

Creed vs. Greed—The Philosophy of Management

Melville Miranda, Shruti Mahajan

Australian Education Academy Pty Ltd., Melbourne, Australia

Creed is “a system of Christian or other religious belief; a faith...”. There is no doubt that business is about making financial profit, and that is the way it should be. However, it is also important to understand that a person’s creed—their principles and beliefs—has a tremendous influence on the way in which they will practice business. In recent decades, for example, the fraudulent business practices of major corporations such as Adelphia, Enron, Dynegy, Global Crossing, Merrill Lynch, Qwest, Tyco, and WorldCom, became international news. One after one, major world businesses, which were widely trusted and respected, toppled, leaving in their wake millions of ruined lives. Seemingly respectable and successful business practices were guilty of behaving with criminal intentions; consequently appearing, in the opinion of many observers, little more than common thieves. As such, the philosophy of management, especially in relation to Creed vs. Greed, has become increasingly important within today’s business world.

Keywords: profit, religion, management, business, corporate social responsibility

Introduction: Forming World Class Business Leaders

One of the outcomes of this relatively new emphasis on the philosophy of management has been a whole wealth of different notions on how business should be practiced. Various different forms of management theory and leadership models have been offered as a philosophical framework for business. Nevertheless, this paper will argue that good managers are those who have developed an individual theory of management through reflecting on personal beliefs, values, goals, and perceptions of what it means to be a business leader in their specific world.

Although current research often treats the concept of ethics in business as something new, nothing could be further from the truth. Instead, the notion of corporate social responsibility (CSR) and sustainability can be traced deep into the archives of human history, with such concepts found in most ancient civilizations. The building of the pyramids (5000 B.C.-500 B.C.), for example, is a silent but strong demonstration of the organizational and management capacities of the ancient Egyptians, while their writings reveal concepts and practices that are still used in current business practices, and the Code of Hammurabi, which presented one of the primary concepts of management and worker responsibilities within a social context, was developed during Babylonia’s early era of power (2000 B.C.-1700 B.C.). Such principles have also been found in the records of ancient China, especially in relation to the need for optimal methods of planning organizing, directing, and managing, and they are also

present in the philosophy and thinking of the ancient Greeks. However, the concept of religious beliefs playing a role in business affairs was essentially developed by the Israelites, who believed work as being necessary to humanity's well-being because of Adam and Eve's downfall in the Garden of Eden (*Genesis* 3). This gave meaning, reason, and strength to a work ethic that eventually developed into the "Protestant work ethic"—a concept which based on the laws and methods outlined within the *Old Testament*, the *Hebrew Scriptures*, and further developed in the *New Testament*.

The notion of using religious/philosophical ideals or morals in business, however, is something often dismissed by many contemporary business professionals. Nevertheless, just a brief look at the United Kingdom's development into a strong, industrial nation demonstrates that a person's creed can play an important role in creating successful businesses. As stated by Cadbury (2003), "The remarkable thing is that in 1800 Quakers were only 1 in 500 of the population. Thus, 0.2% of those living in the country played an important part in the transformation of Britain into an industrial nation". Creed, therefore, played an important role in shaping the nature of industrial Britain, but especially among Jewish and Christian business people.

According to Fitzgerald (1999), "A survey of British businessmen revealed a wide variety of confessional affiliation, with only Jewish and Quaker employers revealing an unusually high concentration compared to the size of their sects". This "unusually high concentration", however, was far more significant than many people realize. As Cadbury states, "Few are aware of the extent of Quaker involvement in business in the 18th and 19th centuries. Some may know that the four main chocolate companies—Cadbury, Fry, Rowntree and Terry, were all Quaker businesses in their origin. Quaker leadership, however, covers a wide range of industry and commerce of the period".

Britain's iron and steel industries were founded by the Darby's of Coalbrookdale (iron), and the Huntsman of Sheffield (steel), while British rail began with the Pease's of Darlington, who opened the Quaker Line in 1825 ran a service from Stockton to Darlington. To enquire about times and fares, however, there existed Bradshaw, another Quaker. Banking was also the dominator by the Quakers: All of the founders of Barclays Bank were Quakers, as were those who founded Lloyds Bank, who were also ironmasters. In addition, the vast majority of country banks were both owned and managed by Quakers.

