

BUSINESS ETHICS AND SUSTAINABILITY: MORAL APPROACH OF GANDHI

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Abstract

The present global economic crisis in this post-pandemic scenario has highlighted many issues out of which the issue of business sustainability happens to be one vital issue. It is felt to make an analysis of the pragmatic approach of Gandhi in facing this economic challenge to safeguard the business sustenance. There can be significant implications for the sustainability of entrepreneurial activity, for success-driven individuals, and bring about significant change or development, should have the attributes and behaviors necessary to grow a sustainable business.

Gandhi's ethics of non-violence is helpful for business from both teleological and deontological points of view. In business both the theories are helpful, teleological ethics talks about the consequences. Gandhian principles for the economic growth have been taken into consideration. Those are namely, Sarvodaya, swaraj, trusteeship, etc. The concept of Sarvodaya was popularised by Gandhi which means upliftment of one and all. This concept has a major impact on the business sector. Gandhian approach to Satya and ahimsa is such that not only those two are almost inseparable but as the product of true-love can be affected positively in reaching at the goal in the long run. Thus Gandhian approach to the sustainability in business is remarkable.

Keywords: *Ethics of Sustainability, Truth, Non-violence, Sarvodaya, Swaraj*

Reference to this paper
should be made as

Received: 17.03.2021

Approved: 27.03.2021

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Article No. 21

RJPSS Oct.-Mar. 2021,

Vol. XLVI No. 1,

pp. 188-195

Online available at:

[https://anubooks.com/
?page_id=7712](https://anubooks.com/?page_id=7712)

[https://doi.org/10.31995/](https://doi.org/10.31995/rjps.2021.v46i01.021)

[rjps.2021.v46i01.021](https://doi.org/10.31995/rjps.2021.v46i01.021)

Introduction

The present global economic crisis in this post-pandemic scenario has highlighted many issues out of which the issue of business sustainability happens to be one vital issue. The lockdown, the shot down, and many such distance-increasing devices have broken the backbone of the corporate as well as the business world. This is the time when human psychology is congenial to swallow some of the unethical practices with an expectation of overcoming the crisis as quickly as possible. It is the time some fail to stick to their ideologies and also to think about the pros and cons of the method they try to adopt. In this perspective I am reminded of the classic remark of Martin Luther King, Jr. *'If humanity is to progress, Gandhi is inescapable—we may ignore him at our own risk.'* Thus it is felt to make an analysis of the pragmatic approach of Gandhi in facing this economic challenge to safeguard the business sustenance.

It may be pointed out that the sustainability is conditional to sustainable development which has to be clarified first. So here it would be proper to spell out few words on the depending factors of sustainability. Scholars have shown their concern for the survival rate of small businesses which is remarkably small, and the proportion of those surviving that go on to success and long-term sustainability is still smaller. A great deal of research has already been done on this front to find out the development of the appropriate skills for entrepreneurs so that one can expect long-term sustenance.

One of the most allured and adopted views seems to be that there is the necessity of proper development of leadership of the entrepreneurs. Gasse (1990) states: "Most authors agree that one of the principal causes of small business bankruptcy is the lack of management skills. In effect, management skills are important to the survival of the new firm."¹ Another most preferred view in this context is that according to Brundtland sustainable development in business stands for the "development that meets the needs of the present generations without compromising the ability of the future generations to meet their own needs".² The other way to follow it is to emphasize on the economic values provided by the organization to the surroundings in a way that develops it and also promotes its capability to support future generations. Collins and his team were looking for the contributing factors in long-term success, not exploring leadership. "Why some companies make the leap...and others don't" is the subtitle of Jim Collin's latest book "Good to Great".³ Their view was not in favor of the leadership factor. It is important to record that according to them for sustainability the focus of the success

is not the entrepreneur. It is rather, on the enterprise. That is the focal point is the long-term development of the enterprise, the emphasis should be on organizational values and standards rather than the personality aspect of the entrepreneur. Thus in the elaboration, we have three fronts of approach for the sustainability and those are:

- i) Proper management skills
- ii) Emphasis on the needs of the generation
- iii) Value-based enterprise

All these factors need to be complementary to each other. And for the entire three, there should be commitment and determination. Moreover, successful entrepreneurs need determination and the ability to overcome whatever hurdles appear on the way to achieving their objectives. In the business culture, it is expected that self-promotion, modesty, self-effacement, and humility would succeed. Here a question is raised that 'will these characteristics be recognized and can entrepreneurs who have these attributes persuade others to support them?' These can be significant implications for the sustainability of entrepreneurial activity, for success-driven individuals, and bring about significant change or development, should have the attributes and behaviors necessary to grow a sustainable business.

Ethics of Sustainability

Business ethics stands for the application of ethical rules and regulations in the field of business to all its forms. Here the conduct of individuals and business organizations is in question. It deals with the obligations of business professionals and the company executives towards the customers, the society or the nation, and also the environment. In this present globalized economy; corporate governance, corporate social responsibility, and ethical practices happen to be the key factors for the sustenance of the business. Thus like corporate social responsibility sustainability is an emerging key factor in Business ethics.

