



## THE PHILOSOPHICAL FOUNDATION FOR BUSINESS ETHICS

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### ABSTRACT

*Philosophy as a discipline is the love for the wisdom. Philosophers from the ancient times always enquired and pondered about the nature of things and the state of affair. Philosophers from Greece, India, and Europe have given immense repository of wisdom to contemplate and make it a practice in our daily lives. It is our civilization that was progressed by business and the present trend of business is complex and dotted by practices which many a time is non-ethical and end driven and means are not heeded. Time has come to go back to the antiquity and imbibe the profound philosophical enquiries made by the philosophers which can rationalise our mind in a moral way to carry on businesses.*

**Keywords:** Aristotle, Business, Ethics, Philosophy, Plato, Socrates, Spinoza.

### PHILOSOPHY AS OUR FOUNDATION OF OUR THOUGHTS

Philosophy is as old as our civilization has been there. Several civilization came and got destroyed and each civilization had its own journey. In each civilization the wise and the curious enquired and contemplated the why of things and got answers that were not complete and they further deliberated upon to refine their answers. Knowledge is a great tool and in today's age knowledge management is a discipline to manage business and develop effective customer relationships. Going back to our ancient times of how did knowledge evolve can stir us to be contemplative. It is the Philosophers who did an active enquiry of the nature of things and then it got documented and remembered by many and from where we get the fruits. The two meanings of philosopher can be is one who possess certain knowledge and the man who lives and acts in a particular way. For Aristotle philosophy is a rigorous science, wisdom of knowledge par excellence: the science of things as they are<sup>1</sup>. Humans are intrigued by the why of things and never satisfied till they get the right answers. The philosophers are rigorous and deeper and active in their search and they don't take life for granted. Philosophy is the search for rational understanding and asks most fundamental and penetrating question to get to the issues of the matter. In this period of growth and progress when there are so many organizations, competition are natural and dealings are in billions and behind the dealings there is man. And as Protagoras held "Man is the measure of all things"<sup>2</sup>, so it is imperative that man is responsible for good and the evil. Philosophy insists for reason and like creative artists philosopher strives to unfold the phenomena and get beyond the surface of things and decipher the very structure that give rise to an event. Philosophy in the context of today has more relevance. We do talk and keep on hearing on the increase of corruptions and insider trading and all these are the outcome of increase and ease in the level of communication. Communication devices and technology has made business to reach un-paralleled heights but everything that grows has a opposite dimension also as the great Chinese philosopher Chuang Tzu emphasised the unison of all things and dynamic interaction of opposites. The business success has lessons to learn from the ancient wisdoms which are grounded in the discipline of philosophy.

### ETHICS FROM THE GREEK PHILOSOPHER

Democritus, the leading figure of the Greek Atomist, taught that the goal of life is happiness. For Democritus it is happiness that is the inner state of mind and this manifests when the soul is in harmony. He also insisted that man should not seek happiness in the externalities as the externalities are transitory and instead one should develop an attitude of reflection and reason.<sup>3</sup> For Socrates it was a method of questioning through which he was striving to get to the truth. What is the good? What is the highest good by which all else in the universe is measured? And his answer was that knowledge is the highest good<sup>4</sup>. Socrates is very relevant today specially to the youths and the young managers. The question to be asked why am I doing



something in the organization. Many a times managers indulge in unethical dealings as they are forced to do so and if they do not the business may get hampered. Getting to the issue of why one needs to get into a deal which is not genuine is trying to get to the issue of things around and then one can take a stand. Plato started where Socrates left. For Plato goodness is tied up with his theory of the nature of the universe. Plato insisted on the unchanging and the pure ideas of the world which is good and anything that is fleeting and ever changing is evil<sup>5</sup>. Reason is the tool through which one can know the world and hence the highest good. Here it is worth mentioning to what extent managers are using sound reasoning in business. Presently business focuses on numbers that is our business is driven by production and generation of more and more irrespective of the requirements and the repercussions it can have on the surroundings.