Quakers were also involved in the brewery industry. Although Quakers were against "the scourge of cheap spirits", the brewing of both ale and beer was believed to be acceptable, which led to Barclay Perkins attaining the Anchor Brewery. Other companies, which have been or still are recognized "household names", included Clark's of Street (shoes), Bryant and May (matches), Allen and Hanbury (pharmacy), Huntley and Palmer (food), Reckitt and Horniman (tea), K in Kendal (shoes), Ransome in Ipswich (engineering), Morlands in Glastonbury (shoes), Sturge (chemicals), Albright & Wilson (chemicals), and Carr's biscuits. These, according to Cadbury (2003), "are just examples taken from a much longer list".

Each one of these firms founded their business practices on their understanding of biblical principles and practices, which obviously bore fruit in terms of both profit and social responsibility. Cadbury (2003) points out the relevance of their beliefs to business were/are fundamentally founded on trust. This concept of business, he argues, was:

Led to their (the Quakers) success as bankers, (for example) because banking is based on trust. It also meant that as

shopkeepers they put the price on their goods at which they intended to sell them. This was in contrast to the prevailing custom of haggling over prices. It was an ethical approach but also good business.

Companies such as Cadbury, Rowntree, and many of the other businesses previously mentioned, firmly believe that their success was due to the way in which they incorporated their personal creed—no matter what form of philosophy/religion that took into their business practices. In other words, business outcomes should not be confused with the way in which a person followed a particular religion or creed, but such outcomes were a direct result of the high morals that religion tends to involve, which means that management and business were conducted in ways that took into account the needs of all stakeholders. Personal beliefs and one's philosophy on life, therefore, seem to play an important role in business affairs.

Modern Conceptions of Creed vs. Greed

Do you maintain strict integrity in your business transactions and in your relations with individuals and organizations? Are you personally scrupulous and responsible in the use of money entrusted to you, and are you careful not to defraud the public revenue?

The question of ethical behaviour, or the notion of creed, is something that continues to have a profound effect on the way in which many people do business. Jewish business ethics, according to Marder (2002), based on the commandments given within the Torah, and begin with civil matters—bedience to the law of the land. In this sense, Marder states “Jewish ethics begin where American business ethics stop: At a bare minimum, we must not violate our country's laws”. The very heart of business ethics within the *Bible*, and whether seen from a Jewish or Christian point of view, are securely rooted within fairness and goodness. In fact, Marder argues, “Of the traditional 613 commandments”, within the Torah:

Well over 100 deal with aspects of business or economic activity, but that the Bible considers “the drive for wealth as natural, morally legitimate, and essential for the perpetuation of the human race. But, this is the crucial point—the drive for wealth, like all human drives, must be controlled and channelled in morally healthy directions. Our wealth is kosher when we earn it in just and proper ways.

According to *Old Testament* ethics relating to business, employees should be regularly paid, and companies should provide assistance for workers made redundant, through offering them interest-free loans in order to re-establish themselves, and the possibility of severance pay, counselling, and retraining. The biblical attitude towards the elderly necessitates that corporations provide adequate pensions, or partial employment, if possible, for employees who are no longer able to fulfil their duties and responsibilities. Companies should also provide decent working conditions, fair wages, implement effective health and safety policies, and compensation for employees who have work-related illnesses or accidents. In addition, *Old Testament* business ethics also addresses the misuse of power, including bribery and market-power, and the safeguard and protection of those who are vulnerable. According to Rabbi Marder, therefore:

Excess profits (one-sixth over the market value of basic commodities) are prohibited, in an effort to achieve just and fair pricing. Halacha does not endorse the principle of “cavear emptor—let the buyer beware”, but puts the onus for full disclosure on sellers, requiring that they provide buyers with complete and accurate information about the nature of goods sold or services provided. Product defects or deficiencies may not be concealed. The goal is to achieve free and informed consent in all aspects of commercial transactions.

This includes the concept of creating a misleading or false impression, therefore forbidding either exaggerated or inaccurate claims in relation to marketing and advertising, or attempting to provide “inaccurate, incomplete or misleading financial and accounting information, since this might encourage others to invest or conduct business with the firm based on false premises”.

