

# Ethical Business Development In Bangladesh Following The Japanese Business Philosophy

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**1. Definition :** How should we define ethical business ? Ethical business should be defined as: to produce and sell some products or services for the benefit or welfare of the mankind and the nature. In brief we can define it as service for the benefit of mankind and nature and thus we can name ethical business as “**serbman**” (‘ser’ from service, ‘b’ from benefit, ‘ma’ from mankind and ‘n’ from nature).

## **2. Japanese Business Philosophy :**

I have been inspired by the great business philosophy of Konosuke Matsushita, the founder of Matsushita Electric Co. which is a famous electric company of Japan having annual sales of over US\$ 50 billion. He is one of the most famous businessmen of Japan who is known as a “philosopher – businessman”.

According to his philosophy we should achieve the following 5 objectives by doing business :-

- (1) We serve the people by providing better products or services at a cheaper price. People should get the feeling of satisfaction by our better product at a cheaper price. Thus, even the poorer people will be able to afford them.
- (2) We give employment to the people through our business. In any developing country, employment generation is one of the greatest virtues. Thus, we serve the society by reducing unemployment.
- (3) We provide safety and security to our employees providing them medical care, provident fund, insurance and other possible social benefits.
- (4) Out of our profit we pay the corporate tax (30% to 45%% as the case may be) and income tax out of which the government makes roads, schools, colleges, hospitals and other social welfare jobs. So, it is the business society which is making maximum contribution to the development of the country.
- (5) We try to preserve the nature as far as possible. There may be some industries having harmful effects on nature, but we should strictly observe the rules and regulations to protect the Mother Earth.

## **3. How Matsushita Dealt with the Crisis :**

Konosuke Matsushita started his electric company in the year 1917. By the year 1929, his Matsushita Electric Company has grown quite large. But the great economic depression started in 1929 as a result of which sales dropped considerably and unsold goods stockpiled. Many companies retrenched their employees and the government started austerity policy in every sphere by which depression worsened.

Matsushita thought about the problem very seriously and has taken the following steps :

- (1) **No Dismissal :** He started cutting production by half. but he did not dismiss even one employee. He allowed them to work for half day with full wages, but they were asked to make a sales drive of unsold goods without taking any holiday. The employees felt grateful not being retrenched in such a depression period and they tried their best to sell the unsold stockpile of goods.

The sincere effort of the employees bore fruits and within a year unsold goods were sold out.

- (2) **Matsushita's Anti-Depression Strategy :**

**(A) No Austerity :** Matsushita thinks that austerity in fact causes the depression to worsen. Because, due to austerity economic activities are reduced and unemployment soars causing economic hardship to the people.

Matsushita thinks that when the goods are abundant, then the fundamental economic principle should be to increase production and consumption keeping the economy moving.

The rich people should continue the economic activities, such as, buying things, making houses, buildings etc., otherwise poor workers engaged in the construction work will not get any job increasing their economic hardship.

Building a house during depression is a good case of killing two birds with one stone, because a person can make the house cheaper and he can reduce the economic hardship of the poor workers.

**(B) Pricing Policy during Depression :** During depression due to cut-throat competition, prices are cut so low that it becomes impossible to make even a modest profit. But Matsushita thinks that a price that does not represent a reasonable profit margin added to the cost, violates all the rules of business and sound business management.

**(C) Lessons from the Depression :** Matsushita thinks that the depression taught him a great deal and helped him to develop firm principles of personal management. One of the most effective tests of his workers' dedication and resourcefulness are imposed when their company encounters financial difficulties and they must pull itself out of the crisis.

#### **4. The Spirit of Management :**

Matsushita thinks that as religion is a holy pursuit aimed at guiding people out of sufferings and toward happiness and peace of mind, so his business too is sacred in the sense that industry provides necessities of life that sustain and improve man's existence.

Indeed, the ultimate aim of production is to wipe out poverty and create prosperity. There is an old saying in Japanese that poverty is harder to bear than a thousand illnesses. Eliminating poverty is a sacred task, the loftiest purpose in life. To achieve this we must work hard and produce a great abundance of goods; this is our mission. Production aimed at enriching the life of every person on earth is the sacred mission of a manufacturer. Not only spiritual peace but material abundance is necessary if the quality of human life is to be better and people are to be happier,

Failures in business are caused by self-centeredness, lack of righteousness, ignorance of the sacred mission of business, treating business as a short-sighted profit-making endeavor, and clinging to outmoded practices.

