

Eternal Indian Wisdom in Contemporary Management Practices Insight 1



The Modern Management Concept – *Corporate Governance*

In the late 1990s and thereafter, Corporate Governance, as a concept/ practice became vital for the Business world, mooted "more demanding standards of behavior" for Leadership of companies. This amongst other things, was especially required in case of Executive Pay (for instance, regulating inordinate CEO pay) and board disclosures (like restraining excessive usage of perks and other benefits) - as the outbreak of Corporate scandals in that decade and beyond, exposed the deep malaise in a significant number of large global organizations. Corporate Governance demands higher responsibility (and also prevent abuse of power) of the organization and its board members, leaders, etc towards all its stakeholders – i.e. Employees, shareholders, investors, customers and society in general, especially laying down the principles for the ethical use of its wealth.

The idea articulated by a renowned practitioner

Gandhi ji had declared "I must confess I do not draw a sharp or any distinction between economics and ethics. That economics is untrue, which ignores or disregards moral values. The economic constitution of India, and for that matter, the world, should be such that no one under it should suffer from want of food or clothing. In other words, everybody should be able to get sufficient work to enable him to make two ends meet!" (The Mind of Mahatma Gandhi)

At first, these beliefs may sound impractical, but a deeper understanding will reveal that this is the primary responsibility of organizations, and society at large.

The foundational principle enunciated in Indian wisdom

व्यवस्थितार्यमर्यादः कृतवर्णाश्रमस्थितिः। त्रय्याभिरक्षितो लोकः प्रसीदति न सीदति।।
Kautilya Arthashastra, 1.3.17

"Therefore, among whom the bounds of the Aryan rule are fixed....and who are guarded by (the knowledge) of the three Vedas, prosper, do not perish".

The Arthashastra is a scientific treatise on Behavioral Economics and Governance. Before this Sutra, the Chapter lists out the rules for the constituents of society: corresponding to the four varnas (categories of socio-economic pursuit) and the four Ashrams (chronological stages of life) as also those rules, which are common to all. Further it clearly states that the Leader (i.e. a king in those times) has the duty to ensure and enable the social structure for the above rules. As an outcome of strict compliance of this framework, livelihood first and thereafter. Therefore, prosperity of society, is but natural. This principle can be adapted to modern organizations to bring in ideal Governance!

Insight 2

The Modern Management Concept: DEI

DEI is considered as a Business imperative by global organizations today. Diversity training first started in the 1960s in the US, as a way to combat the lingering racial tensions between black, brown, and white people as a result of the civil rights movement. The hope was that diversity education would give a voice to those previously silenced. Thereafter, Diversity data began as a way to communicate the racial composition of companies and later expanded to gender identity, sexual orientation, political affiliation, and other identifiers. In Timothy Clark's The Four Stages of Psychological Safety, he shows that Inclusion Safety, or "species-based acceptance," is indeed the first and arguably most crucial stage to creating a community in which its members feel safe and valued.. Inclusion introduced the idea that the value of humans should not be judged by what we can offer, but rather by the idea that humans have inherent value. In recent years, Diversity and Inclusion initiatives are bolstered by the addition of the concept of "Equity." Unlike equality, which focuses on providing equal resources regardless of context, equity focuses on the process of just and fair consideration because of someone's experience or social position.

The idea articulated by a renowned practitioner

Nelson Mandela, the Human Rights leader and former President of South Africa said - "It is not our diversity which divides us; it is not our ethnicity, or religion or culture that divides us. Since we have achieved our freedom, there can only be one division amongst us: between those who cherish democracy and those who do not."

Nelson Mandela's legacy is of acceptance, understanding, tolerance, and love, which are the foundational values of DEI. DEI goes beyond discussions of race and gender numbers, "business cases," and "creating organizational value." This work is meant to teach people,

and develop within ourselves the ability to recognize, accept, and understand those things, outside of the comfort zone of what we know, feel, and believe.

The foundational principle enunciated in Indian wisdom

अयं बन्धुर्यं नेति गणना लघुचेतसां उदारचरितानां तु वसुधैव कुटुम्बकं (Maha Upanishad: Chapter 6, Verse 72),

"One is my brother and the other is not – is the thinking of a narrow-minded person. For those who are broad-minded, the entire world is one family."

अयं निजः परो वेति गणना लघु चेतसाम् | उदारचरितानां तु वसुधैव कुटुम्बकम् | (Hitopadesh: 1.3.71), (Panchatantra: 5.3.37)

"This is one of my own and that is a stranger" – such is the calculation of the narrow-minded; for the magnanimous, the entire world is (but a) family"

Upanishads are over 5000 years old. The above principles are the bedrock of any appreciation of inclusion and equity on this planet. It includes not just humans, but all our fellow beings as well. As is suggested in the Sutras, identifying with other beings as our own, or otherwise, originate in the mind. They are beliefs, which guide our living. We are all made of the same five elements - therefore, we must accept each other as co-inhabitators of the planet. Thus, it is evident that everything else is just a label – gender, sexual orientation, ability/ disability, region, age, financial status, religion, social standing, title and so on. Having understood this, it is easier to cultivate productive environments where we can disagree, and still be able to reconcile our differences and grow together!

Insight 3

The Modern Management Concept: Corporate Social Responsibility

Corporate Social Responsibility is a hard edged business decision – the commonest definition being provided by World Business Council for Sustainable Development – the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce, their families, as well as the local community and society at large. It is about the responsibility of organizations, and their Leadership, to manage business processes in a way, which will generate a positive impact on society. In fact, the Economist has published a two by two matrix, which showed that if CSR produced a win-win increase in social welfare and profits at the same time, then it was “simply good Management”. Law in many countries has mandated that organizations contribute a small portion of their profits to various causes of social welfare, as part of this CSR.

The idea articulated by a renowned practitioner

Gandhiji said: I am inviting those people who consider themselves as owners today to act as trustees...

