

*Abstract*

**ETHICAL ISSUES IN BUSINESS: THE SPRITUAL INPUTS**

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**Zeno of Cyprus, Manu Samhita and even every book of Religion especially 'Hindu' have strongly put the Ethics as an essential part of the business activities. All over the world, every person want to achieve peaceful living. And, to perform this act, a common code of conduct is required. This common code of conduct measures all human being equal and gives joy and happiness naturally available to all. It is, thus, called society i.e., group leading an ethics or living a value based life enjoys the fruits of good organized living.**

**Business is a part of the society. It functions in the society. So, it should be guided by the ethical or moral norms which the society wants the business to observe. In other words, every business should be guided by business ethics i.e., moral principles which are considered by the society as right, and so, should govern and guide the activities of the business.**

**This way, the present paper (followed) is based upon the citations, discussions and suggestions given in the various spiritual and holy texts in Artha and Kama, Dharma, Moksha manner. Moreover, ethical dilemma is discussed in detail. In my opinion, the present paper contains such issues which have not been discussed so far.**

Here, I would like to start this paper with the quote from a letter written by Jamshedji Tata to Swami Vivekanand on 23rd November, 1891. This is from an offer letter to Vivekanand to establishing a Research Institute for Tatas.

*Dear Swami Vivekananda,*

*I trust, you remember me as a fellow traveller on your voyage from Japan to Chicago. I very much recall at this moment your view on the growth of ascetic spirit in India and the duty, not of destroying, but of diverting it into useful channels.*

*I recall these ideas in connection with my scheme of Research Institute of Science for India, of which you have doubtless heard or read. It seems to me that no better use can be made of the ascetic spirit than the establishment of monasteries or residential halls for men dominated by this spirit, where they should live with ordinary decency and devoted their lives to the cultivation of science, natural and humanistic. I am of the opinion that, if such a crusade in favour of an asceticism of the kind were undertaken by a competent leader, it would greatly help asceticism, science and the good name of our country; and I know not who would make a more fitting general of such a campaign than Vivekananda. Do you think you would care to apply yourself to the mission of galvanizing into life our ancient traditions in this respect Perhaps; you had better begin with a fiery pamphlet rousing our people in this matter. I should cheerfully defray all expenses of publication.*

*With kind regards, I am dear Swami*

*Yours faithfully,*

*Jamshedji Tata*

Vivekananda was engaged in starting the Ramakrishna movement during that period. He could not accept the offer and died within four years.

This citing made above is back grounded with a view to present a basic idea of Ethics in Business. Indian roots of Ethics are well-known, age-old and smart-strong. It is acceptable further that the changes in times have motivated changes in business and the practice of business-ethics. Business-ethics, as we will discuss in the coming paragraphs, are well-analysed and widely known concept today. Changes in the pattern of Industries, industrial production and consumer-outlook, have leaped-frog the ethical concepts towards more heterogeneous ideologies like marketing innovations, production-processes and applied-human-resource development.

### **What is Ethics**

To begin with, let us understand, what ‘Ethics’ is? The word ‘‘Ethics’’ has origin in Greek word ‘‘Ethics’’ means character, norms morals and ideals prevailing in a group or society. Ethics may be defined as the critical examination of the standards of good and evil, right and wrong, virtue and vice. Consequently, in English ‘‘ethical’’ and ‘‘moral’’ are almost synonymous, although the latter term is commonly used with a less technical reference than the former. Nearly always they refer to the character or conduct of men or groups of men. These are facts of life whether for the individual mind or in the social order; and so long as the facts are merely described, or as their causes and effects are merely investigated, the enquiry belongs to the science of mind, i.e., to psychology, or alternatively to the science of society, i.e., to sociology. Ethics regards the facts from a different

point of view, which may be called that of appreciation, and which is expressed in value judgements of worth, duty or goodness, Psychological and sociological judgements are descriptive, historical or causal; but the moral judgement is always one of approval or disapproval. Thus, various questions which are usually discussed in ethical treatise (such as the relations of pleasure to desire, the nature of volitional freedom, the formations of virtuous habits, the connection of moral ideas and practices with social customs and institutions) really belong to psychology or to sociology, although they may be of importance as supplements to ethical study. Every ethical proposition has, for its predicate, the concept of “good” (or its opposite) or some other concept (right, virtuous, duitiful or worthy) which is equally normative and not merely positive or factual.