For Aristotle every action of man has some end in view and that these ends seem to be an endless chain. Highest good for Aristotle happens when everything in the universe is to realize itself to the fullest. Self-realization is for Aristotle the highest good the goal of all else that is done<sup>6</sup>. Like Plato and Socrates Aristotle also emphasised on reason and for him the rational attitude is the "golden mean" Also Aristotle exhorted that "Virtue is a disposition, or habit, involving deliberate purpose or choice, consisting in a mean that is relative to ourselves, the mean being determined by reason, or as a prudent man would determine it."<sup>7</sup>.

### **MODERN PHILOSOPHY – VIEWS OF SPINOZA AND JOHN LOCKE AND JS MILL**

Moving from the Greek thoughts modern philosophy was developed by several distinguished individuals and most of them have dealt with the matter of right and wrong and questioned the very way of existence, its pleasure and sufferings. In the context of business ethics I am mentioning only three that is Spinoza, Locke and JS Mill., although there are many to be considered, I chose the trio as I find them relevant in the context of present times specially in a nature of relationship that man and business has developed. Business is essential to carry on life. Our civilization is dotted with progress and that is industries. Industries makes the cycles of people's life moving and has given meaning in people's life. As per Spinoza "We do not seek after things, we do not want or long for something because we believe it is good, but just the reverse: we think something is good because we seek it, long for it or desire it. This longing is man's principal emotion; there are two other major emotions, joy and sadness, which correspond to an increase or a diminution, respectively, of being and perfection. All the other emotions are derived from these three, as is man's entire psychic life: love, hate, and so forth"<sup>7</sup>. Spinoza came to a conclusion that it is striving to preserve himself and this striving is fundamental for everyone and like Plato and Socrates, Spinoza advocated on reason so if someone is striving to preserve himself for joy that has to be backed by reason. Here the modern man is striving for more business and the question can be is more business give more joy? If yes what is the cost involved in it. Business is grounded in the philosophy of more. If it is so, what quantum signifies more? Is there any parameter for more, any limit for more? Business is being created by man and many business do collapse over a period, today we discuss about sustainability and entrepreneurs and the managers strives to make their businesses sustainable and despite all efforts handful of businesses are sustainable for a long run. Spinoza was in search for something that is lasting that gives him inward peace. Do man pursue business only for material gain or also for inward peace? Spinoza was a sternly logical and a mathematical thinker and he could get his salvation through an intellectual love of God. How can business have a lasting impact in creating an emotion which is long lasting and that doesn't feed upon the greed? For Spinoza it was his intellect and connecting to god and for business can it be the "intellect of business" for the humanity. The answer may lie upon deliberations by the stakeholders of the business. As per Locke man's mind has the power either to consider any idea and the consequences of any action, or to refuse to do so. Between alternatives that are possible. So far as external circumstances are concerned, the mind always is free to make a selection. This is done in accordance with its innate desire for pleasure and aversion to pain<sup>8</sup>. Locke says that "All men are liable to error; and most men are in many points by passion or interest, under temptation to it". What can be derived here is it is our orientation with our life world that has a capacity to make it the way in getting the way it can be for the benefits of a larger section of society. This brings us the



concept of utilitarianism where John Stuart Mill was the representative. Here the measure of good is in terms of 'the greatest good of the greatest number' One must ask of an act, will it bring much good to a great number of individuals? This eliminates selfishness and makes the criteria of good and social consequences of the proposed act. Mill emphasis on the nature of good and considers that good of the intellect is better than the good of the senses. Mill believed that the laws of production are fixed in necessity, but the processes of distribution are more subject to social control.

