INTERNATIONAL CONFERENCE ON INNOVATION AND RE-ENGINEERING OF MANAGEMENT PRACTICES FOR SUSTAINBILITY

TOPIC:-Business And Professional Ethics-The Indian Ethos with special reference to Kautilya's Arthashastra

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ABSTRACT:

The paper tries to focus on how to be a good person, how to live a good life and how to help create a good society through ethical business practices. It also focuses on the concept of Corporate Social Responsibility (CSR). It focuses also upon business houses and their work in relation to the larger social,ethical, human context and environmental concerns through the ancient scriptures, morals and practices enshrined in them. Much of modern management principles existing today can be derived from the body of knowledge of the Ancient Indian scriptures. Through the wisdom of ancient Indian scriptures, the existing modern management paradigms can be made more sustainable in practice. The spiritual wisdom of the Vedas, Upanishads, Bhagvad Gita, and the Gnomic and Didactic poetry of the Subhasitanis, Panchatantra Hitopadesh, Jatakakathas and last but not least, 'The KautilyanArthashastra' and its maxims not only promote a more ethical and responsible leadership on an individual or institutional level but also move towards the direction of restoring world peace and a better world economic order through coupling globalization with spiritual congruence. It is time that modern management thinkers should embrace the importance of ancient Indian ethos in filling the gaps that exist in the existing paradigms of leadership and management in running and conducting business ethically and morally based on values.

KEY WORDS: Indian ethos, scriptures, Arthashastra, Didactic poetry, CSR.
INTRODUCTION:

Management is the process of arranging and supervising work activities in organizations so that their goals are achieved 'efficiently and effectively'. Modern orgnisations are of different kinds: government departments, educational institutions, charitable or not-for-profit organizations, industrial, commercial and other types of business organizations. They have different structures, different ways of working and different goals. Yet there are certain management functions, like planning, organizing, lending which are common to all organizations.

The goals of a business organization are defined in purely economic terms: maximizing profit, increasing market share and turnover, gaining strategic and competitive advantages etc. The management science takes business goals are as valid and given. Consideration of social, ethical and human values is generally absent from the mainstream management thought and management practice.

From the perspective of Indian value tradition, it would mean that the pursuit of artha (economics and politics) was made independent of the binding regulatory force of dharma (ethics, virtue, human values). In the Indian view this a value perversion of the highest order, where artha is given priority over dharma. Individual success in business, politics or other professions, that is attainment of wealth power and social status, were considered more important than practice of virtues.

Organisational values are reflected in the goals it sets for itself, and in the plans, policies, procedures it follows in its functioning. Generally organisations tend to define their roles narrowly as mentioned earlier); in terms of satisfactory performance of some specific technical, economic or functional role. But they are also social and human units, fulfilling social and human purposes. They affect the quality of life of the persons working in them, as well as of the society at large. They must operate within a value framework which is consistent with the larger set of human values, and the ethical, social and cultural values of the society.

A value conscious organization will promote value consciousness amongst its employees. The employees, in turn, will cultivate a value-basedattitudein their approach to work and in their behaviour at work place. This mutual value reinforcement between the employees and the organization will help create an upward spiral of value based work-culture. That ought to be the goal of a good organization.

THE INDIAN ETHOS

Early Indian society codified basic value systems as dharma and the definition of dharma clearly delineats its social nature. The vedic definitioin of dharma is :

Yatah Abhyudaya Nihshreyas Siddhini Sah hetutu Dharmaha

(Dharma is that code of conduct which ensures material as well as spiritual welfare)

A basic feature of human society is the willingness of its members to care about each other and the propensity to think about the well-being of the commity as a whole. This feature nourishes creativity, innovation and progress. This powerful force was very well articulated in the Purusha Sukta which says: 'Let us sing to the glory of society. It has multiplied to a thousand fold. It occupies the entire earth and rises beyond in spirit'. The primary task of business is to create wealth by adding economic value. Since a business exists within a society, and derives sustenance from it, the business activities must be legitimate, equitable and transparent. Since a business exists within a society, and derives sustenance from it, the business activities must be legitimate, equitable and transparent. Since business employees a larger than average share of the knowledge and capital resources of society, it carries a greater responsibility for the progress and welfare of society.