Supposing I have come by a fair amount of wealth – either by way of legacy, or by means of trade and industry – I must know that all the wealth does not belong to me. What belongs to me is the right to an honourable livelihood – not better than enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community.

Idealistic as it may seem, it is in the benefit of the society to which organizations owe their genesis.

The foundational principle enunciated in Indian Wisdom

उपार्जितानां वित्तानां त्याग एव हि रक्षणम्। तडागोदरसंस्थानां परवाहम् इवाम्भसाम्॥
(Hitopadesh: 1.155), (Chanakya Neeti 7.14)

“Wealth earned has to be expended to keep it in circulation; giving it is the best way to preserve it; (just like) the water of the tank is retained fresh by the system of circulating it (through inflow and outflow)!”

The concept of social responsibility is very old in Indian wisdom and in stark contrast to much of the modern beliefs, it is the foundation of living itself. The practice of contribution to employees, their families and society is not contingent on organizational profits or individual affluences. Rather, as the above quote highlights, circulation is the sign of life and freshness too. Everything that is to be gained must be planned for investing back in the eco system from which it came. This in turn, creates a smooth and natural flow, back to the organization. As can be seen, this is the law of nature – air and water have to circulate in nature for sustenance, the human body is a system of circulation of vital airs and fluids, the universe is in constant flow. So wisdom lies in facilitating the flow of resources – that is the responsibility of corporations.



Insight 4

The Modern Management Concept: *Talent Engagement*

Talent engagement means drawing out employees' emotional and intellectual investment, in work and their company. Management's ideas changed from "motivating employees" to "engaging talent", since scientific management first considered how to make workers more efficient. Organizations came to believe over the last 60 years that employees are "talent" with human needs and aspirations – to get the best from them requires recognition of their strengths, motivations and aspirations. Douglas McGregor famously developed Theory X and Theory Y – while Theory X assumed that people dislike work that they have to be controlled or at least need to be directed, Theory Y recognized that people actually want to work and they can be self-directing, in line with Company goals. The central idea was that they will be committed if they are "motivated" by rewards, addressing their higher needs. William Ouchi came up with Theory Z which added the Japanese element of holistic care for employees (with control mechanisms). Employee engagement raised the bar by taking into account the employee journey within the organization, from application to integration, through learning, personal development, and career progression.

The idea articulated by a renowned Leader

JRD Tata said: 'You have to adapt yourself to their ways, deal with them accordingly and draw out the best in each man....'

He also expressed: "Therefore, all my management contributions were on the human aspect, through inducing, convincing and encouraging the human being."

His other popular quote is "If I have any merit, it is in getting on with individuals, according to their ways and characteristics". What that meant is that JRD actually took the time to study every Manager and executive he dealt with, to understand what their strengths,

motivations and aspirations were. Even the chairman of a large diversified conglomerate with nearly 100 companies (then), took the time to connect with employees' needs, from person to person.

The foundational principle enunciated in Indian Wisdom

असमैः समीयमानः समैश्च परिहीयमानसत्कारः। धुरि चा अनियुज्यमानस्त्रिभिरर्थपतिं त्यजति भृत्यः। (Panchatantra 1.81)

A (talented) employee leaves the Leader due to (one of the) three reasons: (Though being better) He/ she is treated equal to the unequals; he/ she is not rewarded or recognised as the (other) equals; and, he/ she is not given the higher position (which) he/ she is qualified for!

It is remarkable that 2000 years back, the Panchatantra had already analyzed the concept of Talent and what keeps them engaged or what makes them disengaged. One can study this Sutra carefully, to realize that retention of Talent has been closely connected to their aspirations, and engagement is linked strongly to the recognition of their talent/ skills/ competence/ performance. The responsibility then falls on the shoulders of organizational Leaders to identify their talent, understand their needs, be in touch with their feelings about the organization, enable them to contribute their best and then be sensitive to how those individuals would want to be appreciated. Indian wisdom focuses on the human element at all times!



Insight 5

The Modern Management Concept: *Leadership*

Modern business has not just tangibles but also many intangibles, and among the most talked about intangible is Leadership. All Management studies (starting roughly around 1930s) speak about Leadership and the various styles, nuances, philosophies and so on; many modern experts have tried to isolate it and distil this elixir. It became quite clear that Leader is not one merely by the title. One of the most popular Leadership writers Warren Bennis said that the competitive advantage of companies lies is Leadership – Leadership being the key to realizing the full potential of intellectual capital. But, how is that to be done? As per Bennis, it's through a sense of purpose, authentic relationships, bias towards action, risk and courage, etc, that this can be realized. The later developments were "Authentic Leadership" by Bill George, "Servant Leadership" by Robert Greenleaf and "Emotional Intelligence" popularized by Daniel Goleman, which all tilted towards "others - focused" Leadership.

The idea articulated by a renowned Leader

Gandhi ji said: 'As for my Leadership, if I have it, it has not come for any seeking, it is a fruit of faithful service'.

He also expressed: "It is a bad carpenter who quarrels with his tools. It is a bad general, who blames his men for faulty workmanship"

Thus one can draw from the above two quotes that the essence of his Leadership was to get the best out of people by always thinking of their welfare and being the first one to serve, in that direction. Also, that the ownership for progress and success lies completely at the doorstep of the Leader, and none else. The task is humongous and the Leader automatically accepts it as part of the complete 'deal'.

