindus as 'mother cow'. Hence, if a foreign MNC initiates a corporate responsibility for employment of beef butchers, it not be perceived well in the country, were as may be in the US it may be seen as an employment boost. Hence, as a global MNC it may include the best of both worlds, for increasing the local and global response rate. This may not necessarily happen in the product- market solution approach of the company.

CSR is wholly for the society and local demands must be heard and served and, in this case, there shall not be any necessary relation between strategy of the CSR and the Organisational goals of the enterprise. It may happen through an open dialogue or consultation with the government of that place, to effectively respond and integrate the CSR into it. There are many methods to do this as every market situation is subjective to the public, government and competition⁵.

(B) Competitive Advantage

As we discuss the strategical approach towards an effective CSR, it is also a long-term commitment as per the 2013 amendment of the Companies Act, 2 percent of the average profit of the past three financial years is to be contributed to CSR activities as a minimum and a full disclosure of it to the investors. Companies find this as a way of improving their consumer wellbeing to increase sales. It uses it as a means to strengthen the competitive position in the market. Hence, the companies no more look at it as an option of whether to do it or not but as an opportunity of how it is to be done for maximum impact. A qualitative study of a focus group determines some pointers that show the competitive edge of company in the market through CSR. The challenge of making potential customers as customers involve consumer participation and trust in the process. The benefit from the participation must be rewarding to the consumer, making him understand the effectiveness of the company's values and implementation in hand thus building trust. A key finding is that there is a critical influence on the brand's CSR activities with regards to the relationship of it with its market players. This competitive realm is highly neglected, as the relationship with various organization influences the consumer attitudes, leading to direct participation. Brand ambassadorship is also an attractive and quick way for an efficient CSR initiative. 'Affective trust' captures the strength of customer-leader relationship and hence this acts as a competitive barrier. Lastly, for consumer participation it is not necessary that it should involve the marketing mix, it may be an appeal to the public directly. However, it must be noted high participation may not always lead to high yielding results. It may be perceived so but not true in all cases. It is understood that consumers aren't rigid enough as it seems, if the company is serious about its initiative, then the consumers are receptive⁶.

⁵ Bryan W. Husted and David B. Allen "Corporate Social Responsibility in the Multinational Enterprise: Strategic and Institutional Approaches" Vol. 37, No. 6, Journal of International Business Studies, pp. 838-849 (Nov., 2006)

⁶ Shuili Du, C. B. Bhattacharya and Sankar Sen, "Corporate Social Responsibility and Competitive Advantage: Overcoming the Trust Barrier", Vol. 57, No. 9, Management Science, Special Issue on Marketing within the Enterprise and Beyond, pp. 1528-1545(September 2011)

(C) Hypocritical Corporate System

With all the positive advantages and competitive edge for the business comes criticism. As social responsibility is communicated well, sometimes irresponsible behaviour of companies is also called out. For example, Starbucks in 2005, was called out for unfair trade practices were as it was a preacher of fair trading. Consumers are also alert and make calculative decisions to avoid such situations. The deviations between CSR statements made and actual effects on the sales are quite high. This may have a huge impact on investors and company's overall functioning efficiency⁷. Inconsistent information may lead to hypocrisy, which can either change the beliefs of the firms or the consumer attitude towards the firm. Communication here is the ultimate key. Inconsistency in framing or irrelevant details may shift the focus of the initiative leading to hypocrisy. The company must look into its communicative strategy.

CSR implementation is dependent on a huge factor of communication and because it is now a mandatory rule, the companies are focused on merely following of rule rather than actually investing in such programs and making a difference in the society. For Example, Hindustan Unilever Limited (HUL) ⁸ which had started a campaign of sanitation and hygiene in the rural areas and allocated the necessary funds but was in practicality a marketing gimmick of extension of normal course of business. On the other hand, in 2017 we see Airbnb's social campaign online with the trending hashtag of #weaccept during the Super Bowl of racial inclusion and to spread positivity around the world. The increased the social media engagement and also attracted many sign ups due to the ad. This although increased their customer base, but the communication and the actual spread of a broad mindset towards all ethnicities was visible with about 33,000 tweets in the first half itself. Innovation of the social campaigns has led to a huge marketing and consumer base but the focus of it must not shift from a social responsibility to mere marketing.

