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A business ethics in 21st century: Buddhist perspective

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Abstract

At present, we are living in the age of corruption, greed, conflicts; violence and terrorism which is an extremely explosive troubled times where the context of human life is changing every moment. We have reduced the world to its present state of chaos, by our prejudices, by our egoistic behavior and by our self-centered activities.

Due to globalization, we see the gap between the rich and poor. Globalization has changed the concepts of values in present day society. Human values are declining at very fast rate which is resulted in declining the quality and values of life of people.

Do human beings have any answer to stop this declination? To answer this question, we have to take into consideration the tenants of various philosophical schools which originated in the entire world and especially in India and Buddhism is one among them.

The focus of this paper is on Buddhist school of philosophy in the matter of Business Ethics. This Paper will throw light on the teachings of Gautam Buddha, Buddhism and business ethics etc. It demonstrates the critical importance of values and ethics in business success and shows how modern day studies of Social responsibility and sustainability could learn a lot from the philosophy of Gautam Buddha.

Keywords: Business, Ethics, Buddha, Buddhism

Introduction

It is the well-known fact that the teachings of different religions in the world are not only limited to the religious activities but these are also useful for day to day life of the human beings irrespective of any religion.

At present, we are living in the age of corruption, greed, conflicts; violence and terrorism which is an extremely explosive troubled time where the context of human life is changing at every moment. We have reduced the world to its present state of chaos, by our prejudices, by our egoistic behavior and by our self-centered activities.

Globalization is the process of international integration arising from the interchange of world views, products, ideas and mutual sharing, and other aspects of culture ^[1]. Like positive results, globalization has some adverse result too. It has changed the concept of values in present society. Due to deterioration of values, now a days, the world is facing many urgent problems such as economical, political, social, cultural etc. Human values are declining at very fast rate which is resulted in declining the quality of life of people. There is great impact of globalization on any kind of business. Due to globalization, there is an unending competition between businesses. This competition which is actually related to business sectors, now resulted into economical crises, family crises, environmental problems, health issues etc. Due to globalization, we see the gap between the rich and poor.

Do human beings have any answer to stop this declination? To answer this question, we have to take into consideration the tenants of various philosophical schools which originated in the entire world and especially in India.

The focus of this paper is on Buddhist school of philosophy in the matter of Business Ethics. In the age of globalization, we have to reaffirm faith in Indian ethos and Buddhism is one of the oldest living religions not only in India but in the entire world. The ethical principles of philosophy of Gautam Buddha prescribe a code of conduct. Gautam Buddha advocated four noble truths, eight fold path to get relief from pain. He also advocated five rules to be observed by Buddhist monks. If we think deliberately on these principles, we find that these rules are, of course, made for the Buddhist monks, but this is not the limitation of the rules.

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These rules are also useful for a common man in his day to day work.

This Paper will throw light on the teachings of Gautam Buddha, Buddhism and business ethics etc. It demonstrates the critical importance of values and ethics in business success and shows how modern day studies of Social responsibility and sustainability could learn a lot from the philosophy of Gautam Buddha.

Many scholars have thought differently on this topic. T.D. Weerasinghe, T.J.R. Thisera, R.G.H.W.P. Kumara (2014) says,

- Dhamma, the preaching of the Buddha reveals timeless advices for managers those who are driving organizations towards their goals and objectives regardless of religion orientation. Further, it is recommended for modern managers to be mindful, compassionate and flexible, open minded and recognize that nothing is permanent while accepting the everlasting truth of change which could be used to nurture the harmony among employees and treat all with dignity and respect to achieve the ultimate goals of organization.

It advocates the implementation of Buddha's preaching in the organization to achieve the success and trust of people.

Subhavadee Numkanisorn, in the paper business and Buddhist ethics states that,

- We have described the concept of economics according to Buddhist ethics, and we find that an economy according to Buddhist ethics involves 5 basic principles – ownership, liberty, a market system of operation, competition, and the role of the state - just as in the liberal economic system. This shows that Buddhist principles do not contradict those of liberal economic system. Even so, Buddhism suggests solutions to existing ethical problems in business operations under liberalism.....