Management have to face a dynamic business environment where change is the only constant and they have to keep adapting to these changes. We need to incorporate ethics and integrity in the existing frame work of leadership and management. People should be able to trust upon the existing corporate governance in the organization.

As Narayana Murthy of infosys once said about leadership and corporate governance in an organization:

"The leader has to create hope. He has to create a plausible story about a better future for the organization: everyone should be able to see the rainbow and catch a part of it. This requires creating trust in people. And to create trust, the leader has tosubscribe to avalue system: a protocol for behaviour that enhances the confidence, commitment and enthusiasm of the people……….. Trust and confidence can only exist where there is a premium on transparency. The leader has to create an environment here each person feels secure enough to be able to disclose his or her mistakes, and resolves to improve… good corporate governance is about maximizing share holder value on a sustainable basis while ensuring faireness to all stakeholders : customers, vendor-partners, investors, employees, government and society.

(Narayana Murthy, 2003)

Ancient Indian wisdom and scriptures like Bhagvad Gita and Ramayana; ancient Indian sages like Yajnavalkya or Buddha; and writings of scholars like Kantilya (Chanakya) can teach a lot on ethical and responsible leadership these can be incorporated in the existing models to create more sustainable, ethical and responsible leadership models.

The qualities of a great leader along the path of knowledge can be well laid-down through the eightfold path of Goutam Buddha:

1.	Right View	
2	Right Intention	Wisdom
3	Right Speech	
4	Right Action	Ethical conduct
5	Right livelihood	
6	Right Effort	Mental Development
7	Right Mindfulness	
8	Right concentration	

Wisdom, ethical conduct and mental development are the broad themes on which any leader should work upon. Meditation or yoga is extremely important for gaining control of all the fine senses and to develop the level of concentration. That is why today Yoga and Meditation is becoming so popular not just in corporate India but across the globe.

Purusha & Prakriti are the two manifestations of the greater self or Brahman. Purusha means a person's consciousness. Prankriti is the mother nature. The Guna theory states that three 'gunas that form the Prakriti are:

(i)   Sattwa – Knowledge and wisdom, Ethical and Moral conduct.
(ii)   Rajas – Passion, action, perseverance.
(iii)   Tamas – inactivity, ignorance, recklessness.

The Guna theory and the balance between the three gunas is not just important for creating great organizations but also it is a competitive advantage which differentiates this extra-ordinary organizations from any other ordinary organization.

As the Bhagvad Gita says:

Sattva Sanjayate Jnanam rajaso lobha eva cha

pramada mohan tamaso bhavato jnanam eva ccha

(14.17, Bagvadgita)

which means that it is from ethical and moral conduct comes wisdom (Sattva); passion leads to greed (Rajas); ignorance and inactivity leads to illusion.

Much of the Modern Management priniciples existing today can be derived from the body of knowledge of the ancient Indian scriptures. Through the wisdom of ancient Indian scriptures, we can make the existing modern management paradigms more sustainable in practice. The role of spirituality cannot be undermined. Through spirituality wisdom of the Vedas, Upanishads, Bhagvad Gita etc. not only a more ethical and responsible leadership on an individual or institutional level can be promoted but can also more towards the direction of restoring world peace and a better world economic order through coupling globalization with spiritual congruence.

The concept of unification in globalization is something which was conceived thousands of years before by our Indian sages and was documented in Upanishads. Upanishads are the Bedrock of Indian culture and ethos.

> The wonderful exhortation in the Taittiriya Upanishad –
> "Satyam Vada dharmama char"
> - speak the Truth; follow the dharma
> - is nearly without parallel in the sublimity and compact strength of the formulation. In the Upanishads one finds the beautiful injunction.