Another line of misuse is the corporate social funds used for political driven campaigns. The most recent example is the contribution of the five PSUs - the Oil and Natural Gas Corporation, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited and Oil India Limited – have contributed Rs 146.83 crore together for the construction of the 'Statue of Unity' in Gujarat by Prime Minister Modi⁹. In the financial year

⁷ Tillmann Wagner, Richard J. Lutz and Barton A. Weitz "Journal of Marketing" Vol. 73, No. 6, Sage Publications, Inc. on behalf of American Marketing Association, pp. 77-91 (Nov., 2009)

⁸ Business Today, "CSR: Help Others, Not Yourself." (May 6, 2014) <https://www.businesstoday.in/opinion/new-in-the-new-companies-act/csr-help-others-not-yourself/story/205918.html>.

⁹ Pushpa Sundar, "Using CSR funds for Political Gain", The Wire, (22 December, 2018) <https://thewire.in/business/modi-government-csr-political-gain>

of 2016 a good amount of money was spent by some PSUs on maintenance of a statute as a ‘sustainability’ project. The government funded companies are highly prone to such political agendas and not really a business in the market but a toy in the hands of the government to emphasize their motto and ideology which is a complete deviation from the pith and substance of CSR.

CSR is not only about the direction of funds into a social campaign, it is more about making the business well aware that it is not just profit that they need to survive they also need society’s support to function. It is for the consumers at the end of the day the business functions. The social responsibility is not about the pecuniary value or the extent of the campaign or even numbers, it’s most importantly about client value and a change. It is to give back to the society that is helping it function and flourish to gain profits. To have a profit maximization mindset in this case will only lead to downfall of the company’s goodwill, thereby reducing their consumer base. Hence, although the company is a legal person the ethical boundaries are to be followed and an inner conscience is to be built and followed for the business to thrive. For example, ITC has been a consistent player in the market which entered as a tobacco company changed according to the market and started with FMCG products. They also a part of the notebook business with “Classmate” that has a portion of the amount going to charity. So, being a ‘tobacco’ company by its name its more than that and moreover works in favour of society. This being a strong example of how rather than a marketing gimmick and actual mindset to give back to society will not only help in goodwill but also share prices¹⁰ thereby increasing their market value in a consistent rate.

The CSR is just a part of the decision making of the company and is not to be limited to considering societal objectives under these programmes. Every strategic decision must involve a healthy balance of profit and societal needs. If a business is running in profit, it is because of society and this have been proven again after the pandemic took a toll on the market leaving many organizations to file insolvency.

III. CONSUMER’S POCKET

(A) Caveat Emptor

This is an old doctrine that puts the liability on the Buyer to beware about his economic decisions. According to Walton H. Hamilton in his paper of examining this doctrine¹¹, he calls

¹⁰ As of 19 August, 2021 – Rs. 231.50 (on the rise)

¹¹ Walton H. Hamilton, “*The Ancient Maxim Caveat Emptor*” Vol. 40, No. 8, *The Yale Law Journal*, pp. 1133-1187 (Jun., 1931)

the doctrine the condensed phrase of – refusal of public authority’s effective protection to the purchaser. However, the economy and the society has developed since the 1900s and over a period of time it has come to notice that the sellers have equal liability of providing quality products and not exploit people by abusing this phrase. With the emergence of the “Absolute liability” from the case of *MC Mehta v. UOI* that established that if any hazardous substance did escape that caused harm or injury, the person in possession of this substance shall be liable without any exceptions. As nothing can justify the damage that will be caused. This was reiterated in the Bhopal Gas Tragedy case.