Sometimes one of these concepts and sometimes another has been regarded as the fundamental expression of the moral consciousness, being often based in-and varying according to-geography and chronology.

Zeno of Cyprus, Manu Samhita and even every book of Religion especially ‘Hindu’ have strongly put the Ethics as an essential part of the business activities. All over the world, every person want to achieve peaceful living. And, to perform this act, a common code of conduct is required. This common code of conduct measures all human being equal and gives joy and happiness naturally available to all. It is, thus, called society i.e., group leading an ethics or living a value based life enjoys the fruits of good organized living.

Plato, Aristotle, most of the idealist writers and the Utilitarian in general have taken ‘good’ as the social concept. To the stoics, to Kant and most intuitional writers, ‘duty’ as moral law was fundamental. J F Herbert

laid stress on the concept of value or worth, and his suggestions have led to the Value Theory of Ethics worked out by many including F Brentano, C V ehrenfels, H Munsterberg, and W M Urban. These differences of treatment which may affect the whole scope of ethical system and the mutual relation of such concepts as good, duty, worth, calls for investigation by way of an ethical inquiry. But whichever concept be taken as fundamental, it is clear that ethics involves a point of view or concept which is *sui generis* and foreign to the positive sciences.

### **Validity of Terms**

The central problem of many ethical theories is to determine the grounds or conditions of the valid use of the concept of “good” and, if possible, to arrive at a reasoned synthesis of the things, or kind of life, to which goodness intrinsically belongs. Were this synthesis arrived at, the traditional problem of the *summum bonum* or chief good would be solved. Differences at this point mark the leading divergence between many schools of ethical thought. But it was remarked by Aristotle, at a time when ethical terminology was less complex than it is now, that in spite of their difference views as to the nature of this good, all men are agreed as to its name a term equivalent to “well-being”, but unfortunately rendered in the English translation as “happiness”. In modern ethical discussions the word happiness is not clearly distinguishable from a maximum of pleasures, or a relatively prolonged period of conscious life in which the pleasures greatly exceed the pains. This sense of the word, that the good is happiness, would have been denied by both Aristotle and Plato. Arguing that the good for man must be something obtainable by man, Aristotle did not find the end in

pleasure but rather in the perfect development of a man's self, in an activity leading to moral and intellectual excellence. But the doctrine that pleasure is the highest good was held by the predecessors and contemporaries of Aristotle, to be later formulated by Epicurus into an ethical theory.

### **Personal Ethics and societal Ethics**

It will be evident that the concept of ethics discussed so far is societal or community wide in nature. Individual or personal ethics may or may not be congruent with it. It is postulated that the two should be compatible to provide synergistic benefits. When they are in conflict, ethical dilemmas are likely to occur.

Sometimes it may be possible for a person to successfully convert his/her personal ethical beliefs into societal ones. It would seem that such a person should have the following qualities:

- He/she should be a visionary and should be able to visualize the long-term impact of the problem/situation.
- He/she should be a good communicator and communicate his/her vision to the people at large in a language than they understand.
- He/she should have the courage or steadfastness to continue with the battle against all odds known or unknown.
- He/she should not be motivated by any expectations of personal gains.

### **Ethics Plays Key Role in Business**

Another writer Thomas Danaldson has observed that “There are three key reason why business ethics are necessary? Why ethics plays a key role in business.

*First*, it is crucial that Ethics have a considerable influence if we want an efficient, smoothly operating economy. Ethics help the market to its best.

For example, the economist, Alfred Marshall remarked in 1925, that a score of Tata's might well do more for India than any Government, British or local could accomplish—the emphasis is that history of Tata evolution is not just on any kind of capitalism but on ethically based management.

*Second*, the government, laws and lawyers cannot resolve certain key problems of business and protect the society : ethics can. Ethics can only resolve futuristic issues such as technology races ahead much faster than the government. Regulations almost always lag behind. that companies social responsibility extends beyond what the law strictly requires.

*Third*, ethical activity as valuable in itself, for its own sake, because it enhances the quality of lives and the work we do business has an ethical responsibility for humanity, e.g., employee.”

### **Importance of Business Ethics**

Thomas Donaldson (Ethics in Business : A New Look) sums up that “There is a growing realisation all over the world that ethics is vitally important for any business and for the progress of any society. Ethics makes for an efficient economy; ethics alone, not government or laws, can protect society; ethics is good in itself; ethics and probits go together in the long-run. An ethically responsible company is one which has developed a culture of caring for people and for the environment; a culture which flows downwards from the top managers and leaders.”