Biblical business ethics also forbid corporations from providing services or goods that are either morally or physically harmful to patrons, even when such business dealings are legal. Therefore, according to some observers, those who attempt to incorporate Jewish or Christian business ethics should not sell alcohol, tobacco products, recreation drugs, weapons, or sex products, such as pornography. Finally, *Old Testament* business ethics also requires that corporations refrain from damaging property, or harming the natural environment in any way. This concept is based on the concept that humankind is living on God’s Earth, who has charged humanity to be “responsible stewards and caretakers”. As such, notions of business morality, ethical behaviour, CSR, and sustainable business practices, dates back thousands of years.

One of the most significant factors in the current philosophy concerning business practice is that of globalisation. In addition, people appear to be questioning both personal and common values, both good and bad, far more than people did in the past. This is due to a number of reasons. First, the higher level of formal education, which is available to a far greater number of people, encourages individuals to assess and evaluate both past and existing values. Secondly, there are many people who feel that many traditional values, which were based on our ancestor’s Judeo-Christian worldview, are no longer relevant in today’s contemporary world, while, thirdly, some believe that the actual and/or perceived rights of both corporations and stakeholders face more conflict today than in the past. Finally, modern society has enabled people to have an increasing number of opportunities and choices that were unavailable in the past, such as a greater ease in moving around the globe, which opens up different choices within choosing a career, whether to marry, or the choice of lifestyle.

A large part of current thought and action within the area of social responsibility, creed, ethical/moral behaviour, and so forth, has its roots firmly in this history of the human race. Despite the fact that social attitudes are constantly shifting, they are still influenced, to a greater or lesser degree, by past history, and regardless of the way in which the past may be interpreted. Whether we consider the present as being part of a historical development in relation to past events, or if we consider the present as being a rejection of it, both views are influenced by past events. As such, and as demonstrated by current business philosophy, both inside and outside of the business world society’s view on how business should be practiced remains firmly linked with shared morals, and especially in relation to the new threats that are now facing the planet.

One of the outcomes of this is the way that creed, although no longer necessarily religious in nature, has become an increasingly important aspect of contemporary business philosophy. Fraudulent business practices and the way in which so many corporations have caused environmental damage has resulted in a global demand for firms to act in ways that are moral, responsible, and ethical, thus resulting in an increasing demand for businesses to place such principles before that of making financial profit. Furthermore, individuals, societal groups, and numerous non-government organizations have increased public knowledge of bad business practices through contemporary media outlets, thus means that most, if not all, corporations publish mission statements such as the following examples:

- Ethical trading and respect for human rights are core inherited values at Cadbury Schweppes where we have long sought to treat our suppliers justly. We not only believe that this is the right thing to do, we know it also makes sound business sense. Good practice in our supply chain underpins the integrity, sustainability, quality and safety of our products;
- At Kimberly-Clark, we continue to show our commitment to health and hygiene by developing new categories, products and technologies to better the lives of people around the world. Over the past several years, our global company has put forth great effort and resources toward upholding our duty as a fiscally responsible, environmentally diligent and socially compassionate corporate citizen. We have advanced sustainability through all levels of Kimberly-Clark—from the production line to the executive boardroom—striving to make it a part of all that we do. Kimberly-Clark is determined to make sustainability a critical foundation for driving product and technology advancements, and for enhancing the health, hygiene and well-being of people every day, everywhere;
- As the report explains, this challenge has three parts: to provide the massive amount of extra energy needed to fuel development and reduce poverty; to keep supplies secure from disruption; and to do this in socially and environmentally responsible ways. Helping meet this challenge, while continuing to provide competitive financial returns, is at the heart of the commitment we made in 1997 to contribute to sustainable development.

Modern corporations, therefore, are expected to respond to the needs of today's world, thus leading to proactive action by numerous firms. As such, creed has become far more important than that of what is seen as greed, therefore it means that it is now perceived as being insufficient for firms to think, either primarily or exclusively, in terms that only take into consideration profitability and owner-interest. In fact, to do so is considered as being entirely self-defeating, in that it goes against the true long-term interest of shareholders, and could, effectively, endanger both the future of capitalism and the market economy. Contemporary corporations should, therefore, engage themselves in explicit commitments that respect and uphold accepted values and goals, and which take into account the interests and views of concerned stakeholders, while also demonstrating through unequivocal actions that such commitments are genuine.