Another example of seller’s product liability has been brought about by the Legislature by passing the Consumer Protection Act, 2019 (Amendment) which brought the “Product Liability and Penal consequences” into enforcement. The term 'product seller' is defined to include a person who is involved in placing the product for a commercial purpose and as such would include e-commerce platforms as well. The defence that e-commerce platforms merely act as 'platforms' or 'aggregators' will not be accepted. There are increased liability risks for manufacturers as compared to product service providers and product sellers. Manufacturers will be liable in product liability action even where he proves that he was not negligent or fraudulent in making the express warranty of a product. This guarantees protection to consumers against any kind of exploitation. However, there are exceptions that have been carved out to avoid abuse of the provision. The Act has also become e-friendly bringing in many aspects of e-commerce businesses into the picture. The definition of “Unfair Trade Practices” has also been enlarged into data privacy. It may not completely cover all aspects but is certainly a first step. Therefore, the opinion of *Walton Hamilton* may not apply in the current scenario, but over the pandemic there have been various ways in which business have exploited the consumer’s pocket.

The standard of living since the past decade has certainly increased with the increase in jobs and employment as “data science” and “technology” has played a huge role in doing so. This hard-earned consumer’s money was exploited horribly by the medical industry during the COVID-19 pandemic. The people who could not afford beds or had struggled to get an insurance were charged a bill in lakhs just for spending a dozen of days. Medicines were overpriced so much that the government had to put a cap on the prices. This issue of overpricing was way before the pandemic. As reported by the National Pharmaceuticals Pricing Authority, the ‘drug eluting stents’ used in angioplasty were overpriced hence a cap of Rs.

28,000 was imposed on it in the year 2018¹². In the course of the pandemic the exploitation rose to a large extent, with the lack of beds, oxygen hoarding and medical treatment. Hospitals would charge a ‘COVID Charge’ which included the masks, gloves, sanitizers and the PPE kits used by the staff. The question to be asked here is - Was this already not used by the hospitals before the pandemic? Were gloves and sanitizers not used for every patient individually before? The hospitals would not mention what were included in these charges and every patient’s bill would be extremely different considering their insurance coverage. There were patients who suicided due to debt and exorbitant bill charges. However, the government has started the “Jan Aushadi Kendra” which provides the common man general medicines at a nominal charge. However, this chaos with vague reasons and non-transparent functioning has affected country’s consumer pocket. The rich get richer and the poor get poorer. In this case the Caveat emptor could not play a huge role as no information was even given due to uncertainty of the situation. Rather than getting into a political debate, it must be noted that the medical practitioners served their best but the hospitals took an unfair advantage of the consumer because of the shortage of supply and increase of demand. This sort of selfish decisions in the name of “services” or “medication” should not be a means of profit. Profit is the honest earnings of an organization by serving the society at large, and not by exploitation. The mindset of any business must be of “profit making” and not mere maximisation, because the consumer’s pocket is the only reason for businesses to thrive and exploiting their pocket is equivalent to exploiting their own. Consumer Protection laws must have played a huge part here with all the amendments and developments that have taken place in the favour of the consumers. Unfortunately, in practicality the ‘medical negligence cases’ require prima facia evidence that the overcharge has taken place or the service rendered was flawed. And to prove this flawed service or over pricing, the judge at his discretion consults a medical expert who is also a part of this profession to take a decision that is accurate. This is not only time consuming but also inconvenient as it will be rare to find a doctor who would agree to critically analyse another doctor due to professional code. This creates an obstacle in rendering justice. It might seem easy to blame the Courts’ procedure but the due diligence is necessary as the doctor’s profession and the patient’s life both are highly values at stake. In this case, the laws and the administration may do its best for protection but so must the business itself. The organizations cannot simply exploit the consumer needs into making them dance as puppets in their hands, under the head

¹² Rema Nagarajan, “*Cardiac stent price cap lowered funds up to Rs.28,000*”, The Times of India, (13 February, 2018) <https://timesofindia.indiatimes.com/india/cardiac-stent-price-cap-lowered-further-to-rs-28000/articleshow/62889521.cms>

of profit.

(B) Platform awareness

Two sectors that got a boost in the pandemic years are, one Healthcare and Pharmaceuticals and the other is the Internet and Web services. Data frauds has been an alarming issue as schools, business and even employment has become online. With increase in dependency on the internet, our patterns and personal information constitute our “data” that enables us to use the web services. In the year 2021 itself, a Bengaluru based start-up suffered a data breach whose data was sold on the Dark web. The data privacy breach is quite high and with that comes mistrust not only on the web but also on the firms. The data scams have affected the financial sector, educational sector, food and beverage sector, and many more. They sell the collected data illegally which raises a question on the firm. The firm may be a sheer victim to such an attack but as an e-commerce functionary, they must take precautions to avoid such attacks. The issue is that data breaches are so frequent in the last few years that, this has almost been normalised. This acceptance and adjustment on the side of the consumer is what makes the companies complacent to take necessary precautions. With the building awareness about the value of data. ‘Data Privacy’ seems to be interlinked with the concept of consumerism.