In this context, I would like to point out that there is a difference between the 'ethics in business and 'ethics of business'. The former attaches emphasis on ethical behavior and moral commitments of the business professionals whereas in the latter the emphasis is to be there on more and more profit or to yield more profit. If proper balance is not maintained then the latter will stand on the path of the former. So it is necessary to settle the limitations and boundaries of the ethics of the business taking the return on investment in ethics (ROIE) into account. Further, as far as the *ethics in business* is concerned the attitude and practice of the business professionals and the company executives towards the commitment of moral values

and other values happen to be extremely significant. In this respect, the two-fold issues concerning the individual and institutional commitments are also equally significant to be taken care of.

The impact in the form of the commitment to values is found to be significantly different in materialistic and spiritualistic societies or in communistic and democratic societies. In Indian society wealth (artha) is considered as a cardinal value (extrinsic) although not treated as a moral value. But in a purely materialistic society like China, the distinction between institutional and moral values is treated to be marginal. Further analysis is required in this respect. In this perspective, I would like to emphasize the values adopted by Gandhi appear to have a fruitful application.

A corporate code of ethics is now very popular in the business world. Mark s. Schwartz has argued in support of the stand that there must be universal moral value which should be approved and used by all corporate business throughout the world. For this reason, such values are treated as Global values. In search of universal moral codes of ethics, he has said that the universal moral code is in need of basic moral values.

Gandhian ethics for sustainability

As ethics and values play a major role in human life so also the truth and nonviolence play important roles in human life. Some people think that nonviolence and truth have nothing to contribute to the success of the business and its sustainability. But the practice of truth and nonviolence has no less impact on business. The issue can be analyzed with reference to Mahatma Gandhi who happens to be such a great votary of the truth and nonviolence that these two values are very often termed as Gandhian values.

Gandhi's ethics of non-violence is helpful for business from both teleological and deontological points of view. In business both the theories are helpful, teleological ethics talks about the consequences. Benefits or profits are the Consequences of business from that one could evaluate the business is going well or not. Deontological theory in which duty is important is also important for the company the principle "duty for the duty shake" is much needed for creating a good working environment in the company and also help full to develop production.

The impact of truth and nonviolence has been acknowledged in a broad sense in business ethics. It is in the manner that truth and nonviolence influence the economical and non economical growth processes in business. These two are basic values that help in developing business environments. A good business environment comprises peace, truth-telling, well-being, equality, justice, positive identity, economic

balance, etc. These values are needed for business sustainability without which peace and happiness in the workplace are affected seriously and sustenance of the business is found to be at stake.

Many people think that truth and business need not go together. But in actuality, the proper precise knowledge of truthful business method makes a business successful. Truthfulness and nonviolence, the two principles are traditional Indian virtues that originated in middle age and were emphasized in the teaching of Jainism and Buddhism. According to Mahatma Gandhi's truthfulness and non-violence is the most important virtue of a human being. Nonviolent and honest leaders could have good leadership competency which gains enthusiasm, courage, poise, and awareness. They can create a great work environment, focus on innovation, job satisfaction, and boost flexibility as well as productivity. Rituparna writes that "According to Gandhiji, the principle of non-violence and truth in the business sense, meant a peaceful co-existence of capital and labor. However, if conflict does arise, between labor and management then also Gandhiji proposed for this purpose non-violent means to resolve this conflict. ... Gandhiji declared that laborers had a right to have their grievances redressed through *satyagraha*, which should be absolutely peaceful and non-violent, resorted to for a just cause and only after management fails to respond to their moral appeals."⁴ From these points of view for business sustainability the role of truth and nonviolence has a major impact.

Truth

In any business, small or large, the faith of the public is certainly a pivotal factor as man is mostly guided by his faith. Truth creates faith. Faith is sequel to truth and is a key to the success of any small and large business organization. Truthfulness is one of the most influential ways to establish a good work culture that can give a long-term success to one business organization. Truthfulness creates good work culture which provides consistency in workplace performance, and builds honesty and faith in customer and public.

The United State rank business on the basis of their trust and values with their customers and the most popular reputed organization publishes an annual list of their customers. There are many online and offline business organizations that are well established for their reputation in the maintenance of quality and integrity in emphasizing on values with their customers. It is seen with reputed organizations like: Amazon, Apple, Rolex, Netflix, and many others.

Work culture is based on values, virtue, and beliefs that establish everything in business. It creates a good marketing strategy. When a good work culture is created depending on truth the behaviors and actions of the leaders are regulated

accordingly. That helps to stop the outside influences on the behavior of the workers. Social good is expected when the business organizations not only sell goods and offer services but also look after humanity better. Business organizations spend years to obtain loyalty and trust with their targeted consumers. When customers notice that a product is good and worth paying and the company has to care about their consumers, then they grow their faith with the business firm and try to continue with that faith which is important for the sustenance of the business.

