

EDITED BY  
MADHUMITA CHATTERJI  
LÁSZLÓ ZSOLNAI

# ETHICAL LEADERSHIP

Indian and European  
Spiritual Approaches



# Ethical Leadership

Madhumita Chatterji • László Zsolnai  
Editors

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Indian and European Spiritual Approaches

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# Preface

The “*Ethical Leadership: The Indian Way*” international conference took place at the IFIM Business School in Bangalore from January 9–10, 2014, organized by the editors of this publication. This book—one of the outcomes of the event—is a collection of selected contributions from the Bangalore conference from leading European and Indian scholars and practitioners. The papers contained within address the topics of human values, ethics and spirituality and leadership in business in the Indian and European context.

In the spirit of promoting dialogue and cross-fertilization between Indian and European cultural traditions, the papers have as their focus the following topics:

1. The spiritual orientation towards business in the Hindu/Buddhist and Christian tradition
2. The contribution of spirituality to renewing contemporary leadership theory and praxis
3. The influence of spirituality and ethics on the commitment of people and organizations to sustainability and justice
4. Promising ethical and sustainable business models in India and Europe
5. Meaningful ways that spirituality can inspire entrepreneurship
6. A comparison of Indian and European philosophies of leadership

The book explores what India and Europe can offer one another in regard to developing ethical leadership for business to foster *sustainability, peace* and *well-being*.

Madhumita Chatterji  
László Zsolnai

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**Luk Bouckaert** is Professor Emeritus of Ethics at the Catholic University of Leuven in Belgium. He is a philosopher and an economist by training. His research and publications fall within the fields of business ethics and spirituality. In 1987 he founded with some colleagues the interdisciplinary Centre for Economics and Ethics at Catholic University of Leuven. In 2000 he initiated the SPES Forum (Spirituality in Economics and Society) and some years later the European SPES Forum. He wrote several books in Dutch. Recent publications in English include: *Spirituality as a Public Good* (co-edited with László Zsolnai, 2007), *Frugality: Rebalancing Material and Spiritual Values in Economic Life* (co-edited with Hendrik Opdebeek and László Zsolnai, 2008), *Imagine Europe* (co-edited with Jochanan Eynikel, 2009), *Respect and Economic Democracy* (co-edited with Pasquale Arena, 2010), and *The Palgrave Handbook of Spirituality and Business* (co-edited with László Zsolnai, 2011).

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# Part I

## Introduction

# 1

## Questions and Themes in Ethics and Leadership

Madhumita Chatterji and László Zsolnai

The exchange of ideas between India and Europe about economics and politics dates back centuries. The most important figures in this regard include John Ruskin, Leo Tolstoy, Rabindranath Tagore and Mahatma Gandhi. However, the modern India-Europe dialogue on the spiritual and ethical basis of management and leadership started in the late twentieth century.

S. K. Chakraborty, former professor and founder of the Management Center for Human Values at the Indian Institute of Management in Calcutta, played a pioneering role in this dialogue. His books on the ethos of Indian management (Chakraborty 1991, 1993, 1995, 1999) inspired European management thinkers, including Peter Pruzan, professor at the Copenhagen Business School, to explore the differences and similarities between Indian and European approaches to management theory and practice. (Pruzan 1999, 2001, 2009)

In 2001, László Zsolnai (Corvinus University of Budapest, Hungary) organized the first-ever European conference on 'spirituality in management' in Szeged, Hungary. Both Chakraborty and Pruzan participated

in this conference and joined in discussions with other European and Indian scholars and practitioners. (Zsolnai (Ed.) 2004)

The Szeged conference was instrumental in the founding of the European Spirituality in Economics and Society (SPES) Forum in Leuven, Belgium. The mission of the European SPES Forum is to promote spirituality as a vital element of social and economic life. SPES is an acronym, but it is also the Latin word for ‘hope’; the virtue that sustains our belief in a better future. The European SPES Forum focuses on investigating and promoting an experience-based spirituality that succeeds in making a connection between day-to-day activities and the inner, multifaceted quest for meaning. One of its main objectives is to provide a platform for the India-Europe dialogue on ethics and spiritual values in business and management. The Bangalore conference on Ethical Leadership in January 9–10, 2014 belongs to this stream of European SPES Forum activities.

In the following section, the most important questions and central themes of the chapters of this volume are detailed.

In his chapter, “Why Do We Need a Spiritual-Based Theory of Leadership?” Luk Bouckaert (Catholic University of Leuven, Belgium) starts with the observation that, while in the previous decennia the business ethics discourse emerged and expanded, the increasing modern interest in spirituality is now expressed through concepts such as spiritual-based leadership, deep change, spiritual capital or spirituality in the workplace. Bouckaert notes that enlightened business leaders often speak about their interests in Zen or other meditative practices. Eastern and Western religious traditions are explored as sources of wisdom and ethical discernment.

Why this shift from ‘business ethics’ to ‘business spirituality’? Does it represent a simple change in vocabulary, or does it point to a deeper source of intuition? And how can we integrate this spiritual sensitivity into a theoretical framework that can support sustainable and coherent managerial practice? Bouckaert warns that without a theoretical framework, spiritual awareness will remain the deeply personal interest of a minority of business leaders, or will only be contained in the back-stories

of some exceptional companies. Embedding spirituality into management and decision-making processes requires a spirituality-based theory of leadership. In his chapter, Bouckaert explores some basic paradoxes within the current paradigm of economic rationality and elucidates how references to spirituality can help us to manage those paradoxes. Finally, he describes the concept and the practice of spiritual-based leadership.

In his chapter “Responsible Leadership and Reasonable Action” Zsolnai states that mainstream leadership practices often create negative impacts on nature, future generations and society as a whole. The principle of responsibility requires that leaders achieve their objectives in ecological, future-respecting and pro-social ways.

Zsolnai emphasizes that responsible leadership is consistent with the conception of reason advocated by Indian-American economist Amartya Sen. Reason is the discipline of subjecting one’s choice of action to reasoned scrutiny. Zsolnai identifies three classes of reason which may be applied to scrutinizing leadership choices. He argues that leadership choices should satisfy the criteria of ‘ecological reason’, ‘reason for future generations’ and ‘social reason’. The chapter presents illustrative cases of responsible leadership from India and Europe and discusses how spirituality can assist organizations in their transformation into ecologically sustainable, future-respecting and pro-social entities. Zsolnai concludes that spirituality plays a major role in developing responsible leadership. The spiritually enlightened leader goes beyond self-interested calculations and exercises genuine empathy with others while benefitting from an all-encompassing perspective.

In their chapter “An Ethics of Care induced from Kautilya’s Wisdom” Sharda Nandram (Nyenrode Business University, The Netherlands) and Ankur Joshi (Management Development Institute, New Delhi, India) state that, according to Kautilya (350–275 BC), a leader can only be successful if he or she considers philosophy to be of equal importance to economics and politics, because a philosophical foundation will infuse into praxis the principles of self-regulation, care and transcendence. Although Kautilya’s teachings originally referred to leaders in the context of politics (heads of state), they are applicable to other forms of leadership.

Kautilya took a holistic view of leadership which can now be equated with stewardship theory. The lack of application of this concept is a weakness in leadership approaches, but it is being incorporated into the management theory of stewardship. The concept of transcendence in leadership theory is new. Transcendence is the understanding that we are part of a larger universe, have extended responsibility and must obey the laws of nature. We can look back at Kautilya's work to better understand how these principles can be applied and explained to leaders.

In their chapter "A Multidimensional View of Leadership from an Indian Perspective" V. Adinarayanan, V. Smrithi Rekha and D.G Sooryanarayan (Amrita University, Coimbatore, India) observe that there now exists a significant global movement that supports sustainable practices, green thinking, environmental consciousness, a wider sense of social responsibility and a more inclusive economics. We are also starting to witness a change in the fundamental objectives of business, away from a pure focus on profit to a more inclusive outlook. The authors believe that such a transition calls for a change in the thought processes of leadership. India, with its rich and well-established spiritual traditions, can provide a roadmap for the realization of this transition. In their chapter, the authors propose adopting a multidimensional view of leadership that employs an Indian perspective. They demonstrate the relevance of ancient Indian principles to modern day leadership, and explain how leadership can incorporate ethics by paying homage to Indian scripture.

In their chapter "Indian Spiritual Traditions as Inspiration for Ethical Leadership and Management in Europe", Gerrit De Vylder (Catholic University of Leuven, Belgium) and Hendrik Opdebeeck (University of Antwerp, Belgium) explore the influence of Hindu, Buddhist and Sufi traditions on the work of European thinkers and management executives. The authors emphasize that while many management and organizational scholars recognize that cultural differences can significantly influence management and working practices, the impact of applying wisdom from other cultures to management practices remains largely unexplored.

De Vylder and Opdebeeck analyze the work of A. Osborne (who was influenced by Sri Ramana Maharshi, a Tamil guru who advocated Advaita Vedanta), A. Schweitzer (influenced by the Bhagavad Gita and Karma Yoga), E. F. Schumacher (influenced by Buddhism and Gandhi) and H. J. Witteveen (influenced by Inayat Khan, a North-Indian Sufi). The chapter provides the background for introducing ethical principles from Indian spiritual traditions into management, while also demonstrating that such principles do not contradict so-called 'Western' ethical approaches. De Vylder and Opdebeeck conclude through their comparison of Indian and European traditions that religion does not necessarily divide people, but can create common ground for better communication and ethics.

In their chapter "Integrating Servant Leadership and Ethical Leadership" Asi Vasudeva Reddy and A.V.S Kamesh (KL University, Guntur, India) review leadership styles. Leaders typically display the behavior needed to consistently influence and motivate subordinates, and are equipped with ethical and moral values, and a zeal to serve. The chapter calls for more 'servant' and 'ethical' leadership, and investigates the way these approaches can be implemented in organizations. Ethical leadership is transformational leadership coupled with a moral foundation, while servant leadership refers to an attitude of serving followers through the principle of stewardship. The authors critically review both models and offer a blended model of serving that fits into the organizational context. Their model stresses that leaders must be trained in morals to promote the common good.

In his chapter "Spiritual-Based Leadership from the Perspective of the Bhagavad Gita", C. Suriyaprakash (Jansons School of Business, Coimbatore, India) analyzes the Spiritual-based Leadership Research Programme (SLRP) which investigated the nature, activities and results of leading from a spiritual perspective. The outcome of the program was the book *Leading with Wisdom* (Pruzan and Pruzan Mikkelsen 2007), in which the profiles of 31 spirituality-based executives from 15 countries, representing six continents, were detailed. These profiles were classified into universal values such as love, compassion, divinity and the like.

The chapter analyzes the profiles of the 31 spiritual-based leaders of the SLRP. It explores to what extent the lives of these leaders from diverse global cultures embody the principles and teachings of the Bhagavad Gita. The aim is to empirically verify and establish the cross-cultural relevance of the age-old wisdom contained in the Gita, resulting in a truly Indian model of leadership called *Wisdom Leadership*.

In her chapter “Literature as a Mirror for Leadership” Rita Ghesquière (Catholic University of Leuven, Belgium) refers to contemporary philosophers such as Martha Nussbaum, Richard Rorty and Jill Kerr Conway who believe in narrative ethics. They consider that the spiritual self can be approached through literature. While philosophy argues and teaches, literature demonstrates. Narratives hold up a mirror and confront the reader with an radically other phenomena that questions self-evident norms and values. The chapter focuses on examining three literary models that could help entrepreneurs and leaders to reflect on their positions and to make choices that are more conscious.

Ghesquière reminds us that the fable has its roots in popular tradition. Fables from different cultures often have similar messages, and they are by nature didactic. The story, often told through an animal protagonist, demonstrates a proof, while a saying recapitulates a message in a nutshell. Fables promote practical wisdom by associating concrete activities with general rules.

A novel, however, is far more complex, emphasizes Ghesquière. Novels can provide a broad panoramic view of society, politics and economics, and enhance our awareness of life’s opportunities. By reading novels, a reader develops the capacity to see the world through another person’s eyes. An autobiography is situated at the border of fiction. Reading about other people’s lives holds a specific attraction; it involves a process of continuous reflection about our own existence.

In their chapter “Mindfulness and Non-Violence in Doing Business” Gabor Kovacs and Andras Ocsai (Corvinus University of Budapest, Hungary) start with the observation that both mindfulness and non-harming are traditional Indian virtues. In modern times, more emphasis



has been placed on mindfulness than non-harming. Mindfulness has become an important practice of many successful entrepreneurs, CEOs and other leaders.

Mindful leadership is defined as intentionally paying attention to the present moment in a non-judgmental way. Mindfulness can be a key competence of leaders through which they can gain courage, enthusiasm and awareness. Leaders, now more than ever, cultivate mindfulness for the purpose of bringing their mind's capabilities to bear on the practice of leadership.

Kovacs and Ocsai believe that non-harming is more important than even before, especially now that humanity has the power and technology to influence and change the vital functioning of the planet. The authors describe business models that operate with the goal to practically implement the principle of non-harming, for example community-supported agriculture, ethical banking and the slow food movement. They also present cases of entrepreneurial initiatives that are based on the goals of non-harming: Windhorse Evolution, the Apopo Foundation, Interface and the Social Venture Network.

In her chapter "Connectedness and Spirituality: Hindu and Christian Examples of Spiritual-Based Entrepreneurship" Katalin Illes (University of Westminster, London, UK) reminds that interest in spirituality is growing in Western countries, where ego-driven, materialistic behavior permeates organizations and society as a whole.

Illes believes that spiritual traditions can help by putting human existence into a broader context, and support the integration into daily life of moral values and behaviors that can create a happier and more meaningful existence. Her chapter includes two cases: one involving a Hindu social entrepreneur, and one concerning a Christian social entrepreneur. Illes concludes that by tapping into the timeless wisdom of our human heritage we can connect with others in meaningful ways, overcome cultural, political and religious barriers and find new ways of working together.

In their chapter "Going Beyond Profit: A Case Study of the CSR Initiative of Titan, Tata Group" Madhumita Chatterji (IFIM Business School, Bangalore, India) and Nitha Palakshappa (Massey University,

New Zealand) give an introduction to the Tata Group, one of the biggest business conglomerates in India. They then describe Tata's precision engineering division, Titan, making reference to the strategy, business ventures and social responsibility that are ingrained in the company. They argue that the foundation of the Tata Group's values appears to be an outcome of applying the spiritual principle of proactively giving back to society. The authors analyze the branding strategy, product categories and Corporate Social Responsibility (CSR) initiatives of Tanishq, the jewelry division of Titan, through a focus on "Mr Perfect" and "Karigar Park", two of Tanishq's innovative CSR initiatives.

Tanishq seeks to support social welfare activities without exception as it strives to follow the Tata tradition of going beyond the financial bottom line. Company leaders appear to have realized that having a profitable company which is neither ethical nor sustainable is not supportable by society at large. 'Exemplifiers' and 'self-promoters' both want to be admired, but the former are more concerned with projecting integrity than projecting their success. Stakeholder commitment (i.e. ensuring the business is held in high esteem) and trust (i.e. expecting the organization to act with integrity) are typically considered to be two important components of corporate reputation. The authors conclude that Tanishq is a self-exemplifier, trusted for its commitment to stakeholders' wellbeing and the common good.

In the chapter "Spirituality and Effectiveness in Today's Workplace" Lakshminarasimha (IBS Bangalore, India) observes that modern digital workplaces are strongly goal-oriented and dehumanizing. Stress, combined with poor interpersonal relationships leads to the formation of a negative atmosphere in the workplace and reduces productivity. This negativity also often gets carried home by the individual as a form of spillover. The consequences for the body and the mind may be severe.

Lakshminarasimha seeks to explain how one overcomes the deleterious effects of stress using spiritual edicts. The topic is investigated through a study of the Indian sacral texts, as well as through the thoughts of India's greatest spiritual leaders such as Swami Vivekananda, Sri Aurobindo and Sri Rabindranath Tagore, along with Western management thinkers such

as Peter Senge, Peter Drucker and others. The chapter interprets and adopts the spiritual messages of these thought leaders and describes their practical application to the modern knowledge worker.

In his chapter “Spirituality at the Bottom of the Pyramid” Arun Raste (IDFC Limited, Mumbai) starts with the observation that modern employees seek a sense of purpose in their work and wish to align their personal values, belief systems and ethics with the organizational values, culture and business ethos of their workplaces. While much has been said about the sense of purpose and the contribution to community of mainstream business sector workplaces, not much thought has been given to the situation at the bottom of the pyramid.

Raste offers us the case of the company Mumbai Dabbawala. This business is run by the masses for the masses. By offering healthy, home-cooked type lunches at affordable prices, the business service is invaluable to workers who cannot afford to eat out. The entire operation is carried out sustainably, with minimal consumption of natural resources. The vital link in this food delivery chain is spiritual human capital.

In her chapter “Eco-Spirituality and Regenerative Entrepreneurship” Nel Hofstra (Erasmus University Rotterdam, The Netherlands) investigates whether eco-spirituality has the potential to become a core competence for successful business management. Hofstra’s chapter opens with a critical discussion of sustainable entrepreneurship and continues by describing the role of regenerative eco-innovation. The chapter compares different spiritual and economic perspectives about doing business. Hofstra concludes that the innovations of regenerative businesses help restore ecosystem health, and go beyond typical business activities for value creation.

In their chapter “Time for Business Schools to Lead in Teaching Spiritual Intelligence” M. L. Shrikant and Jagdish R. Rattanani (S.P. Jain Institute of Management & Research, Mumbai, India) argue for the introduction of the concept of spirituality as an overarching and comprehensive approach to the management of businesses and people, using theory rooted in the ancient Indian literature of the Upanishads and the Bhagavad Gita. The chapter discusses the approach of a well-known Indian business school which set out on a different path by successfully offering a course that frames business

skills in the context of wider goals for businesses and for business leaders as individuals. Vedanta's approach to education is a powerful tool for creating leaders of tomorrow who are schooled not merely to generate rewards for themselves or their corporations, but who work to build enriching and rewarding lives and careers that impact society for the better.

In the chapter "Alternative Learning: A Voyage for Future Leadership" Sanjoy Mukherjee (Indian Institute of Management Shillong, India) explores alternative sources and methods of learning for use in future leadership. In doing so, he employs insight from traditional Indian wisdom literature (the Upanishads, Srimad and the Bhagavad Gita) and messages from great Indian leaders, such as Tagore and Swami Vivekananda.

Mukherjee asks whether we are really willing to challenge ourselves. If so, then how? What can business leaders of tomorrow learn from the death and destruction of old models? How can they use that knowledge to create breakthroughs in leadership roles? When will the passion to transform and infuse new life into our organizations and the planet at large be great enough to shake the very foundations of our outdated models and lead to the overthrow of worn-out concepts, tunnel vision and fossilized values? For this to happen, we must maintain both the courage *and* the desire to change.

As organizers of the Bangalore conference on Ethical Leadership and the editors of this volume, we firmly believe that without deep spiritual reflection, business leaders will not be able to contribute to restoring the endangered ecosystems of the Earth, and to providing decent livelihoods for present and future generations. The good news is that there are vast resources of long-accumulated Indian and European spiritual wealth and wisdom which are available for immediate use in this urgent task of transformation.

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# Part II

## Spirituality as an Inspiration for Leadership

# 2

## Why Do We Need a Spiritual-Based Theory of Leadership?

Luk Bouckaert

Previous decennia witnessed a growing discourse on business ethics. Today by contrast, a rising interest in spirituality is expressed through concepts such as spiritual-based leadership, deep change, spiritual capital or spirituality in the workplace. Enlightened business leaders speak about their interest in Zen or other meditative practices. Eastern and Western religious traditions are again explored as sources of wisdom and ethical discernment. How do we explain this shift from business ethics to business spirituality? Is it only a change in vocabulary or does it reveal a deeper intuition? And how can we integrate this spiritual sensitivity in a theoretical framework that can support a sustainable and coherent managerial practice? Without a theoretical framework, spiritual awareness risks remaining a highly personal interest of a business leader or an anecdotic story of an exceptional company. If we want to embed spirituality in management and decision-making processes, we need a spiritual-based theory of leadership. We will first explore three observed paradoxes within the current practice of economic rationality. Second, we will elucidate why spirituality is needed to understand and solve these paradoxes. The last section deals with the concept and practice of spiritual-based leadership.

## 1 Paradoxes of Economic Rationality

A paradox is a contradiction that can be resolved only by transforming the way one looks at reality. In the nineteenth century, Karl Marx was convinced that a paradigm shift to scientific materialism was needed to understand and solve the contradictions of the capitalism economics. Today, we need a *spiritual* understanding of reality to solve the current contradictions of economic rationality. This is not a new idea. The claim of ‘spirituality first’ and the search for integral humanism as a consequence of it, was already made during the 1930s in Europe by personalist thinkers such as Jacques Maritain and Emmanuel Mounier and expressed in the journal *Esprit*.<sup>1</sup> Indian philosopher and poet Rabindranath Tagore made a similar claim and gave it an Indian expression in the Visva Bharati University and its goal of combining human science and spirituality. The European SPES Forum is a network that tries to keep alive this legacy of spirituality in economic and social life. Our condition today makes the claim of ‘spirituality first’ more timely and relevant than ever before.

Let us start with three paradoxes in today’s socio-economic life: the ‘paradox of happiness’, the ‘ethics management paradox’ and the ‘sustainability paradox’.

