

Ethical Dilemma: Lessons from Ancient Scriptures for Indian Corporates

Date : October 03,2022



Dr. S. K. Gupta
(Managing Director,
ICMAI Registered
Valuers Organization)



Dr. Hardik Bhadeshiya
(Assistant Professor,
The Maharaja Sayajirao
University of Baroda)

1. Introduction

Every one of us encounters circumstances where our moral behaviour is tested, whether we are producers, distributors, or consumers. There are countless instances where they may need to go to court; sellers often try to hide information about their goods or services; purchasers frequently work with sellers to avoid legal proceedings and pay taxes owed to the government. If taxes are added to the prices they pay for goods, buyers are more likely to reject bills. Every time this happens, an ethical problem arises.

A famous story from the ninth century BCE is the Mahabharata. Ved Vyasa wrote and assembled it. In the context of India, the epic is significant, and it has imparted to our culture the meaning of dharma and morals. The narrative travels a route of morality, humanity, divinity, spirituality, deceit, cheating, and abhorrence. It is the most important Hindu holy text. The readers come across numerous moral conundrums that the characters in the epic face as they read the Mahabharata. An ethical dilemma is a moral situation in which a choice has to be made between two equally undesirable alternatives. Dilemmas may arise out of various sources of behaviour or attitude. For instance, they may arise from the failure of personal character, conflict of personal values and organisational values and organisational goals, organisational goals versus social values etc.

2. What is an Ethical Dilemma? - Analysis of an Indian ancient scripture as a lesson to Indian corporates

An ethical dilemma, also known as a moral problem or ethical paradox, arises when a person must choose between two possibilities, none of which are wholly ethically acceptable. Most of the ethical and moral issues we confront in life have pretty simple solutions, although we encounter many of them (Hegde, 2021). A business dilemma exists when an organisational decision maker faces a choice between two or more options that will impact (i) the organisation's profitability and competitiveness; and (ii) stakeholders. The ethical dilemma is not of recent origin but has its root in our ancient Indian scriptures. In this paper, the authors have selected some episodes of the great epic Mahabharata and found its relevance in an ethical dilemma for Indian corporates.

2.1. Bhishma's dilemma

In a bold move, Devavrata (Bheesma) tries the unthinkable, "For my father to wed the lady he adores, I will not get married and have children. For my father's sake, I shall abstain from sexual activity." He made a significant choice in the interest of his father's pleasure. However, this choice ultimately proved to be fatal. On one side, honesty and dedication are evident.

On the other hand, you can see that the choice that had a beneficial effect in one situation had a detrimental impact on another. When you make decisions in life with limited vision, this is what happens. When you make a choice that makes sense in one situation but not another, you find yourself in the middle of nowhere.

Bhishma's dilemma in the current time is incidental to the corporate scandal of Satyam Computers. The nation was startled by Satyam, the first significant fraud of its sort, which prompted tightening rules, reporting, and governance procedures. Unexpectedly, Satyam won prizes from reputable organisations for outstanding corporate governance. Its promoter had developed a commanding character and earned the respect of the business over time. Given this context, the promoter's abrupt admission of fraud came as a rude shock to the nation, forcing the government to launch an unprecedented rescue operation to save the company. To do this, it fired the company's board members and appointed industry experts, including Deepak Parikh, to the board. In the end, the business was sold to the Mahindra group, which is now a significant component of their lucrative technology industry.

2.2. Kunti's dilemma

Kunti received a vardaana from Durvasamuni stating that she may invoke any deity and would have a child. When the circumstances weren't suitable, she experimented out of curiosity and invoked the Sun deity while single. You can conduct experiments, but you must wait for the proper occasion. Do not step over the line; premature testing might have disastrous effects and leave you feeling guilty for the rest of your life (Bisht, 2012).

This episode from the epic Mahabharata can be well co-related to the current time with the failure of the Kingfisher Empire of flamboyant Vijay Mallya. The impulsive decision to take borrowing for unplanned expansion set the sun on Kingfisher. The business turned to borrow money in whatever way it could, including from linked parties and by overvaluing the Kingfisher brand. The good times did not endure for very long, and Vijay Mallya was forced to sell the family's prized liquor and beer company to pay off some of its obligations. Kingfisher is more of a case of corporate fraud than business failures. There were numerous warning signs that financiers and regulators could have spotted but chose not to, saving airlines with great potential. One prominent example is lending against a brand that had never been done before. A swift rescue effort ala Satyam could have parachuted the airline into safety, saving the money of lenders and employees' employment.

2.3. Yudhisthir's dilemma

When the Kauravas break their word after thirteen years, war is proclaimed. The same Yudhisthira falsely claims Ashwathama, the son of Dronacharya, is killed on the battlefield, which goes entirely against who he is. Krishna persuades him to murder the Kaurava General Dronacharya, and he must falsify his credibility. He had to compromise his morals to advance the cause of

winning the war. His responsibility to his side took precedence over his obligations, and he had to compromise on his moral principles to achieve the desired outcome. Yudhisthira made a pact. Here, morality has practical consequences(Rao, 2020).

