

Non-possessiveness and Business Ethics

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Abstract

Business ethics operate as a system of values relating business goals and techniques to meet specific human ends. This would mean viewing the needs and aspirations of individuals as part of society. It also means realization of the personal dignity of human beings. A major task of leadership is to inculcate personal values and impart a sense of business ethics to the organisational members. At one end, values and ethics shape the corporate culture and dictate the way how politics and power will be used and, at the other end, clarify the social responsibility in organisation.

Personal values like non-possessiveness and ethics are important for all human beings. They are especially important for business managers as they are custodians of the immense economic power vested in business organisations by society.

KEYWORDS: non-possessiveness, business ethics, moral values, ethical

Introduction

Business and Ethics sound strange bedfellows. It is commonly held view that for a business to succeed ethics should be side-lined and forgotten. The general perception is that the business should adopt any means, be it ethical or not, to flourish. In this era of globalisation, which is fast turning the world 'flat' in the words of Thomas Friedman, there seems to be no place for ethics. This is far from both the truth and the fact. Some studies have already thrown up results contrary to the above paradigm. In this paper, I would like to argue for the need of ethics in business as a road to success. It is our narrow thinking that leads us in the pursuit of material gains over other things. We are blindly running after wealth without stopping at anything. Many of us would have seen the innocuous advertisement of 'Kit Kat Squirrel' where in one is prodded to take a break from the busy worldly schedule because 'who knows the world might have something very beautiful to show'. Although it is meant to promote a product, it does carry philosophical meaning. The meaning can be realized only by those who take a break from their material chase.

For those who wonder as to the need of bringing ethics and business together, it would be apt to know that in a report to Club of Rome, published as a book in 1972 titled 'The Limits of Growth', the authors examining the consequences of rapidly growing world population and finite resource supplies, conclude based on a technique known as systems dynamics, that the world will run out of the non-renewable resources by 2100 on which the industrial base depends, provided no major change in the physical, economic or social relationships happen. In 2008 researcher Peter A. Victor wrote, that even though D.H. Meadows et al. probably underestimated price-mechanism's role in adjusting, their critics have overestimated it. He states that Limits to Growth has had a huge impact on how we still think about environmental issues and notes that the models in the book were meant to be taken as predictions "only in the most limited sense of the word" as they wrote.¹

Ever since the publication of the book, there have been numerous publications, some confirming and others denying the limits to growth. A study that worth mentioning is 'For the Common Good' (1989), in which Daly and Cobb develop an information theory to replace or supplement the incomplete data function of what is known as the Gross National Product. By processing U.S. statistical data on some twelve so-called welfare indicators, they drew the conclusion that for the last twenty years the link between production growth and the creation of welfare has become progressively weaker; prior to that date, production growth had achieved exactly what Adam Smith foresaw in 1752: the addition of value so as to indeed create the "Wealth of Nations." In the 1970s this link began to be lost however, and this process is proceeding at such an accelerating pace that we are now confronted with the curious phenomenon of production growth leading to a decline in welfare; stated differently, the limits to growth have been reached without us even noticing it, because we have been interpreting the figures wrongly.² The recent economic crisis did not spare even the mature economies like, US, UK EU, China, Japan and other emerging economies like Russia, India and Brazil have suffered severely emphasizing that a new economy is the need of the hour. It is essential, appropriate and timely to search for an alternative to the present economic system and prevent it from collapse as envisaged in *The Limits to Growth*.