### **Three “C’s” of Business Ethics**

1. The need for complinace of rules, including :
  - ✓ Laws,
  - ✓ Principles of morality, the customs of community, and
  - ✓ Policy of the company and fairness.

2. The contribution business can make to society through :

- ✓ The core values,
- ✓ Quality of one's products and services,
- ✓ By providing jobs to employees,
- ✓ Usefulness of activities to surrounding community, and QWL (Quality of Work Life) influenced by ethical and moral values.

3. The consequences of business activity:

- ✓ Towards environment inside the plant and outside the organisational community, e.g., Bhopal Gas Leading Tragedy.
- ✓ Social responsibility towards shareholders, bankers, suppliers, customers and employees of organisation.
- ✓ Good public image. Sound business practices so that public image is not tarnished.

### **Ethical Dilemma**

Ethical dilemma is complex judgements on the balance between the economic performance and the social performance of an organisation.

Doug Wallace, consultant explains, "An ethical dilemma exists when one is faced with having to make a choice among following alternatives:

- (a) Significant value conflicts among differing interests,
- (b) Real alternatives that are equally justifiable, and
- (c) Significant consequences on "stakeholders" in the situation.

According to Rushworth Kidder, in Ethical Dilemma, the toughest choices are Right versus Right. P. Kidder further adds that "they are genuine dilemmas precisely because each side is firmly rooted in one of our basic, core values. Four such dilemmas are so common to our experience that they stand as models, patterns, or paradigms. They are:



- ✓ Truth versus loyalty.
- ✓ Individual versus community.
- ✓ Short-term versus long-term.
- ✓ Justice versus mercy.

### **Methods of Resolving Ethical Dilemmas**

Normal management's should set-up procedure for dealing with ethical dilemmas and constitute a committee of senior managers to resolve dilemmas. Some methods are :

- (i) An ethical checklist (by Doug Wallace and Jon Pikel) to do good ethical analysis.
- (ii) Another method is ten step method of decision-making (also by Wallace and Paket).
- (iii) Third method is twelve questions to adress ethical dilemmas (by Laura L Nash).
- (iv) Another method is nine steps for dealing ethical dilemma by Rushworth Kidder (extract from ‘‘How Good Peple make Choices—Resolving the Dilemmas of Ethical Living’’, William/Morrow, New York, 1995).
- (v) Yet another method, there is eleven steps to ethical problem-solving by Charles Steels (CEO and Chairman, Deloitte, Haskins and Sells).

### **Manu Samhita**

We quote Manu Samhita in this connection.

*Alabdhang chaiwa lipsita*

*Labdhang rakshedamekshaya*

*Rakshitang Wardhayennityam*

*Wriddhang tirthesu nikshinet//*

*The unattained target should be sought after*

*The attained should be maintained and cared for:*

*The maintained should be grown*

*The accumulated should be righteously applied.*

The concept is entirely secular. The encouragement to achieve corporate objectives efficiently is explicit. The last sentence again explicitly encourages the accumulated wealth derived out of efficiently achieving the corporate objectives to be ethically employed.

It is a pity that with the general deterioration of ethical standards the world over, such endowments as mentioned above are made by today's entrepreneurs not so much out of ethical consideration, but as a means of tax evasion. Even Tatas are becoming reluctant to continue supporting the various socio-cultural ventures set up in Tatanagar.

A sharp distinction also needs to be made with the various socio-cultural investments typically made by Public Sector Enterprises in India like steel plants. In such ventures, a very substantial portion of the investment goes towards building townships. The result almost invariably is to render the venture unviable from the very beginning, one reason being the substantial unproductive capital investment, as against the examples quoted where such investments are made out of profits earned. This also brings out the characteristic difference between charismatic strategic leaders/entrepreneurs and unimaginative bureaucratic executives.

### **Hinduism**

“Hinduism is an inheritance of thought and aspirations living and moving with the movement of life, an inheritance to which every race in India has made its distinct and specific contribution. Its culture has a certain

unity, though, on examination, it dissolves into a variety of shades and colours”.

This culture, intensively practical, taking in the totality the sum of human aspirations and needs, has classified values as *dharma*, *artha*, *kama* and *moksha*. The first three always go together and dharma is given prominence. Let us first discuss artha and kama.

***Artha and Kama:*** These values operate at the physical and biological levels of human existence. In them, value is attributed to things and services, such as food to satisfy hunger, services and equipment to ensure security, and relationship catering to sexual needs.