'Kurvanneveha karmaani jijivishecchatam Samaati' – 'Always permorming good deeds one should line to work a hundred years. The hundred years however, should be spent in a worthwhile manner and not in the persuit of trivial things. The Sanskrit injunction is that knowledge is tobe acquired, "pranipaatena Pariprashnena Sevayaa', by devotion, by questioning, by humility'

> The Upanishads State:
> - 'Na Vittena tarpaniyo Manushyo'
>   (Wealth does not yield satisfaction)
>
> - 'Maa gridhah Kasyasvid dhanama'
>   (do not covet, for whose indeed is wealth?)

The Mahabharat states that 'big money', mahati shreehi cannot be acquired unless one tears the hearts of others, unless one does not hard things, unless one is prepared to kill as the fisherman kills his prey.

> - 'yaavat shriyet jatharam'
>   (one has no right to more than what one needs for oneself)

There is indeed, in the tradition in enshrined in Sanskrit literature, more than enough to sustain whatever ideas we might have at the present point of time regarding the construction of a society built on the principles of democracy, socialism and secularism for the benefit of the people.

Corporate Social Responsibility (CSR) in India

Corporate Social responsibility (CSR) refers to the increasingly popular idea in affluent democracies that businesses should not just make a profit but should exercise a range of social and environmental responsibilities – to their employees, suppliers, local comities and wider society – and must not only act on these concerns but be seen to act in an accountable way.

India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Company Act, 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gander equality and hunger.

The amendment notified in the schedule VII of the Companies Act advocates that those companies with a net worth of US $ 73 Million (Rs.4.96 billion) or more, or an anmal turnover of US $ 46 Million (Rs.9.92 billion) or more or a net profit of US $ 732,654 (Rs.50 million) or more during a financial year, shall earmark 2 percent of _____ net profits of three year towards CSR.

"In a world of changing expectations companies must account for the way they impact the communities and environment here they will operate"

> (Will Bartels, KPGM 2008)
> CSR from the ancient Indian perspective.

THE VEDAS

The greatness of Vedic religion can be established by its magnanimity, since it does not look down upon any other discipline, but rather absorbs what it can into its fold.

> -'Aa no bhadrah Kratavo yantu
> Vishwataha' – Rig Veda
> [let noble thoughts come to us from every side]
> The Vedas are universal in their approach
> - 'Sam gachhadwam, Sam Vadadtiwam,
>   Sam vo manamsi Jayatam' Rigveda
> [Lets walk together, let's talk together, let our minds be of one accord]

Business is viewed as legitimate and an integral part of society according to Vedic philosophy. Vedic culture has always emphasized happiness for self and others results through ethical behaviour.

The social dimension of the Vedasasserts that there shall be proper distribution of wealth, from the wealthy to the poor. They also condemn those who enjoy wealth without partaking it with others.

> Wealth accumulate through 100 hands should be distributed to 1000 hands
> -   Atharva Veda Samhita
> -
> The end portion of the Vedas are the Upanishads (Vedant Literature)
> The Taittiriya Upanishad says-

- 'Shraddhaya deyam'. [When you give something to someone], give with respect,
- 'Ashraddhaya adeyam', if you cannot give with respect, then don't give at all;
- Shriya deyam, give gracefully;
- Hriya deyam, give with modesty:
- Bhiya deyam, give with fear

ENVIRONMENTAL CONCERNS

The Vedas attach great importance to environmental protection and purity. They stress the need for protection and development of forests. Human beings have to safeguard the trees.

- 'One should not destroy trees'
  (Rig Veda Samhita)
- 'Plants are mothers and goodesses'
  (Rig Veda Samhita)

A sensitive and mature person sees himself or herself as part of a wider scheme of creation in which everything is interdependent.