Business and Non-possessiveness

The purpose of business is not simply to go on amassing wealth endlessly. Albeit profit making or wealth maximisation is a goal of every business but, it is not the end in itself. Money is the means to achieve something higher. Business should be driven by the motive of the welfare of the entire nation or at least of the society in which the business operates. However, in spite of varied opinions regarding the profit maximization motive of the organisations, there is a general agreement amongst the thinkers, academics and business managers that the business functions with the sanction of the society and hence they need to keep in mind the interest of at least the society, if not the entire mankind. David Korten emphasizes in *Business Ethics*, that the concept of focusing on the bottom line and maximizing financial gains to shareholders makes it "all but impossible to manage for social responsibility." Businesses, instead of simply focusing on the bottom line, should equally be conscious of the Triple Bottom Line (TBL) - "people, planet, profit" a phrase coined by John Elkington in his 1998 book *Cannibals with Forks: the Triple Bottom Line of 21st Century Business*. The phrase captures the spirit of social, ecological and economic developments. United Nations has in 2007 ratified TBL as the standard for urban and community accounting. In 1987 the Brundtland Commission of the United Nations defined 'sustainable development' as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The purpose of life upon earth is to follow the law (*dharma*) of God and achieve salvation (*moksha*) or freedom from his false self (*ahankara*) by leading a balanced life in which both material comforts and human passions have their own place and legitimacy. [According to Hinduism, there are four '*Purusharthas*' - objectives of human being. They are - *dharma*(righteousness), *artha* (wealth), *kama* (desire) and *mokshha* (salvation or liberation).]The importance of '*artha*' wealth for the overall happiness and well-being of a person is acknowledged and is encouraged to seek it.

One is to seek wealth in order to perform his *dharma* - to take care of his family. Lord *Vishnu* himself is depicted to lead a luxurious life with *Laxmi* the goddess of wealth as his wife. However, Lord *Vishnu* is very dutiful, helpful and upholds *dharma*. Hinduism preaches austerity, simplicity and non-attachment. Seeking wealth is not an obstacle to *moksha* but attachment or possessiveness to it is detrimental and is strongly discouraged. Swami Vivekananda rightly said that religion was not for the empty stomachs. When a person is beset with survival problems, he would hardly find any solace in religion. Soothing words would not comfort a hungry soul as much as a morsel of food.

There is nothing wrong in an organisation seeking to make profit. However, when it makes substandard products or uses unfair means to gain market share or ignores its responsibility towards environment or goes out to destroy the competitors, it is unethical. As Mahatma Gandhi said, the world has enough for everyone's need but not for anyone's greed. The greed to possess everything or possess something for ever or possess exclusively for oneself is destroying our society and will continue to do it. Non-possessiveness is a degree higher than being ethical. One can be ethical yet be possessive. However, to be non-possessive and yet to be unethical is difficult.

Speaking at the International Conference on Economics of Non-violence and The Vision of a Sustainable World, held in New Delhi during December 5-7, 2005, under the auspices of Late Acharya Mahaprajna, a leading Jain saint a spiritual visionary and an exponent of Jain philosophy, AllamaMaumud Hassan Dev Bandhi, pointed out that 'None has the right to possess anything more than he requires and he must be prepared to part with the rest for the sake of others. If a man possesses more than what is necessary for him, it is clear that he has taken goods belonging to others into his custody and is enjoying it unlawfully. Similarly, according to Gandhiji's doctrine of trusteeship, each entrepreneur should consider himself to be a trustee of the wealth that he possesses. If every businessman considers himself as the trustee of the wealth he has accumulated we can hope to find lasting peace. Gandhiji explained, "Supposing, I have come by a fair amount of wealth either by way of legacy, or by means of trade and industry, I must know that all that wealth does not belong to me; what belongs to me is the right to an honourable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community." Explaining the concept further, he said, 'What they produce in their industries and release to the society should be determined by social necessity with society. What they produce should the optimum utilization of the scarce resources of not be determined by personal whim or personal greed.'

India is the land of spiritualism. God-like souls such Lord *Mahavira*, Lord *Buddha*, Shankaracharya and great people like Mahatma Gandhi, Ramakrishna, Vivekananda and Mahaprajna to name a few, lived and walked on this land. This made Barack Obama the president of US, during his recent visit to India in November 2010, to eulogize our nation. However, the ground realities seem to belie the above picture. Ethisphere Institute of US, after research, prepared a list of the world's 100 most ethical companies. Unfortunately, not single company from our nation finds a place in it. Although the list need not be sacrosanct, it give susreason to ponder over the estate of affairs. Are we really sticking to our spiritualistic root or are we yielding to materialism? Take the case of a deputy manager in cattle feed plant in Rajasthan from

whose house the Anti-corruption Bureau recently confiscated undeclared money and investment documents worth around 5 crores of rupees. Another case in point is Ramalinga Raju of infamous erstwhile Satyam Computers. There are many such cases of frauds and malpractices where the amounts involved are very large