### The Happiness Paradox

The happiness paradox has a long history. The utilitarian philosopher John Stuart Mill claimed that people who fixate on the goal of happiness will not be the happiest people. Some people attempt to achieve happiness by increasing material wealth, but many spiritual traditions warn us against this illusion. Even in welfare state, where prosperity is socially redistributed, the attitude of material greed at the expense of spiritual and social well-being is still present. Despite many welfare

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<sup>1</sup>When Mounier and his young intellectual friends started *Esprit* (Spirit) in 1932, they were deeply convinced that Europe in the 1930s was not only affected by an economic crisis (the Great Depression) and a political crisis (the emergence of fascism) but most of all by a spiritual crisis (Europe was confronted with a wave of nihilism inspired by Nietzsche and expressed by Sartre and other existentialists). *Esprit* and ‘personalism’ had the intention of awakening a spiritual renaissance in the European context of the 1930s.



programs, new forms of unhappiness are emerging in post-industrial nations such as rising rates of depression, stress, burn-out, suicide and loss of meaning in life.

Economists are used to defining happiness as the maximum realization of all our needs and preferences, despite the constraints of budget and time. By economizing scarce resources and time, economists assume that happiness will increase. Easterlin (1974) was the first economist to question this assumption on the basis of statistical research. He found that in international comparisons, the average reported level of happiness did not vary much with national income per person, at least for countries with income levels sufficient to meet basic needs. Similarly, although income per person rose steadily in the United States between 1946 and 1970, average reported happiness showed no long-term trend and declined between 1960 and 1970. The correlation between growth of income and happiness proved illusory. The 'Easterlin paradox' launched an ongoing body of research, called 'happiness economics'.

If it is true that more income and prosperity do not create more happiness, why do so many countries strive to increase economic growth and expand the welfare state? At first sight, the happiness paradox appears to support the dismantling of the welfare state. But this would be misunderstanding the case. To understand and solve the paradox a revision of the prevailing concept of happiness is necessary, as we will see.

## The Ethics Management Paradox

The ethics management paradox is based on an observation in the field of business (Bouckaert 2006). Business ethics gained more and more attention in the 1980s and 1990s. One mainspring in this rise of business ethics was the argument that in the long run ethics pays, hence ethics is a good investment for the company and its stakeholders. However, we can easily observe that a lot of companies or organizations involved in ethics programs and using ethical language do not always display genuine ethical commitment once confronted with a difficult situation. One example of this occurred in Belgium in 1997 with the closing of a Renault plant in Brussels. Renault at that time had developed an ethos of

worker participation and cooperation on the factory floor. Yet, faced with the demands of long-term profitability, the company forgot completely about its stakeholder philosophy. More than 3000 employees were fired without prior communication or negotiation. This is just one example of how business ethics proclaimed on the factory floor was overpowered by the desire for profit maximization for shareholders. A consequence of this highly discussed case in Belgium was a growing distrust of managerial ethical discourse. Other business scandals in the late 1990s (e.g. Enron, Lernaut & Hauspie, WorldCom) and during the various banking crises of the 2000s revealed the same phenomenon: more ethics management discourse does not create more ethical commitment. Analogously to the happiness paradox that more welfare does not necessarily bring greater happiness, we observe that more management of ethics does not necessarily create more ethics in management.

## The Sustainability Paradox

Today there is a growing focus on sustainability in the business world. Global challenges such as climate change and the loss of biodiversity compel governments and companies to take into account the ecological consequences of business activities. However, in a competitive context dominated by short-termism and speculative movements in financial markets, sustainable strategies prove difficult to implement. True, public media, international organizations, non-profit organizations (NGOs), ethical-driven consumers and investors push companies toward a more sustainable approach of their business activities. Also, sustainability as a quality label of products and production processes, is seen as the new asset in green capitalism. However—and here the paradox enters—focusing on sustainability does not necessarily ensure longevity for the companies themselves. The movement to ‘green capitalism’ is very market driven and is no guarantee of survival. A quote from S. Shore in the journal *Building a Sustainable Future* (drawn from research in 1980 of Royal Dutch Shell Corporation on the lifespan of corporations) illustrates very well the unsustainable character of companies:

The average life expectancy of a large multinational corporation (Fortune 500 or its equivalent) is between 40 and 50 years. A full 33 % of the companies listed in the 1970 Fortune 500 had either vanished by 1983, been acquired or merged, or divided into individual elements. The life expectancy of all firms regardless of size is 12.5 years. Based on Shell's criteria, only 40 corporations were discovered to have been in existence more than 150 years.<sup>2</sup> (Shore 2013: 11)

Although these figures do not distinguish between companies with and without focus on sustainability, they do reveal the unsustainable nature of corporations. It is difficult to imagine how the new 'competition for sustainability' known as green capitalism will guarantee a more sustainable lifespan for companies. On the contrary, the struggle for survival will be even fiercer. Hence this challenging paradox: the more competition for sustainability, the less corporate sustainability (in the sense of sustainable functioning).

## 2 Understanding and Solving the Paradoxes

How can we solve the above mentioned paradoxes? As said, paradoxes can only be understood and resolved by changing our conceptual framework. If so, we must revise our concepts of happiness (first paradox), ethics (second paradox) and sustainability (third paradox).

### Reconsidering Happiness

For sure, it is true that the realization of our basic needs and preferences is an essential part of human happiness and that economizing our scarce resources and time *can* increase happiness. But this is only a half-truth. Apart from our capability to maximize pleasure from the fulfillment

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<sup>2</sup>Shell discovered numerous European firms that are 200 or more years old, but many are family-run organizations that have been passed down for generations and did not meet Shell's size requirements.

of our needs and preferences, human happiness greatly depends on the *quality of human relations*: family relations, authentic friendship, good professional relations with colleagues and peers and so on. The point here is that the quality of human relations cannot be reduced to the economic notion of maximizing pleasure. The example of friendship illustrates this.

Defining friendship as the maximization of pleasure drawn from an encounter with a friend, would reduce the presence of a friend to a means for maximizing one's own happiness. Most of us realize that such an approach is bound to fail. At least a tacit commitment is necessary to keep a friendship alive even if it comes as a cost of one's personal pleasure. Too much focus on maximizing feelings of pleasure undermines the genuine commitment of the relationship. Moreover, it reduces friendship to a consumer good, subject to the economic law of decreasing marginal utility. Our feelings of friendship, under the pleasure maximizing principle, would decrease and burn out. This is exactly what the happiness paradox reveals: the more we focus on maximizing happiness as a pleasure, the less we will get it. This observation demonstrates that the source of genuine and enduring friendship is not in the fulfillment of our own need for affection but in the commitment to sustain each other in times good and bad. Through this commitment, we discover that friendship as a relational good does not follow a decreasing curb of marginal utility.

From the example of friendship we may learn that human happiness has a *dual nature*. It results only partly from our *rational* capability of maximizing pleasure. More important is the *spiritual* capability of self-gift and reciprocal commitment. It is this kind of commitment beyond egocentrism that creates the non-decreasing curb of happiness. This is not only true for friendship; all genuine human relations require non-egocentric commitment. If we want to restore a positive relationship between happiness and economics, we must focus on the quality of human relations. Pleasure and utility cannot be the ultimate concepts of economics. We should integrate the relational and spiritual view of happiness within economics and business.

## Reconsidering Ethics

In a similar manner as we unveiled the dual nature of happiness, we should discern the *dual* nature of ethics. Ethics has simultaneously an instrumental/rational and a non-instrumental/intrinsic meaning. Economists focus exclusively on instrumental or rational usefulness approach to ethics as a tool to realize some external goal. This could be a better reputation, lower transaction costs, risk management or loyalty of stakeholders, all of which in the end produce more profit for the company.

There is nothing wrong with this instrumental use of ethics provided it does not *crowd out* the intrinsic and genuine meaning of ethics. This crowding out mechanism was at work in the case of the Renault plant closing and in the many failures of business ethics in the information technology and banking sector. Absence of intrinsic ethics thoroughly explains the ethics paradox: the more (instrumental) ethical management, the less (genuine) ethics in management. If our ethical behavior is mainly driven by external goals and incentives, ethics will degenerate into a form of window dressing and be replaced by opportunism. To solve the paradox we need to prioritize the intrinsic approach to business ethics. The call for more spirituality in business and leadership is an effort to restore the balance between instrumental and intrinsic aspects of ethics in business.

But what does an intrinsic approach to ethics mean? Ethical behavior is intrinsic when it is not primarily driven by some external goal (such as good reputation, profit making or competitive advantage) or by external incentives (such as reward, promotion or fear of punishment) but instead by inner commitment. Intrinsic motivation refers to the personal and inner conviction that the good we want to do is good in and for itself and that the good is a basic and necessary good for every human being. Of course one must evaluate concrete and contextual applications or conflicts between different moral goods,<sup>3</sup> but there is a genuine first intuition about the intrinsic meaning of a moral good that functions as a compass in the deliberation process. It is not an easy task to sustain 'ethics in

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<sup>3</sup> Conflicting forms of life can confront us with difficult questions. Not every form of life can be saved (e.g. we will kill the virus that makes us ill) but we must at least respect every form of life as much as we can and take into account the common good of life in all our decisions.

management' without falling into the trap of instrumental ethical management. The idea of spiritual-based leadership, correctly conceptualized, is an effort to strengthen the intrinsic meaning of ethics in business.

## Reconsidering Sustainability

Most economists today perceive sustainability as the inclusion of long-term efficiency in the concept of growth but seldom as a fundamental change. They still believe that the aim of the economy is to maximize economic growth be it in a more smart and sustainable way. The pressure of financial and competitive markets continues to reward maximum growth and maximum return on capital. Sustainability is only part of the competitive game to grow faster and smarter than others do. As expressed by the paradox, this competitive drive for sustainability will create some social and ecological benefits. But it will not lead to a sustainable economy.

To solve the paradox we must understand, as we also did for happiness and ethics, the dual nature of sustainability. One approach is to view sustainability as part of a competitive game to select the fittest in terms of green capitalism. By contrast, we can define sustainability also as part of a new and non-capitalist concept of economics. We can advocate its competitive and instrumental aspect as well as its relational and spiritual meaning. In one of the first research publications of SPES, we introduced 'frugality' as a countervailing principle to the current theories of economic growth (Bouckaert et al. 2008). Our aim was not to promote an 'ascetic lifestyle', although restricting unnecessary consumerism always will be part of a sustainable growth program. Neither did we deny the universal right to a decent standard of living and to a fair redistribution of prosperity. Our main agenda was to direct attention to the creation of more 'relational goods' instead of the current overemphasis on 'positional goods'. Zamagni specified the distinction as follows: 'A relational orientation corresponds to the desire to get closer to someone else, whereas a positional orientation corresponds to the desire to gain a better position than others on some relative scale. While an interaction based on "relationality" generates "relational goods", an interaction

based on “positionality” with its prevalence of competitive behavior, generates “positional goods” (Zamagni 2005: 14).

The Trappist Brewery of Westmalle in Belgium provides an inspiring example of how a concept of frugality can be combined with good entrepreneurship, social commitment and a long corporate lifespan. At present, the brewery is a private limited company that belongs to the monks of the Trappist Abbey of Westmalle. Under the monks’ supervision, the modern brewery is managed by a team of competent laypeople, and the beer produced here is consistently ranked among the best in the world. The company is highly modernized and very successful in its commercial activities, while still maintaining a balance between spiritual and material needs growth as part of the production and distribution process. The company has a spiritual bottom line expressed in the charter of the brewery.<sup>4</sup> The key elements of this charter are (1) limits to growth; (2) deep ecological respect; (3) work as a spiritual value; (4) honest and sober advertisement and (5) profit sharing.

What is remarkable here is the combined achievement of creating an environmentally sustainable product, a strong social commitment, impressive corporate competitiveness and longevity. The brewery started its selling and trading activities in 1856. They have operated for more than 150 years and have solid finances. What we learn from the Trappist case is that sustainability as a spiritually driven concept of balanced growth can be more effective not only in terms of added economic, social and ecological value but also in terms of corporate sustainability and a longer lifespan.

If we want to integrate relational goods in the concept of sustainable economic growth, we should develop indicators that measure our capacity *to grow interconnectedly*. Some of those indicators exist already such as the ecological footprint, human development index, performance for future generations and gross national happiness. But their impact on our economic and social life is still limited. To give the new indicators a real impact in business life, a new theory and practice of leadership has to be implemented.

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<sup>4</sup> See “Beginselverklaring inzake de eigen zending van de brouwerij der Trappisten van Westmalle”, Community of Monks, Westmalle.

### 3 Spiritual-Based Leadership

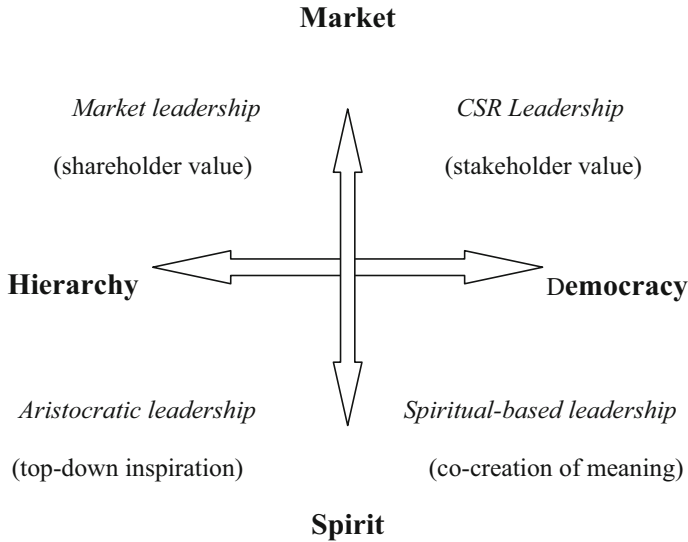
In current theory of leadership, the difference between a rational manager and a value-driven leader is mostly linked to the distinction between transactional and transformative leadership (Bass 1990). Whereas transactional leadership aims to motivate and direct people through rewards and punishment, transformative leadership is focused on transforming people by creating a new vision and a shared set of values in the organization. Transforming people through shared values requires a growing partnership and open communication to generate trust and intrinsic motivation. Transformative leadership integrates themes of empowerment, charisma, servant leadership and value-driven management.

It is important to point out that there are many different types of transformative leadership. Steve Jobs was a highly charismatic leader gifted with sound intuitions and the ability to motivate people. Yet his practice of leadership was primarily driven by market imperatives, creation of shareholder value and strict operational control. By contrast, business leaders such as Lars Kolind (Oticon) or Muhammad Yunus (Grameen Bank) pay more attention to the personal sense of co-responsibility and co-creativity of stakeholders and to the creation of meaning in work.

Better insight in the ambiguities and different models within transformative leadership can be obtained with the help of the chart in Fig. 2.1. The vertical axis presents the tension between a market-driven and a spirit-centered idea of leadership. The horizontal axis indicates the tension between an hierarchic and a democratic vision of leadership. Each quadrant refers to a specific type of transformative leadership. Actual leaders are often a mix of these ideal types but there is always a dominant characteristic. A key assumption of the spiritual-based model of leadership is the idea that every person has in his/her function a potential to lead as well as to follow. The hallmark of this model is leading in a spirit of co-creativity and co-responsibility. Its style of communication empowers people and fosters social relations of trust, reciprocity and interconnectedness.

More challenging than establishing a neat typology of leadership styles, is the question of how to engender a practice of spiritual-based entrepreneurship and leadership. When entrepreneurs ask me where





**Fig. 2.1** Types of transformative leadership

to start, I always answer that they themselves are the starting point. In all spiritual traditions, self-knowledge and self-transformation are the important steps to enlightenment. Without an effort of self-reflection and self-transformation, spiritual and ethical programs in business will remain manipulative management tools for good reputations. Therefore the basic task is asking oneself, ‘Who am I? What is the meaning and purpose of my own life? What inspires me and how can I make good decisions?’ After this self-disclosure (unlocking the inner self) comes the passion for quality and creating conditions for co-creative communication. In the Belgian SPES Academy, we developed a series of workshops to help facilitate taking these steps.

### Unlocking the Inner Self

SPES organized a workshop entitled ‘Thinkers for Doers’. The idea behind the workshop is to read together a brief but well-selected text in spirituality as a way to reach self-disclosure. We need a mirror to see ourselves

in the right way. Therefore, we read eye-opening texts from Buddhist, Christian, Sufi and Socratic traditions as well as from modern philosophers and poets. All text fragments are helpful to distinguish between the rational ego and the inner or spiritual self. After a brief introduction, the participants read the text individually and in group. Then, they are invited to apply the discussed text to their own lives and experiences.

To give an example, one of the texts we have read is a poem of *Lao Tzu* from the *Tao Te Ching* (poem 48 in the translation of Stephen Mitchell 1988).

In pursuit of knowledge,  
 every day something is added.  
 In the practice of the Tao,  
 every day something is dropped.  
 Less and less do you need to force things,  
 until finally you arrive at non-action.  
 When nothing is done,  
 nothing is left undone.  
 True mastery can be gained  
 by letting things go their own way.  
 It can't be gained by interfering.

The poem invites the reader to understand the distinction between the rational and the spiritual self or between rational and spiritual intelligence. In contrast to rational thinking, spiritual intelligence is presented by Lao Tzu as a process of 'dropping every-day something' until one arrives at a stage of *non-action*. The process is very similar to what the Greek philosopher Socrates had in mind as the first and most fundamental prerequisite to gain wisdom: we must discover in our mind a point of *not knowing*, 'I know that I do not know'. So the relevant question for the workshop would be: do we recognize in our mind such a point that precedes or transcends action and rational knowledge? Can we trust that point of 'spiritual intelligence' as a source of creativity and decision-making? As you can imagine, such a workshop opens a space for deep questions. These are not pragmatic questions about how to do things but questions about being before doing.

## A Passion for Relational Quality

To facilitate the second step, we started as a joint venture between the SPES Academy and UNIZO (the Belgian Union for independent entrepreneurs) a project called Inspirational Entrepreneurship. The idea was very simple: if you want to know how spiritual-based leadership works, meet in person a spirit-driven entrepreneur. Ask him/her where the spiritual and ethical drive comes from and how it makes a difference in terms of strategy, human resource management, marketing, profit sharing, communication and community involvement. Every year with a group of interested entrepreneurs, we visit a series of small and medium-sized companies. Reports of the visits are published in booklets.<sup>5</sup> One of the most striking characteristics of spirit-driven entrepreneurship that we discovered during these visits, was their remarkable passion for the quality and authenticity of their product.

Hard-working entrepreneurs are not eager to talk much about spirituality. They don't like grand statements and do not use an explicit spiritual vocabulary. They prefer to speak about the quality and authenticity of their product. An authentic product cannot be reduced to its functional and economic utility. One of the entrepreneurs we visited, a coffee producer, spoke about his product in a very revealing way. For him, coffee was a *relational good* linking rural workers and peasants in developing countries with coffee consumers in advanced societies. He informed us about the different kinds of beans and their ecological environment, the problems of transportation and the delicate process of production. He introduced coffee consumption as a cultural good: a ritual that begins and structures our day and helps people talk to each other. From his passion for coffee we can learn that spiritual-based entrepreneurship is not primarily about good stakeholder management. Just as the inspiration of an artist does not depend on how he relates to other people but on how he creates meaning through his work of art, in a similar way the spirituality of an entrepreneur is mainly expressed in his/her passion for a product that creates meaning and interconnectedness.

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<sup>5</sup> Reports of the visits are published in *Bezielend Ondernemen I* (2007, Brussels, Unizo Vorming) and *Bezielend Ondernemen II* (2010, Brussels, Unizo Vorming). These reports are not intended as scientific studies; however, they can be used as hypotheses for more systematic empirical research.

## Creating Conditions for Co-Creative Communication

An important step to practice spiritual-based leadership is to create good communication. In most approaches, good communication is seen as a means to realize the goals of a company expressed by its shareholders or stakeholders. If we adhere to the shareholder vision of a company, we will interpret communication as an instrument to create maximum value for shareholders. In the case of a stakeholder vision, good communication is measured by its capacity to create an added-value for all the stakeholders. But in both cases, communication still remains a tool for outcome-based performance rather than a genuine conversation.

Spiritual-based leadership opens another, non-instrumental view of communication. It defines communication as the process of creating a co-responsible and co-creative community. The reference point is no longer a set of means and goals but a shared sense of community and commitment. Not goals but persons and the co-creation of meaning are the heart of the company. Whatever their juridical statute, all persons co-creating value and investing time, money, talent or trust in a company are, ethically speaking, co-owners of the company. Co-creation and co-responsibility empower people and create a shared sense of ownership. To be fully implemented, the ethical claim of co-ownership needs to be translated in a formal and contractual structure of stakeholder participation. But a formal structure of participation and co-ownership never guarantees the inner spirit of co-responsibility. As empirical research indicates, a genuine spirit of co-responsibility is rather rare and requires a sense of leadership based on relations of mutual trust and co-creative communication. According to Gallup's new 142-country study on the *State of the Global Workplace* (Gallup Report 2013), only 13 percent of employees worldwide feel engaged at work, 24 percent are actively disengaged and 63 percent have no genuine interest or commitment in their work.

One example taken from F. D. Jensen (1996), using the Danish company Oticon, illustrates the power of trust-based leadership. Oticon is an international company that sells hearing aids and related technologies. Until the 1990s, the company was structured according to the traditional model of bureaucratic rationality: a clear hierarchical pyramid, divided into departments each responsible for managing their own areas,

with quantitative economic goals as standards for measuring and monitoring performances, and with emphasis on formal procedures. Between 1984 and 1994, the US dollar depreciated by almost 50 percent against the Danish crown. This meant a catastrophic decline in revenue for Oticon, since its most important market was in the United States. The company was facing a crisis. Meetings were held left and right, but the loss of control intensified. The board of directors pulled the emergency brake. Department directors were dismissed and Lars Kolind, manager of high-tech firm Radiometer Inc., was hired as chief executive officer. In response to the crisis, he developed an ambitious vision: the Oticon group would be restructured into an 'anthropocentric network' that indeed grew to become a world leader in audiology and within five years became listed on the Danish stock market.