Whereas artha means resources for sustaining oneself, one’s relatives and dependents, kama stands for the fulfilment of various desires including sexual urge which are part of the food life needs to stay in existence. Artha and kama take into account man as he is, with all his needs and cravings.

***Dharma:*** Dharma is the norm which sustains the universe, the principle of a thing by virtue of what it is. Interpreted in everyday terms, dharma constitutes the principles to be observed in man’s daily life and in his relationships so as sustain the social order and the physical environment. These principles are truthfulness, forgiveness, non-injury, non-accumulation and goodwill and respect towards all. They are necessary requirements to ensure that each member of society can live, work and grow fully. They preserve the order of the universe and are the antidote of chaos.

The immeasurable drive of artha and kama can and do cause havoc in human relationships and in the physical environment. They are, therefore, to be curbed and controlled by the guiding arm of dharma. It is the bridge between artha and kama and the final end of human aspirations, moksha.

**Moksha:** Moksha signifies liberation from all bondages. It corresponds to the deepest longing in the human heart which remains unappeased. It is the thirst for absolute freedom. Every individual, sooner or later, is bound to grow tired of the normal objects of desire, social position, prosperity, fame, human love etc., at which time he becomes conscious of the urge to go beyond not only artha and kama but also beyond the virtues; he has the thirst for the absolute that is moksha, the parama purusartha.

Thus, moksha means transcendence of all limitations and finitudes; transcendence of duality, of space and time, the state of pure pristine consciousness, undifferentiated and unconditioned.

The principle of dharma rouses us to a recognition of spiritual realities not by abstention from the world but by bringing into its life, its business (artha) and its pleasures (kama) the controlling power of spiritual faith. Life is one and in it there is no distinction of sacred and secular. Dharma is truth's embodiment in life and the power to refashion our nature.

It is, however, necessary to distinguish between the principles of dharma and its rules. Fully realising that social life is always one of movement, change and tension and that it is not the terminus of human existence, dharma permits a constant change of its rules in the form of social norms. The rules are mutable, not the principles which are, after all, the perennial values.

**Shantam, Shivam, Advaitam:** Hinduism also offers other classifications of values. A second classification is shantam, shivam and advaitam. The ultimate is indicated by the three words each of which is identical with the other and the three together explain the end state of existence, the terminal values. What is the goal is also the way.

Having met the simpler rules of physical and biological existence, the individual pursues the fulfilment of the emotional and intellectual needs. Basic needs are material things, those of a higher value are finer and more abstract, but according to Hindu perceptions the desired values in the objective world, whether gross or fine, are accepted as material, the difference being one of degree. Once an individual has reached the stage when he realises that contentment is not dependent on material values but is a condition of mind, a transformation in his attitude takes place. He becomes consciously engaged in the search of contentment, of absolute freedom, a quest for changed values. This quest of values like truth, goodness, beauty and salvation ultimately leads to the realisation of the individual's identity with truth, knowledge and bliss absolute. One goes beyond physical and intellectual boundaries into a state in which the cosmos is revealed as a projection of oneself. This state has been called advaitam or non-duality.

Non-duality is the end of the road, What is the way to that end? In the Mandukya Upanishad, the two preparatory stages have been called shantam and shivam. The first stage is reached by a process of voluntary discipline. The forces of instinct and desire with their innumerable demands hold sway over unregenerate human nature and there is no end to misery and there is no end to mishaps, and danger in every step, until these forces have been mastered. This is carried out through voluntary control and restraint exercised by an awakened intelligence. This process corresponds to brahmacharya, the first ashrama in the Hindu way of life. When restraint has produced serenity, the individual perceives the shantam aspect of the absolute. First shantam, then shivam; first restraint, then action. Only when the internal energy has been contained is it possible to work with efficiency and

ease. The individual joins the battle of life, earns a livelihood, shoulders responsibilities and enters into a variety of relationship with other people. This is the second ashrama, garhasthya.

In the complex web of human interrelationships, harmony is to be attained through right actions. What is right action ? It is that which works for the welfare of all. Through righteousness, through good deeds, the shivam aspect of the absolute is realised as the essential harmony in the world of activity, its interconnectedness, its interactions.

When the mind is pure and ego dissolves through the process of shantam and shivam, advaitam is attained. It is Truth-Knowledge-Bliss absolute. Thus human life becomes complete and from beginning to end no part of it is insignificant or irrelevant.