Consider the house of Mukesha Ambani. The house (called Antiela) is being valued at rupees 4000 crores and will be 173 metres tall. Contrast this with the world's second richest man Warren Buffett who still lives in a five-bedroom stucco house in Omaha, which he purchased in 1957 for \$31,500 (approximately Rupees 14 lakhs only). It is the desire to possess everything under the sun, if possible including the sun, seems to be the root cause for all these immoral acts. Man has gained material wealth at the cost of happiness. "We are formed and moulded by our thoughts. Those whose minds are shaped by selfless thoughts give joy when they speak or act. Joy follows them like a shadow that never leaves them", said Gautama Buddha. It is not the material possession that gives one the joy of living. It is our thoughts. Simply, if one gives up the desire to possess, he has everything and is contented and happy, otherwise, he lives a miserable life.

Those companies which have long time perspective build ethics into their businesses. This is clearly demonstrated by the empirical data. The performance of the world's most ethical companies (research by Ethisphere Institute), is better than S&P500 (Standard & Poor's) over the past five years. This research demonstrates that business and ethics do go together and ethical companies do gain in the long run. In fact, ethics should be at the top of the priorities for a business. After all it is the human beings, the owners and entrepreneurs that run any organisation and they are role models to their employees. They can determine the ethical standard for their organisations and employees would be bound to follow the standard without much choice. A business with values and ethics will strive to maximize socially beneficial acts than focusing just on profit alone. The ethical standard does not stop with customers but pervades throughout the organisation and encompasses the employees and other stakeholders. Growth might be slow and difficult to come by. Yet, as business executive William R. Holland wrote, **"It is perfectly possible to make a decent living without compromising the integrity of the company or the individual. Quite apart from the issue of rightness and wrongness, the fact is that ethical behaviour in business serves the individual and the enterprise much better in the long run."** But a look at the current state of affairs is very depressing and alarming. The greed has eaten into our society and has made it very cynical. People kill their own daughters-in-law for the sake of dowry, so much so that the Supreme Court shaken and anguished by their number remarked that the society has become sick! TV channels broadcast programmes with scant respect to the society just to hike Television Rating Points (TRPs) so that they can keep their viewership and earn plenty of money. Take for example the case of 'Rakhi Ka Insaf' where Rakhi humiliated one of the participants Lakshmana Prasad of Jhansi by calling him impotent in public. He, unable to bear the disgrace, allegedly committed suicide. Is it not mockery of freedom of expression and democracy? There seems to be no semblance of ethics in this business. Another flagrant unethical act has been exposed by the CAG report tabled in Parliament on November 16, 2010 which has indicted Raja on '...how an influential politician's greed can exploit the system, how readily many corporates join in the subversion for windfall gains... As communications and IT minister, Raja ignored suggestions by the Prime Minister and the ministries of

Finance and Law...and went ahead - to arbitrarily allot 2G spectrum to select companies, the GAG report has said' (TOI, November 17,2010).

Many customers would like to deal with the organisations which are value led and ethical in their dealings. Some organisations build customer loyalty on their value based and ethical platform. In any organisation the responsibility of establishing ethical standards for the business lies primarily with the top management. The corporate managers and consequently the business level and the operational level managers should design the environment that encourages high ethical standards. Actually, the actions of the top management percolate down the line and set the tone for the entire organisation. Michael Hackworth, in his article "Only the Ethical Survive" in the Fall 1999 Issues in Ethics, is of the opinion that the top leadership is ultimately responsible for the culture of their organization, including the ethical culture. Take the case of Infosys. It has built a culture of ethical behaviour from the top. It has a code of ethics in place for its finance professionals. Although it is not a statutory requirement, it also has a whistle-blower's policy to prevent fraudulent activities in the organisation. The Phaneesh Murthy's case is an aberration in its history and has only improved the internal processes to prevent such situations in future. One of the reasons for the success of Infosys is adherence to ethical business practices. Another case is that of Tatas. They too have built their success without compromising on ethics and values. Although they are the pioneers in airline industry and wanted to start a domestic airline in collaboration with Singapore Airlines, they could not do so as they did not want to deviate from ethical practices.