Kolind's basic philosophy consisted of dismantling bureaucratic rationality and creating instead a 'moral free space', a space for freedom and personal responsibility. In practice, this meant the abolition of all titles and departmental structures, of fixed working hours, of clearly defined jobs; moreover, all information apart from a few confidential details was to be made accessible to everyone. Kolind wanted a company that was structurally comparable to the human brain: chaotic, non-hierarchical and effective. Each individual was able to make suggestions and proposals directly to Kolind himself. If someone did not receive a reply within 24 hours, he or she could consider the suggestion as having been accepted, and could count on the means for realizing it. If Kolind was unavailable to receive the suggestion, one could add a charge for the lost time (in the form of an internal interest compensation) to the project. Not everyone could adapt to this new style, which called for a high degree of personal responsibility and creativity. Some left the company. When the group succeeded in designing a new hearing system based on digital technology, the company made a leap forward. Kolind's style had evidently released people's self-confidence and creativity. Describing the core of his leadership, he said, 'The key lies in the notion of trust. No one can resist trust. The basic assumption that guides my notion of leadership is that the personnel will only take responsibility themselves and look after the common good if management is able to create an environment that promotes trust and autonomy.' (Jensen 1996: 26)

## 4 Conclusion

Spiritual-based leadership is the art of managing an organization's spiritual capital, which can be defined as the capacity to think and act as a co-creative and co-responsible community. In business, this act of co-creation has to be realized in the context of competitive markets. However, without an inner sense of orientation and responsibility a company will be driven by pure market activism and ad hoc policies. The paradoxes of economic rationality will become more and more visible and lead to destruction.

Spiritual-based leadership is not a new concept but its application in the business context is new. Unfortunately, spirituality is not a familiar concept in academia nor in the business world, at least not in Europe. In those key sectors of society, instrumental and utilitarian rationality remains the dominant perspective while spirituality needs a non-instrumental and non-utilitarian experience of life. India is a challenging case for all of us. On the one hand, the Indian economy is one of the fast movers in the worldwide race of economic growth and new technologies but simultaneously characterized by a deep income gap between rich and poor. On the other hand, India has a rich diversity of spiritual traditions and a natural interest in religion. The challenge will be to achieve unity and to form a generation of managers that are able to combine the rational competences of management with the human and spiritual quest for meaning.

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# 3

## Responsible Leadership and Reasonable Action

László Zsolnai

Responsible leadership is a scarce resource in business and public administration today. Trust in leaders worldwide is dramatically decreasing as they are not able to prove that they are serving the common good. Rather, they are perceived by the public to be pursuing their own selfish goals and those of their organizations. The mainstream leadership model of business and public organizations should be renewed to reestablish the trust of the public and to ensure these entities succeed in tandem with their stakeholders.

### 1 Problems with Modern Leadership

The main problems with modern leadership stem from having a self-centered perspective and pursuing the goal of self-enhancement. Mainstream leaders understand that their organizations are separate from the larger environment and tend to pursue goals which are defined in a narrow sense. They are disembedded from the environmental and social context in which their organizations function and they consider the natural environment and human persons to be mere means for accomplishing their own purposes and goals.



## Self-Centered Orientation

The dominating, self-centered orientation of modern organizations leads to decision paralysis that produces ecological destruction and human deprivation on a large scale.

The perverse nature of the decision-making of leaders in modern organizations is visible in such phenomena as decision-making under risk and discounting in space and time. Prospect theory and the general theory of discounting used in economics can help us to describe and analyze these phenomena (Zsolnai 2002).

Prospect theory states that the majority of decision-makers prefer smaller but definite gains over greater but uncertain gains. Decision-makers are usually risk averse in choices involving sure gains (Kahneman and Tversky 1979).

Similarly, prospect theory also states that the majority of decision-makers prefer to suffer a greater but uncertain loss over a smaller but certain loss. Decision-makers are usually risk-seeking in choices involving sure losses (Kahneman and Tversky 1979).

Further, prospect theory predicts that the majority of decision-makers will prefer a smaller but certain gain and a greater but uncertain loss over a smaller but certain loss and a greater but uncertain gain. This is because decision-makers are more sensitive to losses than to gains (Kahneman and Tversky 1979).

Risky decisions made by business and governmental leaders often endanger the safety and integrity of the natural environment and human populations. So-called catastrophic risk is a case in point. The probability of the occurrence of a catastrophe caused by modern, large-scale technologies is usually low but it is never zero. Yet the possible negative consequences are horrifying: destruction of ecosystems and enormous losses to society. Recent examples of these kinds of ecological and human tragedies include Fukushima and the BP oil spill in the Mexican Gulf.

According to the general theory of discounting, the majority of decision-makers prefer to make gains here and now rather than to make the same gains further away and later in time. Decision-makers discount gains that are distant in space and time.

According to the general theory of discounting, the majority of decision-makers will prefer to experience losses further away and later in time than the same losses here and now. Decision-makers discount losses that are distant in space and time.

The majority of decision-makers prefer to gain here and now and face losses further away and later, rather than make the same gains further away and later and the same losses here and now because they undervalue gains and losses that are distant in space and time.

Decision-makers tend to use special discount rates to value things distant in space and time. If the distance of a thing in space or/and in time is great enough, then its present value becomes extremely small. Also, the present value depends on the discount rate applied: the greater the discount rate, the smaller the present value. The present value of a thing is thus determined by the discount rate applied and its distance in space and time.

Discounting in space and time in business and public decision-making may produce negative consequences. Decision-makers who strongly discount things in space and time are neither interested in solving long-term or distant ecological and human problems, nor considering the global impacts of their activities on the natural environment and human communities. The international trade in hazardous wastes is an illustrative case in point. First World countries transport and dump hazardous wastes in distant and less-developed Third World countries and with little interest in the future ecological and human health impacts of these materials.

By combining the main lessons of prospect theory and the general theory of discounting, we can gain insight into the self-centeredness of the leadership in modern organizations.

Let us consider the following decision-related problem.

There are two alternatives available to a leader in a modern organization. The first alternative is to make a sure gain ('G') here and now, and at the same time, to make a loss of  $yL$  at some point further away/later in time with probability of  $1/y$ , where  $y > 1$ . The second alternative is to make a sure loss ('L') here and now and, at the same time, to make a gain of  $xG$  at some point further away/later in time with a probability of  $1/x$ , where  $x > 1$ .

**Table 3.1** Self-centered choices of modern organizations

	Certain, here and now	Uncertain, further and later
Gains	Accepted	Rejected
Losses	Rejected	Accepted

Leaders of modern organizations typically prefer the first alternative (a smaller but sure gain here and now and a greater but uncertain loss further away/later in time) against the second one (a greater but unsure gain here and now and a smaller but certain loss further away/later in time). Generally speaking, leaders of modern organizations favor sure gains here and now and unsure losses further away/later in time, while they opt to avoid sure losses here and now and unsure gains further away and later (Table 3.1).

The self-centered orientation of the leadership of modern organizations produces environmental and social ‘ills’ of various kinds.

## The Goals of Self-Enhancement

Psychologists have found that a split between thought and action occurs when leaders break the rules or get involved in dirty business or politics. What is most surprising in rule violation and misconduct is that leaders are not bothered by their conscience, do not fear sanctions and do not feel obliged to make reparations (Caprara and Capanna 2006).

It was Stanford psychologist Albert Bandura, who discovered the mechanisms of moral disengagement, the psychosocial maneuvers by which moral self-sanctions become disengaged, giving way to a variety of misbehaviors without carrying any moral concern. Self-sanctions can be disengaged by reconstructing the conduct, obscuring personal causal agency, misrepresenting or disregarding the injurious consequences of one’s actions, and vilifying the recipients of maltreatment by blaming and devaluating them (Bandura 1986).

The mechanisms of moral disengagement enable otherwise considerate leaders to commit transgressions without experiencing personal distress. They may disengage themselves from moral considerations through a variety of complex mechanisms, including moral justification, euphemistic labeling, advantageous comparison, displacement or diffusion of

responsibility, minimizing, ignoring or misconstruing the consequences, dehumanization and attribution of blame.

Moral disengagement can contribute to detrimental behavior both directly and indirectly. Leaders have little reason to be troubled by guilt or to feel any need to make amends for harmful conduct if they (re)construe it as serving worthy purposes, or if they disown personal agency for it. A high level of moral disengagement is often accompanied by a low level of guilt, thus weakening anticipatory self-restraint against engagement in detrimental behavior. Self-exoneration for harmful conduct and the self-protective dehumanization and blaming of others spawns low pro-social orientation. Low 'pro-socialness', in turn, contributes to detrimental conduct in two ways. Having little sympathy for others both removes the restraining influence of empathy towards others and it also creates a low level of anticipatory guilt over injurious conduct. Under some circumstances, effective moral disengagement creates a sense of social rectitude and self-righteousness that breeds ruminative hostility and retaliatory thoughts in response to perceived grievances.

Bandura and his colleagues have demonstrated the working of these disengagement mechanisms in important business, industrial and political cases (Bandura et al. 2000; Bandura 2007; White et al. 2009).

Empirical findings suggest that the more leaders are concerned with self-enhancement, the more they are inclined to resort to mechanisms that permit them to disengage from the duties and obligations of civic life and to justify transgressions when their self-interest is at stake (Caprara and Capanna 2006).

If leaders become self-concerned then it is likely that by employing moral disengagement mechanisms, their self-exonerative maneuvers will do harm to others. To serve the common good we need agents who care about and pursue both personal and community interests.

## 2 The Idea of Responsible Leadership

The *Financial Times Lexicon* gives the following definition of responsible leadership: "Responsible leadership is about making business decisions that, next to the interests of the shareholders, also take into

account all the other stakeholders, such as workers, clients, suppliers, the environment, the community and future generations” (Financial Times Lexicon 2013).

Thomas Maak and Nicola M. Pless characterized responsible leadership as follows (Maak and Pless 2009):

1. It is important to hold leaders accountable for what they do and fail to do. Therefore, accountability is an important ingredient of responsible leadership.
2. It is important to note that the past decade has seen a seminal shift in the business environment: global interdependence and interconnectedness are a reality.
3. Responsible leadership is always values-based. To qualify as responsible, however, leadership needs to be based on the “right” values; values that enable both leaders and followers to find a common meaning and purpose, such as contributing to a sustainable future; values that leaders live and incorporate.
4. To lead both effectively and responsibly requires trust. Leaders are trusted if people believe that they say what they mean and mean what they say. In other words, it requires authentic leaders. Authenticity is essentially a social virtue.
5. We need business leaders who act as responsible change agents in and beyond their businesses.
6. We want leaders to do the right thing and do things right. Responsible leaders care for others and not just themselves and are able to align different, sometimes conflicting values into something that transcends self-interest. At the core, then, the leader is trusted to serve a valuable common purpose.
7. It is worth noting that leadership occurs in interaction between leaders and followers. As obvious as this may sound, in a stakeholder society followers are not necessarily subordinates but also other internal or external constituencies who have a stake in the leadership project.
8. Responsible leadership means stewardship, preserving and enriching what one is entrusted with. Stewards are guardians of values, principles and resources.
9. Responsible leaders pursue a vision of a better future.

10. We need leaders who are able to lead themselves. Self-awareness, self-reflection and self-management skills are an indispensable part of being a responsible leader.

Joanne Ciulla states that ethics lies at the heart of leadership. Responsible leadership needs a frame for reflection and a value base upon which to build. Without leadership ethics, this is unthinkable (Ciulla 2006).

What we need is an all-encompassing view of leadership which permits to consider the interests of those stakeholders who do not have a voice and which enables leaders to balance the interests of stakeholders with and without power (Bettignies 2013).

A comprehensive theory of prospective moral responsibility relevant for leadership is presented by the German-American philosopher Hans Jonas in his opus magnum *The Imperative of Responsibility* (Jonas 1979, 1984).

According to Jonas, an imperative responding to the new type of human action might run like this: “Act so that the effects of your action are compatible with the permanence of genuine human life” Or, expressed in a negative format: “Act so that the effects of your action are not destructive of the future possibility of such life” (Jonas 1984: 11).

Because future human beings and nonhuman beings do not have rights, our duties to future generations and to nature are independent of any idea of rights or reciprocity. Jonas states that human responsibility is basically a nonreciprocal duty to guard beings (Jonas 1984: 38–39).

Jonas underlines the fact that prospective responsibility is never formal but always substantive. “I feel responsible, not in the first place for my conduct and its consequences but for the matter that has a claim on my acting”. For example, “the well-being, the interest, the fate of others has, by circumstance or by agreement, come to my care, which means that my control over it involves at the same time my obligation for it” (Jonas 1984: 92 and 93).

Using Jonas’ theory of moral responsibility, I suggest that responsible leadership should be described as setting directions for actions and policies which help to achieve the goals of the organization while contributing to the restoration of nature, the enhancement of the freedom of future generations and the development of the well-being of society.

If a leadership practice achieves the goals of the organization but creates a negative impact on nature, future generations or society, then it cannot be called responsible.

### 3 Rationality and Reasonable Action

The conventional notion of rationality is not consistent with the requirements of responsible leadership.

Rationality in economics, business and other fields of social life is understood as maximizing one's own utility function. People and organizations are considered rational if their preferences are transitive and complete and if they choose what they most prefer among the available alternatives.

The rational choice model does not presuppose anything about the preferences people or organizations have. They may have self-centered, altruistic or even sadomasochistic preferences. The rational choice model represents a formal theory that says nothing about what people prefer or should prefer. This model represents the *weak* form of rationality.

In economics, and also in political science, there is a much stronger version of rationality where the assumptions of self-interest and perfect knowledge are added to the weak form of rationality. We arrive at the model of 'Homo Oeconomicus', according to which people or organizations are rational, exclusively self-interested and have perfect knowledge about the consequences of their choices. This model represents the *strong* form of rationality (Zsolnai 2008).

The conventional notion of economic rationality is in conflict with responsible leadership. But, responsible leadership is consistent with the conception of "reason" advocated by Amartya Sen. Reason is the discipline of subjecting one's choice—of action as well as objectives, values and priorities—to reasoned scrutiny (Sen 2002). Reasonable choices should not necessarily satisfy the criteria of internal consistency of choice or maximizing self-interest but they should be subjected to the demands of reason.

Leadership activities should pass the test of concerning ecology, future generations and society to be qualified as reasonable. This triple criterion

requires that leadership activities contribute to the restoration of nature, increase the freedom of future generations and serve the well-being of society. Leadership actions can be considered “reasonable” only if they satisfy all of these criteria.

## Ecological Integrity

From the perspective of nature, *ecological integrity* is a central value. The notion of ecological integrity was introduced by American environmentalist Aldo Leopold in his classic book *A Sand County Almanac*. He writes that “a thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise” (Leopold 1948).

In contemporary ecology and environmental policy, the concept of *ecosystem health* is used as an operationalizable measure of ecological integrity. It is defined as follows:

$$HI = V \times O \times R$$

Where HI is the ecosystem health index; V is ecosystem vigor (a cardinal measure of system activity, metabolism or primary productivity); O is the ecosystem organization index (a 0–1 index of the relative degree of the system’s organization, including its diversity and complexity); and R is the ecosystem resilience index (a 0–1 index of the relative degree of the system’s resilience (Costanza 1992)).

Today it is required that leadership activities not only preserve the health of ecosystems but try to improve it as well. This kind of *restorative* action is vital for the survival of natural ecosystems in our ecologically degrading age.

## Future Generations

How can we evaluate leadership activities from the perspective of future generations? We cannot know too much about the interests of future generations, but their freedom to achieve a good life must be considered of central importance.



Edith Brown Weiss advances three basic principles concerning future generations. First, each generation should be required to conserve the diversity of the natural and cultural resource base so that it does not unduly restrict the options available to future generations in solving their problems. Second, each generation should be required to maintain the quality of the planet so that it is passed on in no worse condition than the present generation received it. Third, each generation should provide access to the legacy of past generations to future generations. These basic principles can be satisfied if we consider every generation as equal and do not presuppose anything about the value preferences of future generations (Brown Weiss 1989: 38).

To sum up, the freedom of future generations is ensured by satisfying the following principles: (1) conservation of options; (2) conservation of quality; and (3) conservation of access.

Today, it is required that leadership activities not only respect the freedom of future generations but actually enhance it. These kind of future-enhancing actions are vital for the survival of humanity in our age.

## Society

Leadership activities should be pro-social; i.e., they should contribute to the development of people's capabilities.

Amartya Sen proposed that people's well-being should be understood in terms of "capabilities". Capability is a reflection of the freedom of a person to achieve valuable functioning. Therefore capabilities can be interpreted as substantive freedom that people enjoy (Sen 1992).

Martha Nussbaum, American philosopher and collaborator of Amartya Sen, lists the basic capabilities as follows: life, bodily health, bodily integrity, senses, imagination, thought, emotions, practical reason, affiliation, concern for other species and nature, play and control over one's environment (Nussbaum 2006).

I suggest that three classes of reason can be used to scrutinize leadership choices. Leadership choices should pass the criteria of ecological reason, reason for future generations and social reason. Meeting these criteria means that leadership choices may contribute to the restoration of

natural ecosystems, increase the freedom of future generations and serve the development of societal well-being.

The central idea of responsible leadership is that leaders should pursue the goals of their own organizations or communities in ecological, future-respecting and pro-social ways. The crux of the matter is that leaders should extend the *informational basis* of their analyses and broaden the *evaluative space* of their choices beyond organizational values to include ecological, future generations and social values.

## 4 Indian and European Cases of Responsible Leadership

To develop and implement responsible leadership in real life context is a rather difficult task. I present cases from India and Europe to illustrate the practice of responsible leadership in different sectors. The selected cases are Organic India and the Triodos Bank in The Netherlands.

### Organic India

Bharat Mitra is Chairman and President of Organic India Pvt. With Bhavani Lev he founded Organic India.

Organic India is a company dedicated to holistic sustainable development. It supports the marginal farmers and aims to produce the highest quality organic foods and health products in and from India. Organic India is the ultimate collaboration between East and West, where some of the ancient and precious knowledge of India is put together with the highest international standards of quality, production and hygiene. Its mission is to support sustainable development, environmentally, socially and economically (Organic Fresh Food 2013).

Organic India is committed to bringing awareness of the benefits of organic food throughout India, and providing high-quality products at affordable prices in the local market.

Organic India provides a sustainable solution, which is friendly for the environment, society and the end consumer. Organic India is a company

where the mission is to serve Mother Nature, the mother of all of us, regardless of our race, color or status. It also aims to serve the marginal farmers, who are responsible for producing the food that feeds all of us.

Organic India is working with more than 10,000 farmers across the country. Each farmer normally gives support and livelihood to an average of 10 people. In this way, the company is supporting more than 100,000 people.

In projects where Organic India has worked, the yields are increasing year after year. Every year, the farmers are getting more produce from their land because of the constant enrichment of the soil that results from using natural compost, natural fertilizers, and so on. So, not only are the farmers getting a sustainable income; they are also amazed with the increase in their well-being. The water resources are not polluted and the livestock—cows and buffalo—are healthier. Thus, the quality of milk is greatly improved. They are no longer exposed to toxic chemicals, the women have fewer miscarriages, the quality of mother's milk is better, babies are healthier and the whole family is healthier (Organic India 2006).

## **Triodos Bank**

Peter Blom, CEO and Chairman of the Board of the Triodos Bank Group, is a pioneer in sustainable and ethical banking. After studying economics, and helping to run one of the first organic food centers in the Netherlands, Blom joined Triodos in 1980, the year the bank first opened for business. Having worked at Triodos since the start, he was appointed managing director in 1989, and has then as CEO in 1997. He is chair of the Global Alliance for Banking on Values and also a member of the Board of the Dutch Banking Association. He maintains his interest in food and farming, chairing the Organic Food and Agricultural Council of the Netherlands (Triodos 2013).

Triodos Bank's mission is to make money work for positive social, environmental and cultural change. More specifically, the bank aspires to help create a society that protects and promotes the quality of life of all its members, while enabling individuals, organizations and businesses to use

their money in ways that benefit people and the environment, promote sustainable development and provide customers with innovative financial products and high-quality service. Triodos only lends to and invests in organizations that benefit people and the environment. It connects savers and investors who want to change the world for the better with entrepreneurs and sustainable companies doing just that. Triodos is the only specialist bank to offer integrated lending and investment opportunities for sustainable sectors in a number of European countries (Eco Question 2013).

In consonance with its name, which means “three way”, Triodos Bank has built its business model on the three pillars of people, planet and profits. The belief of the bank is simple and its mission is lucid: it finances companies, institutions and projects that add cultural value and benefit people and environment with the support of depositors and investors who wish to encourage social responsibility and a sustainable society (World Inquiry 2013).

The money of socially and environmentally conscious depositors and investors is channeled toward businesses that are committed to positive change in the world through personal banking, business and charity banking, and investment banking options provided by the bank. The personal banking option ensures that the saver receives a healthy return on the deposit while being a part of a community that wants to make a genuine change. Through its business and charity-banking offering, the bank partners with organizations that share its values. The investment banking service helps raise capital, manage venture capital funds and brings together like-minded investors by providing information on conscious investment opportunities. The bank has established a benchmark for financial transparency and in the process has raised the financial literacy of its customers.