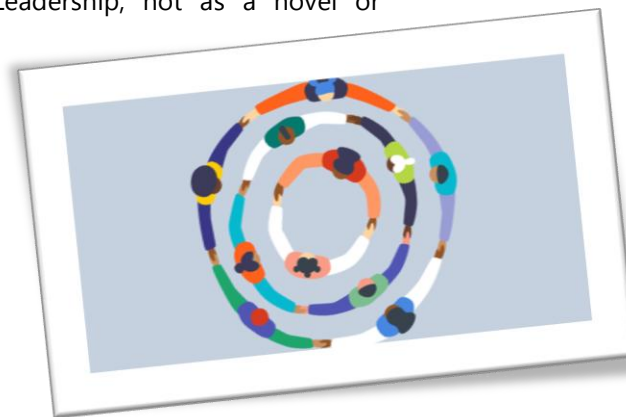
The foundational principle enunciated in Indian Wisdom

प्रजानामेव भूत्यर्थं स ताभ्यो बलिमग्रहित्। सहस्रगुणमुत्सृष्टुमादत्ते हि रसं रविः।
(Raghuvansham I.18)

"He collected revenue from the people (but) for the purpose of their own prosperity; just as the sun collects water (from the water bodies) only to pour it (back) thousand-fold (as rain)!"

This insight comes from the great master Kalidas nearly 2000 years back, approximately in 5 CE. One of the cornerstones of the Indian model of Leadership lies in this quote. Leadership is but a service (even better expressed as "Seva") to those whom you lead. The Leader is only an enabler of the smooth flow of resources – be it wealth, knowledge, infrastructure, technology, and so on – as a means of all round prosperity and social good. He/ she has the complete responsibility to make this happen, irrespective of the circumstances. The Leader has been either selected by the people or has been accepted by the people, as the trusted custodian of the resources and the one who deploys the resources for greater good. Therefore, the Leader is one, by the virtue of the people he/ she governs or leads, the people are not by virtue of the Leader. Leadership is a privilege that the incumbent enjoys in return for the benefit he/ she brings to society/ organization. Thus trusteeship or servant Leadership has been enunciated as the default mode of Leadership, not as a novel or

new found way of working with the team.



Insight 6

The Modern Management Concept: *Corporate Strategy*

Many young professionals want to grow up to be Strategy Consultants, don't they? The Management author Edward Russel Walling refers to Corporate Strategy as the alpha male of business functions – the one to which, all others – manufacturing, operations, marketing, finance, HR, et al – bend the knee. Strategy in corporate parlance actually came from Warfare. Today, Strategy is the architect of all organizational plans and their execution. Strategy, is the direction of an organization, which would continue to provide advantage over its competitors, in prosperity and adversity alike – to fulfil stakeholder expectations. Though the best organizations were not without this direction earlier, it was only in 1965, that H.Igor Ansoff, who with his book "Corporate Strategy", made it legendary for corporate audiences – and its formulation and implementation became more clear. Ansoff detailed "Strategic planning" and later experts followed it up with Steps like "Defining vision, environmental scanning, strategy formulation, implementation, evaluation and control.

The idea articulated by a renowned Leader

Muhammad Yunus, credited with making Micro Finance work successfully, believes that sustainability, and not charity, is the Strategy for any social business. Muhammad Yunus, who won the Nobel Peace Prize for founding the Grameen Bank (and helping reduce poverty) in Bangladesh — leading to his reputation as the father of microfinance — is a firm believer in Social business. This, he defines as a business that is formed to address a social problem, but, it reinvests all of its profits back into the business itself or uses the profits to start other social businesses — all with the aim of increasing social impact.

Clearly, Muhammad Yunus, who is also a Ph.D in Economics, understood, identified and implemented strategy, which allows the organization to sustain and thrive over a prolonged period by obtaining a deep understanding of the eco system and its challenges. Grameen Bank has been operational for nearly 50 years now.

The foundational principle enunciated in Indian Wisdom

मन्त्रचक्षुषा परच्छिद्राणि अवलोकयन्ति। (Chanakya Sutras)

Strategy is the vision with which the strengths and vulnerabilities (of adversaries) are detected.

अरिप्रयत्नम अभिसमीक्षेत। (Chanakya Sutras)

The endeavours of the (players of the) ecosystem must be carefully studied.

मानी प्रतिमानीनम् आत्मानि द्वितीयं मन्त्रम् उत्पादयेत्। (Chanakya Sutras)

A worthy Leader must generate an alternate strategy as if created by a worthy opponent.

All these insights come from the master Strategist, from over 2500 years earlier, well before War strategy became popular in the Western world. This is not to say that wars were not fought in the world before Chanakyan times. Even SunTzu's Art of War predates Kautilya Arthashastra. Arthashastra itself has evolved from the works of earlier Gurus but Chanakya (or Kautilya) rendered the highest rigorous analysis and thoroughness to the concepts of Strategy. Chanakyan thought process starts from the purpose of the Leader, which is indeed the sustained good of all its Stakeholders. Next comes, the minute scrutiny of one's own strengths (and weaknesses) and of its entire ecosystem (he recommends studying at least 11 other players). From this kind of detailing, should Strategy be formulated - with alternate strategies for every envisageable scenario, advises this great scholar! Then there are many tools for decision making and perfect implementation of this Strategy too.

Insight 7

The Modern Management Concept: *Customer Service*

Customer Support and Customer Service pervades our life today, in everything we consume and everything we offer, doesn't it?

It all started with the Industrial revolution, since the beginning of the industrial age, 1760 onwards. It brought the vast new challenge of a customer base that the proprietor would likely never meet - in person. As scale began to "happen", need for customer service began to emerge. With Adam Smith bringing to life, the basic idea of competition in the market (Wealth of Nations, 1776), the race for better customer service took off in the 1800s. The first big leap happened in the latter half of the century with Alexander Graham Bell's telephone invention and the next two huge leaps were with eMail and IVR in the 1980s and 90s respectively.

Internet was the game changer and the greatest shift took place towards the end of the century - with CRM software helping in the evolution of sophisticated customer data tracking, customer loyalty, discounts, etc. With mobile telephony and apps, even small businesses began to now look at providing excellent "customer experience". Also customer as a term, became broader in its scope, over the last two decades - as the recipient of any kind of service offering, be it employees, or in the entire supply chain or the final consumer. Even the service phraseology seemed to be constantly trying to keep pace - where terms like customer delight, customer obsession and customer Leadership are used.