Consumers have moved from offline paperwork to online google forms. With this movement comes another degree of consumer awareness. It is of not only about the market but also the platform. With the pandemic effects, it is clear that the lack of transparency and abuse of the unaware pool of consumers is only giving way for the firms to maximise their profits without even the consumers realising their abuse. For this to stop the consumers have to make a conscious effort to spend their money in way discouraging such abuse than normalising it as a characteristic of businesses with high market capitalizations.

IV. WORKERS’ COMPENSATION

The compensation to labour is a very important aspect in running the business. If the company were a human body, the blood vessels would be the workers. They make the functioning and operation of the strategies and plans possible. Micro management is as important as macro and the people who contribute in such micro-management need to be compensated accordingly. The honest profit earned by the company is the result of the smooth operations of the workers, hence to understand the profit-making decisions we must understand the worker management model used in the company.

(A) Government protection:

The factories and service providing jobs face the job security and pecuniary challenges. India is known for cheap labour and this ‘cheap labour’ is actually unpaid labour which does not come up to the surface. There were plenty of labour laws that were passed by the government but there were many legal overlaps and loopholes that the laws were creating more confusion that protection. Justice Krishna Iyer rightly stated “the public sector is a model employer with a social conscience not an artificial person without soul to be damned or body to be burnt.¹³”. Hence, in the years 2019 and 2020 four major labour codes were passed as- Code of Wages, Industrial Relations Code, Social Security Code and Occupational Safety, Health and Working Conditions Code that are helping in consolidation of the employment disputes.

Code of Wages was passed in 2019, to mainly deal with wage and bonus payment issues. This applied on all employees of all industries. The system is now planned in a way that the floor wage would be fixed by the Central government and the Minimum wages must be more than the floor wage set. This could be set by the Centre or State. However, any wage related decisions shall be taken by the State government. The definition of wages was broadened to include ‘any monetary component’ with exception of bonus and travel expenses. The ‘minimum wage’ mark that will be set will not be a stagnant one and shall be revised every five years with the advisory board seated to advise the government of such issues. Further, working hours shall be fixed by the government and any overtime worker must be compensated with at least twice the wages. This provision will keep employers in their limit of enforcing workload. It will also help in maintaining a work life balance and until there is dire need for the employees to work overtime, they cannot be expected to do so. There is also a cap of maximum of 20 percent that is set for bonus set annually.

Industrial Relations Code was passed in 2020, which dealt with conditions of employment and settlement of disputes. This is one of the most important laws in the COVID-19 era considering the layoffs that had taken place and the sudden increase unemployment to 27.1 percent which is the highest recorded rate so far¹⁴. The main condition that made it stand out was the condition of the employer to take prior permission from the government before any layoffs if the establishment had more than 300 employees associated with them. Other than this, the trade union having more than half of the employees shall be the negotiation union and in case of a

¹³ Som Prakash Rekhi v. Union of India (1981) 1 SCC 449, para 70

¹⁴ Sukanya Roy, “10 well-known companies that laid off staff due to coronavirus”, The Business Standard, (19 May, 2020) https://www.business-standard.com/podcast/current-affairs/10-well-known-companies-that-laid-off-staff-due-to-coronavirus-120051901344_1.html

strike a notice is to be given 14 days prior to the employers. The Industrial Tribunal shall be the adjudicating authority in the dispute matters.

Social security Code was also passed in 2020, to provide job security to every employee irrespective of whether they work in the organized or unorganized sector. The unorganized sector will be managed by the Social Security funds that will be set up by the Central government who may avail the benefit after procedural registration. The whole system will have a combination of Central Government, State Government and Aggregator contribution. The industries are divided and administered by all the three authorities, latter being in the micro level and the following the former to the macro level of administration. The contribution of aggregators is mapped and capped up to 5 percent and not more to check corruption. Further more exceptions of a pandemic or a national disaster provide the Government to reduce the contributions for up to three months.