Ethical considerations shape human behaviour and the purpose of ethics is to guide human conduct. Ethics and values are imbibed and shaped by tradition, culture, religion and family besides many other things. Ethics, as has been broadly accepted, is what we as human beings ought to do and not to do in terms of one's rights, obligations, duties, fair and just. Ethically speaking, one has to refrain from cheating, fraud, murder, physical assault, lying etc., and requires one to be truthful, honest, faithful, etc. However, the problem with ethics is that people do not formally study or get trained in it the way one studies or receives training in Mathematics or Hindi or Psychology. Like a child picks up the language, one is trained into it by one's own family or society. In our land, few hundred years ago, only this philosophy was taught in the school. The great philosopher and teacher, Sarvapalli Radhakrishnan, in 1942, delivering Kamala Lectureship (instituted by late Kamala's father, Sir Ashutosha Mukerji in 1924), quoted Auranzeb's letter to his tutor wherein he asked his master as to what use are the great philosophical lessons when none of them taught him to besiege a town or to set an army. Dr. S. Radhakrishnan, who later went on to become the second President of India, bemoaned that the world was (and even now it is) in a perilous condition, because it knows all about "besieging a town" or "setting an army" and little about the central questions of the values of life, of philosophy and religion. In earlier days, only life's philosophy, values and purpose of life was taught and today, everything except these pivotal truths are taught in our schools. Empirical findings in US have shown that business school students have attitudes different from those of other students. They show more free-ride attitude (Marwell and Ames, 1981), unfair attitudes (McCabe and Trevino, 1995; Frank and Schulze, 2000) and more selfish behaviour in ultimatum games (Carter and Iron, 1991). In a large empirical research project McCabe and Trevino (1995) found that business school students put the least importance on the significance of developing a meaningful philosophy of

life. R. Warren and G Tweedale {2002} blamed the business schools for their negligence in historical and ethical dimensions as corporate ethics, the social responsibility of companies, disclosure, the environment, the actions of multinational companies overseas, the dilemmas of whistle-blowing, the impact of lobby groups and health and safety issues. We can, to a great extent, achieve the goal of inculcating ethical behaviour, by imbuing in our children's inchoate wills the philosophy of non-violence (*ahimsa*) and non-possessiveness (*aparigarha*). Speaking of *aparigarha*, Swami Vivekananda observed, **"Renounce the lower so that you may get the higher. Renounce all temptation to take your neighbour's property, to put hands upon your neighbour, all the pleasure of tyrannising over the weak, all the pleasure of cheating others by telling lies. Is not morality the foundation of society? What is marriage but the renunciation of unchastely?"** The savage does not marry. Man marries because he renounces... Renounce! Sacrifice! Give up! Not for zero... But to get the higher". Religion teaches spiritualism which is not limited to metaphysics as many understand; rather it includes material, economic and commercial activities.

As mentioned earlier, an organisation seeking to make profit is not unethical (*adharmonic*) by itself. However, when it makes substandard products or uses unfair means to gain market share or ignores its responsibility towards environment and society, it is unethical. Means should also justify the end. As globalization is taking its root, workplace integrity is going to be accorded greater importance than it has been so far. Kenneth Blanchard and Norman Vincent Peale say in their book, "*The Power of Ethical Management*" about the concept of ethics in the business context. The authors have articulated what has been called the three way ethical check. The three questions suggested by them are.

Is my action legal?

Is it fair and balanced or only in my best interest?

How will this decision make me feel about myself?

These check questions although provide a good reference point to decide on ethical issues which arise in management, are not sufficient to be ethical in true sense. What is legal need not be ethical. Take the case of slavery in US and racism in South Africa. Both of them were legal and yet we know they are unethical. Similarly, take the case of one's feeling of right and wrong. This is definitely unacceptable because one's feelings can quite often be accommodative.

The desire to possess has not only taken the business organisation in its fold but also the nations. Take the case of China. Its deliberate manipulation continues to keep its currency Yuan, artificially devalued. This has given China an unfair advantage, making its exports cheap. No wonder then many governments are demanding to let Yuan appreciate as per the market demand. However, as the fear of exports becoming costlier and losing out to other countries grip the Chinese authorities, it has stubbornly stuck to its strategy of keeping Yuan under tight control. China's appetite for export doesn't seem to be satiated. Recently, American cyber warfare expert Jeffrey Carr, who specialises in investigations of cyber-attacks against government, told TOI that China has targeted India with the deadly Stuxnetinternet worm. Attributing the partial

failure of ISRO's Insat 4B satellite - the reason for which is not yet known - to Stuxnet, Carr said it was china which gained from the satellite failure.