The idea articulated by a renowned Leader

The great social leader Baba Amte once said: "I don't want to be a great leader; I want to be a man who goes around with a little oil can and when he sees a breakdown, offers his help. To me, the man who does that is greater than any holy man. The mechanic with the oil-can: that is my ideal in life." From being the brash son of a rich man,

with a luxurious lifestyle, to finding his groove in his profession as a lawyer, to finally finding his calling after his brush with the mutilated body of a leper, his life went through various ups and downs until he finally discovered his true purpose - Seva.

Let's understand that service, when offered with deep devotion, is called Seva, in many Indian languages. Seva, although loosely used as the equivalent for service, in customer service, transcends all barriers - it transforms both the giver and user of the service.

Baba Amte also expressed: "A man can live without fingers, but he cannot live without self-respect.... That is why I took up leprosy work." The respect transmuted into love and devotion.

The foundational principle enunciated in Indian Wisdom

प्रजासुखे सुखं राज्ञः प्रजानां च हिते हितम्। (Kautilya Arthashastra 1.19.34)

In the (sustained) happiness of the people, lies the (sustained) happiness of the Leader.

राजानमुत्थितमनूतिष्ठन्ते भृत्याः। (Kautilya Arthashastra 1.19.1)

When the Leader is energetically active (keeping with his/ her purpose), the employees too become energetically active, following his/ her purpose.

राज्ञो हि व्रतमुत्थानं। (Kautilya Arthashastra 1.19.33)

The service that brings about sustained delight to them is the guiding principle for all the actions of the entire organization, says he - this is the same Seva which enlivened his first protégé Chandragupta Maurya, who helped unite the nation. This implies, that Seva is the fabric of Indianism. He further elaborated that the life of the Leader is one of commitment to Seva - life-long. Thus the modern Customer service can be transformed if it takes up its original avatar of "Customer Devotion" and draws inspiration for all its innovations from this understanding. Profit is not the motive. Economic wellbeing is an outcome of Seva, in Indian wisdom!

Insight 8



The Modern Management Concept: *Entrepreneurship*

Entrepreneurship is what makes the economy buoyant, doesn't it? And it's the entrepreneurs who are highly driven and energetic, and most of all, nimble. They fizz with ideas and are the one who take chances, outside and within large corporations!

The extolling of the virtues of entrepreneurs by Joseph Schumpeter, the renowned economist, goes way back to 1911, even though entrepreneurship itself, is as old as the hills. Over the last century or so however, it has been seen that when large organizations do not pay attention to those within who are itching to leverage opportunities, then they had to pay dearly – whether in the case of Johnson and Johnson for metal stents, or IBM for ERP, and so on.

So, opportunity is the watchword – its always there, all around, but those who keep their eyes peeled, who spot it first and then make the right moves makes the BIG entrepreneurs. A few decades back, this led to “corporate venturing” – where companies act like entrepreneurs and support enterprise within, and even take a minority stake in the offshoots. Gifford Pinchot gave us the term “intrapreneuring” in 1985, where a win-win proposition is created within an organization. And then came the Venture Capital and start up culture (even though the first VCs existed in 30s and 40s) where private equity financing is provided to early-stage companies, who are considered to have immense growth potential!

The idea articulated by a renowned Leader

Jack Ma has said: “The opportunities that everyone cannot see are the real opportunities” He has also said that “If you have never tried, how will you ever know if there's any chance?”

In other words, entrepreneurs are not just dreamers or doers but dreamers who do.

He also declared: “Once in your life, try something. Work hard at something. Try to change. Nothing bad can happen.”

Entrepreneur which comes from the French root, meaning one who undertakes a project, is a risk taker just as Jack Ma illustrated with his own life, where there what seemed impossible, was made possible and was the fore runner of a booming Chinese economy in modern times.

The foundational principle enunciated in Indian Wisdom

न हि तद्विद्यते किञ्चिदर्थेन न सिध्यति। यत्नेन मतिमांस्तस्मार्थमेकमं प्रसाधयेत्॥
(Panchatantra 2.2)

“There exists nothing (in this world) which is not accomplishable by means of (right) resources. Hence, a wise person must pursue the acquisition of (those) resources, through (constant) effort (for purpose of generating wealth)”

अर्थेभ्यो अतिप्रवृद्धेभ्यः आहतेभ्य इतस्ततः। प्रवर्तन्ते क्रियाः सर्वाः पर्वतेभ्य इवा
आपगाः ॥ (Panchatantra 2.6)

"Just as rivers, swollen by water of tributaries from various sides, flow
from the mountains; so also proceeds from different fiscal
endeavours, cause wealth to be multiplied!"

द्विगुणं, त्रिगुणं वित्तं भाण्डक्रयविक्षणाः। प्राप्नुवन्त्युद्यमाल्लोका दूरदेशान्तरं गताः॥
(Panchatantra 2.18)

"Expert in procuring and amassing saleable goods, having gone to
distant lands; merchants, through their enterprise, get two fold or
even three fold profit!"

The idea of entrepreneurship, is thus meaningfully explained by
Pandit Vishnusharman, in his masterpiece Panchatantra, in the first
century CE. Through the thoughts of his opening character
Vardhamanaka (the budding entrepreneur), he has brilliantly
expounded the foundational concepts of not just entrepreneurship,
but also economics and business. Entrepreneur is one who converts
resources to wealth through purposeful effort. It is also illustrated
above, how entrepreneurs do not stop at the first venture, but
continue to develop various avenues of enterprise. Also visible, is the
fact that it is a journey from experimentation to expertise, from local
to global, from high gains to high growth. The Indian concept of
"Arth" is multi-dimensional and will be explained in further
instalments, but it essentially stands on the foundation of "Dharm",
or righteous conduct.



