

A study on the role of ethics and Spirituality in Corporates

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Abstract

The purpose of this essay is to analyse a novel strategy for doing business that aims to break down conceptual boundaries between moral behaviour and the pursuit of wealth. It does this via the use of spiritual awareness and techniques like meditation in addition to more conventional concerns like worker's rights and environmental challenges. Design, methodology, and approach – The paper conducts a thorough analysis of companies, mostly multinational but also some small and medium-sized, that are starting to adopt holistic approaches to their workforce, their relationships with the larger human community, and their relationships with the environment. It also looks at the rising corpus of research on holistic business practises and how management is being affected by it. Although it is most pronounced in North America, this influence is starting to gain ground in Europe. Findings - This research shows that a range of organisations are discovering that adopting ethical principles tends to boost profitability rather than reduce it. They have also shown that "spiritual" or holistic approaches to social and environmental responsibilities are more effective than conventional political efforts. These methods also help to promote business brand and employee loyalty. Originality/value - A review of a novel strategy for doing business.

Keywords: *ethics, Spirituality, Corporates, Political efforts*

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Introduction

People nowadays are discovering that life and business are more than just maximising profits. As a single bottom line, money is becoming less and less relevant. Values and ethics are a vital problem in the post-Enron era. The phrase "triple bottom line," which stands for "people, planet, and profit," is now all the rage. Economics is seen as secondary to the welfare of the workforce and the environment. Some claim that the key is to integrate your spiritual principles with your professional life. According to a recent KRC Research for Spirituality survey that was released on November 17, 2003 in USA Today, six out of ten Americans believe that having a strong feeling of spirit at the workplace would be beneficial.

What role does religion have in business? There are several significant viewpoints. Some would claim that it just embodies their own principles of integrity, honesty, and high-quality work. Others might argue that it involves treating their co-workers and colleagues with responsibility and compassion. Others do it by attending spiritual study sessions or by employing their intuition, meditation, or prayer at work. Making their company socially responsible in terms of how it affects the environment, benefits the community, or contributes to a better world is another goal for some.

Since "spirituality" is more inclusive and general than "religion," some businesspeople feel more at ease using it in the workplace. The term spirituality stresses how principles are implemented and lived rather than placing as much emphasis on believing as religion does. When defining the same qualities that others might term spiritual, some

individuals choose to speak more about values and ethics since they don't feel comfortable using the word "spiritual." Some individuals, on the other hand, will refer to God as their CEO or business partner.

There is some worry that employers may impose their spiritual views or practises, although this has happened very seldom thus yet. The potential for superficiality and the distorting of spiritual activities to satisfy avarice, on the other hand, is something that some observers have cautioned against.

Integrity, honesty, accountability, quality, collaboration, service, intuition, trustworthiness, respect, justice, and service are important spiritual principles that businesses embrace. The countrywide Container Store franchise instructs employees that they are not only expected to sell consumers items, but also that they are "morally compelled to assist clients solve issues." An employee who stated the truth in a widely read message was honoured (rather than dismissed) by the CEO of Vermont Country Store, a well-known national catalogue firm, which improved morale and fostered trust throughout his organisation.

Studying spirituality and the big picture

Are spirituality and success in business incompatible? According to a growing body of research, integrating ethical and spiritual principles into the workplace may boost output and profitability as well as staff retention, customer loyalty, and brand reputation. Employers are increasingly promoting spirituality as a strategy to increase employee loyalty and morale.

According to recent research by Prof. Curtis Verschoor at the University of Chicago, which was published in the journal *Management Accounting*, businesses that have a clear corporate commitment to ethical values do better financially than those that don't. Nike's revenues dropped by 27% a few years ago when the company was publicly shamed for the slave wages and sweatshop conditions it paid to international employees. The astonishing lack of ethics and ensuing scandals have lately caused financial ruin for Enron, Arthur Andersen, WorldCom, Global Crossing, and other companies.

According to a recent study by McKinsey and Company in Australia, when businesses provide their workers programmes that include spiritual practises, productivity increases and turnover is significantly decreased. This finding was covered in *Business Week* magazine.

People are looking for methods to exercise their spirituality in the workplace without upsetting or alienating their co-workers, according to research published in MIT's *Sloan Management Review*. Instead of using the term "religion," which might arouse concerns about dogmatism, exclusivity, and proselytising in the workplace, "spirituality" is used more broadly and appears to stress how one's views are implemented on a daily basis.