It also has the honor of being a pioneer in green investment funds in the Netherlands. In partnership with the insurance company Delta Lloyd, the bank launched the first Dutch combined life insurance and pension insurance product that screens its investments using social and environmental criteria. Triodos uses creative methods to generate opportunities for investors to make profits by investing in environmentally conscious projects such as Wind Fun and Solar Investment Funds, which finances

solar energy projects in developing countries. Further, the Triodos Fair Share Fund offers private individuals and institutions the chance to invest in microfinance institutions in developing countries. Continuing its tradition of innovative and conscious financial products, the bank designed a Real Estate Fund that invests exclusively in sustainable buildings. Living up to its belief of adding cultural value, the Triodos Culture Fund was launched with the purpose of providing loans for promoting art and culture (World Inquiry 2013).

In addition to creative investment opportunities, the bank finances practical and well-grounded initiatives that are dedicated to positive change. The bank lends to organizations like charities, social businesses, community projects and environmental initiatives that benefit the community, environment and human development. Specifically, environmental benefit investments are made through organic farming, organic food and environmental technology projects. The areas of social business that are served through the bank's offerings are trade, manufacturing, services, catering and business enterprise centers. Culture and welfare is encouraged through lending to borrowers who work to meet individual and community needs like providing health-care and education as well as those working in arts and social projects. The bank also gives money to innovative social housing projects that respond to acute shortage of adequate housing in the UK. Religious and spiritual groups that respect human freedom also feature in the bank's list of borrowers.

A realization of the power of partnerships encouraged the bank to network with organizations that help connect people's money with the cause closest to their hearts. The bank has successfully harnessed the commitment of its depositors and investors with groups like Friends of the Earth and The Soil Association to create a powerful force for change.

Since its inception, the bank has helped many microfinance institutions become microfinance banks by providing both funding and training. By being a bridge between the green sector and poverty alleviation for more traditional institutions, the bank has truly made a sustainable positive impact (World Inquiry 2013).

## 5 Conclusion

Spirituality plays a major role in developing responsible leadership. (Zsolnai 2008). The spiritually enlightened leader goes beyond self-interested calculations and exercises genuine empathy with others while taking an all-encompassing perspective. (Zsolnai 2011) Responsible leaders are properly socialized persons who have developed reflexivity with the ethical norms of a given society and who display empathy towards others with whom a common environment is shared.

Not all institutional forms are adequate for developing responsible leadership. Muhammad Yunus strongly argues that conventional for-profit companies cannot permit business leadership which is truly responsible (Yunus 2013).

The critical factor is the support of stakeholders. Without the committed and enthusiastic support of customers, employees, suppliers, investors and the public, responsible leadership cannot be sustained for long. Responsible leaders should create their own supportive environment by educating and empowering people.

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# 4

## An Ethics of Care Induced from Kautilya's Wisdom

Sharda Nandram and Ankur Joshi

Business leaders carry a tremendous amount of responsibility and influence, not only in terms of the way they run their companies at all levels, but also in terms of their relationship to society and the environment. A look at the evolving area of leadership development highlights the fact that corporate strategies adopted since the 1970s aimed at reducing the negative effects of irresponsible leadership practices have not had an adequate impact. Nevertheless, there is an ongoing effort in business schools to teach the subject of business ethics, thereby increasing the attention paid to business ethics after the students enter the corporate world.

Scholars observe that the socialization of students can sometimes leave student with a warped view of business ethics upon entering business school. Some come into it morally broken and suspicious of those integrating ethics into business. (Giacalone and Promislo 2013). These scholars suggest that business schools cope with this issue by introducing an ethics of care encompassing such issues as interconnectedness, caring, and shared interest. This chapter attempts to explain such an ethics of

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care under the heading of self-regulation. The ethics of care presented here has been drawn from the wisdom of Kautilya regarding ethical challenges in the context of leadership and stewardship.

Business schools and management teams are actively involved in rethinking leadership. We suggest they move beyond solely focusing on economic views to including a psychological and spiritual view. This approach gives rise to a long-term positive impact for various stakeholders and involves a broad range of benefits that are beyond the self-interests of leaders. We believe that such an approach will create a sense of care, membership, and calling (Fry 2005). It requires leaders who embrace the practice of stewardship—leaders who are willing to motivate themselves and their employees to become committed and motivated to address the higher causes and ethical challenges they face. Such leaders are involved in the process of transforming their organizations. Benefiel (2008) explains that this process also requires a personal transformation. In the wholesome leadership model presented by Pandey and Singh (2010), personal transformation in terms of self-mastery is as essential as developing the organization by delivering value and developing relationships with customers. As such, leaders become involved in multiple processes simultaneously. They work on avoiding unethical practices, even when fueled by the power they have gained in “good times,” as described by Ludwig and Longenecker (1993). In Kautilya’s teachings, an ethics of care starts with the leader’s self-regulation as an important mechanism that covers such aspects as a righteous living, self-purification, and awareness of a dual mindset. That self-regulation is followed by the mechanism of care and the mechanism of transcending interest, which allow for the building of relationships and for reaching out to as many citizens as possible. One of Kautilya’s main messages on the ethics of care is found in the following verse: “In the happiness of the subjects lies the benefit of the king, and what is beneficial to his subjects is his own benefit” (1.19.34).<sup>1</sup> It states that the king needs to think of his subjects and feel responsible for them. It appears that the king serves the interests of his subjects to make sure that all are happy including himself. His lessons can be applied by both successful and less successful leaders.

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<sup>1</sup> Although the verses can be found in the books of Shamashastry (2005) and Kangle (1965), those presented here are only those of Kangle. Kautilya’s *Arthashastra* contains about 6000 verses spread over 150 chapters.

In this chapter, we explain these three mechanisms, which are found in the teachings of Kautilya, who is also known as Chanakya or Vishnugupta (350–275 BC).

Kautilya's holistic view was powerful in creating a notion of righteous living that views all stakeholders as owners (Jain and Mukherji 2009). In this view, stakeholders play a role in building trust and commitment to achieve the best results for the benefit of as many as possible in both the short and long terms. The main foundation of Kautilya's ethics of care is a focus on philosophy. According to Kautilya, a leader can only be successful if he considers philosophy to be as important as economics and politics. Philosophy in his description covers ethical, moral, and psychological aspects of self-regulation, care, transcendence of problems, and interests. Although his teachings refer to leaders in the context of politics (i.e., heads of state), they are equally applicable to other forms of leadership.

In this chapter, we demonstrate the practical contribution of his wisdom by putting it into the framework of current stewardship models. Our aim is not to provide a verbatim translation of Kautilya's age-old teachings, which were originally written in Sanskrit. Rather, our intention is to discuss his teachings in the light of the challenges and opportunities of our time.

## 1 Stewardship Theory

It is a common belief that each individual in any organization has his or her own personal interests, and that their personal interests are often not aligned with organization's interests. Many organizations assume an economic model of people seeking to maximize their own self-interests, sometimes at the expense of others, including the organization. In contrast, in an extension to leadership thinking, scholars have introduced the concept of stewardship, in which organizations are built in such a way that followers put aside their personal interests in favor of the group's interests, and they focus on the long term rather than the short term, even if those long-term interests relate to generations beyond their own (Hernandez 2008).

Davis et al. (1997) explain stewardship by addressing principal-agent theory (Eisenhardt 1985), which suggests that agents (e.g., employees) do not care about working for the benefit of the principal (e.g., the manager). Therefore, the principal builds control mechanisms into the organization with the hope that these mechanisms will align the goals of the agents with those of the leaders/organization. Such mechanisms may include performance-based compensation schemes and governance structures. Davis et al.'s (1997) main message is that if we apply psychological assumptions of individuals, then we may structure organizations in a different way. In Table 4.1, the main elements of the economic model of man and the psychological model of man are presented. In both models, the relevant behaviors are shown. The psychological model creates room for an ethics of care through collective serving (a mechanism of care), (intrinsic motivation), virtues and values (a mechanism of self-regulation), trust (a mechanism of care), and a long-term orientation (mechanism of transcendence).

Davis et al. (1997) focus on the psychological idea of the self-actualizing man based on the work of Maslow. Hernandez (2008, 2012) builds on the psychological dimensions of this stewardship view by including three kinds of support: relational support (interpersonal relationships between leaders and followers for building trust), contextual support (resembling institutional power and trust in Davis et al. 1997), and motivational support for fostering self-efficacy, self-determination, and feelings of purpose. Hernandez suggests these kinds of support motivate followers to consider the broader implications of organizational decisions, and to accept the personal consequences of their actions. Relational and contextual supports enhance organizational commitment, which leads to a feeling of belonging to the community or organization. One can argue that these two forms of support foster the mechanism of care, while motivational support covers the mechanism of self-regulation. A critical requirement in this regard is that followers must believe in and accept the organization's goals, even long-term goals. However, on a day-to-day basis, this may not be true for every follower. As explained in the next section, Kautilya not only focuses on the role of the followers but also on the role of the leader. In his perspective, the mechanism of transcendence is relevant for serving higher causes as well as humankind in both the short and long terms.

**Table 4.1** The main elements of the economic model of man and the psychological model of man

Agency theory—economic man	Stewardship theory—psychological man
Economic man is the main assumption. Man is self-serving.	Man is a social being and, therefore happy and inherently willing to focus on serving the collective.
Man has lower-order economic needs related to physiology, security, and economic status.	Man focuses on higher needs, such as personal growth, achievement, and self-actualization.
Man is motivated by extrinsic rewards.	Man is driven by intrinsic motivations (people value performing tasks without being motivated by the outcome).
Man judges himself by looking up to his managers.	Man judges himself according to the principal way of acting. Therefore, the principal should act as a role model.
Man has a low value commitment: he does not care much about values.	People have a high value commitment. They focus on virtues and a set of values to follow.
Men are driven by institutional power (legitimate, coercive, rewards).	Men focus on personal power mainly based on expertise.
Control mechanisms for punishment and rewards are built into organizations to ensure that the subordinates do what is being asked.	People's involvement orientations guide their behavior.
The organization is focused on controlling costs.	The organization is built on trust.
The principles are set for a short term.	There is a long-term orientation.
There is a culture of individualism, and the power distance between people is high.	There is a culture of collectivism and low power distance.

Stewardship serves as a means to protect a kingdom while those in charge are away (Hernandez 2008). The purpose of one's work is focused on another actor (the kingdom or organization) and not the person himself. Therefore, stewardship inherently covers the mechanism of caring for others' interests. Hernandez's (2012) idea is that a steward willingly subjugates his or her personal interests to protect the long-term welfare of others. In this process of giving up personal interest, new generations are also part of the scope. However, whether the "other" includes the environment

as a stakeholder is unclear. Thus far, stewardship has focused on the self-actualizing individual or a person feeling obligation towards others, even towards those he or she does not know (i.e., future generations).

The mechanism of transcendence may be linked to the “ideological currency” that Hernandez (2012) describes in the concept of psychological contract. The first part is the transactional approach, in which the follower conducts tasks in exchange for monetary compensation. The second part is more relational—the individual accepts obligations in exchange for job security, professional development, and group membership. In ideological currency, it is about pursuing a cause in exchange for participation in attempts to meet ideological objectives. The ideology-infused contract includes economic and socio-emotional components. According to Hernandez (2012), the pursuit of a valued cause requires a fundamental orientation toward the community’s welfare. In stewardship, this focus on social welfare takes the form of sacrificing short-term personal gain for longer-term collective ends (Hernandez 2012).

When explaining the psychological contract, Hernandez (2012) introduces the concept of psychological ownership by explaining that individuals have a need to control their behavior. The concept of psychological control can be understood by studying motivational models. Different models are characterized by different levels of freedom in the psychological state of control. For example, Taylor’s (2004) scientific management and efficiency ideas suggest that jobs should be specified in detail so that leaders can obtain an overview and apply control. Inspired by these ideas, Skinner’s (2011) reinforcement model was developed under the assumption that human behavior can be modified through punishments and rewards. Furthermore, the path-goal theory, which is based on reward systems, has become widely recognized in the organizational context (House and Mitchell 1974). Control can also be linked to the hierarchy of needs (Maslow 1954) or to McClelland’s (1953) four types of human motives: power over others, goal achievement, attachment to others, and avoidance of pain or suffering. The so-called “Theory X” states that man is evil by nature. This led to “Theory Y”, which proposes that human beings are self-actualizing by nature and fundamentally good (McGregor 1960). Ouchi’s (1981) Theory Z, which hails from Japan, talks about being more employee-centered by acknowledging that each employee has

his or her own drivers, and an open attitude to learning and change, and can be motivated in certain types of situations. His theory involves collective decision making and holistic ideas on motivation that include the involvement of employees' families (Ouchi 1981). However, this theory did not gain much attention in the West.

Observation of individuals' tendencies to focus on loyalty to their profession rather than loyalty to their companies led to development of new models for psychological control. Vroom introduces the expectancy-value theory, which stresses that motivation is directly related to an individual's expectations and to the value that individual attributes to an activity. Adams (1965) says that people perceive the outcomes of their efforts and compare them with the efforts and outcomes of others. The job characteristic model developed by Hackman and Oldham (1975) is another example of a cognitive-motivational model. It suggests that employees are motivated by perceptions and experiences of autonomy while performing their tasks. The higher the level of independence and autonomy, the more fulfilling that task is. Highly fulfilling tasks generate more motivation. In line with this perspective, Deci (1971) develops the concepts of intrinsic and extrinsic motivation. Intrinsic motivation relates to the experience of pleasure while executing tasks. Extrinsic motivation relates to the inspiration that comes from rewards for executing tasks.

Other models focus on the effectiveness of the leader's behavior. Bass and Avolio (1994) quantify the components of leadership in the full range leadership development (FRLD) model. The FRLD is commonly used for identifying leadership styles. The model describes specific leadership styles in terms of effectiveness, degree of activity, and frequency of utilization.

The notion that employees are inherently good, and that they have work ethics that drive them to fulfill their potential and their self-actualization aspirations is the mainstream view in some models. One example is Bass and Burns' transformational leadership model (Bass 1985, 1990; Burns 1978) which focuses on the drive to transform towards higher levels of development such as in terms of self-actualization.

Another model is the servant leadership model. Greenleaf (1977) introduces the notion that to lead, one must also serve. Servant leaders facilitate the growth and development of their followers, promote

community, share power and resources, and provide the support needed to achieve goals that enhance the common good of individuals and the community as a whole (Greenleaf 1977; Spears and Lawrence 2002). They believe that organizational goals will be achieved over the long term by first facilitating the growth, development, and general well-being of the individuals who comprise the organization. The primary distinction between servant leadership and other leadership styles is that a servant leader is genuinely concerned with serving others and trusts the self-actualizing drive of followers (Greenleaf 1977).

Scholars develop spiritual models for leadership because they realize the potential in the self-organizing nature of life. While the transformational and servant leadership models aspire to bring out the best in terms of human qualities and self-actualization in individuals and organizations, spiritual models go one step further by aspiring toward self-transcendence. Fry's model (Fry 2003, 2005) is based on spiritual qualities, such as love and faith. Fry explores spirituality in the leadership context. He defines "spirituality" as a framework of organizational values that promotes employees' transcendental experiences through the work process (Fry 2005). This facilitates a sense of being connected in a way that awakens compassion and joy. According to Fry (2003), spiritual-based leadership includes the values, attitudes, and behaviors necessary for motivating oneself and others in a professional setting. This leads to spiritual well-being, which is enhanced by listening to one's own inner calling and creating a sense of belonging. Ultimately, this results in greater productivity and commitment to the organization.

All of these models highlight different variables for psychological control as part of the mechanism of self-regulation. Moreover, Hernandez (2012) introduces psychological ownership as the state of mind in which an individual feels as though the target of ownership it is his/hers. Ownership is a cognitive-affective construct exhibited in the meaning and emotion of phrases like "my job" or "my organization" (Hernandez 2012: 182). A sense of psychological ownership goes beyond material or legal ownership. According to Hernandez (2012), when individuals identify with virtuous attributes, such as care, they are more likely to expand their in-group boundaries, behave more cooperatively, and build higher-quality relationships with others. If a person's self-concept is concerned with virtuous



qualities, then he or she is more likely to engage in stewardship behaviors. According to Hernandez (2012), cognitive framing of one's work is critical in determining how to structure work and define responsibilities. Calling orientations, which are seen as the notion that what a person has to do is based on the belief that everyone is best in tasks, are associated with an "other-regarding" framing of work roles, which may influence a cognitive focus on others instead of only on oneself.

The main elements of stewardship theory are self-regulation, the sacrificing of self-interest for the group's interest, and a focus on long-term rather than short-term gains. One could say that stewardship theory is about reconciling the divided loyalties and interests that we, as human beings, tend to have (mechanism of transcending of interest; group welfare) with time (long-term orientation) and caring for others (mechanism of care). Given this background, one might wonder, how did Kautilya contribute to these mechanisms in his leadership teachings? Did he apply psychological ownership as a main mechanism in fostering stewardship behavior (mechanism of self-regulation)?

## 2 Stewardship Characteristics in Kautilya's Work

Kautilya was a political strategist, economist, and educator, as well as an expert in diplomacy. He adopted a holistic approach to societal problems, education, economics, governance, business, leadership, and financial management, and he was a major influence behind the rise of Chandragupta, the first Mauryan Emperor (Nandram 2011). Kautilya was a highly influential person. He knew how to motivate people to adopt certain behaviors that benefited the Mauryan Empire, which was one of the most successful periods in India's history.

In Kautilya's teachings, many guidelines for kings existed along with those for ministers, administrators, and the general public. In Table 4.2, we present a few verses of his teachings to illustrate the aspects of an ethics of care.

The table shows how transcendence, transparency, interconnectedness, control, dealing with several interests, self-regulation, self-discipline, and personal development are important aspects of Kautilya's teachings.

**Table 4.2** Verses illustrating the aspects of an ethics of care<sup>2</sup>

Mechanism for ethics of care	Transcendence
<p><b>Collective work (mix of centralization and decentralization; advice for kings)</b>  सह्य सधय रजतव चक्रमक न वरतत    करवत सचव सतसम ततष च शरणयनमतम     (Kangle vol. 1, Vinayadhikarika-tritiya prakaranam, Chap. 7, shloka 9, p. 9)  (Kangle vol. 2, Concerning the topic of training, Chap. 7, shloka 9, p. 14)  The state can run successfully with the help of associates. One wheel does not turn alone; similarly, a ruler should appoint associates and listen to their feedback, suggestions, and opinions.</p>	<p><b>Transparency</b></p> <p>न तवव करयदतमन देव व लकयमशवरः    शच हतरमतयन मतत कटलय दरशनम     (Kangle vol. 1, Vinayadhikarika-prakaranam, Chap. 10, shloka 17, p. 12)  (Kangle vol. 2, Concerning the topic of training, Chap. 10, shloka 17, p. 20)  Neither king nor queen should be part of an investigative team under any circumstances.</p> <p><b>Integrity</b></p> <p>तसमद बहयम धयणन कतव करय चतरवध्द    शच शच समतयन रज सरगत सतरभः     (Kangle vol. 1, Vinayadhikarika-prakaranam, Chap. 10, shloka 20, p. 12)  (Kangle vol. 2, Concerning the topic of training, Chap. 10, shloka 20, p. 21)  The king should make an outsider the object of reference in the fourfold work of testing, and the services of secret agents should be used to investigate the integrity of ministers.</p>
<p><b>King electing friends, etc.</b>  वभजयमतय वभव दशकल च क्रम च    अमतयः सरव एवत करयःसरन त मततरणः     (Kangle vol. 1, Vinayadhikarika-chaturtha-prakaranam, Chap. 8, shloka 29, p. 10)  (Kangle vol. 2, Concerning the topic of training, Chap. 8, shloka 29, p. 16)  Kautilya has reviewed the literature regarding whether fellow students can be appointed as ministers. Given the assigned place, time, and work, he concludes that they could be appointed as ministers in accordance with ability, but not as counsellors.</p>	<p><b>Transparency</b></p>

<sup>2</sup>The English translations hail from Kangle but have been adjusted to make them more readable.

### Work priority (for kings)

सर्वमत्तयुक्तं कार्यं शरण्यनन्ततपत्तयत् ।  
कचछरं सध्वयमत्तरन्तससध्वयं व वजयत् ॥

(Kangle vol. 1, Vinayadhikarikam - shodash prakaranam, Chap. 19, shloka 30, p. 27)  
(Kangle vol. 2, Concerning the topic of training, Chap. 19, shloka 30, p. 47)

In developing the advice for the king, Kautilya stresses the urgency of doing work. He warns that all urgent matters should be heard at once rather than allowed to linger. After a task has been deferred, it becomes very difficult or even impossible to tackle.

### Motivation and expectation (administrators)

बह्यमभयन्तरं चयं वदयदवरणशतदप ।

तथैषट न संजयत् वययशषं च द्रशयत् ॥

(Kangle vol. 1, Adhyakshpracharah-trayovinsh prakaranam, Chap. 5, shloka 22, p. 41)  
(Kangle vol. 2, Concerning the topic of training, Chap. 5, shloka 22, p. 75)

One should expect associates to be ready with receipts (incoming and outgoing) covering 100 years. Whenever asked, those receipts should be at an associate's fingertips.

### Ensuring the functioning and action of kings are in order

मरयद सध्वयदचरयन्मत्तयन् व ।

य एनमपयसथ्यनभयं वरययः ।

छयनलक्षपरतदनं व रहसं परमदयन्तमभतदयः ।

(Kangle vol. 1, Vinayadhikarikam-tritiya prakaranam, Chap. 7, shloka 8, p. 8)  
(Kangle vol. 2, Concerning the topic of training, Chap. 7, shloka 8, p. 14)

The king functions according to what is expected. This ensures that the king does not falter. Whenever a guru or associates find that the king is not following a righteous path, they remind him of the need to do so.