Insight 9

The Modern Management Concept: *Economics*

The last instalment was about Entrepreneurship – now we look at its foundation. “Economics” is considered the science, which explains how societies produce goods and services and how they consume them. Economic theory influences global finance and is an integral factor in our everyday lives. The word Economics comes from the ancient Greek word Aikonomia – aikos meaning “House” and nomos meaning “Law/ Custom” - economics thus implying the “rules of management of the household”.

Aristotle based his 4th century work Oeconomica on the thoughts of earlier thinkers Hesiod and Xenophon.

Modern Scottish economist Adam Smith used the ideas of French Enlightenment writers to develop a thesis on how economies should work in 1776 and later Karl Marx expanded on his work. Late-19th century economists Léon Walras and Alfred Marshall used statistics and mathematics to express economic concepts, such as economies of scale. With John Maynard Keynes' theories in the early 20th century, “Macroeconomics” came into being. Free market theory by Milton Friedman and Behavioural Economics by Daniel Kahneman are popular today...and then there is Nobel Prize winner and Harvard University economist Amartya Sen, who argued for factoring ethics into social welfare calculations of economic efficiency.

The idea articulated by a renowned Leader

Anand Mahindra, recently said: “The crisis underlined how our prosperity depends on many — the domestic help, the sanitation worker, the hospital attendant — about whom we normally don't think, but whose well-being is the foundation of our own well-being.”

He further said: “From a business perspective, we recognised that if we wanted to grow sustainably, we could not rely on a relatively narrow customer base of the prosperous — we had to create value collectively for the entire spectrum of stakeholders, including our colleagues, business associates, shareholders, potential consumers, local and global communities and our planet.”

He further declared that: “Our Core Purpose is to enable others to rise by driving positive change in their lives. There is no explicit mention of ‘profits’ in this Core Purpose because we believe that if we enable others to rise, we will rise with them and profits will inevitably follow.”

Thus, he makes it amply clear that “prosperity” of others is vital, “profit” is then an automatic outcome. But for prosperity to happen, the co relation of every Business with the entire eco-system has to be well studied for it to create, consolidate, expand and sustain growth. Mr. Mahindra quoted Adam Smith and Porter, little realizing that he was articulating the philosophy of Kautilya

The foundational principle enunciated in Indian Wisdom

पृथिव्या लाभे पालनेच...संहत्यैकमिदमर्थशास्त्रं कृतम्। (Kautilya Arthashastra 1.1.1)

"This single treatise on Arthashastra has been prepared by bringing together...for the possession and preservation of the earthy domain"

विद्याविनीतो राजा हि प्रजानां विनये रतः। अनन्यां पृथिवीं भुङ्क्ते सर्वभूतहिते रतः॥ (Kautilya Arthashastra 1.5.17)

"The Leader, trained in the various sciences (of Arthashastra), ensuring alignment of the people, enjoys his (her) domain alone, unrivalled, being devoted to the welfare of all beings!"

It has already been stated earlier that the Indian concept of “Arth” is multi-dimensional and essentially stands on the foundation of

"Dharm", or righteous conduct. Arth stands for prosperity in its broad context, as laid down by Kautilya in the Arthshaastra and also can be seen above.

Economics is contained within this Science of prosperity, and "Vaarta" is the term used (for it very early in the work) to explain that it's just one out the four critical sciences (others being Science of thinking, the 3 Vedas and political science). When all four, along with the support of the eco system, driven by a higher purpose, are practised, we are assured that Prosperity is certain!



Insight 10

The Modern Management Concept: *Business Ethics*

Business ethics became most spoken of, after the 2008 Lehmann Brothers scandal. Yet its origin is ancient. After Aristotle in Nicomachean Ethics (V, 5), wrote of justice being the exchange of equals for equals, in the Politics (I, 8–10) he also discusses “the art of acquisition,” trade, and usury as part of the ethics of the household. In the modern age, John Locke (1690) developed a defense of private property as a natural right based on the labor one applies to securing the “goods” in question. Adam Smith, who authored 'A Theory of Moral Sentiments' before he authored 'The Wealth of Nations', wrote about the ethics of business—as well as the lack thereof, that took place among colluding businessmen. David Hume, John Stuart Mill, and others all contributed. Peter Drucker, our best known business-management theoretician, claimed that there is no such thing as business ethics, only ethics in business

Business ethics refers to implementing appropriate business policies and practices with regard to arguably controversial subjects. Some issues that come up in a discussion of ethics include corporate governance, insider trading, bribery, discrimination, social responsibility, and fiduciary responsibilities. ECI (Ethics and Compliance Initiative) says that companies should work toward improving their corporate culture by reinforcing the idea that reporting of suspected misconduct is beneficial to the company. On the world-wide level it became associated with the UN Global Compact, initiated by the then UN Secretary-General Kofi Annan in an address to The World Economic Forum on January 31, 1999.

The idea articulated by a renowned Leader

“No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means”, averred, JRD Tata.

'An Ethical Life is Part of an Economic Life' was his credo.

Thus, JRD removes any doubts about ethics having an existence separate from business. Just as mentioned earlier by Drucker, he saw Ethics as an involuntary choice of discerning business Leaders. Now, where do we find the earliest origins of Ethics as a Leadership philosophy?

The foundational principle enunciated in Indian Wisdom

सर्वत्यागा राजधर्मेषु दृष्टः। सर्वादीक्षा राज धर्मेषु योक्ता। सर्वाविद्या राज धर्मेषु युक्ता। सर्वे लोकाः राजधर्मेषु प्रतिष्ठाः। (Mahabharat Shantiparv 63.29)

All sacrifices are seen in Rajdharma. In Rajdharma, all initiations are rendered. In Rajdharma, knowledge of everything is contained; and in Rajdharma, all the realms are included.

अनाकृष्टस्य विषयैरविद्यानां पारदृष्वनः। तस्य धर्मरतेरासीद् वृद्धत्वं जरसा विना।। (Raghuvansham 1.23)

Unattached to sensual objects; having reached the highest wisdom; with a strong bias of virtue, he attained old age without its attendant infirmities!

