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Religious Ethics and Socially Responsible Behaviors of Small Firms in Nepal

Binod Krishna Shrestha
Kathmandu University, binod@kusom.edu.np

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Cover Page Footnote

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INTRODUCTION

Growing concerns about business scandals and selfish actions around the world put pressure on business firms to develop policies, standards and behaviors that demonstrate their sensitivity to social and environmental responsibility. In addition, business ethics is also important for narrowing down economic and social development gaps between rich and poor people across the world and within the nation states. There are plenty of research on corporate social responsibility and business ethics, and their implications in addressing the issues of narrowing income disparities and improving environmental conservation in developing countries¹.

Research shows that religion and enterprise enjoy a complex, multi-level and interdependent relationship². Consequently religiosity contributes to entrepreneurial success by moderating the relationship between the pursuit of material wealth and resulting personal satisfaction³ and the personal satisfaction in business is influenced by the belief on the religious values that they follow. Brammer, Williams and Zinkin⁴ in a study of the relationship between religious denomination and individual attitudes toward corporate social responsibility (CSR) found that in general religious individuals tend to hold broader conceptions of the social responsibilities of businesses than non-religious individuals, and moral values are influenced by the religions of individual. Although there are research on business ethics from the perspective of religious principles the research on entrepreneurs' attitudes towards following Hindu and Buddhist religious principles as business ethics is rare. This study assessed attitudes of owners and managers of small firms in adhering to ethical behavior as prescribed by Hinduism and Buddhism - predominant religions in Nepal.

PURPOSE

Following the concept of influences of religious values on pursuit of material wealth and personal satisfaction, this study investigated whether small firm owners choose work free from a single minded focus on profit maximization and

¹ For example, Prahalad CK and Hammond Allen, "Serving the world's poor profitably," *Harvard Business Review* September (2002): 48 – 57; Frynas George "Corporate social responsibility in emerging economies," *Journal of Corporate Citizenship* 24 Winter (2006) 16 – 19.

² Drakopoulou-Dodd Sarah and Seaman, Paul, "Religion and enterprise: an introductory exploration," *Entrepreneurship Theory and Practice* 23 No. 1 (1998): 71-86.

³ Bellu Renato and Fiume Peter, "Religiosity and entrepreneurial behavior: an exploratory study," *International Journal of Entrepreneurship and Innovation* 5 No. 3 (2004): 191- 201.

⁴ Brammer Stephen, Williams Geoffrey and Zinkin John, "Religion and attitudes to corporate social responsibility in a large cross-country sample," *Journal of Business Ethics* 7 No. 1 (2007): 229–243.

economic efficiency⁵. The study attempts to answer the following questions: 1) Are business owners driven by selfish motive of profit maximizations and materialistic consumptions? 2) Do they tend to use their wealth to support social obligations?

In this paper, a number of principles that serve as guidelines for business ethics from the religious perspective were explored in a questionnaire constructed on the basis of literature reviews. The attitudes of managers and owners of small firms were assessed through self administered questionnaires on business owners of different religious backgrounds, castes, ethnicities, place of origin, age, business size and years of involvement in businesses in Nepal.

LITERATURE REVIEW

Business ethics and human virtue

Business ethics is application of human virtue in business firms for good purposes. Normative ethics is concerned with moral obligations and intrinsic values in the behavior and character of human beings⁶ against which their day to day practices are evaluated⁷. Generally three types of ethical theories discuss about bringing good and bad business behaviors namely virtue ethical theory, deontology and teleology.

Virtue ethics is related with moral characteristics of individuals which are reflected in human virtue which disposes a person to act in a benevolent way⁸. Virtue refers to good habits of following moral principles. Ethics is an application of moral principles in action. Virtue ethics develop ethical excellence in all the actions of a person⁹ with the assumption that formation of benevolent characteristics among the people will be good for a community. The ultimate goal of virtuous person is not to derive happiness of individual, but the happiness of society¹⁰. This type of deriving happiness to society is possible only in a virtuous society. However all the people cannot be virtuous. Therefore rule based ethics is necessary to prescribe morally acceptable behavior.

