

Ethics: its relation with indian scriptures and business



“ Business ethics,” a subject that for years has been low profile in business publications and business school curriculum, has suddenly gained status. The word “ ethics” was once considered irrelevant by corporate loyalists, but now discussion of it is increasingly seen as not only important but also as critical to a company’s success. Till the 1990, s Indian corporate regarded business ethics as a mere extension of philanthropy.

Although corporate giants like Tatas and Birlas contributed generously to philanthropic causes, it was only after the entry of MNCs in the Indian market that the definition of business ethics has broadened from the concept of philanthropy. The word ‘ ethics’ is derived from the Latin word ‘ ethicus’ and the Greek word ‘ ethikos,’ meaning character or manners. This meaning can also be extended to imply systematizing, defending and recommending concepts of right and wrong behaviour. Ethics is thus said to be the science of moral, moral principle and recognized rules of conduct.

The character of a man is expressed in the terms o this conduct or actions. These actions can be ‘ good’ or ‘ bad’; ‘ right’ or ‘ wrong’; ‘ moral’ or ‘ immoral’. However, they may be amoral as well, which means that they are beyond the sphere of morality. For instance, a petrol bunk owner engaged in selling both petrol and diesel to the customers for a profit is an example of amoral conduct of business. But, if the owner indulges in mixing petrol with kerosene and sells it to customers, then this act is said to be immoral. Thus, ‘ right,’ ‘ wrong,’ ‘ moral,’ and ‘ immoral’ are termed as moral judgments.

Moral judgments require moral standards by which one judges human conduct. Ethics can thus be defined as ‘ the science of character of a person

expressed as right or wrong conduct of action. Philosophers viewed ethics as system of moral principles and the methods for applying them. It deals with values relating to human conduct with respect to the right and wrong of certain actions and to the goodness and badness of the motives and ends of such actions. While others consider emerging ethical beliefs to be ' State of Act' (legal matters), i. e. what is an ethical guideline today is often translated to a law or regulation.

Business can be defined as a primary economic institution through which people in modern societies carry on the task of producing and distributing goods and services. And business ethics refers to the application of ethical judgments to business activities. Business ethics explains that business can generate profits being ethical. But this thought (business ethics) till last decade was being contradicted. Due to expansion of business, the application of ethical practices and its implications has created a need for practicing business ethics.

Today more and more importance is being given to the application of ethical practices in business dealings and the ethical implications of business decisions. Human beings have the ability to choose. When choice is provided between right and wrong or good and bad, an individual chooses one of the alternatives by distinguishing between the options available. This concept applies to the business, since businesses are operated by human beings, they should be able to distinguish between right or wrong decisions in the business.

Thus, businesses also have choices or alternatives, such as to maximize profits, increase sales volume, provide employee benefits and concern for society. However, at times profits and social responsibility cannot coexist. Because, while earning profits entrepreneurs may neglect social responsibility. For instance, some chemical firm driven by profit motive may postpone its investment in social welfare projects like Effluent Treatment Plant (ETP), although the industrial waste left into the environment is hazardous to public health.

Thus, it becomes difficult to maximize both profits and social responsibility. This situation results in managerial dilemma. Where managers have to choose between profits and for the organization and social consideration towards the community. At times, business finds it difficult to explain its action on ethical grounds. For instance, banks' decision to computerize its activities to provide spontaneous quality service to meet customer requirements may result in redundancy of clerical jobs. The ethical solution lies in job reassignment or retraining for alternative job assignments.

Any business, if it wants to survive and grow in the long-run must strike a balance between its social obligations and economic objectives. These obligations may be complex and costly to discharge. But if the organization wants to be ethical, it has to discharge its social obligations towards the society on the basis of Ethical concepts. Some of the concepts that are frequently used when discussing the subject of ethics are: 1. Ethical Subjectivism The morally correct decision often depends on the circumstances of the person making it.

Even with the same moral standards, two individuals may consider different decisions to be appropriate, if their individual circumstances are different. Ethical subjectivism argues that what is ethically right or wrong for an individual depends on the ethical principles he or she has chosen. In other words, for people who subscribe to ethical subjectivism what is ethically right or wrong is entirely a personal matter. The problem with the argument is that it places no restrictions on the kind of ethical principles a person might choose.

While a person lives by the principles he chooses, it is not necessary that these principles are ethical. To prove that one's principles are ethical, one has to give reasons, which must be able to withstand public scrutiny. At this juncture, ethics no longer remains a personal matter. 2. Ethical relativism People who support the concept of ethical relativism argue that there is no universal set of principles by which to judge morality. Each society has its rules and it is inappropriate to compare the ethical rules of one society with that of another.

Just as subjectivists cannot comment on the actions of other individuals, relativist cannot pass judgment on the actions of societies other than their own. Relativists thus rule out the possibility of discussion across societies on ethical issues. They feel that the only alternative modes of ethical interaction across nations and societies are tolerance and conflict. What relativism does not consider is that there may be sufficient evidence to believe that an ethical practice is based on false beliefs, illogical reasoning, etc.