## INDIAN PHILOSOPHY AND ETHICS

The nature of reality always intrigues the philosophers and the mystics. Indian philosophy gives us a very methodical propositions on the nature of reality which it gets its source from the Upanishads. What we see around us is just the figments of our thoughts and also what we see is also is just a fragment of the total reality. The problem of one- versus many was aptly solved by the Vedic seers. There are three types of reality or existence as per Vedanta<sup>10</sup>, the first one is the empirical existence (*vyavaharikasatya*) here our reality is more in the way we live our life day to day. Second is the apparent existence (*pratibhasikasatta*) here nothing exists but everything appears to exist. And the last category is the absolute existence (*paramarthikasatta*) and this existence is timeless and without any change. This is a profound way of dissecting the existence and trying to encounter our reality in a way where a harmony can be established. The modern man is tormented and what gets signified by the flow of material goods become the ultimate. Studying philosophy beckons intelligence from the depth of one soul and the primordial self which is covered with dust gets removed. For me this is the foundation of developing our ethical self. It is the self that creates the material stuff in our world. Yes we require material for our existence and that is the empirical existence but our empirical existence is not the thing. What holds the actual existence is something that transcends our empirical reality. The maintenance of the universe is not possible without the guidance of an intelligent transcendent ruler. Sankara adduces inferential evidence for the existence of such a ruler from the orderliness *Rta*<sup>11</sup>. Truth as a matter of fact, is regarded as the very foundation of the universe, and also the eternal Law, the *Rta*. What holds the working of the universe is some universal law and that make our life to be sustained where the generation of life becomes possible. On one side there is a cosmic order and on the other side there is a societal order that makes civilization to evolve and maintain their order and that is possible because of *dharma*. The word *dharma* comes from the verbal root '*dhr*' which means 'to hold', 'to sustain', or 'to support'. Thus *dharma* stands for the individual essence of objects or for the inner law by which they are sustained or supported<sup>12</sup>. *Dharma* is like a fabric of the community and the society as a whole. Pondering here, it is what that comprise *dharma* that what are the elements of *dharma* which gives it to hold? Here lies the foundation of the fabric which give its strength. As per Indian tradition there are two categories of *dharma* and they are *sadharana dharma*, *varnasrama dharma*. The former refer to the *dharma*s of man in general, while the latter refer to the *dharma*s of man in relation to the *varana* (class) or *asrama* (stage of life) he belongs to<sup>13</sup>. In all our religion that is Hindu, Jain, and the Buddha traditions the following *dharma*'s are the essential tenets of living life: *satya* (truth), *ahimsa* (non- violence), *brahmacharya* (celibacy), *asteya* (non- stealing), and *aparigraha* (non- attachment). These five constitute the five *yamas* of Hindu tradition, the *pancamahavrata* of the Jaina tradition and *pancasila* of the Buddhist tradition<sup>14</sup>. Our rich cultural and religious heritage has a great significance in creating the tradition we have. But unfortunately these tenets which are profound and have a far reaching effect is very conveniently not looked into and also our academics hardly pays any heed to it. The present age curriculum is driven by shallow and superficial content where acquiring the degree has become the goal of the students. Our institutions and colleges churn graduates and they become future managers. If the mind that is not fed well with the rich tradition of ours than it is our inability to absorb and disseminate the same to the generation that is budding up. The roots of business ethics is the mind that manages the business and if the mind is refined and pure than the decisions emerging from the mind can be ethical.



## BUSINESS ETHICS- SOME CONCERNS IN APPLICATION

We have seen the philosophical foundation of ethics from the Greek, modern and Indian perspective. The common thread is reasoning and developing mind that develops the capability to think and reason. Our Indian ethics is spiritual in nature and it transcends our general orientations. Philosophy whether it is from Greek or Indian or European origin its common thread is an enquiry into the state of affair. This enquiry is vital. With an increase of the digital age and digital devices man has entered in the era of virtual world and got engrossed in the dimension of convenience and entertainment. This has extracted to some extent the capacity of man to enquire and question what is happening. Putting the ethical foundation to business we will explore some concerns in the way many businesses run. The following question can stir the mind to think. It takes the tool from Socrates and Plato to get to the issue of the matter.