Numkanisorn, further states that,

- The approach of solving ethical problems in business operation according to Buddhist ethics, therefore, emphasizes adjusting the values and habits of customers while at the same time solving spiritual problems.

It shows that many thinkers put the light on this subject through different sights. This paper is a theoretical review. The purpose and objective of the paper is to explore and understand the meaning of business ethics in the context of Buddhist philosophy. It is a humble attempt to find the relevance of the ethical codes found in Buddhist philosophy. It is divided into three sections. First section deals with what is business ethics. Second section deals with ethics in business. Third section deals with Buddhist philosophy and its relevance in business life.

What is Business Ethics

Business is about value creation and trade and business is about creating values for stakeholders. At minimum stakeholders are customers, employees, suppliers, communities, as well as shareholders or other financiers.

The word business Ethics comprises of two words namely, business and ethics. The word 'Ethics' is derived from the Greek word 'Ethos' means the character. Therefore, the character of the person is very important. 'Ethics' is a branch of philosophy that addresses questions about morality—that

is, concepts such as good vs. bad, noble vs. ignoble, right vs. wrong, and matters of justice, love, peace, and virtue. Ethics is a set of principles or standards that directs human behavior. Ethics always works at two levels: personal and interpersonal. Business ethics is a system of moral principles and values that are applied to business activities. Wheeler defines business ethics as "an art or science of maintaining harmonious relationship with society, its various groups and institutions as well as reorganizing the moral responsibility for the rightness or wrongness of business conduct". Dr. C. B. Mamoria and Dr. Satish Mamoria, defines business ethics as "Businessman's integrity so far as his conduct or behavior is concerned in all fields of business as well as towards the society and other business"^[2]. It deals with morals, principles, values and codes of conducts in the business. Business ethics aims at all activities or actions of business should cause no harm to any person or anything. The need of business ethics is for checking business malpractices, improving consumer's confidence, protecting the rights of consumers and workers etc^[3].

Ethics in Business

It is a fact that early businesses exploited labors. All of us are aware of the grim conditions in which people worked in European firms, toiling for hours, with no benefits such as medical insurance or provident fund. The owner believed he had right to all the profits, for which he could squeeze every last drop of the employee's sweat and blood if he so wished. It was resulted in labor movement.

Ethics in industry is very important because the corporation has become the single most powerful entity in the world today. Companies in the petrochemical sector have been implicated in wars, as we have seen in the case of Iraq. As most young people are setting out to join this very world, it is important to be sensitized to some of the issues that have been raised in the recent years.

Accounting practices have been governed by more and more complex legislation over time. Yet, M/s enron, worldcom etc brought the US economy to its knees in multiple cases of fraudulent reporting, in which they were aided and abetted by their accountancy firm, Arthur Adersen.

In marketing, advertising is important factor. Advertising firms become the focus of ethical concern. It is given that advertising seeks to be aspirational – that each viewer must feel his or her life is inadequate useless they own these products.

Environment is a crucial area of ethics, to which leap service is paid by all, but observance is only those areas where effluent control has been legislated, where permissions from environment industry etc. are required before setting up new businesses etc. In the area of environment one also needs to examine the product itself and not just processes in production.

Buddhist philosophy and its relevance in business life

The period of Gautam Buddha is B.C.563 to B.C.E. 483. His basic preaching includes four nobles truths, noble eight fold path, *Pañcaśīla* etc.

Sorrow, cause of sorrow, end of sorrow and eight fold path to remove the sorrow these are called four noble truths. According to Buddha, the life is full of suffering and to end this suffering one has to follow the eight fold path.

The term *Pañcaśīla* is used for the rules to be observed by Buddhist monks for honest and good behavior. It consists of

non-violence, refraining from theft, to be teatoler, not to speak untruth and celibacy.

This preaching is not limited by time. This was useful during Buddha's period, this is equally important in today's world scenario and this is going to play a major role in coming centuries.

Here in the paper, due to word limit, I am concentrating on eight fold path and *Pañcaśīla* concept and their use in human being's life. Because, to maintain ethics in business one has to adopt ethical values in his life.