Teleological ethical theory is one of the rule based ethics. Under this theory an approach of consequentialism judges human actions in terms of their consequences. Consequentialism following utilitarianism approach proposes

⁵ McCormick Donald, "Spirituality and management," *Journal of Managerial Psychology* 9 No. 6 (1994): 5-8.

⁶ Double Richard. *Beginning Philosophy*, (Oxford University Press: 1999).

⁷ Dees Gregory and Starr J.A., "Entrepreneurship through an ethical lens: dilemmas and issues for research and practice," in *The state of the Art of Entrepreneurship* ed., Sexton Donald and Kasarda John (PWS-Kent Publishing Company, 1992), 89 -116.

⁸ Alexandra Andrew and Miller Seumas, *Ethical Theory and Practice* (Riverina, 1996).

⁹ Boylan Michael, *Basic Ethic*, (New Jersey: Prentice Hall, 2000).

¹⁰ Rossouw Deon, *Business Ethics in Africa* (USA: Oxford University Press, 2002),

that action should be appraised in terms of their effects on happiness¹¹. An action is morally right if it produces greatest benefits for the greatest numbers¹². This approach ignores minority and the actions which cost more than benefits.

Deontological theory judges rightness or wrongness based on the intrinsic goodness of actions. It proposes moral duties which must be fulfilled by the people in the society irrespective of its benefits and costs. Therefore, deontology proposes everyone to act virtuously all the times¹³. Deontology focuses on the specific actions of an individual which are evaluated through inherent rightness or wrongness of behavior in accordance with some predisposed set of ideas. For the discussion of ethics from religious perspective, deontology may be appropriate as religion prescribe some duties to human beings.

The applications of ethics have two perspectives namely moral objectivism and ethical relativism. They are the concepts of idealism and relativism respectively according to Schlenker and Forsyth¹⁴. Moral objectivism assumes moral truth that everybody will follow the same truth. In contrary, ethical relativism suggests that there cannot be definite and objective moral truth but moral truth vary across culture. Therefore moral truth is based on moral subjectivism as a result each person is entitled to his own beliefs and other individual cannot judge the morality of the person. Religious ethics reject this idea of relativism in a given culture. Idealism following a deontological route proposes that morally right behavior leads to good consequences, value positive relationships with others, have strong ethical beliefs, and like being well respected and having a sense of belonging and self-respect¹⁵. They are supported by moral codes comprising of the comprehensive and abstract principles that govern conduct in a given culture¹⁶. In contrast, showing reluctance in adhering to these idealistic norms for the sake of establishing a competitive advantage in a situation will result in a relativistic ideology. This is similar to teleology, where the evaluation process considers the perceived consequences of each alternative, the probability of occurrence, the desirability of consequences and the importance to

¹¹ Rachel James, *The Elements of Moral Philosophy* (New York: McGraw Hill, 1993).

¹² Weiss Joseph, *Business Ethics: A Stakeholder & Issues management approach* (Mason, Ohio: Thomson, South-Western, 2003)

¹³ Solomon Robert and Hanson Kristine, *Above the Bottom Line: An Introduction to Business Ethics* (New York: Harcourt Brace Jovanovich, 1983).

¹⁴ Schlenker Barry and Forsyth Donelson, "On ethics of psychological research," *Journal of Experimental Social Psychology* 13 (1977): 369-396.

¹⁵ Singhapakdi Anusorn and Vitell Scott, "Personal values underlying the moral philosophies of marketing professional," *Business & Professional Ethics Journal* 12 (1993): 91-106.

¹⁶ Wines William and Napier Nancy, "Towards an understanding of cross-cultural ethics: a tentative model," *Journal of Business Ethics* 11 (1992): 831-841.

each stakeholder group. Thus relativism rejects the idea of moral universality and individuals following relativism have weaker ethical beliefs¹⁷.