### King's focus on people's development

वदयन्तं रज्जुं ह परजनं वनयं रतः ।

अननयं पथं भक्तं सर्वभूतहृतं रतः ॥

(Kangle vol. 1, Vinayadhikarikam-dwitiya prakaranam, Chap. 5, shloka 17, p. 7)  
(Kangle vol. 2, Concerning the topic of training, Chap. 5, shloka 17, p. 11)

A king who is intelligent remains involved in ensuring the interests of people and makes provisions for the education of the people. Such kings enjoy the kingship for an extended period of time.

## Transparency

## Dedication

## Self-discipline

## Personal development

(continued)

**Table 4.2** (continued)

	Mechanism for ethics of care
<p>वदयनयहृतरनदरयजय क्रमकरधलभमनमदहरष तयगतकरय   (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 1, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 1, p. 12) Control over the senses, which is motivated by training in the sciences, should be secured by giving up lust, anger, greed, pride, arrogance, and foolhardiness.</p>	<p>क्रणतवमकष जवहृरणनदरयण शबद सपरश रष रस गनधशवव परतपतरनदरयजय (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 2, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 2, p. 12) The absence of improper indulgence in the pleasures of sound, touch, color, taste, and smell through the senses of hearing, touch, and sight, the tongue, and the sense of smell means control over the senses.</p>
<p>एत् चनय च बह्व शतरषडवरगमशरत्   सबनधरषटर रजन वनशर जतनदरय    शतरषडवरग मतसजय जमदगनय जतनदरय:   अमबरषचनभगवभजत चर महम    (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 11–12, p. 8) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 11–12, p. 13) These and many other kings, giving themselves up to the group of six enemies, perished with their kinsmen and kingdoms without control over the senses.</p>	<p>After casting out the group of six enemies, Jamadagnya, who had full control over his senses, as well as Ambarisa, the son of Nabhaga, enjoyed the kingship for a long time.</p>
<p>सरवतर चपहतन पतवगहृणयत्   (Kangle vol. 1, Kantakshodhanam ashtasaptatitamam prakaranam, Chap. 3, shloka 43, p. 134) (Kangle vol. 2, The suppression of criminals, Chap. 3, shlokaa 43, p. 265) In all situations, the king should treat the people of his kingdom like a father treat his family.</p>	<p>समदनभय दरबलनपनमयत् भद दणडभय बलवत:   (Kangle vol. 1, Shadgunyam-ekvinshshatitamam prakaranam, Chap. 16, shloka 3, p. 197) (Kangle vol. 2, The six measures of foreign policy, Chap. 16, shloka 3, p. 373) The king should subjugate the weak by means of conciliation and gifts, and the strong by means of dissension and force.</p>
<p>वदयनयहृतरनदरयजय क्रमकरधलभमनमदहरष तयगतकरय   (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 1, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 1, p. 12) Control over the senses, which is motivated by training in the sciences, should be secured by giving up lust, anger, greed, pride, arrogance, and foolhardiness.</p>	<p>Self-regulation</p>
<p>वदयनयहृतरनदरयजय क्रमकरधलभमनमदहरष तयगतकरय   (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 1, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 1, p. 12) Control over the senses, which is motivated by training in the sciences, should be secured by giving up lust, anger, greed, pride, arrogance, and foolhardiness.</p>	<p>Self-regulation</p>
<p>वदयनयहृतरनदरयजय क्रमकरधलभमनमदहरष तयगतकरय   (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 1, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 1, p. 12) Control over the senses, which is motivated by training in the sciences, should be secured by giving up lust, anger, greed, pride, arrogance, and foolhardiness.</p>	<p>Interconnectedness</p>
<p>वदयनयहृतरनदरयजय क्रमकरधलभमनमदहरष तयगतकरय   (Kangle vol. 1, Vinayadhikarikam-trityia prakaranam, Chap. 6, shloka 1, p. 7) (Kangle vol. 2, Concerning the topic of training, Chap. 6, shloka 1, p. 12) Control over the senses, which is motivated by training in the sciences, should be secured by giving up lust, anger, greed, pride, arrogance, and foolhardiness.</p>	<p>Dealing with several interests</p>

## Control

एवमस्य दण्डपनतं पतरपतरनवरतनतं |  
यसतपनतन हृतव बद्धव व भम दरव्य पतर दरन भमनयत तस्य दवगनम मणडलमभव यततणठत |  
य चस्य मतयःसवभ मशत्र यततसत चस्यदवगन मणडलमशर्यनत |

सवय व रजय परणन वस्यभ मनयत |

सवभ मप च रजनसतसमतसमननपलतः |

भवतय नपण रजः पतर पतर नवरतनः||

(Kangle vol. 1, Shadgunyam ekvinshatitamam prakaranam, Chap. 16, shloka 29–33, p. 198)  
(Kangle vol. 2, The six measures of foreign policy, Chap. 16, shloka 29–33, p. 375)

In this way, the prince surrendering to the force remains loyal to the king's sons and grandsons.

However, the circles (of kings), being frightened, rise to destroy those who would kill or imprison them who have submitted, and covet their land, property, sons, or wives. Those ministers who are under the king's control in their own lands become frightened of him and resort to the circle, or they themselves seek to take the kingdom or lives. Therefore, kings of other kingdoms protected in their own territories by means of conciliation become favorably disposed towards the king, remaining obedient to his sons and grandsons.

नत कटलयः| मततरशक्तः शर्यस | परजशसतर चक्रपरह रजलपनप पर्यतनन मनतर मश्रत शक्तः परनतसहपरभवतशच

समदभर्ययापनपदभ्य चत सघतम |

(Kangle vol. 1, Abhiyayatkarm panchtrinshchhtatamam prakaranam, Chap. 1, shloka 13–15, p. 217)

(Kangle vol. 2, The activity of king about to march, Chap. 1, shloka 13–15, p. 407)

No, says Kautilya. The power to counsel is superior. The king with eyes of intelligence and science is able to accept counsel, even with minor effort, and to surpass enemies possessed of energy and might by conciliation and other means, and by secret and occult practices.

## Control

It is also interesting to note that in addition to these principles, the unique twin principle of *king-philosopher* (*raja-rishi*) is found in Kautilya's work. Plato stressed that the leader should be both charismatic and a philosopher, and different management gurus have emphasized this twin principle. Covey (1992) promotes the "character ethic," which is about aligning one's values with the "universal and timeless" principles. Covey (1992) views principles as external, and values as internal and subjective. Chakraborty and Chakraborty (2004) also talk about character building. They evoke the concept of *raja-rishi* as a king and a philosopher. The *raja-rishi* promotes *yogakshema* (Priyadarshni Academy 2009), a combination of yoga, or a spiritual inner quest, and the peaceful enjoyment of prosperity. Leaders should encourage material gain, spiritual good, and pleasure.

Stewardship theory is still in its infancy. Kautilya's teachings contribute to management theory on stewardship through an ethics of care by deepening the concept of motivational support towards the follower and by adding the concept of self-regulation for the leader. An ethics of care implies integrating the qualities of connection, welfare, and ethical behavior into strategic thinking and behaviors. Moreover, it requires adoption of a paternalistic attitude, responsibility, dedication, and control of the senses, all of which work to help the individual transcend negative behavior. It also stresses the twin principle of a wholesome view and transcending differences in order to achieve unity or oneness.

### 3 Conclusion

Kautilya's wholesome view on leadership led to a stewardship theory. Although we cannot cover the entire 6000 verses of his work in this chapter, we have brought out some of the main principles for defining a management model. It is interesting to conclude that all of the main concepts found in Kautilya's work remain relevant today and are found in the main leadership models, even though they were written 2400 years ago.

The notion of self-regulation plays a prominent role in Kautilya's teachings. A lack of focus on this concept has been one weakness in leadership approaches, and it is now being added to the management theory of stewardship. While the mechanism of self-regulation is not new in

motivational theory, it is new in the Western conception of stewardship. Moreover, the mechanism of transcendence is new to leadership theory. Transcendence is the notion that all people are part of the whole universe. As such, we must act responsibly and obey the laws of nature. Thus far, the mechanism of care has only been implicitly mentioned in stewardship theory. We can look back to Kautilya's work to find explanations of these mechanisms for leaders. Furthermore, the new paradigm widely sought by management scholars can be enriched by the teachings of Kautilya. This is not only true for stewardship theory but also for developing an inclusive, wholesome vision of leadership.

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# 5

## A Multidimensional View of Leadership from an Indian Perspective

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Globally, we see a strong movement towards sustainable practices, green thinking, environmental consciousness, increased sense of social responsibility and inclusive economics. We are also witnessing a change in the fundamental objectives of business from just profit orientation to a more inclusive outlook. Such a transition calls for a change in the leadership thought process. India, with its rich and long-held traditions, provides a roadmap for this transition. In this chapter, we propose a multidimensional view of leadership from an Indian perspective by considering the *Purusharthas* which are the four goals of human life namely *Dharma*, *Artha*, *Kama* and *Moksha*, as the foundation of ethical leadership and drawing references from the sacred Indian texts *Mahabharata* and *Bhagavad Gita*. The main objective is to demonstrate the relevance of Indian principles to modern day leadership and how leadership subsumes ethics as mentioned in the Indian scriptures.

### 1 Introduction

With organizations facing severe crisis due to scandals and corruption, relooking the principles of leadership has become necessary. Today's leaders are often seen as aggressive, unrelenting, power-thirsty and primarily

concerned with maximizing the shareholders' benefits. In his article "You are what you measure", Dan Ariely (2010) emphasizes that, "CEOs care about stock value because that's how we measure them. If we want to change what they care about, we should change what we measure". Unfortunately, ethics and inclusivity seems to be a secondary concern. Looking at the sacred texts of India like the *Gita* and *Mahabharata*, we find that inclusivity is endogenous to the Indian way of thinking. It would not be an exaggeration to say that there are principles in the Indian system that, when practiced, naturally lead to socially and environmentally conscious leadership practices thereby redefining business practices. When we say 'redefining business practices', we do not mean a mere tweaking of the business models, but rather a deeper transformation of the leader from whom the business practices flow out.

This transformation is multidimensional and involves looking at the qualities a leader needs, the roles and responsibilities of a leader, decision-making capabilities and how this transformation could be achieved through a systematic process of *Sravana* (listening), *Manana* (contemplation) and *Nidhidhyasana* (integration and practice). The approach we have adopted in this paper is as follows:

- We establish why ethicality is important in leadership.
- We present how the *Purusharthas*: Dharma, Artha, Kama and Moksha that are the four goals of human life and form the bedrock of Indian thought and action. The *Purusharthas*, when applied to leadership, serve as a guiding principle to make ethically right decisions.
- Through the framework of the *Purusharthas*, we discuss how Dharma is primary to a leader and how the phrase "ethical leadership" merges into just "leadership" because Dharma (ethics) is an inherent trait of the leader in the Indian context.
- With respect to roles and responsibilities of the leader, we draw insights from the "Raja Dharma" as enunciated by Bheeshma (the great grandfather of the two rivalling families in the Mahabharata) to Yudhishtira (the eldest of the Pandava brothers) after the Kurukshetra war in the Mahabharata. The principles of "Raja Dharma" or duties of a leader and principles of good governance are detailed in book 12 of the Mahabharata.

- Looking at the qualities of the leader, we draw inspiration from the *Daivi Sampat* (divine characteristics) as described in the thirteenth chapter of the *Bhagavad Gita*.
- We also discuss decision-making from a dharmic perspective, where we identify the gaps in the current decision-making processes and create a model where dharma (ethics) is at the very heart of decision-making.

Overall, we attempt to present a multidimensional approach to leadership from an Indian perspective.

## 2 Literature Review

Management research is replete with works on organizational leadership. Leadership is a well-researched topic and has been analyzed from various perspectives like (a) qualities and traits of a leader, (b) roles and responsibilities of a leader, (c) types of leaders, (d) cultural and gender aspects of leadership, and many others. With more and more organizations facing issues on the ethical front, researchers have started to turn their attention on ethical leadership with the objective of bringing ethics and moral values into mainstream leadership. Trevino and Brown (2004) present the common myths about business ethics and recommend that ethical conduct should be explicitly practiced through ethical leadership and by integrating it into the organization's culture. The same authors have presented an extensive survey of literature on ethical leadership based on modern theories of management. (Brown and Trevino 2006) Their propositions are based on the social learning theory of Albert Bandura and they present various leadership styles and influences on leadership qualities available in literature.

Caldwell et al. (2002) present a “four umpires” model of leadership based on the Five Beliefs Model proposed by Edgar Schein and Peter Seng. The four umpires are “objective neutral”, “unbiased realist”, “subjective controller” and “facilitating idealist”. They conclude that the facilitating idealist is the best type of leadership.

Louis W. Fry (2003) presents a theory of spiritual leadership and how it contributes to organizational commitment. Christie et al. (2003) compares the ethical attitudes of people from different cultures based on

Hofstede's cultural typology. They have found that culture has a very strong influence on managers' ethical attitudes. Kouzes and Posner (1992) places love at the heart of ethical leadership and offers practical suggestions for being an ethical leader. A more recent work on ethical leadership is by Mayer et al. (2012). The authors highlight the antecedents and consequences of ethical leadership based on social learning theory. They specifically focus on moral identity symbolization and internalization.

In the Indian context, Rooplekha Khuntia and Damodar Suar (2004) have presented a scale to assess ethical leadership. Based on their findings, two dimensions of ethical leadership have emerged: (a) empowerment and (b) motive and character. Chakraborty and Chakraborty (2004) talk about transformational leadership and the role of spirituality in leadership. They take the example of Mahatma Gandhi to explain these principles. Chakraborty (1997) discusses extensively the role of ethics in business relevant to the Indian context.

Though a number of theories have emerged from these and many other works on ethical leadership, there still remains more work to be done in bringing in the Indian context which puts Dharma (ethics in this context) at the heart of leadership and emphasizes on the multidimensional approach to leadership based on the *Purusharthas*. Our chapter differs from the literature cited above on this aspect. In our previous work (Adinarayanan and Rekha 2012), we presented a Dharmic framework for decision-making. In this current chapter, we attempt to expand the scope of the ethical leadership framework by bringing in more dimensions from Indian scriptures.

### 3 Why Should Leaders Be Ethical?

The social learning theory developed by Albert Bandura highlights the idea that individuals learn by observing the actions and attitudes of role models and even try to emulate them. The qualities of the observed are important so that the observer is impacted in the right manner. So is the case with leaders whose every action is constantly observed by those around them. One can find the same thoughts in the following verse from the *Bhagavad Gita*:

*yad yad acarati sresthas tat tad evetaro janah  
sa yat pramanam kurute lokas tad anuvartate*

This translates to “Whatever action is performed by a great man, common men follow in his footsteps. And whatever standards he sets by exemplary acts, all the world pursues” (Prabhupada 2001).

The Tamil work *Thirukkural*, written by Thiruvalluvar, has numerous couplets on the qualities of a leader. Kural 384:

*Aran ilukkaadhhu allavai neekki maran ilukka  
Maanam udaiyadhyu arasu.*

It is translated as “A person is worthy to be called a king/leader who never deviates from the path of Dharma, who wipes injustice from his kingdom and whose military honor is never discredited”. Hence it is imperative that the leader cultivate the right attitudes governed by right values to be a fit role model.

## 4 **Purusharthas for Ethical Leadership**

Since ancient times in India, the *Purusharthas* have served as the roadmap for leading a peaceful and successful life. They form the primary aims of human life. The four guiding principles that are together known as the Purusharthas are Dharma, Artha, Kama and Moksha. The *Purusharthas* assume different meanings in different contexts, are non-translatable and subsume several words in one. Dharma means duty, responsibility, ethics and law. Artha means wealth, profit and material wellbeing. Kama means desire, ambition and pleasure. Moksha, in a spiritual context, means freedom from all limitations. It also means freedom from limited identifications and inclusivity where we go beyond personal identities and include all beings in our thought process. In the ancient Indian system, Moksha was the highest aspiration. All actions, practices and traditions were designed to take one closer to this aspiration. Without such higher aspiration, due to our limited identifications, both our desires and actions may endlessly bind us.

**Table 5.1** Imbalances of the Purusharthas in leadership

Orientation	Lack	Example
Profit and Ambition (Artha and Kama)	Dharma, Moksha	A leader who constantly strives for profit and expansion of his business, but at the cost of ethics, legal requirements and the ecological environment.
Ethics, Profit and Ambition (Dharma, Artha and Kama)	Moksha	A leader who adheres to ethics, constantly works for profit and expansion of business within the legal framework, but fails to create a model which includes societal wellbeing and ecological sustainability.
Ethics, Ambition, Inclusivity (Dharma, Kama, Moksha)	Artha	A social leader who is highly ethical, ambitious of reaching out to large section of the society and concerned about human and environmental wellbeing but does not have the monetary capability to take it forward.

In order to be free from the consequent sufferings, one should pursue the right desires and perform the right actions which come under the framework of Dharma. So we can say that Moksha provides the vision for one's life and Dharma provides precise guidelines for one's thoughts and actions and hence Moksha and Dharma are important principles for leadership. The desire (Kama) to attain wealth and material wellbeing (Artha) is best when pursued in the framework of Dharma and Moksha.

To apply the Purusharthas for ethical leadership we may translate them as follows: Dharma = ethics, Artha = profit/material wellbeing, Kama = desire/ambition and Moksha = inclusivity/freedom from limited identities.

A proper balance among these Purusharthas is required for successful leadership. We discuss broadly some cases of imbalance of the Purusharthas which may lead to ineffective management of the organization (Table 5.1).

Hence, we see that ethical leadership not only includes adhering to moral values but also developing a sense of inclusivity towards society and the environment. While ethics and moral values may bring "objectivity" to leadership, Moksha, as defined in this context, brings in the missing "subjective" components like happiness, contentment, agreeableness and inclusivity, which are vital to ethical leadership.

## 5 Principles of Raja Dharma as Applied to Modern-Day Leadership

In this section, we present concepts from the Raja Dharma section of the *Mahabharata* related to ethical leadership. The Raja Dharma section appears in the Shanti Parva the twelfth book of the *Mahabharata* and is a dialogue between Yudhishtira, the eldest of the Pandava brothers and Bheeshma, the Kuru elder. We use the work of Roy and Ganguli (1884), which is the translation of the Mahabharata text from Sanskrit to English, as the primary reference for our analysis.

### Social Setting of the Mahabharata Times

The Mahabharata war has been dated to 3067 BCE (Achar 2004) (though literature on dating the Mahabharata differs, we have chosen this as our reference). Before we elucidate the principles of leadership discussed in the Mahabharata, it is important to gain an understanding of the context during those times. Though it would be difficult to present an elaborate picture of the entire social setting, we attempt at presenting what may be relevant for the leadership context. As described in the Shanti Parva book of the Mahabharata, the society was organized into Varnas (the four divisions in the society according to the nature of work performed): the Brahmanas (the intellectual class), the Kshatriyas (the warrior class), the Vaishyas (the business class) and the Shudras (the worker class). The court of the Rajan (King) was organized with a mix of people from each Varna. Decision-making was a process of consultation and consensus among the court members with the final decision in the hands of the Rajan. The Rajan's main duty was to administer justice and ensure that everyone had access to appropriate (according to Varnas) resources of the kingdom. The main sources of wealth included (a) revenue from vassal kingdoms, (b) taxation, especially from the Vaishyas, which were trading and business communities, and (c) forming alliances with neighboring kingdoms through marriage. The primary channel for the distribution of wealth was in the form of Yagnas (vedic sacrifices) at various levels. The administration of the kingdom was carried out through several hierarchical



levels from village chiefs to the Rajan. The other important aspect of governance was to ensure that there was no corruption at any level of the administration. This was ensured through an extensive network of spies who would report to the Rajan directly and who would not be known to each other or anybody else.

## Qualities, Roles and Responsibilities of a Rajan (King)

We present here a subset of the qualities, roles and responsibilities of a Rajan as mentioned by Bheeshma to the questions posed by Yudhishtira. Right after the Mahabharata war, Bheeshma was severely injured and was lying on a bed of arrows. Bheeshma, a master of the principles of good governance, was approached by Yudhishtira. In spite of being from the opposing army, Yudhishtira, with utmost reverence, asked a series of questions to Bheeshma on the matters of leadership and governance. Book 12 of the Mahabharata captures these questions and answers. The concepts were delivered in the form of principles, dos and don'ts, actions to be done, broad directions and so on.

1. A Rajan should rely on his capability to exert without plainly submitting to destiny. If the commenced action ends disastrously, instead of indulging in grief, he should work with redoubled attention.
2. Just as a mother forgoes her desires to protect the child in her womb, a Rajan should care for his subjects keeping aside his personal wants and desires.
3. His life should be governed by the *Purusharthas*: Dharma, Artha, Kama and Moksha. He should always strive for a balance in the pursuit of the *Purusharthas* at all times.
4. Sweetness and agreeableness of speech is always prescribed, even while inflicting punishment as it removes any ill feeling and increases the gratitude of the Rajan's subjects towards him.
5. Subduing one's senses enables the Rajan to succeed over foes. A Rajan should be able to judge his capability and make peace with stronger foes and also be capable of subduing forces like thefts, attacks and coups that destabilize the kingdom.

6. There are 36 qualities that are very important for a Rajan, some of which include: kindness, faith, pursuing pleasures without attachment, acquiring wealth without cruelty or unrighteousness, worshipping Gods and gurus without pride and high business acumen.
7. A Rajan should have a sound understanding that wealth stands in the way of virtue and pleasure stands in the way of wealth and virtue.
8. A Rajan should practice self-control, forgiveness, modesty, endurance, goodness, renunciation, contemplation, dignity, fortitude and impartiality.
9. A Rajan should always guard oneself against covetousness as it is the root of several problems.
10. Pride, malice, slander, crookedness and incapacity to hear other people's good are vices to be avoided.