- What should advertiser do, or not do, in their endeavours to attract buyers to their products or services
- Ought those in the financial professions to engage in insider trading
- Is nepotism always morally objectionable
- Is there moral merit to any type of affirmative action<sup>15</sup>?
- Is it ok to exploit workers and ask them to work beyond office hours
- Is it ethical to offer a job to a lady candidate when the male candidate is more capable and experienced
- Should there be a disclosure of the ingredients in the products like shampoo, soaps, medicine which are potential to the users in the longer run

There can be a barrage of questions in the realm of business as far as ethics is concerned. Ethics has the roots in the spirit of the nature. Business has its roots in the civilization. Nature and civilization has a relation. Civilization grows in the lap of nature and if the roots of the nature are disturbed how can civilization be stable. The white collared job is much sought after and the managerial paradigm is in generation of business wealth recklessly and the issues in the arena of society, nature are not given any heed. Manager's job in the space of business is to see from a dimension of acquiring and though the advertisements and the promotions at times are loaded with value laden words but the reality is very different from what is projected. Business is driven by decisions of the few and the moral dilemma is many in the space of business may not abide by those few but still the majority has to concede what those few to save their jobs. Here the authenticity as one of the prime of morality gets questioned. It is like the hiding the self for the business. The 20th century philosopher Jean-Paul Sartre called it 'bad faith' (mauvaise foi), the habit that people have of deceiving themselves into thinking that they do not have the freedom to make choices for fear of the potential consequences of making a choice. By sticking with the safe, easy, default 'choice' and failing to recognise the multitude of other choices that are available to him, a person places himself at the mercy of the circumstances in which he happens to find himself<sup>16</sup>. Business can be driven in good faith provide one wants to. I feel this want has to be a will be in the business and maintained a high ethical standards and its roots are in the spirit and that is the self which is authentic. Our intellect can be our tool to sharpen our business skills but does it do so? Management education with myriad of subjects explores various domains of business so that the students are better exposed and unfortunately subjects like business ethics is treated as a moral science and a very lukewarm response is received for the fraternity of management disciplines. What can be emphasised is in the making foundations of inner personality. Business through its goal has harnessed the external nature and the core of human has been neglected. Philosophy from Socrates, Plato and Aristotle emphasised on the virtue ethics and the eastern philosophy emphasised on the development on the spiritual plane. Eastern philosophy distinguishes between the imminent and the transcendent aspects of the reality and when business as an entity will be viewed as a means to uplift the humanity then the ethical chord who reins the business will be strengthened.



## CONCLUSIONS

In classical India, philosophy was implicit as donating to human well-being by freeing people from ignorance about themselves and the reality. Ultimate well-being was regarded as some sort of realisation outside the conditions of space and time. Philosophies, as well as religious traditions, made their mark through handful of people like Aristotle, Plato, Spinoza, Buddha, Shankaracharya and several prominent others in the ocean of humanity to transform the thinking pattern. The Classic Greek the world and the universe formed wholeness. As told, everything was connected to everything. Human beings are ethical beings. But mostly and naturally we do not behave particularly well, nor that are we endlessly telling each other what to do. But we rank and estimate, and relate and respect, and justify. We 'prefer' this or that, and have our preferences. We prefer that our preferences are shared; we turn them into demands on each other. Business demands and justifies. Philosophy is an attempt to understand who we are and what we think and it endeavours to develop a logical mind that can be in synchrony with the state of affairs. Great philosophers of history, whom we can dwell upon has a lot of relevance in today's world, Philosophers brilliantly positions their thoughts, in fact, that philosophy gets into discourse analysis and in the world of business when decisions are taken it is imperative that a shared members that is the team can be philosophical that is logical from a holistic perspective. This can formulate a sense of individuality and at the same time appreciate the shared goals which will eventually develop our own habits of clarifying what we believe.

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