Non-violence

Every culture or every social group, as well as every individual, has a different understanding of *himsa*. However, the broad sense of *himsa* may be called moral evil. Gandhi rejects to define the word violence because he could not decide the exact line of polarity between *him* and *ahimsa*. He preferred the etymological understanding of non-violence which means harmlessness towards others under every condition. Now the question is how does it relevant in the business field.

In business, nonviolence helps to win friendship and understanding. Non-violence makes a man courageous so that one could handle any situation that arises in the workplace. It helps to stand against injustice for the people who are creating injustice. In this way, it creates a good human being as well as a good employee for the organization. Non-violence teaches suffering without revenge. It creates love towards others which makes a great work environment in the organization. It also creates fearlessness and bravery which helps to stand against injustice. It creates self-discipline which helps the man to be punctual, endurance, and self-sacrifice which are necessary for good business and its sustainability.

Gandhian approach to economic growth

It may be pointed out that the practice of truth and non violence will be highly effective if the other Gandhian principles for the economic growth will be taken into consideration. Those are namely, *Sarvodaya*, *swaraj*, trusteeship, etc. The concept of *Sarvodaya* was popularised by Gandhi which means upliftment of one and all. This concept has a major impact on the business sector. The business has a major impact on people and business can bring economic equality among the people. If the corporate social responsibility practice of the organization is good then the corporate governance will be good and if the corporate governance is good then the performance will automatically improve and if the performance will improve then the share price of that organization will increase and it will make a profit. When the organization will create more profit then that organization can invest more and then more employment possibilities will be produced and in this way one organization

can create development for one and all or the upliftment of all. In this way, the Gandhian concept of *Sarvodaya* is appropriately more helpful.

The main aim of the organization should not only making benefit to CEOs and shareholders but also all the stock holders and employers. Gandhi's *Sarvodaya* is compared with moral ethical standard utilitarianism which means the "greatest happiness for the greatest number". According to utilitarianism the ultimate standard of morality is a pleasure but *Sarvodaya* is more altruistic than utilitarianism. But the line of difference between both the concepts, utilitarianism based on the good of the few which can be considered as selfish but *Sarvodaya* is based on sacrifice, love, or faith. A *Sarvodaya* is prepared for self-sacrifice and to do good for others socially, politically, economically so that fifth on him in every front would be obvious. To aim at *Sarvodaya* through the business will bring the real upliftment of the mass. If the duty of the CEOs or chairman's would be to bring economic equality in business by giving attention to all the stakeholders and all the employers from top to bottom then the sustenance would be also obvious. Gandhi's principle of *Sarvodaya* is based on three major principles *ahimsa* (non-violence), *Samata* (equality), and *swaraj* (self-rule).

Mahatma Gandhi's concept of trusteeship appears to be non-supportive to the growth of a business organization. It is because the principle is based on a socio-economic principle which is based on equitable distribution of wealth and the principle: "each according to his ability, each according to his needs". In this process the requirement will be less and expansion will be limited. So sustenance may be at stake. But line of thinking does not appear to be correct. The Gandhian approach would be every human being has an essential quality of goodness, a rich or a capitalist person has some goodness among them. If the rich people owned by love and started to believe that the capital he has, he is not an owner of that capital and he is the trustee of that capital then the society will be ideal one. The capital he has should not only be utilized by him but also for the benefit of poor people at large, then he becomes a trustee of that capital and helps poor people. His emphasis was on It is needed for an entrepreneur to create economic equality and creating a surplus for the benefit of the society. In this process, the growth will not be affected rather because of the requirement-wise quality products the growth is expected to be more. The major factor is that it promotes a less profit-oriented least selfish business attitude that will lead to long life of the business.

Incorporate sector *ahimsa* plays a major role in economic equality and *swaraj* or self-rule is also much more needed for the economic equality. According

to Gandhi, one should think for the upliftment of himself or herself all along with them all for a good sustainable society. The entrepreneur or CEO should think about himself or herself along with the stakeholders in a similar vein. The principles of Sarvodaya and trusteeship have an important role in the business world and the entrepreneurs will earn respect by adopting these principles which also leads to good business sustainability.

Sometimes it is pointed out that the ethics of Gandhi have many of descriptive statements rather than normative statements. He talked about human nature and said human nature is originally good. But human science says that human nature is absolutistic as well as emotion centric which is based on desires with feelings. So rather than evaluating the consequences of an act on the basis of an impractical ideal, the practical human behavior should be taken into account. But this criticism against the Gandhian stand does not seem to have much strength. Man has emotions. But there is the need of bringing control over emotions. When emotions guide there is every possibility of losing the moral track. Nothing can sustain on a non moral track for a longer period. The Gandhian approach is rational. Man as a rational animal should be guided by rationality, not emotion. I would like to conclude with the remark of Raghavan that “No one, certainly, compares with him in his continued stress on the primacy of non-violence as a political and social instrument on the purity of means required for the pursuit of any worthy end.”⁵ Gandhian approach to *Satya* and *ahimsa* is such that not only those two are almost inseparable but as the product of true-love can be effected positively in reaching at the goal in the long run. Thus Gandhian approach to the sustainability in business is remarkable.

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