Companies that boosted their community participation were more likely to demonstrate a better financial picture over a two-year period, according to research by UCLA management professor David Lewin. The Performance Group, a group of seven major European corporations, including Volvo, Monsanto, and Unilever, conducted a two-year study and came to the conclusion that eco-friendly products and environmental compliance can boost profitability, boost earnings per share, and help win contracts in emerging markets. Over a ten-year period ending last year, investment returns on the Domini 400 Social Index (publicly traded, socially responsible, triple bottom line corporations) have outpaced the S&P 500.

The Development Era

There are scores of national conferences on the topic of spirituality in the workplace, and I myself arranged one in Washington, DC in 1998, attended by over 50 executives from local firms including Marriott International and Riggs Bank. The American Management Association hosted a conference titled "Profiting from a Values-Based Corporate Culture" to discuss the need of incorporating morality and spirituality into business strategies.

This movement has started to fundamentally alter the nature of corporate America, and it's catching many by surprise. Many modern professionals now seek out spiritual practises that might help them in their professional lives. They want to be able to bring their whole selves to work, including their minds and spirits. Many successful businesspeople are discovering that acting in accordance with their principles has a positive effect on their bottom line. They will benefit financially while also making a positive impact.

More and more employees at all organisational levels desire to support their creativity and energy. A more contented and enduring workforce result when people are encouraged to use their creativity. Happy individuals put in more effort at work and are more likely to stick with it. According to a widely regarded Wilson Learning Company research on company success, employee happiness accounts for 39% of the variation in corporate performance. The majority of Americans polled in a USA Weekend survey ranked spirituality as the second most important component in their personal happiness (after health), with 47% stating it was the most significant aspect.

People desire to infuse their work lives with a deeper sense of meaning and purpose all over the nation. They want their job to be a reflection of their life's purpose. Many businesses are discovering that clarifying the company's vision and goal and aligning it with a higher purpose and deeper dedication to service to both customers and the community is the most efficient method to introduce spiritual principles into the workplace.

Popularity of Spirituality

Why has there suddenly been a spiritual interest at work? Researchers mention a number of important elements. While the globalisation of markets calls for more innovation from employees, corporate cutbacks and increased expectations have left the surviving workers too exhausted and stressed to be innovative. Organizations must provide their staff a deeper sense of meaning and purpose if they want to endure into the twenty-first century. The greatest personnel searches for firms that represent their inner beliefs and provide possibilities for personal growth and community engagement, not simply higher wages, in today's fiercely competitive climate. Today's information and services-driven economy, which differs from the marketplace economy of 20 years ago, necessitates quick decision-making and the improvement of connections with both consumers and workers.

Additionally, more time spent at work equals less time for religious pursuits. According to a recent article in The New York Times, an increasing number of employers are allowing their workers to teach religious seminars on the job. This helps working professionals who are stressed for time and concerned that they have given up on their religion. Many individuals are becoming more at ease in sharing their beliefs in public.

The fact that there are more women working now, and that women prioritise spiritual values more often than males, is another factor contributing to the popularity of spirituality at work. Another factor is the massive baby boom generation's ageing, as boomers realise that consumerism no longer fulfils them and start to worry about their own death.

Prayer and meditation at workplace

People pray in their places of employment for a variety of reasons, including seeking direction while making decisions, gaining strength to face challenging circumstances, expressing gratitude for positive experiences, and preparing for uncomfortable encounters. Jeffrey B. Swartz, the Chief Executive Officer of Timberland Shoes, often seeks advice from his rabbi and consults his prayer book and his convictions while making important business choices. The Hindu sacred scripture known as the Bhagavad Gita is consulted by BioGenex's Chief Executive Officer, Kris Kalra, whenever the company is in a sticky situation.