These two powerful Shloks, one from Vyas Rishi's phenomenal epic Mahabhaarat and the other from Sant Kalidas' masterpiece Raghuvansham, have the highest values embedded in them, ethics being only a natural manifestation in practice. Rajdharm itself implies the “Righteous conduct of the Leader” and can be seen as sacred – sacrifice being deemed critical for the leader, initiation a pledge of virtue, knowledge covers superlative discernment, all realms include the divine heavenly realm. In the second quote, we are told of aging gracefully, as an automatic consequence of an ethical-moral-virtuous Leadership!

Insight 11

The Modern Management Concept: *Business Creativity and Innovation*

When Business Innovation is mentioned, it immediately brings the names of the likes of 3M, Southwest Airlines, Apple, Google and perhaps Tesla and Air BnB in more recent times, but fact is that Innovation is much older and tends to come in waves. In the modern era, it is believed to have started in 1450, with Gutenberg inventing the printing press. However, in 1970s, it was spurred by the advent of the PC, in 1980s, with the development of Computer software and in the 90s and thereafter, with the mushrooming of internet access. Michael Porter may have implied innovation, when in 1980, he spoke of “competitive advantage”. Teresa Amabile described Innovation as “the successful implementation of a creative idea within an organization”. O’Reilly and Tushman contributed the idea of “ambidextrous organization”, Guy Kawasaki suggested “making meaning, not money”, Clayton Christensen introduced “disruptive innovation”, and Rita McGrath recommended “innovation mastery”. Innovation is not limited to products or services however, it might also be internal in terms of processes, systems and structures. Most importantly, Innovation should be touching large number of human lives

The idea articulated by a renowned Leader

“We decided to listen to our patients”, averred, Dr Abhay Bang, a community health expert, doctor, researcher, social activist and societal transformation Leader, who along with Dr. Rani Bang invented the “home based newborn care model, which became the internationally prescribed model in all developing economies.

“You won’t find solutions to rural India’s health issues in modern facilities that are far removed. Effective strategies will emerge only when you work with the people” is also his firm belief.

The patients and people mentioned above, and worked on by Dr Abhay and Dr Rani Bang, are the poorest of the poor and those with no facilities at hand, let alone modern devices and technological gizmos. For them, the Bangs innovated an entire system out of “minimum resources”, which would save precious lives. So what then is Innovation really?

The foundational principle enunciated in Indian Wisdom

कार्यसंकटेषु अर्थव्यवसायिनी बुद्धिः। (Chanakya Sutras)

Innovative mindset is that which deploys available resources (meaningfully), in challenging circumstances!

असाधना वित्तहीना बुद्धिमन्तः सुहृत्तमाः। साधयन्त्याशु कार्याणि
काककूर्ममृगाखवः॥ (Hitopadesh III.2)

Though devoid of means and wealth too, the intimate friends - the crow, the tortoise, the deer and the mouse - being gifted with innovative mindset, accomplished their purpose!

These two powerful Sutras, one from the Guru of Governance, Acharya Chanakya and the other from Narayana Pandit’s masterpiece Hitopadesh, teach us that Innovation is a “mindset” – and this mindset develops in the crucible of adversity. The other aspect of innovation is that it should accomplish a Purpose – and purpose, as discussed in earlier pieces, is about the greater good, for the multitudes, and for the long term. Thus Indian wisdom establishes the “why” of innovation very beautifully, which the Bangs, amongst many social change agents are a shining example of...

Insight 12

The Modern Management Concept: *Project Management*

Projects, epic ones, have been initiated, executed and completed since the start of human civilization. Whether it be building the ancient Indian city of Mohenjo-daro in 2600 BCE, the Great Pyramid of Giza in 2570 BC by the pharaohs, or the Great Wall of China in 208 BC, not to forget the massive Kailasa and other temples of India in 8th century CE, they all would have entailed outstanding Project Management skills. However, in 1917 the Gantt chart was developed as a tool by Henry Gantt for helping Project Managers, followed by The Critical Path Method (CPM) being invented by the Dupont Corporation to predict project duration. Next came the Program Evaluation Review Technique (PERT) Invented for the U.S. Navy's Polaris Project in 1958.

In 1969, Project Management Institute (PMI) was launched to promote Project Management as a Profession, in 1984, Theory of Constraints (TOC) was introduced by Dr Eliyahu M. Goldratt in his Novel "The Goal". By 1986, Scrum was named as a Project Management Style. Critical Chain Project Management (CCPM) was invented in 1997 and in 2001, The Agile Manifesto was Written. So were there any tools for Project Management before the 20th century?

The idea articulated by a renowned Leader

"Our body completes its growth by 21 years. The only factors then to grow are the mind and the intelligence, which constitute the inner personality."

— E Sreedharan, (in India's Railway Man: A Biography of E. Sreedharan by Rajendra B. Aklekar)

Decisions cannot wait because each day you delay a decision, it costs, so decision making in a project has got to be very fast.

Timely delegation of powers: You delegate powers to trusted people in charge at pivotal points. Trust them.

— E Sreedharan, (in India's Railway Man: A Biography of E. Sreedharan by Rajendra B. Aklekar)

Coming from the man, who can be called one of India's best modern Project managers, surely, these words carry their weight in gold. What then, are the Mantras for successful execution of projects? As always, the roots are to be found in Indian wisdom.

The foundational principle enunciated in Indian Wisdom

यस्य यस्य हि कार्यस्य, फलितस्य विशेषतः। क्षिप्रमक्रियमाणस्य, कालः पिबति तद्रसम्।। (Panchatantra 3.219)

Any action, especially the one directed towards (accomplishment of) result, if not executed instantly; leads to the outcomes of these actions getting consumed by Time itself!