In that case, it is important to speak out against the practice even if it is pertaining to another society. . Consequentialism There are two central ideas associated with consequentialism. The first idea is the concept of value and the second that of maximization of value. Thus, if happiness is considered to be a Value, an act is ethical only if it maximized happiness. An act, which does not maximize happiness, is not ethically permissible. 4. Ethics of virtue This concept emphasizes the role of individual traits. It explores those traits that would help individuals lead a better life from an ethical point of view. Virtuous acts are done willfully and not by chance.

Also, virtuous acts are not done out of self-interest or because they maximize pleasure. Examples of virtues include courage, tolerance, generosity and honesty. Moral education is very important because it helps people to become virtuous by being taught to be virtuous and also by modeling one's behavior after virtuous persons. Institutions such as family, religion, school and other legal and social institutions are of central importance in teaching virtue and making it possible for the virtues to be taught. Ethical principles have an equally important role to play.

Thus both ethical principles and virtues need to be considered together. It may thus be correct to say that virtuous people who lack ethical principles are ethically blind but ethical principles without virtuous people are empty.

5. Ethical dilemmas in business Ethical problems result in dilemmas for managers because they usually represent a conflict between an organization's economic performance and its social performance. For an organization, social performance implies various obligations such as protecting employment and pollution control.

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Since considerable expenses may be involved in discharging these obligations, organizations often find it inconvenient to ignore them. Instead, they become obsessed with the economic performance as measured by revenues, costs and profits. Thus, it is important to develop a positive attitude towards resolution of the conflict. Since business is run by people, it is important to ensure ethical behavior at an individual level. Only then the collective action of individuals can result in ethically correct responses from the organization as a whole.

Because of this reason, the subject of business ethics has become particularly relevant today. Need of the study All businesses exist and operate within society and therefore they should contribute to welfare of society. To survive in the market, businesses should gain loyal customers and perform social responsibility. The managers of the companies know as a business gets larger, the public takes more interest in it because it has a greater impact on the community. Thus they seek to maintain a proper image of their company in the public mind.

This leads to the assumption of greater social responsibilities". Thus, businesses, either big or small, must operate on ethical grounds and discharge their social obligations to survive in the long-run. The criticisms about business ethics is, business being economic entity should have nothing to do with ethics or morals. Some experts were of the opinion that the purpose of business is to produce goods and services and maximize profits for the shareholders. They argued that businesses being economic entities are guided by principles to determine the performances.

Thus, present study is an attempt to analyze the business ethics through Indian scriptures and their importance in business. Business ethics through Indian Scriptures India is a country of high values and ethics. It is land where people of all religion and cultures, with difference in languages, beliefs, social background stay together. We see that the various scriptures written by great men of ancient times, of all the religious backgrounds, speak more or less of the same concepts. Also, all their teachings, preaching and writings can provide as a guide for “ Effective and Ethical Management. In present world. Where “ making profit” at any cost is the main motive, and where people opine that “ either you can ethical or do business”; these teachings from the holy books and other scriptures are a good answer to them, guiding us how both- Ethics and Business go together.

1. The Ramayana: One can easily co-relate the modern-say management lessons with Lord Rama’s teaching in ‘ Ramayana’. Lord Rama presents the masterpiece example of “ leading by Value”. How a manager has to tackle the situations is well presented by him. When Vibhishana asks him how will defeat this huge army with your limited resources?

He explains using the example of chariot, whose four wheels denote: character, courage, ethics and valor; the four horses denote: gusto, strength, energy and passion: and their four reins denote: forgiveness, compassion, consistency and equanimity. Thus the weaponry: knowledge, strategy, intelligence, skills, commitment and a restraint of ego these are the weapons which can help us to win any kind of battle. “ Emotional Intelligence an embodiment of all these things mentioned above is what makes victory possible against any opposition.

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You need to be consistent in your approach to different people, no matter whom they are and where they are coming from. Ramayana gives us example of a “ good manager” in Rama, Sugriva, Vibhishana and that of a “ bad manager” in Ravana. A good manager is one who can even get his work done from the rivals as we can take for instance; Angad (whose father was killed by Rama) actually helped in battle. This shows the excellent managerial skill of Rama and Sughriva while Ravana being a “ bad” one, continuously ignored the suggestions of his managers, including Vibhishana, and lost the battle and his kingdom.

Other aspects of the modern-day management can be seen by: the “ High Motivation” provided by Jamvant to Hanuman when he had forgotten his powers: “ Swot analysis” is done by Hanuman in analysis the strength, weaknesses, opportunities and threats of the Lankan army, when he was asked to convey Rama’s message to Goddess Sita; the “ Strategic Alliance” formed by Lord Rama and Sugriva in which the former helped in regaining his lost kingdom while the latter helped in providing resources and help find Sita and win over Ravana.

