

DECODING INDIGENOUS BUSINESS ETHICS OF BRICS

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ABSTRACT

In today's conflict-ridden business environment, disciplining the management is becoming a daunting task for the managers owing to regulatory, contextual, cultural, political, and socioeconomic issues involved in the governance. Here comes indigenous business ethics as a savior which is devoid of any legal binding and consequence. Many a time in tumultuous situations, ethics does wonder where rule or law fails to mitigate business issues. Hence, this article is an attempt to understand the essence of distinct business ethics and values of the five BRICS countries (Brazil, Russia, India, China, and South Africa) and to see how they can contribute to and learn from each other to attain desired results in a business.

KEYWORDS: Business Environment, Disciplining The Management, Regulatory, Contextual, Cultural, Political, And Socioeconomic Issues

1. Business Ethics in India

The following business ethics (enshrined in Vedas and Upanishads) are not only representative of business but more importantly of Indian lifestyle, commitment, and ethical codes of conduct:

Panchtatwa Ethics in Business: The way *panchtatwa* (five elements consisting of **Land**, **Water**, **Air**, **Fire**, and **Sky**) governs our existence, similarly it has its values. The first element **Land** expects a business firm to be grounded in physical and pragmatic sense because it must deal with the ground realities concerning all the stakeholders. As for **Water**, it denotes flexibilities. The attribute of water is such that it takes the shape where it is contained. As for the implication of **Air**, the way air exists everywhere, similarly, a business firm is expected to observe its employees invisibly in a way that employees remain unaware of being monitored as over-monitoring is one of the impediments in the organizational growth as it deprives an individual to use his/her potential instinctively. As for **Fire**, it implies termination of wrongdoers and low performers. As for **Sky**, it connotes hope and endless opportunities for the firm as well as its employees.

Morality-based Ethics for a Manager and the Management: The Vedas and the Bhagwad Gita prescribe 24 ethical characteristics for a manager and the management as follows:

Satyam	Truth	Aatmiyataa	Empathy
Damah	Sense Control	Kshanti	Tolerance
Samah	Tranquility of mind	Arjavam	Simplicity
Dharma	Righteousness	Sthairyam	Steadfastness
Danam	Charity	Atma sanyam	Self-control
Daya	Compassion	Ahimsa	Non-violence
Amanitvam	Humility	Nishtha	Sincerity
Sthitpragya	Being unperturbed	Samarpana	Commitment
kartavya-parayanta	Responsibility	Aparigraha	No to Extra Wealth
Jigyasa	Learning Desire	Kauslam	Efficiency
Vividha	Innovation	Anahankara	Absence of ego
Samatva	Impartiality/team-spirit	Vairagyam	Renunciation

Here we shall understand few of the above characteristics meant for holistic growth of a business.

Samatva (Team-spirit/Impartiality):

The notion of *samatva* in the Gita implies integration, team-spirit, and mutual interdependence. It also implies impartiality as encapsulated in the maxim of *vasudhaiv kutumbkam* (the belief that whole world is our family) and *athithi devo bhav* (The visitor is our guest.). Thus, in Indian business environment, a customer is equated with God and serving a customer is equal to serving God. It also believes in finding right job for right person because every person cannot do everything, but every person is capable of doing something.

Nyas (Renunciation/Detachment)

To see optimum positive result in the task undertaken, the Bhagavad Gita expects a work to be done perfectly which in turn requires utmost concentration which in turn requires a serene and focused mind which comes from detachment. A detached mind is more productive when it comes to taking right decisions; being creative, being visionary, being innovative, and being industrious. Many great leaders of India are examples of *nyas* including Indian prime minister Shri Narendra Modi, Shri Yogi Adityanath, Baba Ramdev, etc.