According to the ABC Evening News, the American Stock Exchange has a group that studies the Torah; Boeing has Christian, Jewish, and Muslim prayer groups; and Microsoft has an online prayer service. The financial services company Sutro and Company in Woodland Hills, California hosts a Torah "Lunch and Learn" programme every weekday. Talmud courses are offered to clients of the New York legal firm Kaye, Scholer, Fierman, Hays and

Haroller. Classes on the Koran, along with other forms of religious instruction, are offered at the defence conglomerate Northrop Grumman. Morning prayers are offered at Wheat International Communications in Reston, Virginia. Attendance is voluntary but all workers are welcome to participate. In place of the more common term "power lunch," the term "higher power lunches" is occasionally used to refer to spiritual study groups held at noon.

According to the Los Angeles Times, Marketplace Ministries of Dallas was responsible for placing freelance chaplains to 132 different firms located in 38 different states. The Fellowship of Companies for Christ International, which has its headquarters in Atlanta, has 1,500 member businesses from all around the globe. They encourage, among other things, "The relevance of prayer in corporate choices and the practise of prayer," "a dedication to excellence," and "following the example of Jesus by concentrating on people, not things." They try to live by the credo, "Do unto people in the workplace as you would have them do unto you," and this phrase serves as their guiding principle. Corporations in the fast-food industry like Taco Bell and Pizza Hut engage chaplains from a variety of religions to help workers who are struggling, and the companies credit these chaplains with cutting employee turnover rates in half.

The California headquarters of Apple Computer have a meditation area, and workers are offered a half-hour of paid time each day to meditate or pray on the company's dime since management believes these activities are beneficial to employees' levels of productivity and creativity. There are regular meditations led by a former manager who is now a Buddhist monk at that location. Michael A. Stephen, Chairman of Aetna International, extols the virtues of meditation and has conversations with Aetna workers on how they might integrate spirituality into their professional lives. Because Muslims are required to pray five times each day, the prayer and meditation space provided by Avaya, a worldwide communications company that was spun off from AT&T and Lucent, is highly welcomed by Muslims.

Twenty years ago, Medtronic, a company that sells medical equipment, was a pioneer in establishing a meditation centre at its headquarters, and to this day, all workers are welcome to use it. When employees at the Prentice-Hall publishing company feel that the pressures of their jobs are becoming too much for them, the company's headquarters features a meditation room that is referred to as the "Quiet Room." In this room, employees are encouraged to sit in silence and take a mental break. In addition to producing audio and video cassettes, Sounds True in Colorado is home to a meditation room as well as meditation courses. Meetings at Sounds True also begin with a minute of silence. Personal days may be used by workers for the purpose of attending retreats or pursuing other types of spiritual pursuits. A moment of quiet is observed before the start of meetings at Greystone Bakery in upstate New York. This allows attendees to tune into their own emotional state and concentrate on the topics that will be covered throughout the gathering.

Mitch Kapur, the founder and CEO of Lotus, is a devotee of transcendental meditation, and thus chose to name his firm after a term that means enlightenment. A research project conducted by Professor Richard Davidson at the University of Wisconsin at Pomega, a biotechnology company with a very high-stress workplace, discovered that a mindfulness meditation training produced astonishing results in reducing stress and generating positive feelings among the participants.

Paula Madison, who hosts a news programme on WNBC-TV in New York City and prays before each broadcast, claims that she rose to the top of the ratings in the region after increasing her coverage of subjects relating to spirituality. Patagonia, a producer of clothing, and Avaya, a telecommunications company, both provide yoga courses to its workers during their lunch periods. A Spiritual Unfoldment Society has been holding meetings at The World Bank on a consistent basis for a number of years, during which time members have attended talks on subjects like meditation and reincarnation.

Executives from Xerox have participated in retreats lasting a week and conducted by Marlowe Hotchkiss of the Ojai Foundation in order to gain knowledge of a Native American form of council meetings and to participate in vision quests. The vision quests sparked a concept in the mind of one manager, which resulted in the creation of Xerox's best-selling product, a machine that is 97% recyclable.

Angel Martinez, the chief executive officer of Rockport Shoes, is very upfront about the spiritual objective of his firm. He encourages workers to spend time at work imagining ways in which they might express the most authentic parts of themselves in their job. Businesses such as Evian spring water have had great success with the incorporation of spirituality into their marketing, as seen by slogans such as "Your body is the temple of your soul."

The Service-Master Company, which serves six million clients throughout the globe and offers cleaning, maintenance, lawn care, and catering services, places an emphasis in its annual report on the spiritual principles that guide the company. The passage starts out with a statement from the Bible that says, "Each of us should utilise whatever talent he has received to serve others, faithfully delivering God's kindness in its different forms."