If one indiscriminately destroys a tree or another form of life, one disturbs the ecological balance. Sensitivity to the environment has been evident for centuries in the vedic way of life. The Manu Smriti (8.285) states, for example, that a person who injuries or destroys trees unnecessarily is to be fined. Prayers are to be offered when cutting threes for a specific purpose (Manu Smriti 11.143). Then trees are to be planted for each one that is destroyed. Environmental awareness, on a simple level, is thus understanding the interconnection of all things and living in a manner that respects the ecological balance.

The Rigveda treated the earth as mother and the sky as the father. When one is in harmony with the natural laws, which are consistent and unbiased, one remains in harmony with oneself.

THE KANTILYAN ARTHASHASTRAM

Arthashastra also known as Nitishastra, the 'Science of ethics'. The definitive work on arthashastra is attributed to Kantilya also known as Chanakya and Vishnugupta. Kantilya was the mentor of the great ruler Chandragupta. He could be referred to as the 'First Total Management Garu' of the World. Chanakya's Arthashastra deals with al the different aspects of managing a Kingdom, including management of men.

The root meaning of 'dharma' is that which supports'. An emphatic statement on 'how' is found in Mahabharata –
"Neither the Kingdom, nor the king; not law, nor the police, only through ethical behaviour do all people protect each other"

- The world is supported / looked after through ethics
- Empathy is the motherland of ethics
- (He) wins over the people through ethics
- Wanting to be unethical Indicates self-destruction.
- There exists no enemy which equals egotism
- Immoral / Non-virtuous (kings) chiefs indeed destroy the (subjects) employees
- Ethical / virtuous chiefs protect employees
- A just / righteous (king) chief is considered to be the mother by the (subjects) employees.
- Happiness is Rooted in Ethics

Ethical Self Management:-
- Basic of happiness is ethics
- Basis of ethics is resources
- Basis of resources is Kingdom (enterprise)
- Conquering organs is rooted in moral training / humility
- Moral training is based in serving the elders
- Equip yourself fully with worldly knowledge.
- One who has acquired knowledge becomes one who has conquered himself.
- The self-conquered shall endow himself with all resources.

On Righteous Rule:-

- Rulers are the root of righteousness. Where the learned ones are worshipped, righteousness remains permanent.
- A ruler who gives up his people and seeks others or another religion perishes.
- A territory to rule, riches, pleasures, noble birth, purity, scholarship, long life, health these are all the fruits of righteousness.
- The ruler shall rule his country, ever denoted to truth and righteousness, and defeating every forces protect his territory like a husband.
- An assembly, full of good people is strong, a righteous ruler is strong.

While training his students in the management of a Kingdom, Kautilya emphasized the importance of sound philosophy in order to become a good leader. Ethics and morals were top priorityfor him. In the very first chapter of Arthashastra, titled 'The Topic of Training', he outlines the importance of a spiritual foundation.

"Philosophy is ever thought of as the lamp of all sciences, as the means of all actions (and) as the support of all laws (and duties)". (1.3.12)

The root of any business lies in its core value system – its philosophy. This was also pointed out by the father of modern management, Peter Drucker. He said, "Profits are by-products of business, not its very goal."

TO CONCLUDE:
Manava Dharma would be the highest law of the human being. One of its core concepts would be the ethics of responsibility to work for Loksangrah i.e. for universal well being. It would demand that all forms of power – political, economic, technological – be used for safeguarding, nurturing and advancing the well being of the collective 'web of life' which consists of the human order, the natural and the ecological order.

In the Indian value tradition pursuit of excellence is raised to spiritual level. This view finds its most forceful expression in the 'Karmayoga' of Gita.

-        'Yogah Karmasu Kaushalam'
[Yoga is skill in action] or yoga is persuit of excellent in active life. A sharper understanding of Karmayoga i.e. Yoga in relation to social professional life can be had from the following verse of Gita.
"Act then O Dhananjaya, without attachment, steadfast in yoga, even minded in success and failure. (This) evenmindedness is Yoga".

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