The Occupational Safety, Health and Working Conditions Code passed in 2020, replaced the greatest number of laws and is framed to be a comprehensive guide to ensuring safe and healthy working conditions. This is applicable on organizations that have a hazardous working environment involved irrespective of the size or extent of the organization. The working hours is set to 8 hours and 6 days a week with laws that empower women to work before 6 am and beyond 7 pm and also instruct the employers to provide them with safeguards in case of dangerous function is to be undertaken. This is indicative of women empowerment in not just the top management but in the smallest of functions than merely limiting them to work during the day hours, considering it to be 'unsafe' otherwise. Right to transgenders and contractual workers is also emphasized upon.

These laws are binding on the public sector, but the private sector still works on contract dealing with terminations and layoffs in contracts that sometimes trap the employee into agreeing to things he may not be aware about. This was put to test during the pandemic, with the analysis of specific performance laws. The judicial stance on this was held in *Gridco Ltd. v. Sadananda Doloi*¹⁵ which states that any employment of a public servant or under the industrial laws shall be under the administrative control of the government and hence, the test of unreasonableness and irrationality shall be judged but if the employment is purely contractual it is executed under 'mutual benefit' hence the redressal is very limited. After the pandemic, the government released orders in March purely advisory in nature, suggesting to avoid any terminations and to consider the hardships of the employees. On March 29, 2020 the

¹⁵ (2011) 15 SCC 16 at para 38-42.

National Executive Committee took charge under the Disaster Management Act, 2005 and ordered the necessary authorities to arrange for shelters, full wage payments, not demand for rentals, forceful evictions would lead to penal punishments. This had two main issues- One, that the word 'wage' has various interpretations and has been defined vastly except in the Disaster Management Act, 2005 and the other being, the civil and criminal obligation of the employer to pay wages, or would lead to claim of damages by the employee¹⁶. This situation is contrary to what was supposed to be, as held previously. This matter then escalated to the Supreme Court who after analysing the interdependence between the industry and labourers, gave relief to the private establishments to enter into negotiation through an interim order.¹⁷ This whole issue intricately tested the constitutional framework and the industry-labour dependency.

However, there were companies who for the mere reason of profit maximisation, laid off their staff. Such selfish actions by organizations even after legal relaxations shake the trust of society on the market. This trust is already misinterpreted to an extent of belief that we have accepted the abuse of roles and individuals in the market to be a characteristic of it.

Renounced companies such as Zomato, whose business received a boost due to their no-contact delivery services, also laid off about 13 percent of jobs after the extended lockdown. Swiggy and Cure.fit who were start-ups of their kind also laid off many employees. With the hit to the airline business, the British Airline Virgin Atlantic, Airbnb, TripAdvisor were also some of the other companies that reduced their staffing drastically¹⁸. This joblessness and rising poverty were understandable at the time of the peak of this pandemic. Further, Zomato did start hiring through referrals a few months before its IPO launch thereby ramping up their operations requiring higher liquidity¹⁹. TCS was also one of the companies that held back supported their employees through the crisis.

(B) The 9-5 work culture

Whether it is workers in the factory, coders in a company, sales men under service providers

¹⁶ B.S. Sushanth Sharma and Anita Yadav, "UNDERSTANDING THE LEGAL CONUNDRUM OF EMPLOYER'S RIGHT IN INDIA DURING COVID- 19 CRISIS", e-ISSN-0976-1489, ILI Law Review, Special Issue (2020).

¹⁷ Live Law News Network, "SC Says No Coercive Action Against Employers In Two Pleas Challenging MHA Order On Full Payment Of Wages; No Interim Order In Connected Cases", (15 May, 2020), <https://www.livelaw.in/top-stories/mha-order-on-full-wages-payment-amid-covid-lockdown-sc-no-coercive-action-156822>

¹⁸ Supra 14.

¹⁹ Prachi Verma, "Zomato restarts hiring via referrals after pandemic layoffs" The Economic Times, (23 February, 2021) <https://economictimes.indiatimes.com/tech/startups/zomato-restarts-hiring-via-referrals-after-pandemic-layoffs/articleshow/81163018.cms?from=mdr>

or even the employers themselves. The increasing cases of stress and relationship problems in an individual life is because of the imbalance between work and life.