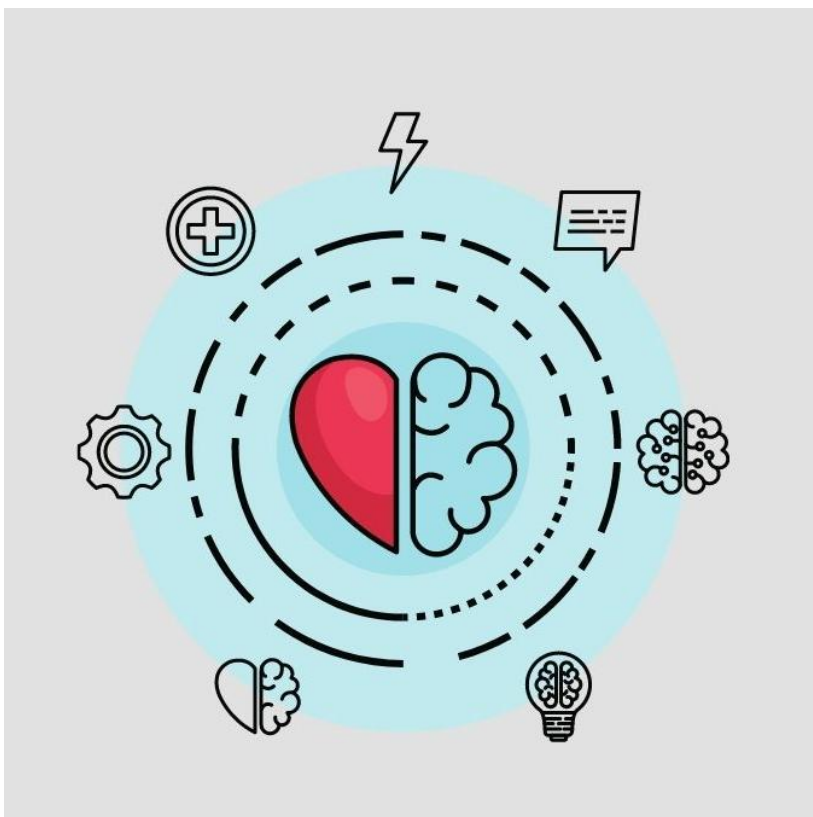
In the above Sutra (out of several), Pandit Vishnusarma lays emphasis on the value of time in Projects. Time creep is clearly not a new development.

कर्मणामारम्भोपायः पुरुषद्रव्यसंपदं देशकालविभागो विनिपातप्रतिकारः कार्यसिद्धिरिति पञ्चाङ्गो मन्त्रः। (Kautilya Arthashastra 1.15.42)

Deliberation (for execution) consists of five aspects – goal (and approach) of starting a project, deployment of excellent humans and materials, determination of place(s) and time(s), provision against failure and accomplishment of the Project!

This Sutra, from the great practitioner of Governance, Acharya Chanakya, teaches us that Project Management is a "practice" – and this practice can be perfected through the framework of the Panchaang. The Panchaang, was a tool used by the most illustrious Leaders of India, since centuries. Thus, Indian wisdom establishes the foundation for execution excellence, and modern India should learn that time was never treated lightly.

Insight 13



The Modern Management Concept: *Emotional Intelligence*

"Emotional Intelligence" seems to have gained greater currency since the workplace got disrupted due to work and work pervaded our homes without warning, due to the pandemic. Emotional intelligence (EI) refers to the ability to perceive, manage, and evaluate emotions. In 1930s, psychologist Edward Thorndike defined the concept of "social intelligence" as the ability to get along with

other people. In 1940s, Wechsler proposed that different components of intelligence could play a key role, in the success accomplished by people. The 1950s saw the rise of humanistic psychology with the likes of Abraham Maslow focusing on ways that people could build emotional strength. In 1983, Howard Gardner proposed that "intelligence" was more than just a single, intellectual ability. The term 'emotional intelligence' was first used in a doctoral dissertation by Wayne Payne. Reuven Bar-On¹, an Israeli psychologist proposed a quantitative approach to creating "an EQ comparable to an IQ score" in 1985. In 1990, psychologists Peter Salovey and John Mayer published their landmark article, 'Emotional Intelligence,' describing it as "a form of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action". In 1995, the concept of emotional intelligence was popularised after the publication of Daniel Goleman's book 'Emotional Intelligence: Why It Can Matter More Than IQ'

The idea articulated by a renowned Leader

"Everything depends upon how you look at it. We make judgments on others depending upon what we think of them", says Sudha Murthy.

She also once said: "Quantitatively speaking, 'conversation' is inversely proportional to economic standing. If you are traveling in a bus, your fellow passengers will get into a conversation with you very quickly and without any reservation. If you are traveling by first class on a train, people will be more reserved. If you are traveling by air, then the likelihood of getting into a conversation is quite small."

"I want to tell you that having good relationships, compassion and peace of mind is much more important than achievements, awards, degrees or money." Is yet another of her beliefs. (EQ > IQ?)

The above three quotes give us a good idea of Sudha Murthy's deep understanding of Self and people. Also, through her work in the social domain and education, as well as through her writings, we get sufficient proof of 'emotional intelligence' at work. In fact, this quality seems native to Leaders, since time immemorial. So where do we find the earliest mentions of Emotional Intelligence in Leadership context?