Business are run on relations and Lord Rama in Ramayana has proved that a manger who can nurture good relations with the employees, clients, and anyone in whose contact the organization and the management comes in, can do wonders in the company. 2. The Holy Quran: The holy Quran also sets out the institutional framework for achieving promised results. Various ayats in the holy Quran guides us, how ethical concepts are implied in modern-day business. Obedience and respect for authority is the basic fundamental requisite.

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It is necessary for those people who are given the job to complete a task to obey all legal and reasonable orders and perform it reasonably, as Holy Quran instructs in this ayat: [4: 59] ' Obey Allah and his Messenger and those in position of authority among you. The importance of " joint consultation" and " team work" is also revealed by the Quran. As in the following ayat: [3: 159] ' pass over (their faults), and ask for (God's) forgiveness for them: and consult them in affairs (of moment).

Then, when you have taken a decision put your trust in God because God loves those who put their trust (in Him). ' The holy Quran also puts forth the principle of " equal opportunities" which relates to the modern management as all members of an organization shall have equal and fair chances to grow, contribute, and be rewarded accordingly. This is presented in the ayat: ' O people we created you from a single male and female couple and then divided you in nations and tribes so that you may recognize one another.

Verily the most honorable among you in the sight of Allah is he who is most " righteous" of you. Also, speaking about the " Elimination of wastage", the ayat: [17: 26] of the Quran: ' And render to the kindred their due rights, as (also) to those in want, and to the wayfarer. But waste not (your wealth, time, health, talents, opportunities etc) in the manner of a spendthrift 3. The Holy Bible: As mentioned earlier, the corporate definition of ethics lies in knowing about actions that are good and bad and also, treating the stakeholders with respect.

The teachings of Jesus Christ and the Ten Commandants as given in the Bible, has significant impact on business Ethics. These can be illustrated in

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the following verses of the Bible: “ Do unto others as you would have them do to you” has the underlying lessons for the businesses that they should treat their stakeholders; by the business operation with the respect and honestly that they would like those people to show to them. “ Love the neighbor”; neighbor, in terms of business, are those who work in the organization itself (they are the closest “ neighbors” of the business).

The term ‘ love’ in this verse refers to form the basis of the family type of cultural environment that many businesses strive to achieve in the workplace. Good businesses succeed because of the ethical bond they form with employees. “ Thou shalt not bear false witness”, “ thou shalt not steal”; these verses present the ethical value of ‘ honesty and trust’. All researchers promote the values of the honesty and trust as being critical to the building of business relationships. Honesty in terms of advertising, marketing, financial issues and the like are of sheer importance.

In addition to the above, the influence that the Bible has upon ethical business practices is also dependent upon the individuals who lead the organization. It is not the fact that the ethical values might be incorporated within the business code of practice, but also they will have to see these values reinforced in practice. 4. The Bhagavad Gita: The guidelines, teachings and values taught by Lord Krishna to Arjuna during the battle of the Mahabharata, are so contained in the Bhagvad Gita.

The modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc. , are all discussed in the

Bhagavad Gita with a sharp insight. When Duryodhana and Arjuna were asked to choose among Lord Krishna's army or his knowledge; Duryodhana went for his large army while Arjuna went for his wisdom. This shows that in terms of "resources", a manager must choose wisely and utilize optimally just as Arjuna did.

Gita also tells us about the "commitment towards work" through the law of detachment. By titling the performance towards the anticipated benefits, the quality of performance of the present duty suffers on account of the mental agitations caused by the anxieties of the future. The very popular Shloka 47 of chapter 2 in the Bhagvad Gita, ("Karmaṇya Vadhikaraste ma phleshu kadaachan, / ma Kampala heturbhrma te sango astav akamani"). Your right is only to do your duty, and not to its fruit or result.

Neither the result of your action should be your motive, nor should you become inactive". In Chapter 16 of the Gita Sri Krishna elaborates on two types of Work Ethic viz. daivi sampat or divine work culture means fearlessness, purity, self-control, sacrifice, straightforwardness, self-denial, calmness, absence of fault-finding, absence of greed, gentleness, modesty, absence of envy and pride; and asuri sampat or demonic work culture means egonism, delusion, desire-centric, improper performance, work which is not oriented towards service.

This principle explains that mere "work ethic" is not enough in as much as a hardened criminal has also a very good work culture. What is needed is a "work ethic" conditioned by "ethics in work". Henry Fayol, mentioned among his principles, "subordination of individual interest to general interest" is

well depicted in Shlokas 31-38 of Chapter 2 in which Lord Krishna guides Arjuna to fight “ not for his own benefits, not for satisfying his own greed or desire, but for the good of many”.

Krishna also advices, in regard to temporary failures, “ No doer of good ever ends in misery”. Every action should produce results: good action produces good results and evil begets nothing but evil. So, one should always act well and be rewarded. Apart from helping humans in self-discovery, Gita eulogizes Karma i. e. human endeavor of action (Karma Yoga) is better than renunciation of action (Karma Sanyasa).