Hinduism and Business Ethics

Hinduism, based on Vedic philosophy, is considered to be the basic principle of the universe. It describes business ethics as application of principles of right social behavior. These were based on four ideals or goals of life: prosperity, satisfaction of desires, moral duty and spiritual perfection by liberating from a finite existence. These four ideals emphasize on certain virtues: honesty, righteousness, non-violence, modesty and purity of heart¹⁸. Prominent concept of *Dharma*, as enshrined in Hindu *Shastras* has been explained as all actions which help the long-term 'upliftment' of all living beings and "welfare of society". They include righteousness: the right path to uphold the family, organizational and social fabric; work is not just for private gain, but also for public good, and judicious use of resources by preserving them for future generations¹⁹

*Sarve bhavantu sukhina, sarve santu niramaya
Sarve bhadrani pashyantu, ma kascit dukha bhaga bhavet
(May all be happy, may all be free from disease
May all have well-being and none have misery of any kind)²⁰.*

Sharma²¹, based on Veda, proposes that individuals and corporate actions should be driven by 'welfare of all' and 'survival of all'. Wealth generation should be driven by dharma or ethical ways. Some of the principles are detached action (*Nishkama Karma*) without longing for immediate results and 'work is worship'. Avoidance of the extremes as in Buddha's middle path implies balancing and steering through the middle or alternative approaches to the extreme solutions.

¹⁷ Rawwas Mohammed, Patzer Gordon and Klassen Micheal, "Consumer ethics in cross-cultural settings: entrepreneurial implications," *European Journal of Marketing* 29 7 (1995): 62-78.

¹⁸ Nath Rajakishore, "Ethics, management and religion," *Apeejay Business Review* 9 162 (2008): 49-57.

¹⁹ Bhasin Madan, "Dharma, corporate governance and transparency: an overview of the Asian market," *International Journal of Business Management* 5 6 (2010): 56-73.

²⁰ *Brihadaraanyaka Upanishad* 1.4.14 from <http://www.venetiaansell.wordpress.com/2008/10/22/a-sanskrit-potter/> (Accessed December 5, 2012)

²¹ Sharma Subhasan, "Corporate Rishi leadership model: an Indian model for corporate development & ethical leadership" In *Human Resource Development in Asia: Trends & Challenges* Pareek Udai, Osman-Gani Aahad, Ramanarayan, S. and Rao T.V. eds. (Oxford & IBH, 2002): 291-296.

Vedic principle is superior value system which drives the right objectives. Vedas support the concept of accumulation of wealth through right path and serve the needs of the society. Similarly, the Vedic philosophy proposes the right action on the use of wealth – on self, commotion and donation for the welfare of others. Disorder in business practices is expected to follow the law of karma- action and antecedent result²².

Sharma and Talwar²³, based on literature review, state that Vedas advocate for minimum accumulation, mutual cooperation and maintenance of natural harmony. The principal role of money (*Artha*) is to serve the needs of the society: the best use of the money is donation for the welfare of others. Vedas imply that money should not cause any adverse impact on any living being. It should be earned through our own efforts through legitimate virtuous means. The earning process should not impede learning process. In this line, Vedic economy emphasizes on the following four concepts to be observed by the business organization for its growth and prosperity: sacrificing individual desires in favor of community benefits, preferring of long-term benefits over short-term gains, sharing the business prosperity with all the stakeholders of the business, and non-disturbance of anything in the environment.

Buddhism and Business Ethics

According to Buddhism, right livelihood provides moral guidelines for business conduct. Right livelihood is defined as earning a living responsibly and in a righteous way by accepting the consequences of one's actions. Wealth is acquired only by legal means and taking only a fair share of the earth's resources peacefully, without coercion or violence; honestly, not by trickery or deceit. Acquiring wealth through such practice do not entail harm and suffering for others²⁴.

From the Buddhist perspective, the work of an entrepreneur is to achieve moral objectives through economic means. In contrast the entrepreneurs who have greater attachment to material phenomena as propagated in individualistic and materialistic economics will create pervasive suffering (*Dukka*). Therefore, according to Buddhism, entrepreneurs should adhere to a lifestyle, where material well-being is necessary only up to the point of basic

²² Muniapan Balakrishnan and Dass Mohan, "Corporate social responsibility: a philosophical approach from an ancient Indian perspective," *Int. J. Indian Culture and Business Management* 1 4 (2008): 408 – 420.

²³ Sharma A.K. and Talwar Balvir, "Insights from practice corporate social responsibility: modern vis a vis Vedic approach," *Measuring Business Excellence* 9 1 (2005): 35 - 45.