## 6 Daivi Sampat (Divine Qualities) from the Bhagavad Gita

In this section, we put forth a few significant notions drawn from *Daivi Sampat*, which is translated as “divine characteristics”. The Daivi Sampat characteristics are recited by Lord Krishna to Arjuna in the 13th Chapter of the Bhagavad Gita, as qualities required for a seeker to obtain knowledge of the Self. The Bhagavad Gita is a 700-verse sacred text that is a part of the Mahabharata. It highlights the principles of life as narrated by Krishna (the cousin and mentor of the Pandavas) to Arjuna (one of the Pandava brothers). The set of 20 characteristics under Daivi Sampat include qualities such as *Amanitvam* (absence of false pride), *Arjavam* (rectitude/straightness) and *Sthairyam* (steadiness). These qualities serve as a profound framework for developing a clear psychological stance and their integration would be the foundation for ethical behavior to be in the leader's very nature.

*Amanitvam* is a quality wherein there is a complete absence of false pride. While self-respect is a quality of commendable value, it is a serious problem when it becomes bloated self-respect. Such a condition invites too much attachment to one's own inflated ego, thereby triggering actions to protect and please oneself. Absence of false self-adulation will guard one from even unconsciously falling prey to unethical temptations.

Arjavam is the trait of straightforwardness or rectitude that inspires a conduct governed by one's ethical resolve. The presence of Arjavam denotes a state where thoughts and actions are congruent with the value structure. This trait ensures the complete absence of the psychological state of cognitive dissonance. Emulating this characteristic forms the bedrock for an aptitude for better discrimination.

Sthairyam is the quality that indicates resoluteness or perseverance. Swami Dayananda Saraswathi, in his book *Value of Values* says, "When it comes to applying effort toward a goal, most of us find ourselves to be aarambha suraah—that is, 'heroes at the beginning'. We are lions of resolution at first, but then enthusiasm wanes" (Dayananda 2007, 45). It is in fact natural for a fledgling manager to start off with a mental bearing oriented to act ethically. Sthairyam is the quality that can sustain and nurture this very orientation thereby evolving one into an ethical leader.

## 7 Application to Modern-Day Leadership

In the previous sections, we have looked at, from an Indian perspective, (a) the *Purusharthas* as the basis for Indian thought and action, (b) the roles and responsibilities of a leader and (c) which qualities a leader should possess and which characteristics he/she should eschew. In the current business scenario, we see a predominant orientation towards the one-dimensional pursuit of Artha and the consequences of scams, scandals and environmental degradation. Looking from the Indian perspective, the focus of evaluation of the success of leadership should be shifted from just Artha to a more holistic *Purusharthas*. Application of the *Purusharthas* means having Dharma as the foundation for the pursuit of Artha and Kama while keeping Moksha as the vision. In other words, one's thoughts and actions should have ethics and responsibility as the foundation and not just materialistic goals.

In a practical organizational setting, the way to take this forward is through the iterative process of Sravana (listening), Manana (contemplation) and Nidhidhyasana (integration and practice). Sravana can happen through the education and training process wherein the individual gets systematically exposed to the literature expounding the Indian principles, as discussed in the previous sections. Manana happens when a leader

engages in thinking, discussing (with peers and superiors) and refining his understanding of the principles. Nidhidhyasana is the actual application of these principles in a live setting, fine-tuned based on the experiences (Fig. 5.1).

## 8 Dharmic Decision-Making and Ethical Leadership

Decision-making is a complex process involving a number of criteria and concerns. A leader’s daily life involves making numerous decisions and these decisions impact the organization, society and sometimes even the nation at large. With such a complex and high-impact process, leaders often suffer from shortcomings like (a) decision blind-spots, (b) forgetting the cause-effect relationship, (c) decision myopia and (d) short-term planning. In the classical model of decision-making, where the focus lies on process standardization, the decision-maker is often outside the process and his/her qualities rarely figure in the picture. When approaching decision-making from a Dharmic perspective, a more refined model of decision-making may be required, where Dharma is at the center of the process and the qualities of the decision-maker are as important as the process. We have discussed such a model in our previous work (Adinarayanan and Rekha 2012). Figure 5.2 represents a model based on conventional theories. In contrast, Fig. 5.3 emphasizes the central importance of the decision-maker with Dharma as the foundation.

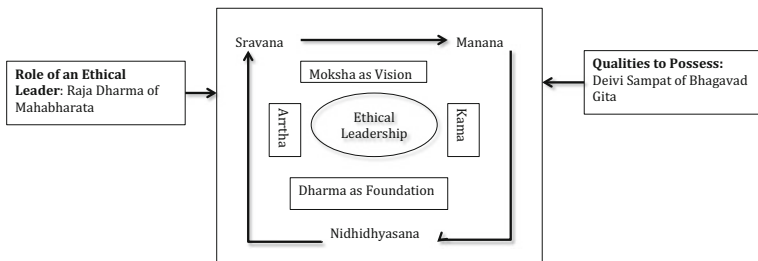
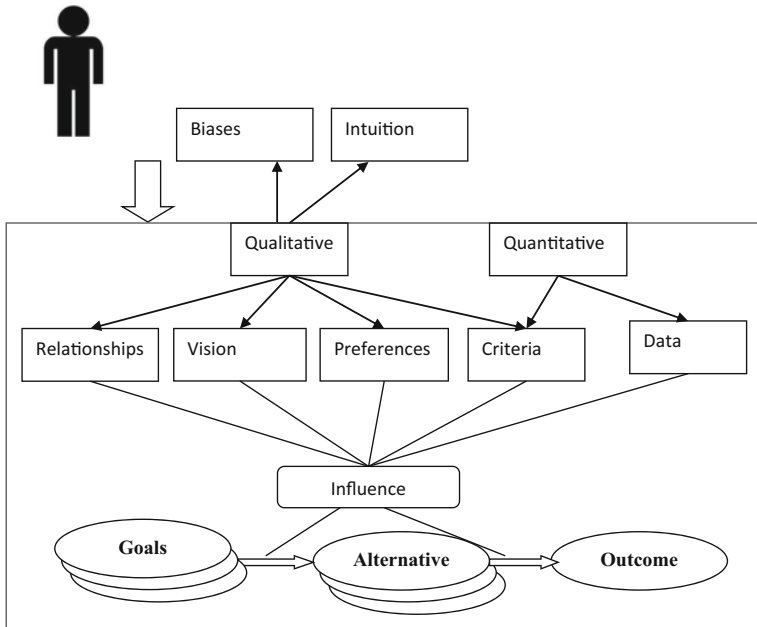
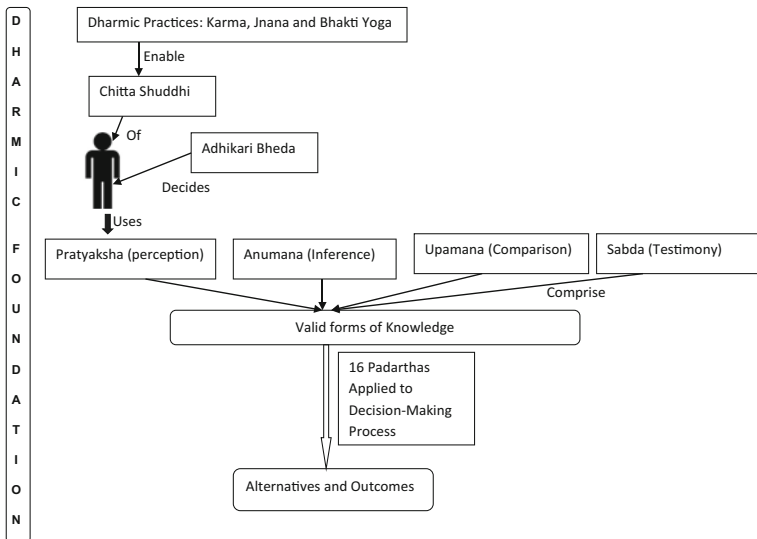


Fig. 5.1 The Indian principles integrated to ethical leadership



**Fig. 5.2** Decision-making model based on conventional theories



**Fig. 5.3** Decision-making model with Dharma as the foundation. *Source:* Adinarayanan and Rekha 2012

## 9 Conclusion

Understanding the need for having a relook at current theories of leadership, especially related to ethics, we have presented a multidimensional view of leadership from an Indian perspective. We have offered this perspective primarily from the Shanti Parva of the Mahabharata and Bhagavad Gita. Given the vastness of Indian literature, we have looked at only a portion of the heritage. There is much to explore in this direction considering that Moksha was the highest goal of the Indian way of life with Dharma as a guiding principle. Some directions for future work include:

- (a) focusing on the Purusharthas as a framework for solutions to ethical crisis faced by individuals and organizations;
- (b) offering a deeper Indian perspective to management and business practices by including insights from the Neti Shastras; and
- (c) looking at case studies from India, where leaders strongly adhere to the principles of the Purusharthas.

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# 6

## Indian Spiritual Traditions as Inspiration for Ethical Leadership and Management in Europe

Gerrit De Vylder and Hendrik Opdebeeck

The purpose of this chapter is to explore the influence of Hindu, Buddhist, and Sufi traditions on the work that European economists and management thinkers produced during the twentieth century. While many management and organizational scholars now recognize that cultural differences can have a significant influence on management and work behavior, the impact on management of comparing with or opting for other cultures (in our case, Indian culture) remains a largely unknown field. Here, we argue that the economists and executives in question contributed to the revival of management concepts and ethics of European traditions. The inspiration for this approach comes from the Ernst Friedrich Schumacher, who adopted Buddhist and Gandhist points of view. Schumacher did not experience any contradiction between East and West. The East was only to be used for reminding the West of the core values of its own traditions. Our approach in this chapter includes an analysis of the work of Arthur Osborne (influenced by Sri Ramana Maharshi, a Tamil guru), René Guénon (influenced by Brahmanism and Sufism), Albert Schweitzer (influenced by the Bhagavad Gita and Karma Yoga), Schumacher (influenced by Buddhism and Gandhiism) and Hendrikus Johan Witteveen (influenced by Nazrat Inayat Khan, a



North Indian Sufi). In doing so, we aim to provide a useful background for introducing ethical principles from Indian spiritual traditions into management, while demonstrating that they do not contradict the so-called Western ethical principles. These case studies illustrate that religion does not necessarily divide but, on the contrary, can create a common ground for business communication and ethics.

## 1 Introduction

This chapter describes how Indian traditions influenced Western European economists and executives in their approach to management during the twentieth century. More specifically, we examine the comparative methods the economists applied to Western and Indian management traditions. We suggest that they consciously used Indian religious and cultural traditions and concepts for introducing changes in the way management was viewed in Western Europe. Many management and organizational scholars now recognize that cultural differences can have a significant influence on management and work behavior, the impact of comparing with or opting for other cultures remains largely unknown (Bhagat and Steers 2011).

In comparative studies, there are generally two approaches. The first is to explore similarities in order to increase understanding. Gerrit De Vylder (2010) has already identified similarities between Catholic and Hindu concepts and traditions in relation to the way business is perceived. His methodology involved a selection of Hindu concepts with some relevance for business ethics and leadership. In each case, the Christian counterparts of the Hindu-Buddhist principles were identified in relation to practical business wisdom. De Vylder then argued that the identification of common values encourages the implementation of common business ethics and leadership principles. He also argued that this in turn facilitates business negotiations.

The second approach to comparative research is to appreciate differences to increase understanding. The comparative model of Ulrich Libbrecht (2007) is very useful in this regard. It compares different philosophical world views, while taking as starting point the equal value of all cultures and the riches of diversity. Libbrecht argues that accepting the differences is a way to understand others and to learn from them.

He reduces the complex structure of a culture into the basic premises of the deeper structure. In doing so, he is able to define the hard kernel of philosophical types. He subsequently identifies three general types of worldviews that also have implications for the way business is conducted.

In this chapter, we attempt to identify how European economists have already compared Western European and Indian religious concepts related to management. In doing so, we can also determine whether economists considered business values to be similar or not, and whether and how they used these comparisons to improve management concepts and practices—especially in relation to ethics and leadership—and to facilitate negotiations. Because comparative methodology was usually the exclusive domain of philosophers and cultural scientists, our analysis remains limited to two economists and three executives. Economists usually did not consider South Asia to have traditions that could have implications for business and economics in general. During the nineteenth century, the economic historian James Mill argued that Indian traditions had a fatalistic and counterproductive impact on economic performances. Both philosopher/economist Karl Marx and sociologist Max Weber made similar arguments. However, from the seventeenth century onward in Europe, there has been a tradition of identifying Indian and other Asian civilizations with advanced socio-economic “utopias” (De Vylder 2013).

We chose the twentieth-century cases because of their relevance for management studies, and because most of the other comparative studies between Western European and Indian traditions and concepts were not directly related to economics or business.

## 2 Hinduism and Albert Schweitzer

The earliest case is the well-known Alsatian medical doctor and Lutheran theologian, Albert Schweitzer (1875–1965), who was not an economist, but was directly involved with development economics and management while being in charge of hospitals in Gabon. In 1935, he wrote his work on Hinduism and the Bhagavad Gita, *Indian Thought and Its Development* (1960/1936), specifically focusing on both business and political ethics and leadership.

In the aftermath of the First World War and the Wall Street Crisis of 1929, and the sudden successes of extreme right-wing movements, Schweitzer used Krishna's ethical approach, as described in the Bhagavad Gita, to re-energize Christian traditions: "Man should be active not because of the expected results, but solely because of a pure, absolute sense of duty with no empirical foundation" (Schweitzer 1960/1936, 188). He searched for the meaning of activity and work in Hinduism, and challenged the Weberian view that religions like Hinduism were fatalistic and counterproductive by nature.

He made a clear distinction between the early Brahmanism, advocated by the Brahmins, and the more popular Hinduism, which developed after 1000 BC. In Brahmanism, the divine and the human are basically one and the same. This can lead to negating world and life, confirming the Weberian view.

The new Hinduism, however, challenged Brahmanism, but did not contradict it. The more pragmatic Hinduism was also polytheistic, the many Gods and Goddesses reflecting practical characteristics that were useful in daily human life. The new Hinduism did not experience a contradiction between monotheism and polytheism: "God is worshipped in the Gods" (Schweitzer 2006/1935, 175). Schweitzer experienced this as proof of flexibility and pragmatism, both missing in European Christianity during the 1930s.

While Christianity simply demands mankind to be obedient to God, Hinduism requires union with Him ("Bhakti"). However, this does not correspond to the Brahmanical absorption of the individual soul into the Universal Soul: "Hinduism does not lose itself in abstract thought, but strives to remain a living piety" (Schweitzer 2006/1935, 177). Hinduism, being the religion of the masses, "finds itself faced by the task of gaining recognition for activity within world and life negation" (Schweitzer 2006/1935, 179), and consequently does not lose itself in metaphysical emptiness. Hindu thinking neutralized the Brahmanical tendency to emptiness, by combining world and life negation with ethics, resulting in world and life affirmation, only, "Man must get rid of the illusion that his ego is the real worker" (Schweitzer 2006/1935, 188).

Consequently, an enlightened person should not withdraw from life, as one might from a Shakespearean play, or any other illusion of life, such as business. Instead, one is required to play one's part in self-devotion to

God, in the play God has staged. Schweitzer's preoccupation was with affirming life. Western civilization was in decay because it was gradually abandoning its ethical foundations, which were those of affirming life. Schweitzer looked for solutions by referring to the European Renaissance, the Enlightenment, and medieval philosophies. But he was the first one to include Indian Hindu thought. As a result, he was the first Western European to derive a direct economic-ethical message from ancient Hindu thinking, and relate it to Western European reality.

### 3 Guénon's Caste-Oriented Economics

While Schweitzer's approach was life- and action-affirming, the French author and philosopher René Guénon (1886–1951) was in many ways an anti-economist. What Weber and Marx had identified as a curse for India, Guénon saw as a blessing. For him, the caste system and the lack of time orientation became tools for the restoration of a natural socio-economic balance. As a specialist in comparative religion, Guénon took interest in Hinduism, Brahmanism, and Buddhism. The Hindu scriptures, especially, provided him with a rich symbolism, which he compared to Platonic concepts and principles. He explored the concept of *caste* not as an item of sociological but rather as one of metaphysical importance. Caste as a reflection of metaphysical awareness and development is a principle that stands outside of time, and, consequently, has a permanent relevance.

However, Guénon argued that the existing caste system of the British *Raj* of his time was influenced by Western modernity, and was therefore a deviation from the original concept. Guénon argued that the principle of the institution of castes was completely misunderstood by Westerners. He found the true definition of caste in the Sanskrit etymologies. Caste merely reflected the differing natures of human individuals, establishing among them a hierarchy that guarantees order and peace. Consequently, it is the “egalitarian” theory that ignores the “specific” human nature of every individual.

For Guénon, modernity is a disorderly and corrupt period, in which the dominant elites have betrayed the hard-earned wisdom of philosophy and revelation. He reacted against modernity as a rational paradise

liberated from superstition and bigotry. In the West, there is “a need for ceaseless agitation, for unending change, and for ever-increasing speed, matching the speed with which events themselves succeed one another” (Guénon 2007b/1946, 38).

In ancient India, the role of authority fell to the Brahmins, or the priestly caste, while the role of power fell to Kshatriyas, or the warrior or political caste. Guénon argued that what was at first a harmonious functional distinction became, in the course of time, “opposition and rivalry.” In this rivalry, the true “wisdom” was lost. He also identified the long-simmering civil conflict between Brahmins and Buddhists that had begun with Chandragupta, the first Maurya emperor, who climbed to power by promoting the Buddhist Kshatriyas against the Brahmin overlord class. However, Guénon argued that if the purely temporal order becomes predominant over the one representing the spiritual authority, the result is social chaos. Guénon warned against “modern evolutionist theories” that place all reality in “becoming,” while denying the permanent and immutable principle of “being” (Bertonneau 2013). Therefore, while he always remained focused on metaphysical issues, he unintentionally delivered a strong critique of the ideas of economic growth and progress that were held by the classical and neo-classical schools of economic thinking in Europe. But he also reacted against so-called action-oriented ethics, like those Schweitzer discovered in the Bhagavad-Gita:

Is it because Westerners have come to lose their intellectuality through over-developing their capacity for action that they console themselves by inventing theories which set action above everything, and even go so far, as in the case of pragmatism, as to deny that there exists anything of value beyond action. (Guénon 2007b/1946, 35–36)

Ultimately, Guénon “chose the Islamic path” and became a Sufi. Schuon (1985) argues that Guénon really had no choice, given that he had challenged the initiating nature of the Christian sacraments, and that he was excluded from Hindu initiation because of the caste system. Buddhism appeared to him to be heterodoxy, a position he would later reverse. The key to the problem is that Guénon was seeking an initiation and nothing else. Living in Egypt from 1930 until his death, and marrying the daughter of an

Egyptian Sufi, Islam offered this to him, with all the essential and secondary elements that must normally accompany it. Yet, Hinduism remained at the core of his writing and thinking.

## 4 Advaita, Ramana Maharshi, and Arthur Osborne

Guénon had a strong influence on an entire generation of Orientalist thinkers, including the English linguist Arthur Osborne (1906–1970), who looked for solutions that transcended life in its materialist sense. During an early phase of his life, Osborne considered the teachings of Guénon as a basis for his own further development:

Being is one, and therefore by realizing your true Self you realize your identity with Divine, Universal Being. This is the essential teaching of all religions, although it may be proclaimed openly, as in the Eastern religions, or veiled and confined to esoteric societies, as in the Western. Therefore all religions are unanimous in their essence, although divergent and even incompatible in their more external applications, that is in doctrine, theology, ritual, and the social organization and code of conduct they sponsor. (Osborne 2008a, b, 31)

As a result, Osborne looked to the East, first to Thailand and later to India, for some meaning to his life. He ended up devoting the last part of his life to spreading the message of the South Indian Tamil sage Sri Ramana Maharshi, who had started an ashram (spiritual hermitage) in the Tamil temple town of Tiruvannamalai. Ramana Maharshi was influenced by Advaita Vedanta, which was already introduced in the sixth century by the famous philosopher Adi Sankara. Advaita denies causality as an impossibility: “Nothing is produced either by itself or by another, nor is anything in fact produced, whether it be being, or non-being, or either” (Radhakrishnan 2007, 455). In a certain way, even ethics is an illusion and misguides people in their quest for truth. Ramana Maharshi used radical language to describe the characteristics of good leadership: “A man may go very far, but not till he has travelled beyond the reach of all flattery can he be said to have arrived.”

While Osborne is best known for his book, *Ramana Maharshi and the Path of Self-Knowledge* (1954), it is his book *The Rhythm of History* (2011/1959) that especially contained many messages of an economic and management nature. Osborne considered the Renaissance as the point where Western society gradually opted for rationality and materialism. Originally, European medieval society had been “a pyramid functionally similar to the Hindu caste system, with the labourers at the base, then the burghers, then the nobility, then the clergy” (Osborne 2011, 116). He considered socialism the last phase of a process that the Renaissance inaugurated. In a way, socialism “had already been anticipated at the Renaissance, for instance by Sir Thomas More in his *Utopia*, but had taken several centuries to work its way into practical politics” (ibid., 116). According to Osborne, capitalism and communism are two different versions of the same modernist movement that started in Western Europe and now also includes Asia. They are both “materialist in their code of values and mechanized in their organization of life and industry; both are developments of modernism as it stood at the time of Marx ... Both claim to be democratic, to give equal rights to all and to base their government on the will and welfare of the people; and by welfare both understand purely material welfare.” (ibid., 119)

To gain or maintain independence from Western imperialists, Asian leaders adhered to either capitalism or communism. This process made real threat of losing traditional wisdom such as Ayurvedic medicine, which had proven to be relatively effective for centuries. Also, “the general intention of all Eastern peoples was at first to adopt Western technique without adopting the Western attitude of mind or social system; however this proved impossible” (Osborne 2011, 142). This is the base of Osborne’s critique: the materialist mode of production is a vicious circle and managers have no choice but to participate. In the short run, profits (in capitalism) and production targets (in communism) guaranteed survival, but in the long run, the quality of life deteriorated in all its aspects. Osborne realized very much that “Tradition or modernism, Orientalism and Westernism, is a matter of mental outlook, not of pigment, and a Nehru and a Mao Tse Tung [sic] can be just as much an agent of modernism as he had been born in London or Moscow” (ibid., 144).