Sthitpragya (Being Unperturbed)

Sthitpragya is a term taken from the Gita (2:54) which is the quality of being firm in every situation no matter be it painful or pleasant. The lesson is ‘a successful manager needs to be unperturbed.’ Such a person ignores an insult, meaningless fight, and any false allegations. A management with proper combination of values and skills can assure harmony and progress of organization as well as society. Further, a business manager is also obliged to have consonance between thought, speech and action as mentioned in Taittiriya – Aranyaka i-90:4. Similarly, a corporate governance can prescribe Patanjali’s yoga Sutras, ‘yama’ that consists of five important values: non-killing, truthfulness, non-stealing, brahmcharya, and non- receipt of gifts or bribe.

2. Business Ethics in Brazil

Brazil, a young democracy that emerged in 1986 with its colonization background, is a key player in the business of Latin America. As far as Brazil’s business ethics is concerned, it is enshrined in Portuguese culture and values. The present Brazilian business environment stresses over the private and public connection often termed as *jeitinho*, a strategy of flexibility in business as most of the Brazilians resort to *Jeitinho* for getting things done easily, timely, and also unethically (Duarte, 2006). *Jeitinho* is compared with reciprocity (relationship-binding) strategies and is believed to have the unique characteristic of a valid problem-solving strategy that requires a relationship of sympathy and affinity between the involved

parties so that the favor can be offered or requested. Rodrigues et al. (2011) identified *jeitinho* as an indigenous psychological construct used as a problem-solving strategy that involves social and cunning tricks to break formal rules. Thus, the *Jeitinho*-based business model is a subject for debate.

3. Business Ethics in Russia

Although Russian business considerably abstains from discussing codes of ethics in business, many companies in the recent past including LUKoil have not only started formalizing ethical codes for its workers but have also formed a committee to monitor the efficacy of the code (Narizhnaya, 2011). This trend is seen as an example of transforming the economic model from wild capitalism to socially responsible business. Since, Russians like to live by the rules, many companies are adopting codes based on international best practices and include clauses on conflicts of interest and social responsibility. Although, effective codes of conduct are still far from reality in Russia, many initiatives are being taken up to standardize and formalize behavior patterns of manager and employees towards clients. Russian managers are more inclined to apply situational decision rules when solving ethical dilemmas and feel that being loyal to their in-group is a sign of ethical behavior, even if general societal rules are violated (Ardichvili, 2012).

4. Business Ethics in China

Formally, business ethics in China started surfacing after the beginning of economic reforms in late 1970s to early 1980s emanating from Confucian philosophy and Communist ideology. According to Lu (2009), China keeps inviting criticism for not addressing many ethical issues associated with its defective products and inappropriate conduct of businesses (Brand & Slater, 2003). The underlying principle of Chinese business ethics lies in the practice of *guanxi*. Guanxi is a Chinese term that describes an individual's ability to connect or network with people and opens doors for new business and facilitates deals for productive business purposes. Guanxi which bears close resemblance to Network Theory hypothesizes that "*what* you know is not so important as *who* you know. In other words, a person who has a lot of guanxi will be in a better position to generate business than someone who lacks it (Kenton, 2019). Given the conflicts arising out of Guanxi, some effective measures are being taken to improve Chinese business ethics at the societal, individual, and organizational level.

5. Business Ethics in South Africa

Looking at the business ethics getting translated into business practice in South Africa, an investor needs to understand ethical practices in the country. South Africa is a country where business culture is still in transitional phase due to a number of social and political inferences and influences. After the Apartheid, the country started redressing the racial imbalances and inequalities with special focus on ethicalities in business by presenting the King's Reports on Corporate Governance for South Africa in 1994. Despite paucity of literature on ethics and values for a business set-up, the African value system is sometimes captured under the term *Ubuntu* which means a commitment to co-existence, consensus and consultation (Shonhiwa, 2001b:19). Ubuntu is a term in Africa that means "I am because we are.". From business perspective, Ubuntu implies co-existence, empowerment, and enrichment of one and all.

CONCLUSIONS

The article sums up the psychodynamics and underlying principles of different indigenous ethics found in the business environment of BRICS and concludes that a business organization should have ethical plus lawful governance at the

societal, individual, and organizational level. Particularly, the management needs to take effective measures to improve policies of recruitment, performance appraisal, and rewards of the employees.

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