### **Conclusion**

In the world, no two different activities produce the same set of result. The 12 different Yajna-s described so far, are all conspicuously different from one another, and so they must all be producing not an identical result but a series of different effects. In order to show that through the “paths” are different, all of them ultimately lead to the same goal, it is said : “Various Yajna-s lie spread out in the Veda-s, leading to the gate of Brahman, the Eternal.” Just as “all roads lead to Rome”, all the above-mentioned techniques of Yajna also ultimately lead to one and the same goal.

Arjuna as an Aryan child will not willingly accept a pure intellectual theory regarding the spiritual life. Krishna has, therefore, to provide an assurance now and then that his words are nothing but emphatic restatements of what have been suggested and implied in the immortal Veda-s. Know them, all to

be born of action : This timely reminder of the Lord has more than one direct suggestion :

These “paths’ prescribed in the Veda-s are all to be pursued through self-effort and therefore, Arjuna is reminded of the inevitability of right action if he wants to move ahead in his cultural self-development.

It also suggests that all these “paths” are only the means and not the end. Action is born of “desires,” and, therefore, as long as there is action there is no redemption from “desires.” The “State-of-Desirelessness” is the “State-of-Perfection,” and therefore in the context of our understanding, these pregnant words of the verse ring a note of warning that we should not misunderstand these Yajna-s as the very goal of life.

Understanding thus you shall be free-Here the word “understanding” is not mere intellectual apprehension but a complete spiritual comprehension, in a vivid subjective experience of Reality.

*Saman pasyam-hi sarvatra samavas-thitam isvaram,  
na hinasty-atman-atmanam tato yati param gatim*

Indeed, he who sees the same Lord everywhere equally dwelling, destroys not the Self by the Self; therefore, he goes to the Highest Goal.

Explanation : Vedanata preaches not so much the negation of the world, as the reevaluation of things, beings and happenings constituting the world. Generally we perceive our own pet ideas and emotions, colored by our unsteady understanding and changing emotions. To see the world, not through these equipments, but with the clear eye of wisdom, is to recognize perfection and bliss, divinity and sanctity in the very drab and dreary world of today amidst its very sorrows and ugliness. Erroneous perception of the

Reality, through maladjusted equipments, is the perception of the world, which, in its turn is throttling the individual perceiving it.

Business is a process in search of excellence to align people and get them committed to work for a common goal to the maximum social benefit. Thus, we have reached a situation where business and associated persons have become separate and contradictory entities wherein their approaches are different and interests are conflicting. There is no common goal or understanding which predictably leads to constant suspicion, friction, disillusion and mistrust because of working at cross-purposes. The absence of human values and erosion of human touch in the organizational structure resulted in a permanent crisis of confidence.

Now, the critical question in every businessmen's mind is how to be effective in his job. The answer to this fundamental question is found in the Bhagavad-Gita which repeatedly proclaims that '*you try to manage yourself*'. The reason is that unless the businessman reaches a level of excellence and effectiveness that sets him apart from the others whom he is controlling, he will be merely a face in the crowd and not an achiever.

Whenever, the lower egocentric individuality is not available for sure guidance by the higher-Principle-of-Wisdom in ourselves, the lower becomes our enemy. When a vehicle is no more under our control, it will cease to be of any service to us and becomes, as it were, an engine of destruction. Similarly, when the lower in us is not available for the guidance of the Higher, the former turns out to be an enemy of the latter. And in an individual who recognizes and experiences the one Paramesvara that revels everywhere, the lower cannot fight against or shadow any longer the glory of the Higher. Bhagawan's advice is relevant here :



*“tasmaat sarveshu kaaleshu mamananusmarah yuddha cha”*

Therefore, under all circumstances remember “Me” and then “Fight” (Fight means perform your duties) Management Needs those who Practice what they Preach.

On the basis of my findings I conclude that the main focus is on the self; self-awareness, self-analysis and self-development. It is consistent with the view that the individual is the cornerstone of all changes and transformations at the organizational as well as the societal levels. While the necessity of this self-development as a precondition for the value transformation in society may not be in doubt, the emphasis on it may convey the message that it is also sufficient for all the value problems of today’s living. Sri Krishna’s advice with regard to temporary failures is, “No doer of good ever ends in misery.” Every action should produce results. Good action produces good results an evil begets nothing but evil. Therefore, always act well and be rewarded.

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