Consequently, all managers, regardless of cultural background, become trapped in the same vicious circle.

Is there a way out? Osborne identified four levels of change—which also involved how businessmen viewed reality—that rescued the international community from this vicious circle:

- On a physical level, materialism might have ended when scientists decided there was no matter. In the nineteenth century, they recognized nothing else, while later on, a new paradigm arose: “A universe composed of energy materializing under certain tensions and assuming the illusory form of solid matter is much nearer to the Ancient Hindu than the nineteenth century European conception.” (Osborne 2011, 147–148)
- Modern psychology, under the influence neurologist Sigmund Freud and psychiatrist Carl Jung, had challenged the concept of man as rational being. Investigating man’s psychic powers became increasingly respectable. It might not be a coincidence that it was in India where many were thought to have these powers. Sages like Sai Baba, in the little town of Shirdi (in modern Maharashtra), had already become an object of study during the first two decades of the twentieth century.
- The arts had changed. While the aesthetic equivalent of materialism and rationalism was naturalism, symbolism was rediscovered and inspiration came increasingly from pre-Renaissance, Asian, and African artists. At the beginning of the twentieth century, it would have been absurd to argue that art and philosophy did not originate from ancient Greece. Instead, in the course of the twentieth century, the role of the ancient Sanskrit and other non-Western sources became recognized.
- Finally, in the religious sphere, there was a growing recognition of the equal validity of all religions. (Evidently, Osborne did not predict the renaissance of religion, in its fundamentalist form, from the 1990s on.)

To Osborne, these different tendencies were signs of the introduction of a “new concept of man.” From a management point of view, he argued that this would result in a “new concept of a manager” whereby



incentives would no longer be expressed in monetary and comparative terms. He used the description of Indian village life in 1830 as: “The Village Communities are little republics, having nearly everything they want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts” (Osborne 2011, 145). These village communities were Osborne’s utopia. However, in stark contrast to Mahatma Gandhi, he regarded these situations as utopian in the sense that they could no longer be achieved in the real world. As materialism was a vicious circle to which there existed no economic alternative, the change had to come from within, not from the outside. No institution, value, or norm could change materialism, either in its capitalist or its communist form, at the stage it had reached. According to Osborne, only Ramana Maharshi’s Advaita Vedanta (Radhakrishnan 2007, 445–658) could provide an answer.

## 5 Buddhism, Gandhi, and E. F. Schumacher

The fourth case is E. F. Schumacher (1911–1977), the well-known German-British economist, who was chief economic advisor to the UK National Coal Board. He escaped Nazi Germany to start a new life in England, and there was influenced by Buddhism and Mahatma Gandhi, leading to the publication of his book *Small is Beautiful* (1993/1974). Schumacher was a Christian economist who took Buddhist points of view seriously. He did not experience any contradiction between East and West. The East is only to be used for reminding the West of the core values of its own traditions. From this point of view, Schumacher is comparable to Amartya Sen, the 1998 Indian Nobel Prize Winner for Economics, who argues that all socio-economic potentialities are present in all cultures. Geopolitical and other external factors simply determine which potentialities will surface (Sen 2005). In the case of Schumacher, this is directly related to which ethical background people can refer to in their decision-making process.

*Small Is Beautiful*, an international bestseller, made Schumacher a leading figure in the ecology movement. He argued that economists suffer from “a kind of metaphysical blindness ... Theirs is a science of absolute

and invariable truths” that is value-free and deals with laws as immutable as the law of gravity. Consumption is the sole purpose of all economic activity, and labor is simply a means to that end.

Schumacher suggested one let go of one’s ego and greediness, and called this “the Buddhist way.” “Bigness” of size and operations is the origin of socio-economic decline, regardless the economic system. Companies need “oxygen to breath.” Therefore, they need to be small.

In *A Guide for the Perplexed* (1978/1977), Schumacher argued that materialistic scientism, the dominant methodology within science, put too much emphasis on “instructional science,” which seeks to manipulate things to achieve certain results, rather than understand things, which is “descriptive science.” In business and economics alike, managers and scholars are aiming at results and not at really understanding the essence of things. He observed that the mere mention of spirituality in academic discussion is seen as a sign of mental deficiency. As a result, the quality of life will fall, because solutions of quantity are incapable of solving problems of quality.

Schumacher distinguished between convergent physical problems (converging on one solution) and divergent problems (many solutions), such as education. He then argued that the only solution to divergent problems is to transcend them, again such as in education. Here, the real solution involves love or caring. Love and discipline are effective, but so are love and freedom.

## 6 Sufism and H. J. Witteveen

The fifth thinker we consider is not involved with the Hindu-Buddhist tradition but with Sufi Islam, which has always been very prominent in India. The case involves H. J. Witteveen (1921– ), a Dutch economist, former Managing Director of the International Monetary Fund (IMF), and Dutch Minister of Finance. He comes from a family that had ties with the Universal Sufism movement brought by the Delhi-based Sufi master Hazrat Inayat Khan to the West. Witteveen has always considered this specific interpretation of Sufism as the guide for his actions throughout his life, and considers Hazrat Inayat Khan his spiritual example. Basically,

he looked for a way to neutralize the contradictions between economics and religion. The answer is certainly not to resent economic activities and escape into asceticism. The way he emphasizes action against an ethical background in his book, *Sufism in Action: Spiritualising the Economy* (Witteveen 2003/1999), reminds us of both Schweitzer and Schumacher.

However, there is no doubt that his inspiration originated from Hazrat Inayat Khan, who had little to do with India-born Hinduism or Buddhism. While Sufi Islam did not originate from Indian soil, India proved to be a fertile soil for it. Hazrat Inayat Khan argued that the soul is born on Earth because of its interest in worldly experiences and activities. However, there is a trap: “It is easy to want something, it is more difficult to continuously want and then not to want ... Time and energy is wasted on wanting things and then not to want them any longer [sic]” (Witteveen 2001, 74). Accordingly, it is important to define and understand “what you want, why you want it, and how you will get it” (ibid., 74), combining realism and idealism. This certainly also applies in the case of business decisions. Also, once the target is reached, one should not become a slave of one’s own success. Otherwise, new targets become impossible.

Witteveen sums up a number of conditions for this kind of spiritual growth. First and most important, one has to “de-learn,” in the sense of going back to before the conventional “short-term memory” and reaching a deeper truth. The term was also cited by Vineet Nayar, CEO of HCL Technologies, on the Harvard Business School blog network: “We will learn to challenge all that we have so far accepted as time-tested truths” (Nayar 2010; Witteveen 2001, 87 and 108). The concept has certainly become more acceptable in mainstream management studies in the wake of the economic crises of 2008. Much of neo-classical economics and conventional management principles, both being based on short-term perspectives, have since been doubted.

In this way, Hazrat Inayat Khan and Witteveen both suggest a more ethically oriented approach, focusing on “remembrance.” Remembrance is the key term to understand the Sufi spiritual experience. Sufis very strongly refer to an original state of mind. This historically oriented awareness is specifically lacking in today’s mainstream management studies. Historians usually do not get involved in management studies, and vice-

versa. Remembrance basically involves the concept of “self-help through remembering God,” as the original state corresponds to complete unity and balance. Constant remembrance and respect for origin and historical context help to put things into perspective and stimulate long-term planning. Sufism (and basically all religions) is about “remembering” the essence of God. Sufism emphasizes that the whole reason the Islamic religion exists is to bring human beings back to a remembrance of God. God sends prophets and revelations to bring human beings back to a remembrance of Him. From this point of view, forgetfulness is the bedrock of sin and the matrix of darkness. It is forgetfulness that creates man’s separation from God when, in reality—if we were but aware of it—God is ever-present, immanent, and in-dwelling. We dwell in the past and worry about the future while God is here, now, immediate, real, not remote or abstract, as we imagine. There is an interesting contradiction here: in order to remember, we have to live in the now and the immediate. In the Koran, God promises that if we remember Him, he will remember us on the Day of Judgment: “Therefore remember Me, I will remember you.” (Koran 2:152)

The Koranic word for remembrance is “Zikr” (or “Dhikr”). Zikr, Remembrance of God, may be considered the Koran’s central theme. Indeed, the Koran refers to itself as Zikr, a reminder from God. In the Koran, Muslims are enjoined to remember God by invoking His Name—Allah. The most essential, simplest prayer of Islam is the utterance of God’s Name, Allah. Some Sufi orders engage in ritualized Zikr ceremonies, or “Sama.” Sama includes various forms of worship such as recitation, singing (like the Qawwali music of the Indian subcontinent), instrumental music, dance (such as the Sufi whirling of the Mevlevi Order in Turkey), meditation, religious ecstasy, and an altered state of consciousness.

Witteveen suggests a more pragmatic “de-learning” process, questioning the way we are programmed about objectives, values, and norms, and leading to “spiritual economics.” This higher level of economics expresses itself in two ways. First, one should wish to save the other person by having patience oneself, instead of testing the other person’s patience. In doing so, one saves one’s own and the other person’s energy. Second, unnecessary thoughts and activities should be avoided; time and life are too precious.

In addition, there is also a certain influence from the Hindu-Buddhist concept of “karma,” based on the relationship of action-reaction or cause-consequence. Hazrat Inayat Khan argued that there was an overall connectedness, implying that our thoughts and actions have an impact on others. This can also be compared to Carl Jung’s concept of “collective unconsciousness.”

If spiritual economics is successfully implemented, preferences of consumers and employees will change accordingly. The relationship between employer and employee will be considered as an “exchange of presents” based on honesty and reciprocity regardless of the market conditions. This is similar to the great Christian theologian Thomas Aquinas’s concept of “*justum pretium*” or “just price” (Witteveen 2001, 110).

Witteveen identifies four levels to apply the principles of spiritual economics:

- Management of companies and organizations
- Behavior of individuals and interest groups during negotiations of an economic nature
- Idealism and integrity in governance (“good governance,” long-term perspectives for the “common good”)
- Increasing importance and networking of non-governmental organizations (NGOs or “civil society”)

Within the globalization that occurred at the end of the twentieth century, Witteveen identifies three basic dangers that demand a “Sufi” response. First, most businesses are growing too fast, involving too many mergers and takeovers that have nothing to do with the real economy. Sufi leadership teaches us to balance work and meditation, introducing a constructive business rhythm, avoiding unbalanced growth. Witteveen refers to Danah Zohar’s *Rewiring the Corporate Brain* (Zohar 1997), which argues that improving the emotional and spiritual intelligence of managers, implying “emotional involvement,” would produce a more sustainable type of growth.

Second, Witteveen fears the fast growth of the informal, unregulated sector and corruption. He refers to Hernando de Soto’s studies (De Soto 2000) on how corruption slows the trickle-down effect by creating illegal obstacles for small enterprises. The poor should be able to work within a free, fair, and transparent market.

Third, Witteveen argues that increasing expenses for advertising and new technologies in media increases various addictions, therefore leading to a huge loss of energy and time. This goes directly against Hazrat Inayat Khan's emphasis on focus and not wasting time and energy. Witteveen suggests that taxing advertising might be part of the answer.

## 7 Implications for Ethical Leadership

Confronted with both inner and outer crises (personal crises, economic and environmental crises, and world wars), all five of the thinkers discussed in this chapter started with a feeling of having lost sight of their global purpose. Indian traditions offered approaches that focus on the person who wants to change, and provide concrete ways to change the way society and businesses run. Accordingly, they focused on maximizing the quality of leadership instead of maximizing profits. Schweitzer, Schumacher, Guénon, and Osborne witnessed how the big German industrial conglomerates were "pragmatic" enough to reorient their production towards war efforts, and Schumacher, especially, was witness to the collaboration of the German business establishment with the Nazi regime. Witteveen witnessed both the crisis of the Keynesian economic policy (since 1973) and then the crisis of the neo-liberal economic system.

Despite their protesting mood, the thinkers we studied did not turn against their traditional religious background. On the contrary, Schweitzer, Osborne, and Schumacher understood their own Christianity from new angles, and admired more than ever the richness of the original sources of their own religion. Indian traditions were only used to extend their inner development while Christianity remained very much the basis of their outer thinking. In Osborne's case, Advaita Vedanta became a philosophy that neutralized Christianity and all other religions. Pre-Renaissance Christianity was certainly on par with the other religions. For Witteveen, Sufism is a type of spirituality that transcends but does not contradict traditional religion. In all five cases, values had to be incorporated internally and externally. Except that, for Osborne and Guénon, the only real solution is internal, as there is no external alternative to materialism, whether in its capitalist or its communist form.

While Guénon was against economics and management because it involved change, the ultimate goal of the other thinkers we studied was to break the usual pattern of managerial behavior. Indirectly, they suggested a distinction between management and leadership. A genuine leader should think (from a broad ethical perspective), rather than manage (from an individualistic business perspective). Leadership is connected to a vision that transcends mere management exertion. This vision involves responsibility for the human and physical environment. It expresses itself through appreciation, among the employees and towards the clients, and not only for their work performance but also as people. Motivation and confidence, both physical and metaphysical, also became important features and linked it to a global vision. This vision is centered on sustainability, not only in a physical sense (for example, ecology), but also in the mind (mindfulness).

Except for the case of Guénon, who was an “anti-economist,” the other cases suggested that there is no contradiction between business and enriching ourselves in a genuine way. However, this enrichment or prosperity has both an inner and an outer meaning. In practical terms, this means that any enterprise or company needs to be successful, while at the same time, the people involved maintain good health of body and mind. This involves the concrete identification of what is really needed. Once these needs are sufficiently covered, a person will feel freer, because the cycle of “wanting” has been broken and energy can be released for achieving a broader goal. Ultimately, one should also feel that doing business has some meaning in a larger sense.

Interestingly, a survey among Buddhist business managers in Germany (Beyer 2011) reflects similar observations. Beyer concludes that the Buddhist philosophy of management “is a way to review ethics in working life and help managers build up sustainable, efficient and employee-oriented businesses that give the manager enough free time to lead a private, fulfilled life” (Beyer 2011, 58).

Beyer concludes that the personal interest in Buddhism by German managers primarily resulted from crisis or external influences, and that all participants in the survey agreed that Christian (or German atheist) culture should not be abandoned for Buddhist philosophy.

Likewise, the case of James J. Lynn (1892–1955), an American self-made business magnate who became an illuminated yogi, demonstrates how business and spiritual success can be successfully balanced (Yogoda Satsanga Society of India 2010). Under the name Rajarsi Janakananda, he succeeded his Indian guru Paramahansa Yogananda as the second president of the Yogoda Satsanga Society of India, practicing and teaching yoga. About his success in the lumber, banking, insurance, and oil businesses, he later said:

I was a totally frustrated man. I had thought money could give me happiness, but nothing seemed to satisfy me. I lived in a state of nervousness, a state of strain, an inward state of uncertainty. (Yogoda Satsanga Society of India 2010, 194)

Instead, he started living by inward joy. However, Lynn also followed his guru's guidance that, apart from Krishna, Jesus, too, is divine, and that conventional religions are not contradictory to becoming a disciple of the Yogoda Satsanga Society. Paramahansa Yogananda commented about Lynn:

In him and in a number of other Occidentals I happily see a fulfillment of Babaji's prophesy that the West, too, would produce saints of true Self-realization through the ancient yogic path. (Yogoda Satsanga Society of India 2010, 9)

We conclude that Schumacher, Osborne, Schweitzer, Witteveen, Lynn, and Beyer's cases illustrate cultural change in management philosophy, whereby change in management is taking place through the actions and behavior of leaders:

Leaders show the business, create the right atmosphere, shape values and symbolize attention. They have the vision, train the people, and provide a sense of direction to all. (Bhattacharyya 2011, 67)

More research is needed to hypothesis. But clearly, Schumacher, Schweitzer, Osborne, Witteveen, and Lynn might well have acted as role models for new generations of modern business executives. Similarly, Guénon might have warned them that change is not always for the best.



Schumacher is more present in management curriculum in India than in Western countries. In management and in business, relationship counts in India (Bhattacharyya 2011, 110–111). In general, this has resulted in hierarchically designed organization structures confirming authoritarian decision-making. However, the relationship-oriented approach also implies a focus on people, instead of merely on seeking profit. This pattern of behavior might inspire alternative approaches to management, compared to many Western patterns of business behavior. In the planned-economy era after independence in 1947, Indian companies felt neither the challenge to innovate, nor the challenge to introduce new ethical management practices. However, since liberalization in 1990, the number of workshops, publications, conferences, and gurus oriented towards introducing ethical and spiritually inspired management practices has steadily increased. (Srinivasan 2011, 73–81)

Finally, one suggestion is to reverse the present methodology. Some case studies indeed suggest that Indians have referred to Western European concepts to revive the *caritas* and social solidarity principles within their own management traditions. For example, Swami Vivekananda's social involvement within the Ramakrishna Mission was partly a response to the social involvement of Protestant preachers in late nineteenth-century Bengal (Vivekananda 2003). Conventional nineteenth-century Hinduism had become too conservative, protective, exclusive, individualistic, introverted, and caste-oriented. It could no longer acknowledge the social and broad-minded aspects of its own origins. The success of foreign Christian missions was a direct challenge for Hinduism, allowing a more genuine rediscovery of its "self" (Dasgupta 2010).

## 8 Conclusion

We may conclude that a certain number of European economists and managers used Indian traditions such as Hinduism, Buddhism, and Sufism to revive the original socio-economic meanings of Western European traditions with implications for management. They argued that modern Western culture had developed only one dimension and had

ignored its original concepts. They also argued that the original concepts of Western European traditions focused on “oneness” while in reality, these had increasingly been interpreted in a dualistic way (God versus man and nature; alienation of God from His own creation). Finally, they argued that re-emphasizing “oneness” allows us to “spiritualize” the economy and our management practices. They tried to integrate these arguments into their own activities, but experienced severe opposition from mainstream economists and businesses.

In all cases, our thinkers interpreted some form of spiritualizing the economy and business as a well-balanced management culture based on ethics. These ethics involved reacting against bigness, hurried growth, and profits that are too big. They defended the implementation of a fair price and salary, which directly corresponds to traditional Christian ethics. Management was considered Dharma (ethics) and should not be conducted just for results that are expressed in personal financial gain.

We suggest that the observation that foreign traditions were and can be used to rediscover indigenous ethical management principles (in this case, Christian denominations) can be applied as a general rule. To support this argument, more case studies are necessary and the present methodology should also be reversed, to study the Indians who have referred to Western European concepts to revive their own traditions of *caritas* and social solidarity in their management practices.

The ultimate conclusion is that the case studies here support the argument that foreign traditions can be used to revive management concepts from indigenous traditions. The case studies provide examples of management-directed cultural change, whereby management change is taking place through the actions and behavior of leaders. The qualitative analysis shows that the leaders concerned here also support the idea that all religious traditions refer to the same original lost memory, and that consequently, a long-term perspective is preferable to a short-term “blindness” in relation to religious experience, including the way it is translated to management. Correspondingly, comparative religion can also be used to facilitate understanding in business negotiations and communication.

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# 7

## Integrating Servant Leadership and Ethical Leadership

Asi Vasudeva Reddy and A. V. S. Kamesh

In this chapter, we review two distinguished leadership styles and focus on servant leadership and a leader's moral development. Leaders display their behavior which consistently influences the process of motivating subordinates with ethical and moral values equipped with the zeal to serve. This paper discusses the need for servant and ethical leadership and the ways they can be productively implemented in organizations. Moreover, ethical leadership focuses on transformational leadership with a flavor of moral foundation when compared to the attitude of serving the followers through stewardship in servant leadership. Servant leadership and ethical leadership models critically provide the best conglomerate model, fit for the organizational context which provides a blended concept of serving and the importance of moral training of leaders in identifying and promoting the common good.

### 1 Introduction

During the past decades, leadership studies have clearly moved away from a strong focus on, most notably, transformational leadership toward

a stronger emphasis (Van Dierendonck 2011) on a shared, relational, and global perspective, where the interaction between the leader and follower is especially a key element (Avolio et al. 2009).

Brown et al. (2005) defined ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”.

Trevino et al. (2000, 2003) say that ethical leaders are thought of and seen as honest, trustworthy, fair, and principled decision-makers who care about people and the broader society, and who behave ethically in their personal and professional lives. This characterizes the moral person aspect of ethical leadership, representing observers’ perceptions of the leader’s personal traits, character, and altruistic motivation. Whereas, moral managers represent the leader’s proactive efforts to influence followers’ ethical and unethical behavior. Moral managers make ethics an explicit part of their leadership agenda by communicating an ethics and values message, by visibly and intentionally role modeling ethical behavior, and by using the reward system (rewards and discipline) to hold followers accountable for ethical conduct. Such explicit behavior helps the ethical leader create a leadership message that gets followers’ attention by standing out as socially salient against an organizational backdrop that is often ethically neutral at best.

Brown & Trevino (2006a) suggest that ethical leaders are characterized as honest, caring, and principled individuals who make fair and balanced decisions. Rabindra (2001) states that ethical leaders also frequently communicate with their followers about ethics, set clear ethical standards and use rewards and punishments to see that those standards are followed. Finally, ethical leaders do not just talk a good game—they practice what they preach and are proactive role models for ethical conduct.