Why People are Important Source?

A growing number of businesspeople are coming to the conclusion that the most important domain in which to apply spirituality is in the manner in which workers are handled. People, according to Southwest Airlines, are the company's "most essential resource." This is despite the fact that the airline is one of the few that has remained profitable following the terrorist events on September 11, 2001. It is the philosophy of the company to treat its workers like family, with the understanding that if employees are treated properly, those employees will in turn serve customers well. They have what they call a "University for Individuals," which is run by Rita Bailey, and their strategy is to employ people based on the attitude they exude rather than the talents they have, and then teach them in the skills they need. When compared to other airlines, talks between management and workers over salary hikes and perks are considerably quicker and simpler at this particular airline. This is due to the fact that both parties come to the table with the intention of hand writing a win-win contract. They have been included on Fortune magazine's list of the "100 Best Companies to Work For" on many occasions.

The chief executive officer of Malden Mills in Lawrence, Massachusetts, which is best known for its production of the well-known Polartec fabric, is of the opinion that a company's most valuable resource is its workforce. After a major fire destroyed three out of the company's four factory buildings, he decided to keep all 3,000 employees on his payroll because he believes a business has an equal responsibility to both itself and the community in which it operates. Furthermore, the unemployment rate in his town is quite high. The workforce was able to repay his generosity with a rise in productivity of 25 percent and a reduction in quality flaws of 66 percent.

Anita Roddick, the creator of The Body Shop, which now has locations all over the globe, decided to construct a soap factory in the vicinity of Glasgow, Scotland, on purpose since at the time it was a region with high rates of unemployment, urban deterioration, and a lack of morale. She took the ethical choice to hire people who were considered unhireable and to reinvest twenty-five percent of the firm's net earnings in the local community because, in her words, "this is what keeps the spirit of the company alive."

As part of Marriott International's "Spirit to Serve" initiative, 10,000 of the company's employees all over the globe volunteer to give back to the communities in which they live and work. Employees at the well-known shoe manufacturer Timberland, which is located in New Hampshire, get financial compensation for completing forty hours of voluntary work each year. Zero Casualties Inc., an urban garment manufacturer located in Ohio, gives seven percent of its revenues to organisations that serve the city's residents. A marketing strategy for the firm has been developed that is based on its core principles, which include "no drugs, no violence, and no racism."

At sixty of its sites, IBM provides funding for childcare centres. The company Intel provides a maternity leave of 22 weeks. Homeless men are assisted in their attempts to re-enter the workforce by The Men's Wearhouse, which was named one of Fortune magazine's 100 Best Companies to Work For.

Tom Chappell, the Chief Executive Officer of Tom's of Maine, a company that manufactures soaps and toothpastes, maintains a balance between profit and the greater good by donating ten percent of the company's pretax income to charitable organisations. Tom's provides its workers with four paid hours each month to devote to community service, and the company only employs natural, eco-friendly materials in its products. In addition, Tom's encourages

its employees to volunteer. After attending Harvard Divinity School, Chappell re-engineered his business in order to turn it into a form of ministry. He explained his decision by saying, "I am ministering – and I am doing it in the marketplace, not in the church, because I understand the marketplace better than I do the church."

According to Saturn auto manufacture, the success of their experiment in corporate democracy and participatory governance is the primary factor in their company's success. The majority of choices made by the organisation are made by empowered teams.

An episode of the television programme "60 Minutes" was devoted to the computer software business SAS, which is worth a billion dollars and boasts a low rate of absenteeism and a turnover rate of just three percent, which saves the corporation \$80 million per year in training and recruiting costs. What is their key? A no-layoff policy, a 35-hour workweek, flexible work hours, and on-site facilities such as a gym, a medical clinic, and massage therapists are all examples of desirable employment policies.

The spiritually-oriented materials on personal change have been used in employee training at the Bank of Montreal for several years, and Boatman's First National Bank in Kansas City regularly provides spiritually-oriented trainings for its top executive group. In addition, the Bank of Montreal has been using these materials for employee training for several years.