²⁴ Valliere Dave, "Exploring Buddhist influence on the entrepreneurial decision," *International Journal of Entrepreneurial Behavior & Research*, 14 3 (2008): 172 - 191

human need fulfillment. This type of life style refers to “middle way”. This explanation was mentioned in ethical qualities derived from the Second Noble Truth (that suffering derives from ignorance, craving, and the quest for private fulfillment via attachment to the material universe)²⁵. Therefore, ethical qualities are based on loving, kindness, compassion and altruistic joy through the welfare of others.

The use of Buddhist principles in business has been mentioned in the studies of Buddhist economics²⁶. Buddhist economics focuses on moral imperatives such as earning rightfully, use of resources correctly and market appropriately. It views the function of work as a chance to utilize and develop ones' and others' faculties and to bring needed goods and services into existence. The values of goods are not considered simply for the immediate satisfaction of consumers' desires but as short and long-term individual and social well-being resulting from consumption. Similarly production is not only the creation of new goods, but the active conversion of one state of the world into another. Therefore, production is justifiable only when the value of the thing produced exceeds the value of the thing destroyed²⁷.

The karmic laws of Buddhism support aversion of conflict and provide and guide behavior by not offending others through promoting compassion-based collectivism and strong moral maxims. Applications of this law encourage unselfish individual behavior that will benefit the community as a whole²⁸. It also promotes action in favor of welfare of the community and prevents the loss of market incentives, inefficiencies, and other development constraints from the formation of corrupt and exploitative power elites²⁹.

METHOD

Instrument

Similar to Vedic philosophy of right living, Payutto³⁰ based on Buddhism mentioned about two different kinds of drive for economic decisions for earning and uses of wealth: 1) *Tanha*, (*Trisna* in Sanskrit) the desire for pleasure objects consists of greed and self centered materialistic attitude which results in blind

²⁵ Payutto Prayudh, *Buddhist Economics: A Middle Way for the for the Market Place*. Buddha Dhamma Foundation, 1994)

²⁶ Alexandrin Glen, “Elements of Buddhist economics,” *International Journal of Social Economics*, 20 2, (1993): 3 – 11; Schumacher Ernst, “Buddhist economics,” *Parabola* 16 1, (1991): 63-69.

²⁷ *Ibid.*, Payutto

²⁸ Coldarola Carlo, *Religions and Societies: Asia and the Middle East* (Mouton Publishers, 1982).

²⁹ Evers Hans-Dieter., “Modernization in South East Asia”, In *Introduction in Ever H.* ed. (Oxford University Press, Singapore, 1973): xii – xix.

³⁰ *Ibid.*, Payutto

craving and ambition leading to restlessness or thirst. The desire of *Tanha* is detrimental to the quality of life. For example, consumptions of food due to overwhelming *Tanha* in search of deliciousness for sensory pleasure result in over consumption, indigestions, obesity, depletion of natural resources, crime and corruption. 2. *Chanda*, (a pali word to denote desire to do and wish to make spiritual progress) the desire for well being through right life style is directed towards benefits which results to effort and action, and is founded on intelligent reflection. Consumption of food with the intentions of *Chanda* contributes to nutrition and health to obtain the physical and mental energy necessary for intellectual and spiritual growth. Similarly, *Tanha* driven economic decisions result in destruction of true well being, because they create artificial value such as fashion, luxury and status symbol. In contrast, *Chanda* creates true value which leads to achievement of real purpose. Similarly, work done from the desire for true well being (*Chanda*) result in satisfaction from the performance and progress. In contrary, work carried out due to *Tanha* will be considered as compulsion for fulfillment of desire to consume. As a result, works itself will not satisfy the person but by the consumption which are possible only after its accomplishment. In such situation, people may find alternative means to be able to consume rather than complete the tasks willfully and skillfully. Besides not being obsessed with consumption for oneself, business person should not emphasize and promote extravagant values in consumers through advertisement because the tendency to consume extravagantly for artificial value (*Tanha*) will lead to wastage of natural resources which is detrimental to quality of life.

