

CULTURE & ETHICS

By Prof. Anil Kshatriya
Assistant Professor, SIBM Pune.

The business world across the globe has started looking at the East, particularly at India, for ethical business models. One of the strong reasons why India succeeded in coming out of the global financial turmoil almost untarnished was its ethical support system which is ingrained in the culture of this country. The culture of a country is much more than its beliefs and customs. It is the commonly held philosophy of its people towards core values. In this context, the outlook towards money and satisfaction derived from creation of wealth drives a nation in the direction that eventually decides the fate of its moral standing. Thus culture and ethics are strongly co-related. A culture that is conservative in monetary terms attaches very high value to create wealth. This leads to business practices that attempt to bring about change in the lives of many people as well as ensuring that the process of wealth creation does not blind few individuals while considering distribution of created wealth. The culture that prioritizes common good and chastises individualistic development helps in nurturing business practices that are ethical and sustainable. India has proved this phenomenon time and again.

Ethics and culture are two sides of the same coin called morals. Much of our modern financial literature is silent about the moral aspects of doing business. We believe that a financial model that adheres to the feasibility tests is sound and will enrich a society irrespective of its mala-fide side-effects. We force moral acceptance into such models and in retrospect try to prove

their authenticity in good times. Our models appeal people at large who are indeed trained to look for an accurate rather than an acceptable result. Ethics is not about finding accuracy or reporting it in the context of an established framework. Nor is it a justification of your integrity to an outsider. It is a reflection of our morals which we hold for ourselves. If there is one prominent reason why the East stood this test of time during days of financial turbulence that reason lies in its ability to reflect and introspect. It is this unique culture of self evaluation that makes people in east and India in particular less prone to actions that expose common public to severe risks.

The moral resilience of a country comes from its deep rooted ideology towards personal and social welfare. The culture that embeds values for reciprocities is self sustaining. Wealth that is aimed at expansion of limited number of individuals or groups success diverts money towards narrow goals. These eventually become counterproductive to growth. You may look into the history of corporate developments and find that organizations which did not divert their resources from larger goal of success for many towards that of few, have actually survived the odds. Ones that were narrowly shaped to squeeze benefits for select few have vanished. Ethics does not always means sustenance because what is moral today may soon turn out to be an unethical act of tomorrow. Sum of parts is greater than the whole when we sit back to measure long term impacts of our actions.

The world has not only accepted but has also digested the fact that creating elaborate structure to overcome unethical behavior is of little help. Behavior may be unethical though the thought behind it is prudent and rational. One prime reason for this dichotomy is that unethical behavior is more a result of impulsive reaction to exacerbated situations. Unscrupulous acts may not always have roots in intentional mala-fide vision. Most unethical acts are encouraged by favorability of conditions that stimulate individualistic decisions. The only way to control such acts is to inculcate a better sense of responsibility and accountability.

The culture in India has fortified this thought process. It is this culture of thoughtful acceptance that makes us less prone to such vicissitudes in decisions that lead to dramatic fluctuation in wealth and public confidence. Also this shows our agility to absorb strong shocks

and rise from them with splendid momentum. All this nimbleness comes from our culture of accepting our own limits. This culture has given us an extraordinary ability of introspection which the developed nations in West have failed to practice. Free markets empowered them to the extent that they never sat back to gauge their limitations. There was so much noise in celebration that we could not hear our own voice. But we tend to forget that we need this voice time and again to protect the interest of our people and our nations. Blindfold is good till the time you are playing the game whose first rule is the player needs to be blinded. But once the game is over we should open our eyes to look around and see if other players are really the same. It is a question of self judgment and not force.