It may be mentioned that no matter how valuable a product may be, it can be supplied to consumers at an extremely low price if it is manufactured in large volume. And when poverty is eliminated, so will be the stresses and grief that derive from it.

The mission of a manufacturer is to overcome poverty, to relieve society as a whole from the misery of poverty and bring it wealth. How ? By producing goods in abundant supply.

This is what the entrepreneur and the manufacturer aim at ; to make all products as inexhaustible and as cheap as tap water. When this is realized poverty will vanish from the earth.

#### **Believe in the Abilities of People :**

We should believe in the abilities of people than from being constantly wary of their weaknesses. If you become preoccupied with people's inadequacies, you cannot get them to work for you without constant anxiety about whether they will fail you or make a grave

error. This not only causes immense mental strain; it can also rob your management of boldness and courage, and the business will not grow as you would like it to.

We should make rule to focus on the strengths and talents of our employees rather than on their weaknesses. We could entrust tasks to others with confidence; we should know that this man could be trusted to do that job, this fellow is good at such-and-such and able to take charge here, this man is right for section chief, or this branch would do fine if so-and-so is in charge.

## **5. Guiding Spirit of a Company :**

**The guiding spirit of a Japanese Company is as below :-**

- (1) **Service to the Public :** We shall fulfil our responsibilities to the public by providing high quality goods and services at reasonable prices, thereby contributing to the well-being and happiness of people throughout the world.
- (2) **Fairness and Honesty :** We shall be fair and honest in all our business dealings and personal conduct, always making balanced judgments free of preconceptions.
- (3) **Teamwork for the Common Cause :** We shall pool our abilities and strength of resolution to accomplish our shared objectives, in mutual trust and full recognition of individual autonomy.
- (4) **Untiring Effort for Improvement :** We shall strive constantly for improvement of our corporate and personal performances, even in the worst of adversity, to fulfil our mission to realize lasting peace and prosperity.
- (5) **Courtesy and Humility :** We shall always be cordial and modest and respect the rights and needs of others, to help enrich our environment and maintain social order.
- (6) **Accord with Natural Laws :** We shall abide by the laws of nature and adjust our thought and behavior to the ever-changing conditions around us, to bring about gradual but steady progress and success in our endeavor.
- (7) **Gratitude for Blessings :** We shall forever be grateful for all the blessings and kindness we have received , so that we may live with peace, joy and strength and overcome any obstacles we encounter in the pursuit of true happiness.

## **6. The Present Situation of Business in Bangladesh :**

- (1) **Objectives of Business :** We have seen the Japanese business philosophy and their objectives. The objectives of business should be same all over the world. The development of Bangladesh largely depends upon the development of business and commerce in the country. It is a universal truth that if we do not follow the business ethics and the code of business, then real business development is not possible. The objectives of business, like Japan, should be to give service for the benefit of the people of Bangladesh by providing better products at a cheaper price and generating employment with a view to alleviating poverty.

In our religion also a very high honour is given to the honest businessmen. Our prophet has said that those who do business in an honest and ethical way, in the next world they will live in heaven with him. So, we can see how much high esteem is given to an ethical businessman.

- (2) **General Opinion about Businessmen in Bangladesh :** It is very unfortunate that general opinion about business society in Bangladesh is extremely poor. Whenever

people discuss about business, they talk about bank defaulters, tax evaders, black marketeers, smugglers, fraudulence and cheating in business in various ways, illegal procurement of business, undue political influence in business, bribery, partiality etc. We are ashamed of mentioning that Bangladesh has been the most corrupt nation in the world for last 3 years consecutively and so it is evident that corruption has become rampant among government officials, politicians and the business society.

In this crucial juncture of the country, we should think over the matter very seriously and we must evolve a way out.

- (3) **Ideal Business Society** : Fortunately it is true that there are many honest, ethical, sincere and hardworking businessmen in the country by whose virtue the country is leaping forward. The contribution of these honest businessmen can never be denied and the country's survival depends upon these dedicated businessmen. Let us show our respect and gratitude to these great businessmen.

Here we can mention about the businessmen in the garment sector. Most of them are working very hard. Both in the employment and in foreign exchange earning, this industry is by far in the top position employing about 2 million workers most of whom are girls from the poor class and this industry is also earning about US\$ 6 billion which is about 75% of this country's total export earning. This is a spectacular success and without this success Bangladesh would have not been a viable country where foreign exchange is meagre and unemployment is a burning problem.