The corporate structure has started focusing on efficiency and performance of the employee to such an extent that managers start setting high targets and challenge their ability. This process is fruitful only if the degree of such workload is manageable. If the employee is forced into unrealistic deadlines, then they may either crunch all the work giving no time to their personal life or may fail to meet it. If they succeed, the manager now knows that ability of the employee thereby simply misusing it further as the next project arises. If they fail to meet the targets, they are then mocked which also affects their appraisal and promotion related decisions in the upcoming years as compared to their colleagues. This creates a rat race in the workplace and though there is no compulsion of working late or working too much, due to the arising competition and consequences, the employee prioritises everything below the job. This after a few years leads to a lot of emotional and life changing decisions and stress for which the employee takes the blame. But, all of these issues could be simply solved by maintaining workload balance and work life balance. If an employee can contribute his talent, labour and skills to a company for its progress, then the least the company can do is compensate the employee not only on pecuniary basis but also by strict timing policies.

‘Time is money’ is a very famous saying which takes time to understand. We often observe that people who are high up the corporate ladder may have a higher pay but no time to enjoy it and vice versa as we keep moving down. The study concluded 43 per cent Indians leave their job because of limited career path, 36 per cent blame poor work-life balance and 33 per say it is their low compensation²⁰. Hence it is not just about the pay but also having some quality time to enjoy the pay with their loved ones. It is what every individual works towards but due to the unhealthy work-life balance and frustration their priorities often are mixed up leaving no one but themselves to blame.

Hence, the 9-5 work culture is only for the name, but is mor about 24/7 work with a stipulated time at the office. With the emergence of WFH (Work from Home) the extremes seemed to have merged completely, all for the ‘improvement of efficiency for the company and increased profits margins.’ Employment of contract- is for ‘mutual benefit’ and must reflect in its execution. It is mutual because of the simultaneous achievement of personal and organizational goals and not one at the cost of another.

²⁰ The Times of India Network, “*Here Are The Top 3 Reasons Why Indian Employees Leave Their Jobs*”, The Times of India, (18 July, 2018) <https://timesofindia.indiatimes.com/life-style/relationships/work/here-are-the-top-3-reasons-why-indian-employees-leave-their-jobs/photostory/70244944.cms?picid=70245027>

V. CONCLUSION

To address the point of ‘Profit being an overrated excuse or not?’ the Management aspect, Consumer aspect and the Employee aspect in this matter and the current scenario of these three pillars is to be assessed to understand their position, mindset and their ability to contribute. The post Covid era will have a different work culture with its own limitations, problems and exposure. It was a litmus test for the ‘values of the organization’ to categorise them into profit making and maximising firms. It has made employers realise their need for not cheap labour but quality and empowered labour. The employees on the receiving end of the blows have raised their voices against many such toxic work culture issues that has come to notice. It has also helped the legislature check the twisted usage of labour laws by employees against their employers. The consumers have realised their importance in the market and the discipline of spending. It has now put the consumers at the pedestal to make a choice between the profit making and maximising firms. And at this stage, we must address the toxic work cultures and extremely strategic decisions of companies in the name of profit and choose to work towards a secure and aware market of both buyers and sellers. The pandemic has helped in reevaluating the roles of the three identified individuals and assisted us in understanding the difference between abuse of service and efficient service. The CSR of a company is not about the scale of operations but impact, the consumer awareness also entails corresponding accountability and job security and support to employees, especially in unforeseen circumstances helps an individual judge an organization. This judgement should be done by every contributor of the market to make sure that big corporate houses with their high bargaining power thrash unfair conditions on the market affecting all three aspects in the name of profit. The power enjoyed by the corporate houses with the rigorous competition is the most vulnerable nerve which must be held to a limit for a healthy check of the market. This line between use and misuse is quite blur and can very easily fall over on extremes. Therefore, is profit an overrated excuse? Yes, it is unless the very balance is maintained with the market ecosystem respecting their interdependency and working towards the betterment of each other than selfishly themselves.

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