Despite the fact that numerous corporations have successfully shown that firms basing their business principles and practices on a high standard of ethics, in both past and present history, actually works, the majority of corporations and members of society remain sceptical. Profit and creed, in the eyes of the majority, are seen as being unlikely partners. However, a large number of companies that have founded their organizations on such concepts, have overwhelmingly profited from such practices, in terms of both profit and the benefits of being morally and socially responsible.

Corporations are interested in making a financial profit because that is their actual purpose and function. They are, after all, responsible to shareholders, who have placed their confidence in the company's business capacities in order to financially profit on a personal basis. Despite popular opinion among many businesses, however, the assurance of profitable return for shareholders is not, or should not be, the corporation's primary concern, although it is of vital importance. Instead, the emphasis should be placed on customer's satisfaction, because it is the fulfilling of this objective that will ultimately ensure the well-being of shareholders.

The criteria for a successful business, therefore, should be dependent on the following points:

- (1) The highest standards of ethical and moral conduct that are based on the well-being of all concerned parties;
- (2) Customer's satisfaction within both quality and service, while also addressing the contemporary issues that concern them, such as the assurance that the company is behaving in ways that are ethical socially responsible;
- (3) A responsibility towards ensuring the well-being of shareholders;
- (4) To create new opportunities of employment and wealth;
- (5) A strong commitment towards both local and global communities.

When considering the above list of essential attributes for successful contemporary businesses, the first is of primary importance because, when put into practise, the rest are a natural result of such application. Every area of business practices when following this essential concept, consequently, will naturally ensure the achievement of every other need. Terms of success, therefore, could or should, be measured within the company's response to ethical and moral considerations.

Conclusion

Creed versus Greed, as this paper has shown, is a concept that was marginally understood by ancient civilizations and fully understood and developed through the Hebrew and Christian religions. A large number of both Jewish and Protestant businesses, who have earnestly sought to employ biblical principles and practices, have built corporations that were, and still are in many cases, both profitable and socially responsible. These corporations have all stated, at some point or another, that the fundamental elements of their business practices were trust, integrity, and the essential importance of individual human beings, as portrayed within the *Old Testaments* and *New Testaments*.

Modern society, in the mean time, has fundamentally changed, and humanity is facing a number of issues that can no longer be ignored. Human rights, health and safety issues, world economy, conservationism, and a number of other apprehensions, have all raised concerns about social responsibility in a global scale. Contemporary corporations have, consequently, found themselves in the position of having to address ethical matters that profoundly question their motives, their practices, and their *raison d'être*. In today's world, they have little real choice.

Despite of the fact that numerous corporations have successfully shown that corporations basing their business principles and practices on a high standard of ethics, in both past and present history, actually works, the majority of corporations and members of society remain sceptical. Profit and spirituality, in the eyes of the majority, are unlikely partners. However, a large number of companies that have founded their organizations on such concepts, have overwhelmingly profited from such practices, in terms of both profit and the benefits of being socially responsible. As such, attitudes within the business world are beginning to change.

References

- Cadbury, S. A. (2003). Beliefs and business: The experience of Quaker Companies. Retrieved January 8, 2010, from <http://rps.gn.apc.org/leveson/resources/cadbury0503.htm>

- Cadbury, S. A. (2007). *Corporate and social responsibility report, 2006*. Retrieved January 8, 2010, from <http://csr2006.cadburyschweppes.com/ethical/workingsuppliers.html>
- Kimberly-Clark. (2005). *Executive summary report, 2005*. Retrieved January 8, 2010, from <http://www.kimberly-clark.com/pdfs/2005ExecutiveSummaryReport.pdf>
- Marder, R. J. (2002). *A decent living: Jewish business ethics*. Retrieved January 8, 2010, from <http://www.betham.org/sermons/marder020126.html>
- Pearsall, J. (Ed.). (1998). *New Oxford Dictionary of English* (p. 431). Oxford: Published by Clarendon Press.
- Riahi-Belkaoui, A. (1999). *Corporate social awareness and financial outcomes*. Westport, CT: Quorum Books.
- Shell. (2006). *Sustainability report, 2006*. Retrieved January 8, 2010, from <http://sustainabilityreport.shell.com/introductionfromthechiefexecutive.html>
- The Holy Bible*. (1983). *New international version*. London: Hodder & Stoughton Ltd..