Business is increasing for consulting businesses that take a spiritual approach to their client work. Enlightened Leadership International in Colorado has been teaching top executives at major companies like GTE, Georgia-Pacific, and Lockheed Martin how to focus on what's positive, rather than the problems, because our beliefs create what we experience in our lives. These companies include GTE, Georgia-Pacific, and Lockheed Martin. Other significant businesses, such as The Covey Leadership Center and The Centre for Generative Leadership, provide training to the CEOs of Fortune 500 companies on how to better match the goals of their organisation with their own more fundamental beliefs.

Southern California Con Edison managers and union members attend "The Heart Shop" to foster compassion, creativity, and heart intelligence. Boeing trained 600 top executives with poet David Whyte to liberate emotions, take chances, and be delighted by change.

NYNEX created an Office of Integrity and Business Conduct to promote quality, ethics, and personalised care. This new emphasis increased earnings, productivity, product and service quality, and how consumers and stakeholders view the organisation.

Judy Wicks, creator of Philadelphia's White Dog Café, uses her business to raise money for the hungry and support seminars on racism, the environment, and social change. Thanksgiving Coffee Company contributes a portion of their sales with Central American coffee-growing communities. It spends three to six times as much for Fair Trade coffee from small farmer cooperatives.

Environmental Protection for Future

A significant number of businesses see their dedication to protecting the environment as being their fundamental *raison d'être*. According to research conducted by Vanderbilt University in 1995, low-polluting enterprises beat their more polluting counterparts in terms of financial success eight times out of ten. Interface Carpets is the world's biggest commercial carpeting producer, and its creator, Ray Anderson, has educated 8,000 workers in environmentally sustainable practises with the objective of lowering pollution to zero percent in the next few years. Interface Carpets was founded by Ray Anderson. You may now rent a carpet rather than purchase one, and when the old one becomes worn out, you return it to be recycled and are provided with a new carpet made from recycled materials. According to Anderson's estimations, his partner has saved over \$185 million due solely to their efforts to reduce waste.

Home Depot has only lately begun carrying a variety of wood items that are harvested using environmentally responsible methods. Beyond Petroleum is the new name that British Petroleum has given itself in light of the company's efforts to develop alternative forms of fuel and to lobby governments on the scientific, economic, and moral reasons for climate change in the hopes that these governments will sign the treaty on global warming.

In order to engage with its farmer/suppliers in Mexico to encourage water and soil conservation as well as a decrease in the use of chemical fertilisers and pesticides, Starbucks Coffee has formed a partnership with Conservation International.

Fetzer Wine has reduced its garbage output by 97% through the use of waste reduction, reuse, and recycling practises. In addition, the company sources recycled paper, cans, and glass for its products, has switched from using petroleum-based fuel to biodiesel fuel, and practises organic grape farming on its own land.

At Hewlett-Packard, each product has a steward whose job it is to minimise the ecological footprint that the product leaves behind. This can be done by reducing the amount of packaging for the product, reducing the amount of toxic materials contained in the product, increasing the amount of recycling done, and so on.

It was stipulated by Mitsubishi Electric American that their suppliers could not give them with paper or lumber that originated from old growth forests. As soon as they established the standard, approximately 500 other businesses followed suit, and as a result, they together were able to rescue four million acres of forest.

In 1986, the Caux Round Table, which is situated in Minnesota, was the first organisation to pioneer a list of Principles for Business. This list is an international code of ethical standards that was established by top business executives from Japan, Europe, as well as the United States and Canada. And only lately, three hundred multinational corporations became members of the United Nations Global Compact and made a commitment to uphold human rights, labour standards, and environmental preservation.

One of the encouraging signals that the business world, which is now the most powerful institution in the world, may be undergoing an internal transformation is the spirituality in business movement. What is developing is a new attitude toward the workplace as a place to fulfil one's greater purpose, and this attitude is changing the way people look at their jobs. Willis Harman, one of the cofounders of the World Business Academy, made the observation that "the dominant institution in every community has to accept responsibility for the entire," comparing this to what the church accomplished during the time of the Holy Roman Empire. Every day, an increasing number of individuals in business are working to make the world a better place by adopting a more socially responsible attitude toward the way they interact with people and the environment. They are demonstrating that a spiritual perspective contributes to, rather than detracts from, a company's bottom line. "Work is love made visible," Kahlil Gibran says in *The Prophet*, which serves as a reminder to us.

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