There are many more issues such as one country dumping its product in another country, mass production of arms and supplying it to other countries and anti-government groups, US discouraging outsourcing its businesses to India and other countries, etc., that need to be considered. It may not be possible to cover all such issues in one paper. As an academic paper, the researcher expresses his own arguments and views in general.

After the Second World War, the Allies tried the German and Japanese Prisoners Of War and leaders for war crimes. Many of the under trials took cover under the plea that they merely followed the orders of their superiors. Before dwelling further on this aspect let us consider the following. In Hinduism, ethics is referred to as *dharma*. Tulsidasa has defined the root of *dharma* as compassion. This very principle was taken up by Lord Buddha in '*Dhammapada*'. In the *Atharva Veda*, symbolically it is said: *prithivimdharmanadhritam*, that is, "this world is upheld by *dharma*". Manu, the ancient sage, in his book '*Manusmriti*' prescribes 10 essential rules for the observance of *dharma*: Patience (*dhriti*), forgiveness (*kshama*), piety or self-control (*dama*), honesty (*asteya*), sanctity (*saucha*), control of senses (*indriya-nigraha*), reason (*dhee*), knowledge or learning (*vidya*), truthfulness (*satya*) and absence of anger (*krodha*). He adds, "Non-violence, truth, non-coveting purity of body and mind, control of senses are the essence of *dharma*". Performing ones duty alone does not give the holistic meaning of the word '*dharma*'. This is because *dharma* exists in several levels, such as individual, family, society and nation. The correct interpretation of duty and right thing to do in a situation would be governed by the rule that the precedence of one's duty follows the order of nation, society, family and self. Acharya Mahaprajna, a great saint and a thinker and 10th Jain Acharya of Terapanth championed the idea of economics of non-violence through the proven Jain philosophy of non-violence (*ahimsa* and non-possessiveness (*aparigarha*), which is now taking roots. In the light of the above, one might be tempted to argue that the under trials were ethical because they performed their duties after all! But this is a skewed view of the above infallible principle. Very rightly the argument is comprehensively extirpated by the Nuremberg principle: "The fact that a person acted pursuant to order of his government or of a superior does not relieve him from responsibility under international law provided a moral choice was in fact possible to him."

Conclusion

The empirical studies have shown that, after all, ethical companies do perform better than other companies in the long run. The ethical companies, albeit, take longer to grow but, surely do they grow. The objective of any economy and business is to usher in peace and happiness to mankind. Surely, only those companies that work ethically and driven by non-possessiveness can go on to provide lasting peace and happiness to humankind. This is possible only and only if people are trained in ethics and are taught moral values while being young. This underscores the importance of teaching values, morals and ethics to one and all.

US boosts itself of the best B-Schools. Unfortunately, it is the Harvard Business School and North-western University's Kellogg School of Management's graduates

were enmeshed in the Enron scandal and other corporate scandals. This prompted the then President George W. Bush, a Harvard MBA himself, to counsel the schools to become "principled teachers of right and wrong." The B-Schools did not only neglect lessons on ethics, but are also believed to have encouraged the prospective managers to go for profits at all costs. In a public opinion survey of how companies can repair their tainted reputations, there was clearly an MBA backlash: "Fire all of the MBAs under 35," one respondent said.³ It is worth noting here that in the Harvard Business School (HBS) 2003-2004 brochure, the words honour, wisdom, courage, honesty, virtue, integrity, duty, morals, decency, persistence, truth or truthfulness, trustworthiness, sincerity, or fairness did not appear even once. Hence "To change the human course, we must change the stories that frame our shared understanding of the nature and means of attaining prosperity, security, and meaning ..." (David Korten 2010)

From the deepest desires often comes the deadliest hate. – Socrates. And from the desire to possess springs forth the violence. Hence, greater the tendency for non-possession, greater would be chances of peace and happiness.

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