Part I of instrument was developed with nine items in semantic differential scales to measure attitudes towards *Tanha* versus *Chanda* driven consumptions, business conducts and business motives. The scales were anchored on seven point scale. Five statements were placed in reversed scales indicated by (R). One extreme reflects completely *Tanha* (craving, greed and self centered materialistic attitudes) versus *Chanda* (true well being through right life style) in other extreme of the scales. The followings were items and phrases:

	1	2	3	4	5	6	7	
1. <i>I like delicious food</i>	-	-	-	-	-	-	-	<i>I like nutritious food(R)</i>
2. <i>I wear clothes for protection</i>	-	-	-	-	-	-	-	<i>I wear clothes for fashion</i>
3. <i>I use automobile for mobility</i>	-	-	-	-	-	-	-	<i>I use automobile for luxury</i>
4. <i>I want to live a comfortable life</i>	-	-	-	-	-	-	-	<i>I want to live with social show off</i>
5. <i>I want to earn just</i>	-	-	-	-	-	-	-	<i>I want to earn as</i>

<i>enough</i>		<i>much wealth as possible(R)</i>
6. <i>I want to be free from blame and shame</i>	- - - - -	<i>No matter what, earning is my goal (R)</i>
7. <i>Work is a development</i>	- - - - -	<i>Work is a compulsion (R)</i>
8. <i>My business does not harm any</i>	- - - - -	<i>No business without harming others</i>
9. <i>I influence customers to buy goods for social show off</i>	- - - - -	<i>I never influence customers to buy goods for social show off (R)</i>

In addition, Buddhism stresses four areas of skills of using wealth³¹. The people following *Dharma* secure wealth rightfully without exploitation but through effort and intelligent action in morally sound way. They save, use and protect wealth as an investment for the further development of livelihood and as an insurance against future adversity. When the wealth gets saved after meeting these two needs, the wealth may be used for creating social benefits by supporting community works. Thus, they should use the wealth to support oneself first and then one's family and then to support the interest of fellowship and social harmony such as community welfare projects. In other words one should produce one's own benefit first in order to self reliantly lead a simple life by supporting dwelling, clothing, and medicine to relieve from physical discomfort and painful feelings such as hunger in order to live comfortably enough to practice higher level of self development. This practice will not burden others but the person will be able to look after the people dependent on them such as their families, participate in social services and help support the dissemination of *Dharma* for a better life. However, they should not be obsessed with wealth by causing it as source of worry and anxiety. These principles were similar to Vedic economics and Hindu way of earning and using wealth³².

Those who seek wealth lawfully, and in so doing provide happiness for themselves and others; they share it and perform meritorious deeds – moreover,

³¹ Numkanison Subhavadee, "Business and Buddhist ethics," *The Chulalongkorn Journal of Buddhist Studies* 1 1 (2002): 39 – 58; *Ibid.*, Payutto

³² *Ibid.*, Sharma and Talwar; *Ibid.*, Muniapan and Dass

they are not attached to or infatuated with their wealth, they are heedful of its dangers and they possess the insight that leads to spiritual freedom³³.

Based on these principles, the following ten statements were developed for II part of the instrument. These items reflect where and how to use wealth formatted on rank order scale. The respondents ranked these statements in order of their preferences.

1. *I spend for being individually self reliant with food, shelter, safety and security*
2. *I spend for providing food, shelter, safety and security to sons and daughters*
3. *I spend for providing food, shelter, safety and security to father and mother*
4. *I spent for providing food, shelter, safety and security to other family members*
5. *I spend for providing food, shelter, safety and security to servants and workers*
6. *I spend for providing food, shelter, safety and security to friends and associates*
7. *I pay tax as per law of the states to contribute in development programs of government*
8. *I spend for contributing in community development activities*
9. *I never spend more than my income by taking loan*
10. *I spend in contributing in the activities of conservation of natural and cultural heritage*

Along with two parts of the questionnaire, demographic factors (sex, age, ethnicity and castes, religion, place of origin, years of business operation, and number of employees in the business) were also included in the questionnaire. The instrument was tested in a survey of 10 small business owners. After a minor changes in the statements based on their feedback, the questionnaire was finalized for a survey. Then survey was conducted on 300 business owners in their business locations or offices who seem to operate small firms. The questionnaire was in Nepali.

³³ *Samyutta Nikaya IV 331; Aanguttara Nikaya.V.176* 10th level of householders (Kamabhogi) form Payutto, 93.