In this moment I remember the name of Late Mr. Nurul Quder Khan, pioneer of this industry who had great vision and innovative idea to start this export industry 25 years ago. We should be grateful to this great business leader for his immense contribution.

We also find many other successful business sectors where many honest business leaders are working hard to provide better product at a reasonable price and creating job opportunities. We can mention pharmaceutical industry, ceramic industry and cement industry which are quite successful to produce excellent products for both local and foreign markets. Contribution by these industrial sectors are also very praiseworthy.

Besides these sectors, service industries, such as, private banks and insurance companies have shown considerable success for last few years.

We should express our sincere gratitude to the honest and hard working businessmen whose contribution to the development of the country is really commendable. We should express a high regard towards the ethical businessmen of our country so that they get encouraged to continue their effort for the development of our country.

- (4) **Future Business Possibility in Bangladesh** : Bangladesh needs ethical business development in the country to alleviate poverty and for the real growth and prosperity. As the unemployment is soaring, we need some new industrial sectors like garment for greater employment generation. Agro-based and food related industries can be the best sources of employment generation both in urban and rural areas. Besides employment generation, successful industries in this sector can provide inexhaustible supply of food items at a cheaper price eliminating poverty at a very fast rate. Moreover, this sector has a great potentiality of export of food items earning valuable foreign exchange.

I think the agro-based industry is the best sector of the country with the greatest possibility of competing with China, India and other countries which make goods with very competitive price. The success in this sector lies in the facts that Bangladesh has plenty of fertile land, abundance of water and sunshine and very cheap labour. Utilizing these God-gifted resources successfully, we should be able to produce inexhaustible quantity of goods eliminating poverty completely in a very short time. In my opinion this is the sector where Bangladesh has got the best possibility.

IT is another sector which is equally important. This sector is very vital because of the two reasons, namely, firstly, there are plenty of educated but unemployed people who

can be readily trained for this high tech job. If properly organized this sector can earn a lot of foreign exchange which can surpass even the garment sector. Secondly without the development of IT, Bangladesh cannot survive as a nation in the modern world specially at this very fast growing technological development of robot technology, gene technology and many other new innovative technologies.

I think there are some other very potential sectors in the country such as, leather, jute & jute goods and tea sectors. We should try to develop these sectors, because in these fields also we have cheap raw materials and cheap labour. There is immense possibility that we can successfully compete in these industries.

Besides these, there are 3 very important sectors, viz. education, health and communication where both the Govt. and the private sectors should come forward equally to contribute in these vital fields. It is a matter of great encouragement that plenty of educational institutes such as, private universities and colleges have been established during last few years. The Govt. must be strict in maintaining the quality of education of these newly established institutions. In the health sector, a lot of medical clinics, hospitals and diagnostic laboratories have been established. But there are complaints that many of these institutions are poor in giving quality services. There must be government or international organizations to ensure the quality services of this sector.

In this crucial juncture of the country, we need many visionary business leaders like Nurul Quader Khan to open up some new industrial sectors as successfully as garment sector. In order to open any new industrial sector successfully, Govt. help in infrastructure development and in maintaining strict law and order situation is extremely vital. If proper support is given, the people of Bangladesh can be successful in opening many new industrial fields very successfully. It can be mentioned here that corruption-free and terrorism-free business atmosphere can attract foreign investment considerably. As in Bangladesh the labour is very cheap, some of the raw materials are plentifully available and the people are very friendly, there is an immense possibility of foreign investment here. To increase the FDI even by 10 times should not be a problem, because now money is in excess in advanced countries which are looking for countries with good governance to invest their money if there is a chance of a good return. Thus by creating a congenial atmosphere the rate of development of Bangladesh can be increased many folds.

For the rapid development, Bangladesh badly needs some visionary political leaders like Lee Kuan Yew and Mahathir Mohammad who will lead the country towards the path of prosperity freeing it from shameful corruption and terrorism.

Dear business leaders, I strongly believe that ethical business development in Bangladesh can play a great role for the true prosperity of the country. Please note that the development of Japan was mostly done by the business community. So, following the business philosophy of Japan let us work unitedly for the development of our country.

Let us work hard hand in hand to achieve this goal.

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