The foundational principle enunciated in Indian Wisdom

ज्ञाने मौनं क्षमा शक्तौ त्यागे श्लाघाविपर्ययः। गुणानुबनाधित्वात्तस्य सप्रसवा इव॥
(Raghuvansham 1.22)

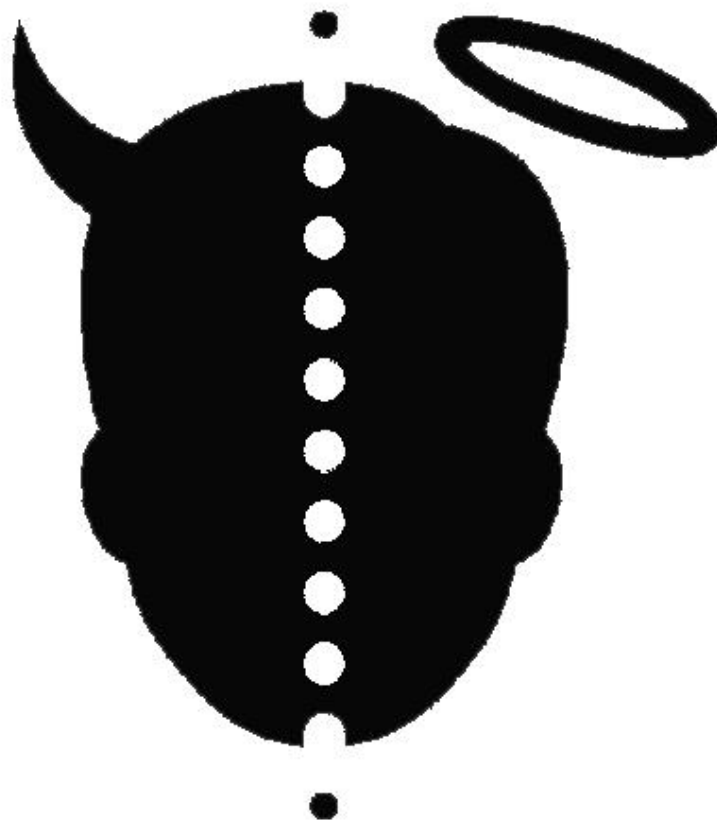
Possessed of knowledge and intelligence, he never (himself) spoke about it; though being powerful, he demonstrated patience; in giving (socially), he refrained from any self-adulation; his virtues seemed to be springing from each other and yet of the same origin!

ॐ नमः शुक्रबृहस्पतिभ्याम्। (Kautilya Arthashastra; Invocation at the start of the text)

Salutations to Shukra and Brihaspati

In the first Shlok, the master of verse, Pandit Kalidas describes to us the qualities of Leadership, through the story of King Dilip, of the royal lineage called the Raghuvansham. We are clearly exposed to the emotional skills of this legendary figure. This is but, only one of the many instances in which we see such a captivating description of these skills.

In the second quote, we are awed, through this startling revelation at the start of this Leadership manual, called the Kautilya Arthashastra. Delving deeper, one understands its essence: while Shukra carries the legacy of astounding emotional and creative capabilities, Brihaspati represents the powerful abilities of intelligence and reason! Every Leader is thus enjoined, to pay reverence to, and utilize both these faculties of the mind in governance, and Leadership.



Insight 14

The Modern Management Concept: *Strategic Alliance*

Strategic Alliances are forged between business entities which share similar long-term goals, objectives, and often markets, when they lack vital asset(s) individually, to meet the goals. These businesses create alliances to benefit both parties, by equally sharing resources and ideas to spur innovation, and more importantly growth. Strategic partnerships have been in existence, since centuries – when kings used to forge alliances - to conquer other territories or avoid being conquered. Further, merchant guilds in India, in BCE, may be considered the early forerunners of business alliances – they were prevalent and trade thrived. Similar guilds developed in Europe by the 17th century.

After the 1970s, focus of strategic alliances changed from acquiring raw material or enhancing product quality, to more of an economic stimulus. Thus were born, profitable strategic alliances, such as those between Canon and Kodak; or Toshiba and Motorola; or IBM and Microsoft. Post 1990s, many entities turned towards strategic alliances in order to simply keep up with the advancing market. These happened in Pharma, Automobile and several other industries. Simply put, alliances began to become centered on continuous and collaborative innovation – either as Joint ventures, Equity strategic alliances or as Non - equity alliance. Whatever the form of alliance, the objective is to add value to oneself, while adding value to the partner.

The idea articulated by a renowned Leader

“What does it matter that we take different roads, as long as we reach the same goal?” M.K.Gandhi, Hind Swaraj, 1904

He also once declared: “I believe in the essential unity of all that lives. Therefore, I believe that if one person gains spiritually, the whole world gains, and that if one person falls, the whole world falls to that extent.

The first quote, while not connected to business, captures the essence of a Strategic Alliance. The alliance partners generally walk entirely different paths, but the goal has to be similar – growth. The next quote seems like a philosophical statement, but is equally applicable for a Business ecosystem. The entities, although independent, have to be united in their purpose and committed to each other’s benefit from the alliance. Where may we find the earliest mentions of Strategic Alliances?

The foundational principle enunciated in Indian Wisdom

तेजो हि सन्धानहेतुः तदर्थानाम्। न अतप्तलोहः लोहेन संधीयते। (Chanakya Sutras)

Augmentation of capability, is the true objective of an alliance, when (the partners) equally endowed. A cold (strip of) metal cannot be welded with another (strip of) that metal!

विकारं याति नो चित्तं विस्ते यस्य कदाचन्। मित्रं स्यात्सर्वकाले च कार्येन्मित्रमुत्तमम्॥ (Mitr-samprapti, Panchatantra)

The most suitable ally, is the one whose heart remains aligned (with you), in times of prosperity and in all other circumstances too; such an ally should be secured!



In the first Sutra, we can spot some consistency with Gandhiji's first quote. The eternal master Chanakya, adroitly describes the essential condition for success of a Strategic alliance – continual enhancement of capabilities. He also tells us that there has to be a belief of equal standing (in one aspect, while seeking in another), for the partners to come together.

In the second Sutra, we observe a similarity with Gandhiji's second quote. Pandit Vishnusharman, while teaching elements of Governance to three young princes, expertly explains that unquestionable bankability, irrespective of temporary circumstances, leads to Trust. That Trust indeed, and not the mandatory legal documents, forms the bedrock of the strategic alliances. Each partner has to strive for the success of another, we are told. Do we understand and follow this today?

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