Survey

Six MBA students surveyed 50 respondents each. The most of questionnaires were administered in different places in Kathmandu valley. Twenty-two questionnaires were administered outside the valley.

The participants

The profile of respondents was presented in Table 1. A majority of them were male (86.1%).

Table 1: Profile of Respondents

Demographics	Profile	Number	Percentage
Sex	Male	258	86.1
	Female	42	13.9
Age	19 - 30	110	36.8
	31 to 40	104	34.8
	41 to 50	66	21.9
	51 to 65	20	6.5
Ethnicity and castes	<i>Brahmins</i>	77	25.7
	<i>Chhettris</i>	59	19.7
	<i>Newars</i>	117	39.0
	Others	47	15.6
Religion	Hindu	233	77.7
	Buddhist	60	20.0
	Others	7	2.3
Place of origin	Kathmandu	143	47.7
	Outside Kathmandu	157	52.3
Number of employees in business	Less than 6 employees	125	62.5
	6 to 10	36	18.0
	11 to 50	33	16.5
	More than 50	6	3.0
Number of years of business operation	1-3	55	27.4
	1 to 5	39	19.4
	6 to 10	49	24.4
	11 to 20	42	20.9
	21 to 45	15	8.0

The majority of the respondents (71.6%) were between 19 to 40 years of age. They were *Brahmins* (25.7%), *Chhetris* (19%) and *Newars* (39%) who are considered elite communities. Most of the respondents (77%) were Hindu by religion. Buddhist represented only 20%. Almost 50% of the respondents were residing in Kathmandu valley as their place of origin and the rests were recently migrated from other districts to current business locations. Majority of businesses (62.5%) had a maximum of five employees. About 47% of these businesses were younger (up to five years of operation).

Data analysis

The responses to the first nine items measuring attitudes towards *Chanda* vs. *Tanha* placed in two extremes in semantic differential scales anchoring 1 to 7 were analyzed through mean. Five items placed in reversed side were recoded into right orders. The mean scores of four and less than four were considered *Chanda* life style and those exceeding four indicate *Tanha* life style. One-way ANOVAs were used to determine the significance of mean differences of identified factors across sex, age groups, ethnicity and castes, religions, places of origin, years of business operation, and number of employees in the business. Significant mean differences were presented and discussed in this paper. The II part of the questionnaire was on rank order scale. Friedman tests were run to determine the rank orders of ten items and then the ranks were compared with the religious principles. Kruskal Wallis tests were carried out to determine the differences in the mean rankings of 10 items across demographic and business categories. The results with significant differences were presented and discussed in the following sections.

FINDINGS AND DISCUSSION

Mean scores of nine items were calculated to determine whether the business owners' attitudes were towards *Chanda* or *Tanha* in their consumptions, business conducts and business objectives. Table 2 indicated the results. The mean score of seven items were less than midpoint four which indicated that the respondents have positive attitudes towards *Chanda* life style. However, higher than four mean scores in item five and nine indicated that the respondents have craving attitude towards earning unlimited wealth and promoting the products with materialistic values. Overall mean score of the nine items combined entitled *Chanda* vs *Tanha* was also below midpoint (3.25). The results indicated that the entrepreneurs have positive attitudes towards adhering to right life style as prescribed by religious moral imperatives than materialistic well being but they crave for wealth maximizations mainly through promoting materialistic values on consumers.

Table 2: Means and standard deviations of items and *Chanda vs Tanha*

Items and factor	Mean	Std. Deviation
1 Nutrition vs. Delicious food	3.61	1.95
2 Clothes for protection vs. fashion	3.22	1.95
3 Automobile for mobility vs. luxury	2.48	1.82
4 Life for comfort vs. social status	3.31	2.11
5 Strive for limited vs. unlimited wealth	4.38	2.19
6 Blameless life vs. no matter what	2.50	1.97
7 Work for development vs. as compulsion	2.73	1.96
8 Business without harming others vs. no harm no business	2.86	2.02
9 No influence to customers for social status through promotion vs. other wise	4.14	2.17
10. <i>Chanda vs. Tanha</i>	3.25	1.06

One-way ANOVAs (Table 3) were used to explore the mean differences of these nine items across different respondents. None of the means differ significantly across sex, age, ethnicity and caste, religion and places of origin of the business owners.