In the corporate world, the image of “Tata” is like Dharmaraj Yudhisthir. One can not expect them to be involved in any corporate scandal, but the exception is there. An extraordinary instance of big Indian banks being defrauded was Bhushan Steel, and Tata Steel bought the business, but the dispute is still in court. Promoters of the otherwise lucrative corporation engaged in numerous dishonest activities to move borrowed monies to various associated parties through loans or advances while operating contemporary, large-scale plants. The accounting of invoices for capital and other items that were never made and the money generated as a result was misused by the promoters for their gain of about Rs. 50000 crores were at stake.

Another group firm, Bhushan Power and Steel (BPSL), is currently regulated by the IBC. It is anticipated that JSW Steel will buy BPSL. The CBI says that BPSL improperly transferred approximately Rs 2,348 crore through its directors and employees from the loan accounts of several banks into the accounts of more than 200 shell firms for reasons that were not immediately clear.

2.4. Karna's dilemma

The unhappy character in The Mahabharata is Karna. He endured much suffering all his life and only encounters ridicule and disgrace everywhere he goes. Everyone calls him “Suta-Putra,” a derogatory epithet, to humiliate and insult him. He was aware of the consequences of the conflict, yet he was adamant about helping Duryodhana. Knowing the Vedas and the Scriptures of Law, Karna understood that “Dharma” always triumphs over “Adharma” and that in this “Dharmayudh,” the Pandavas, who represent “Law and justice,” will win out in the end. Karna is a decent and ethical person. Because he honoured the vow he had made to Duryodhana throughout the battle and not only stood by his friend's side. Besides Arjuna, he promised his mother Kunti that he would not harm the other Pandavas(Rima & Nath, 2020).

One can learn from Karna's character don't support blindly without knowing the reality behind the curtains. However, corporate houses like DHFL fail to take lessons from such a great Indian epic and invite misery for themselves. The first fraud to ever occur in a housing finance firm, DHFL, was primarily caused by promoters' active participation in money laundering allegations and the alleged syphoning of cash through the granting of loans to linked parties of promoters. The loans were made to those with bad credit or others with the same addresses but lived in remote areas. The creation of roughly 6 lac phoney accounts at one branch using the names of previous loan applicants. These accounts were used to make loans, which were then used to transfer money to companies that promoted products. In the end, it was discovered that these loans were not recoverable.

2.5. Arjun's dilemma

The legendary dilemma of Arjuna as the Kaurava and Pandava forces are aligned in Kurukshetra. Arjuna puts down his renowned bow, the Gandiva, and declines to participate in the war after spotting his relatives on the opposing side of the battlefield. First, Arjuna's charioteer Krishna makes an effort to reason with him. When that fails, Krishna turns to his position as God to convince Arjuna that fighting is his dharma, whether he likes it or not. He must carry out his dharma because he cannot escape it. Arjuna must fight for what is right and moral.

The character of Arjuna is not bound up to time era of the Mahabharata. However, it is timeless and comes in different forms. The Yes bank, one of the significant private banks developing momentum as a viable challenger to other private banks, was brought to a premature and untimely end by fraud. The bank had a unique business strategy that included, among other things, a focus on retail loans, a broad branch network, and an emphasis on technology. Unwise lending methods and loan renewals were used in the scheme. The bank used a strategy outside industry standards by charging borrowers a hefty commission. Additionally, earnings were overstated due to front-loading commission income, which was grossly under-provisioning NPAs compared to RBI norms.

3. Conclusion

After examining the incidents above, we determined who was responsible for the frauds. We concluded that everyone is deeply involved and accountable, including the Board of Directors, CEO, CFO, Senior Management, Internal Auditors, IT Department, Middle Management, and Operational Management. Decision-Making Processes, Personal Ethics, Unrealistic Success Goals, Corporate Culture, and Management can all be used to identify the causes and solutions.

Research on unethical behaviour in the workplace has revealed that corporations frequently are unaware that they behave unethically. Therefore they are unaware of whether the decision they have made is ethical or not. The systems that do not consider ethical considerations when making commercial decisions are the ones that are of concern. The de-emphasis of business ethics in most organisational cultures, which limits all decisions to only economic factors, is one of the leading causes of corporate fraud. A company's culture is formed by its values and norms, and culture significantly impacts the morality of business decision-making. A significant number of corporate copies are caused by unrealistic performance expectations, pressure from the parent firm, the economy, and society at large, which can only be satisfied by taking shortcuts or acting unethically (see Satyam as an example).

The executives of the business organisation are, nonetheless, at the centre of everything. Leaders benefit the company's community by setting an excellent example for others to follow, and other employees also adopt the leadership's strategy or actions in the firm.

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