If one study the concept of *Pañcaśīla*, the five precepts that laypersons are required to observe, the first one relates to avoiding harm to all living beings or to put it more positively, to act with deeds of loving kindness towards others. Rather than framing this as a "rule" the Buddha teaches it as an ideal that opens us to the vastness of our responsibility towards others. It is clear that the formula of middle path and his repeated advice that his disciples should not cling to views that the Buddha did not believe in an authoritarian kind of ethical system. It was no use if the man did not kill because his hands were tied behind the back, it was important that he did not harm other beings because he understood and accepted at deep level interconnected nature of all phenomena and he genuinely wish to transcend this mundane existence and attain liberation.

To act with deeds of loving kindness towards others is to adopt a certain kind of attitude of love. The Buddhist term for this is *Metta*, the meaning of which is broader and deeper than that conveyed by the word love. *Metta* is inclusive of all living beings but it has its basis the love that one feels for us and those closest to him.

The second precept of laypersons requires the practitioner to refrain from taking what is not given. While this has commonly been translated as refraining from stealing, it also refers to acts like exploitation of labors and unjust taxation. Interpreted in its positive aspect, not profiting from suffering of others, from sharing what one has and cultivating generosity.

The third precept refers to sexual misconduct. It is evident that security of marital relations depends upon each partner keeping to their commitments to their families. In the wider social scenario, this protects children and women from abuse and prevents families from being broken. When family lives are safe and secure, society as a whole is benefited. Moreover, by observing this precept, the layperson is encouraged to behave responsibly and not to allow defilements to drive him.

The fourth precept requires the layperson to abstain from laying. One often takes recourse to lies to cover up other unethical acts or to profit from deceiving the other person. Deceit destroys confidence people have in that person. In a positive aspect, what this precept encourages is the cultivation of loving speech that helps to keep a family or community together.

The fifth precept requires the layperson to abstain from substances that cause heedlessness. All are aware about ill-effect of alcohol and drugs on mind. By observing this precept one not only can protect his body from harmful substances but also protects his consciousness as individual and as a society.

Noble eight fold path includes right faith, right resolve, right speech, right conduct, right livelihood, right effort, right mindfulness and right meditation.

Here, it is observed that ethical life is considered necessary for progress on the spiritual path. Spiritual pursuit in

Buddhism refers to keeping away the negative emotions such as anger, jealousy, greed, doubt and fear. True freedom refers to states when such feelings do not arise at all.

Whenever anyone thinks about starting any business he can think about following eight fold path. Because one has to keep in the business life right view, right intension, right speech, right conduct. To grow the business, one has to concentrate on it. Therefore, right concentration is needed. Without efforts man cannot even move from one place. To achieve higher goals in business, he has to put his efforts in a right way. The Buddha also emphasizes right livelihood – any occupation that has to do with killing sentient beings, with trafficking in human labor, with arms and ammunition – these are considered unethical and not conducive to the end goal.

The noble eight fold path outlines the three – fold approach to spiritual practice: ethical conduct (right speech, right livelihood, right conduct), development of concentration (right effort, right mindfulness and right concentration) and the cultivation of wisdom (right view, right intension).

In this matter, Chandrani Chattopadhyay (2012) states that,

- Buddhism talks in detail about the Noble Eightfold Path one should follow to maintain an ethical life. In Buddhism Ethical behavior in social reference means such acts and dispositions as love, compassion, charity, etc. and in individual reference all kinds of acts and dispositions related with self-control, self-purification, self-discipline and self-elevation. The idea of institutional ethics holds important relevance in Buddhist philosophy which can be directly linked to modern day business ethics. According to Buddhist philosophy the founder of the business is responsible for the consequences he intended or unintended to flow from the activities of the business. The founder, according to this view, should have perhaps foreseen all the likely consequences that might emerge from the funding of the institutions even in future. These entire if followed in a modern day corporate organization, then it can have high ethical standards^[4].

Conclusion

Buddhism provides very pragmatic views regarding team building, leadership, personal development, knowledge management and managing people at work. Modern management must incorporate Buddhist thoughts to perfect the truncated model of man and recognize man as a whole man to assure wholesome human progress. Spirituality as well as material progress to please the hunger of mind and soul as well as the hunger of physical and vital human being. Value-based holistic approach of Buddhism to management will promise such all-round human development and prosperity.

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