Table 3: One Way ANOVAs and mean scores of items

Items		Mean	F	Sig.
Strive for limited vs. unlimited wealth	Less than 6 employees	3.98	3.006	.032
	6 to 10	4.69		
	11 to 50	4.76		
	More than 50	6.17		
No influence to customers for social status through promotion vs. other wise	Less than 6 employees	3.74	4.301	.006
	6 to 10	4.19		
	11 to 50	4.94		
	More than 50	5.17		

<i>Chanda vs Tanha</i>	Less than 6 employees	2.92		
	6 to 10	3.19		
	11 to 50	3.21		
	More than 50	3.55		
			1.688	.171

The mean scores of wealth maximization were significantly high among the firms having more than five employees ($F=3.006$, $p = .032$) and the means were progressively higher when number of employees in the businesses increases. Similarly, mean scores of marketing of materialistic values on customers were also significantly high among the larger firms ($F=4.301$ $p = .006$). Therefore, the larger the size of businesses in terms of number of employees, the higher were the extent of craving for wealth maximization and indulging in marketing promotion of materialist values.

The study results indicated that Nepalese small firms are ethical in their business conducts because they did not intend to harm others, wanted to be free from blame and shame, and considered work as development. They also considered that owning a luxury automobile is extravagant. This negative attitude towards owning automobile for luxury may be attributed to the fact that owning such type of cars is out of reach for many small firm owners. Similarly, the small firm owners are not materialistic and extravagant in their consumptions.

Nevertheless, the small firm owners have slight craving attitudes towards earning unlimited amount of wealth in contrary to religious principles of accumulating minimum wealth just enough to meet basic human needs. The business owners prefer to promote materialistic value to consumers for marketing promotion. The motives of earning unlimited wealth were high especially among the firms having large number of employees as supported by the fact that the larger firms tend to be materialistic and focus on economic rationalization³⁴. This may be because entrepreneurs need to make profit for survival and growth³⁵. The firms demonstrated religious ethics as prescribed by Hinduism and Buddhism in their attitudes towards right life style and ethical business conducts to gain the wealth maximization objectives.

The second part of the questionnaire was in rank order scale for 10 items for the uses of wealth. The mean ranks were calculated using Friedman test

³⁴ Reche, Matias, Morales Gracia and Manzanaces, "Entrepreneurial size, complexity and decentralization of decision making in the use of temporary help workers in Spain", *The International Journal of Human Resource Management* 19 10 (2008): 169-187.

³⁵ Longnecker Justin, McKinney Andrew and Moore Carol, "Egoism and independence: entrepreneurial ethics," *Organizational Dynamics* 16 3 (1988): 64-72.

for the non parametric scale. The respondents preferred to follow religious principles while using wealth: first preference was on nurturing self, followed by nurturing their children, parents and family members respectively. The next preferred mode of using wealth was to be free from debt by not spending more than what they earn. However, they have less preference to take care of their employees and friends. Instead they preferred to pay tax and contribute in community development activities. The table No.4 indicated that the business owners give last priority to spend for conservation of natural and cultural heritage. These findings indicated that the small firms have less priority in fulfilling their responsibility towards their employees, their friends, and cultural and environmental protections.

Table 4: Friedman test ranks of items of uses of wealth

Statements	Mean Rank	Observed Rank
1. Nurturing self	3.26	1
2. Nurturing own children	3.41	2
3. Nurturing own parents	3.60	3
4. Nurturing other family members	4.77	4
5. Nurturing servants and employees	6.86	8
6. Nurturing friends and associates	7.07	9
7. Paying tax to serve the country	6.15	6
8. Contribute in community welfare	6.66	7
9. Free from debt by not spending more than income	5.68	5
10. Conserve natural and cultural heritage	7.55	10

Chi-Square =781.673, df=9, Asymp. Sig.= .000

Kruskal Wallis tests (Table 5) were run to determine differences in the mean rankings across demographic groups and business size. Significant differences in the mean rankings were not found except in the following items:

Table 5: Kruskal Wallis Tests of some items

Items	Particulars	Mean Rank	Chi square	df	p
Nurturing own parents	<i>Brahmins</i>	160.76	9.553	3	.023
	<i>Chhetris</i>	140.70			
	<i>Newars</i>	150.56			
	<i>Others</i>	145.86			
Kruskal Wallis test results					

Nurturing other family members	<i>Brahmins</i>	181.48			
	<i>Chhetris</i>	143.55			
	<i>Newars</i>	143.34			
	Others	126.30			
	Kruskal Wallis test results		15.053	3	.002
Nurturing servants and employees	Kathmandu	137.41			
	Outside Kathmandu	162.43			
	Kruskal Wallis test results		6.343	2	.012
Contribute in community welfare	<i>Brahmins</i>	165.12			
	<i>Chhetris</i>	142.64			
	<i>Newars</i>	135.68			
	Others	173.29			
	Kruskal Wallis test results		9.538	3	.023

The business owners from Kathmandu valley as their place of origin supported their employees more than migrants as indicated by the corresponding mean ranks which were significantly different (Chi square = 6.343, df= 1, p = .012). Similarly, *Newars* followed by *Chhetris* preferred more to make contributions in community development than rest of the groups (Chi square = 9.538, df= 3, p = .023). Mean ranks of nurturing parents differed significantly among ethnic and caste groups (Chi square = 9.553, df= 3, p = .023). *Chhetris* and other ethnic groups care their dependent parents more than *Brahmins* and *Newars* do. Similarly preferences on caring family members were the highest among other ethnic communities than the elite caste groups and *Newars* (Chi square = 15.059, df= 3, p = .002).

In short, this study indicated that the small firm owners prefer to use their wealth as prescribed in religious principles. They like to spend their wealth for self nourishment in order to be capable to nurture dependent family members. However as against the religious principles of contributing to progress of all and social welfare, they have less priority in nurturing their servants, employees, friends and associates. They have the least priority in contributing to conservation of natural and cultural heritage. They prefer to be free from debt by not spending more than what they earn. This behavior will make them free from anxiety of paying loan. They prefer to pay tax to help the government to comply the law. They prefer to spend on philanthropic activities for community development.

There are slight variations in their priorities to support their family members across different castes and ethnic groups. Overall the respondents indicated high preference to support their family members but less priority to support people outside their family such as employees and neighbor and culture and environment conservation. This type of behavior may foster hostility and mistrustful atmosphere in the society, widen gap between elites and poorer people

and deteriorate natural environment and culture heritage. These behaviors are contrary to the religious principle of welfare of all.

IMPLICATIONS

The findings of research indicated that small firm owners and managers have intention to follow ethical norms in their business conducts by not being deceitful and harmful to others. They appeared to be following middle path life style in consumptions. But they seem to have craving attitudes towards wealth maximization by indulging into promotion of materialistic values to the customers especially among larger firms. Less priority given to supporting employees, friends, associates, natural conservation and cultural heritage conservation by these small firm owners indicated their poor inclination to serve the society. Such attitudes may increase injustice to the weaker sections of the society and is against spirit of progress for all. Therefore this study has implication to ethical human resource management, marketing promotion and environmental protection.

However, being benevolent to stakeholders and society may erode the competitiveness and financial performance of firms. Striking a balance between these two aspects demands an innovation in order to create good economic and social returns³⁶. For this purpose managers should be aware of value of being socially responsible and be able to apply corresponding business policy, plans and process in the business.

This study indicated that larger firms tend to have more craving attitudes for wealth maximization and promotion of extravagant values among customers. Therefore replicating this study in larger business firms and corporate sector is recommended to confirm whether larger firms indeed are selfish and less ethical. The instruments developed for this study need to be replicated to establish its construct and content validity. The instruments can be used in any people irrespective of their religious dominations to assess their attitudes towards *Chanda* life style and business conducts in order to assess their inclinations towards right livelihood, natural and social conservations. In this study ethics were measured using idealistic principles using deontological perspective. A study on whether the people with *Chanda* ethical attitudes make ethical business decision when they face ethical dilemmas using relativists approach is necessary to improve validity of the findings of this study.

³⁶ Martin Roger, "The virtue matrix calculating the return on corporate responsibility," *Harvard Business Review* March (2002): 69-75.