Van Dierendonck (2011) views organizations as needing more ethical, people-centered management; opportunistic and self-serving leadership have to be inspired by the ideas from servant leadership theory. Greenleaf (1977) presents a view of servant leadership that may be of particular relevance in this era in that it adds the component of social responsibility to transformational leadership (Graham 1991); besides, more than any other leadership theory, it explicitly emphasizes the needs of followers (Patterson 2003). Although influence is generally considered the key element

of leadership, servant leadership changes the focus of this influence by emphasizing the ideal of service in the leader–follower relationship. It may, therefore, be a leadership theory with great potential.

## 2 Conceptual Model of Ethical Leadership

The conceptual model (Brown et. al. 2006a) emphasizes the situational influences on ethical leadership, individual characteristics of leaders, and the outcomes of the leadership style in view of organization effectiveness and the willingness of employees to accept this style of leadership. Rabindra and Manuel (2001) describe situational factors that are likely to influence employees' perceptions of a leader as an ethical leader: ethical role modeling, the organization's ethical context, and the moral intensity of the issues that the leader faces in his or her work (Fig. 7.1).

### Situational Influences

Brown et al. (2006a) emphasize that social learning theory throws light on understanding why some leaders are more likely to be ethical leaders. Not only followers learn from models but also leaders learn from models too. By observing an *ethical role model's* behavior as well as the consequences of their behavior, leaders should come to identify with the model, internalize the model's values and attitudes, and emulate

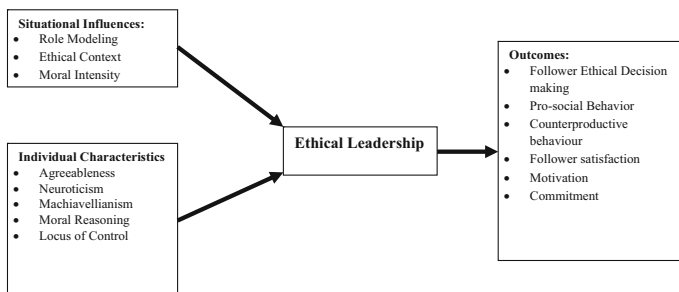


Fig. 7.1 Conceptual model of ethical leadership

the modeled behavior (Bandura 1986). Thus, having had an ethical role model in one's career is likely to contribute to the development of ethical leadership. Trevino et al. (2000) argued that having an ethical role model was an important antecedent of ethical leadership.

Brown et al. (2006a) state that there are multiple ways to think about the *ethical context* of an organization; ethical climate and ethical culture are the most crucial aspects in determining the situational influences. Ethical climate has been defined as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” or “those aspects of work climate that determine what constitutes ethical behavior at work” (Victor and Cullen 1988). Whereas Trevino (1986) proposed ethical culture as a subset or slice of the organization's overall culture that can moderate the relationship between an individual's moral reasoning level and ethical/unethical behavior.

*Moral intensity* influences moral awareness (as well as ethical intentions), the magnitude of consequences (the potential harm that might result from the situation), and social consensus (the existence of strong ethical norms in a given situation). Therefore, intense situations draw observers' attention to the leader (Butterfield et al. 2000). Situations can be considered proving grounds for enhancing the effect of ethical context on ethical leadership (Brown et al. 2006).

## Individual Characteristics

From the Big Five Factor Model (Tupes and Christal 1961), *agreeableness* (describing someone altruistic, trusting, kind, and cooperative) strongly related to transformational leadership. Agreeableness is most strongly correlated with the idealized positive influence dimension of transformational leadership, the dimension that is comprised of ethical content.

*Neuroticism* reflects the leader's tendency to experience negative emotions such as anger, fear, and anxiety (Brown et al. 2006a). Neurotic leaders are thin-skinned and hostile toward others. From a social learning standpoint, thin skin and hostility are hardly the qualities that one associates with attractive and credible models showing neuroticism as negatively related to ethical leadership.



In psychology, *Machiavellianism* is defined as “the use of guile, deceit, and opportunism in interpersonal relations” (Christie 1970). In contrast to ethical leaders, Machiavellian leaders are motivated to manipulate others in order to accomplish their own goals. They have little trust in people and in turn, tend not to be trusted by others. This shows a negative relationship to ethical leadership.

Turner et al. (2002) found that those with higher levels of *moral reasoning* were more likely to be seen by subordinates as transformational leaders. “Leaders with more complex moral reasoning will be able to draw on more sophisticated conceptualizations of interpersonal situations, are more likely to think about problems in different ways, and are cognizant of a larger number of behavioral options” (Turner et al. 2002). Brown et al. (2006a) state that individuals who operate at higher levels of moral reasoning are more likely to make principled decisions, demonstrate concern for the rights of others, and value fairness as the foundation upon which relationships are built.

*Locus of control* (LC) is the perceived control that one has over the events in his or her life. Individuals with an internal LC perceive greater control, while those with an external LC perceive that fate or powerful others exert great influence on such events. Trevino (1986) proposed that internals would behave more ethically because they are more likely to perceive the connection between their own behavior and the outcomes produced by that behavior. As a result, they are more likely to take responsibility for the outcomes of their actions.

## Outcomes

With a social learning perspective, followers emulate ethical leaders' behavior because such leaders model normatively appropriate behavior. In addition, ethical leaders communicate the importance of ethical standards and use the performance management system to hold employees accountable for their conduct.

As a result, we propose that ethical leaders will influence ethics-related conduct such as employee decision-making, and prosocial and counter-productive behaviors primarily through modeling and vicarious learning

processes. In addition, ethical leaders would influence employees' positive and negative behavior because employees like to build their relationships with ethical leaders.

Brown et al. (2006a) state that as attractive role models, ethical leaders are going to be an important source of ethical guidance for their employees. Ethical leaders set ethical standards and communicate them to followers. In addition to this, (Rabindra 2001) states that because ethical leaders are higher in moral reasoning, they should also influence the moral reasoning of work group members, thus producing more decisions that are ethical.

Ethical leadership should influence employees' prosocial behavior through social learning (Bandura 1986) as well as social exchange processes. Again, ethical leaders are attractive and legitimate role models who focus followers' attention on their ethical standards and their normatively appropriate behavior. Thus, followers of ethical leaders should identify with these leaders and emulate their behavior rather than promote a simple economic exchange.

*Counterproductive behavior* (Detert et al. 2006) has to be reduced for fair treatment of employees (Greenberg 1990) and socialized charismatic leadership (Brown and Trevino 2006b). Employees, who have a high-quality relationship with their managers are less likely to engage in negative behaviors.

Brown et al. (2006a) represented follower satisfaction, motivation, and commitment as *work attitudes*. Leaders' high ratings on transformational leadership are associated with followers' satisfaction, commitment, and motivation (Lowe et al. 1996). These relationships have been attributed largely to shared values (Burns 1978) and the extent to which followers identify with these leaders, Brown et al. (2005) found ethical leadership to be associated with satisfaction with the leader and with job dedication.

### 3 Conceptual Model of Servant Leadership

The term *servant leadership* was coined by Robert Greenleaf (1904–1990) in his seminal work *The Servant as Leader*, first published in 1977:

The Servant-Leader is servant first ... It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. ... The best test, and difficult to administer is this: Do those

served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, and more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit, or at least not further be harmed? (Greenleaf 1977: 7)

The servant-leader is governed by creating within the organization opportunities to help followers to grow (Luthans and Avolio 2003). Compared to other leadership styles where the ultimate goal is the well-being of the organization, a servant leader is genuinely concerned with serving followers (Greenleaf 1977).

Spears (1995) distinguished 10 characteristics that are generally quoted as the essential elements of servant leadership: (1) listening—emphasizing the importance of communication and seeking to identify the will of the people; (2) empathy—understanding others and accepting how and what they are; (3) healing; (4) awareness—being awake; (5) persuasion—seeking to influence others relying on arguments not on positional power; (6) conceptualization—thinking beyond the present-day need and stretching it into a possible future; (7) foresight—foreseeing outcomes of situations and working with intuition; (8) stewardship—holding something in trust and serving the needs of others; (9) commitment to the growth of people—nurturing the personal, professional, and spiritual growth of others; and (10) building community—emphasizing that local communities are essential in a persons' life.

Laub (1999) developed six clusters of servant leadership characteristics that were the basis for measuring. These six key characteristics give a good overview of servant leadership behavior as experienced by followers. Servant-leaders empower and develop people; they show humility, are authentic, accept people for who they are, provide direction, and are stewards, who work for the good of the whole (Fig. 7.2).

## Characteristics of Servant Leadership

A motivational concept focused on *enabling people* (Conger 2000), empowerment aims at fostering a proactive, self-confident attitude among followers and gives them a sense of personal power, encouraging personal development (Laub 1999).

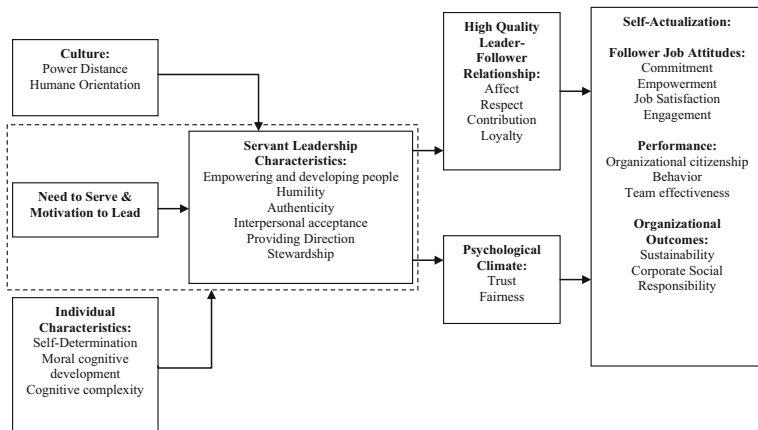


Fig. 7.2 Conceptual model of servant leadership

The ability to put one’s own accomplishments and talents in a proper perspective (Patterson 2003) is important for servant leadership. Servant-leaders actively seek the contributions of others. *Humility* shows the extent to which a leader puts the interest of others first, facilitates their performance, and provides them with essential support.

*Authenticity* is closely related to expressing the *true self*, expressing oneself in ways that are consistent with inner thoughts and feelings (Harter 2002). A servant-leader’s authenticity manifests itself in various aspects: doing what is promised, visibility within the organization, honesty (Russell and Stone 2002), and vulnerability (Luthans and Avolio 2003).

Servant leadership presupposes the ability to understand and experience the feelings of others and where people are coming from (George 2000), and the ability to let go of perceived wrongdoings and not carry a grudge into other situations (McCullough et al. 2000). For servant-leaders, it is important to create an *atmosphere of trust*, where people feel accepted, are free to make mistakes, and know that they will not be rejected (Ferch 2005).

*Providing direction* ensures that people know what is expected of them, which is beneficial for both employees and the organization (Laub 1999). Providing direction is about providing the right degree of accountability,

which has been suggested as a salient dimension of high-quality dyadic interpersonal relations (Ferris et al. 2009).

The willingness to take responsibility for the larger institution and to go for service instead of control and self-interest (Block 1993; Spears 1995) is extremely important for building harmonious interpersonal relationship. Leaders should act not only as caretakers but also as role models for others. *Stewardship* is closely related to social responsibility, loyalty, and team work.

## Antecedents and Consequences of Servant Leadership

The model puts forward that the cornerstone of servant leadership lies in the combined motivation to lead with a need to serve (Van Dierendonck 2011). The resulting servant leadership characteristics, as experienced by followers, have their influence both on the individual leader-follower relationship and on the general psychological environment within a team or organization. The characteristics are also expected to influence the followers on three levels: the individual level—self-actualization, positive job attitudes, and increased performance; the team level—increased team effectiveness; and on the organizational level—a stronger focus on sustainability and corporate social responsibility (CSR).

## The Motivation to Lead

The need to serve combined with a motivation to lead is the basis of the model. Internalized values such as honesty, integrity, fairness, and justice are characteristics that are expected to significantly impact a leader's behavior (Russell 2001). In addition to this, power motivation refers to an underlying need for impact, to be strong and influential (McClelland and Burnham 1976). Relating this to servant leadership, it could be said that it is not so much about a low need for power. Greenleaf (1977) mentioned this motivation by stating that it starts with a need to serve that leads to a motivation to lead. The other way around is possible too, going from a motivation to lead to incorporating a serving attitude.

## Individual Characteristics

Self-determination has been positioned as an essential condition to be able to act as a servant-leader (Van Dierendonck et al. 2009). A self-determined person will wisely use personal resources, build strong and positive relationships, and in helping others, develop their self-determination.

Kohlberg (1969) described six stages in the development from childhood to adulthood in which a person becomes aware of the complexity of distinguishing between right and wrong. Imagining how things look from the perspective of the other person becomes part of the decision and reasoning process.

Cognitive complexity reveals a person's ability to perceive social behavior in a differentiated fashion. According to Van Dierendonck (2011), servant leadership asks for a balancing act between providing direction and standing back to allow others their experience.

## Culture

Two cultural dimensions are most likely to influence the occurrence of servant leadership within organizations, namely, humane orientation and power distance.

According to Kabasakal and Bodur (2004), *humane orientation* is “the degree to which an organization or society encourages and rewards individuals for being fair, altruistic, friendly, generous, caring and kind to others.” A humane orientation is driven by cultural values such as concern for others, sensitivity toward others, friendliness, and tolerance of mistakes.

*Power distance* can be defined as “the extent to which a community accepts and endorses authority, power differences and status privileges orientation” (Carl et al. 2004). As Davis et al. (1997) assert, a culture with a low power distance is expected to be more encouraging toward developing servant leadership within an organization because the relationship between leader and follower is based on a more equal footing.

## The Relationship Between Servant-Leader and Follower

Van Dierendonck (2011) finds that leaders who show humility by acknowledging that they do not have all the answers, being true to themselves, and adopting an interpersonal accepting attitude, create a working environment where followers feel safe and trusted. Relationships of this kind are characterized by mutual trust, respect, and obligation. Affect refers to positive feelings toward and a liking for the leader. Loyalty shows in being faithful and supportive, and in backing each other. Contribution is the extent that one perceives the other as working toward shared goals. Respect is closely related to a feeling of trust and holding the other person in high regard (Dienesch and Liden 1986). According to Van Dierendonck (2011), to build this high-quality relationship, servant-leaders rely on persuasion in their discussions with followers. There is a strong focus on striving toward consensus in the teams they lead.

## The Psychological Climate

According to McGee-Cooper and Loooper (2001), servant-leaders provide direction by emphasizing the goals of the organization, its role in society, and the separate roles of the employees. An atmosphere is created, where there is room to learn, yet also to make mistakes. According to Van Dierendonck (2011), a servant-leader's focus on empowerment will create a climate, where decisions are made in a process of information gathering, and where time is taken for reflection. Thus, employees feel safe to use their knowledge and are focused on continuous development and learning, giving room for mutual trust and fairness in discharging one's contribution towards the organization development.

## Outcomes of Servant Leadership

Van Dierendonck (2011) states that servant leadership is a people-centered leadership style. It calls on the servant-leaders to work toward positive job attitudes by encouraging the psychological needs of their

followers, which results in more satisfied, more committed, and better-performing employees. This improvises personal growth of the leader as well as the follower. Based on the servant leadership literature, it is observed that self-actualization, follower job attitudes, performance, and organizational outcomes are the main outcomes of servant leadership, whereas, the first three outcomes are related to follower outcomes, the latter is to the organizational outcome.

Striving for *self-actualization* and *personal growth* is a central motivator in a person's life. It refers to a feeling of continuous personal development and of realizing one's potential. Mayer et al. (2008) showed the relevance of servant leadership to followers' psychological needs. Self-actualization gives life meaning. Meaningfulness through self-actualization includes a sense of wholeness and purpose in life. Van Dierendonck (2011) notes that servant leadership strengthens the self-actualization among the followers by igniting their thought process through goal-centered growth and seeking opportunities to achieve aspirations.

Laub (1999) argues that the model depicts that through psychological climate of trust and fairness; *job attitudes* follows the extent of employee's attitudes towards their job satisfaction, organizational commitment, empowerment, and engagement. Van Dierendonck (2011) says existence of interrelatedness among the above said factors in the studies conducted by various researchers throws light on the relevance of servant leadership on follower job attitudes.

*Performance* is studied in terms of Organizational Citizenship Behaviour, (OCB) and team effectiveness. According to Graham (1991), servant leadership positively influences OCB because it encourages a higher level of moral reasoning in followers. Servant leadership is also believed to have a positive influence on team effectiveness as the leader balances the climate of trustworthiness by balancing self-interest with the interest of others. According to Van Dierendonck (2011), the most important leadership behaviors were providing accountability, being supportive, engaging in honest self-evaluation, fostering collaboration, having clear communication, and valuing the members in the team. This can be depicted as team leadership through personalized servant leadership characteristics, which has a direct and positive influence on team effectiveness.



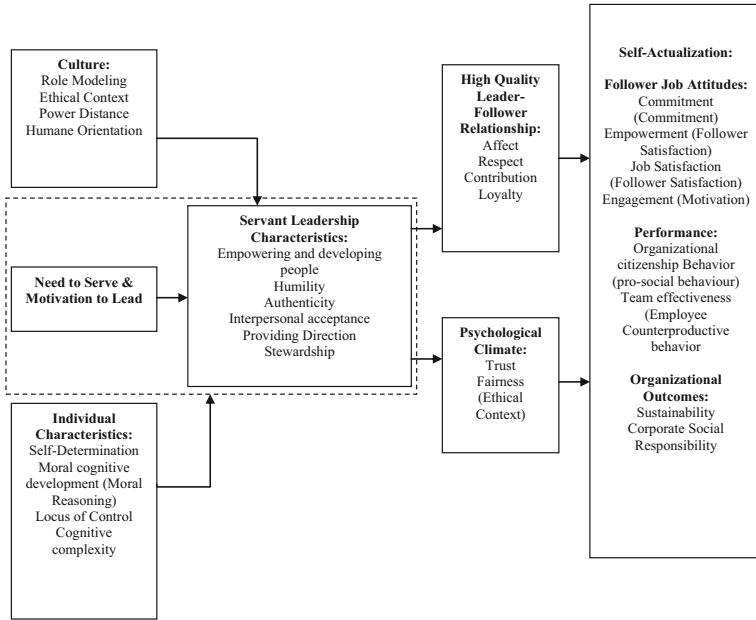
Leaders need to integrate building a responsible business with the challenges of day-to-day operations, emphasizing the importance of integrity, open-mindedness, long-term perspective, ethical behavior, care for people, respectful communication, and managing responsibility outside the organization (Hind et al. 2009), all aspects that come close to the key servant leadership characteristics. Furthermore, Jin and Drozdenko (2009) argued and showed that CSR is related to a more organic, relationship-oriented organizational environment, where fairness and trust (psychological climate) are core values. As the concept of CSR broadly focuses on societal aspects; needs charismatic leadership strategies to understand and encourage the influence of the leader beyond transformational leadership.

## 4 Integrating Servant Leadership and Ethical Leadership

The reported studies have proven that there exists an integrating behavior of both servant leadership and ethical leadership. The cultural perspective of ethical leadership focuses on role modeling and ethical context. Servant leadership focuses on power distance and human orientation, which can be synergized with the cultural perspectives of ethical leadership. Unless there is a strong determination of the leader to be a role model, the leader cannot display ethical conscientious behavior to show the power distance with the followers Edward (2001). This mostly projects the openness, agreeableness, and fairness of the leader to uplift the morale of the followers. Van Dierendonck (2011) states that being agreeable is related to generosity and a greater willingness to help others. The motivation for leadership comes from this interest, and from empathy for other people (Fig. 7.3).

Additionally, the critical concept of moral cognitive development propounded by Kohlberg (1969) emphasizes the different stages through which people develop their cognitive reasoning.

It is expected that the power that comes with a leadership position is used to provide others with the opportunity to become self-determined as well.



**Fig. 7.3** Integrated model of servant leadership and ethical leadership

The behavior of servant-leaders may influence the job attitudes and behavior of followers, and their behavior and disposition may in turn have an influence on how they are treated. This displays how the behavioral pattern of the followers can be determined by the ethical behavior of the leaders. Leaders can build a better working environment which enlightens the followers on their self-determination to be aligned with the organization’s set goals and objectives.

Whereas prosocial behavior of the follower has been subdued by the OCB, which provides the responsible and accountable attachment with the organization through servant leadership, giving way to team effectiveness rather than the concept of counterproductive behavior from the follower.

With regard to future research, it is important to realize that there are still some challenges to be met; servant leadership theory has a tendency of being too idealistic, and with minimal empirical evidence this theory requires more empirical research. The integration of ethical leadership

with servant leadership is only possible through conceptual aids rather than through empirical integration.

## 5 Conclusion

Although ethical leadership has been a concern for generations, the rigorous theory-based social scientific study of ethical leadership is relatively new. Despite its newness, ethical leadership is a topic that has great potential for academic researchers. High-profile failures in ethical leadership have generated considerable interest in the topic. For this reason, the integration of servant leadership and ethical leadership allows leaders to encourage their followers through motivation to lead with a need to serve. Personal characteristics and culture are positioned alongside the motivational dimension. Servant leadership is demonstrated by empowering and developing people; by expressing humility, authenticity, interpersonal acceptance, and stewardship, and by providing direction. A high-quality dyadic relationship, trust, and fairness are expected to be the most important mediating processes to encourage self-actualization, positive job attitudes, performance, and a stronger organizational focus on sustainability and CSR. Leadership scholars have always been involved in research that aims to contribute to effective leadership. Because ethical leadership and servant leadership are related, the topic of ethical leadership should appeal to scholars with diverse motivations and interests.

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# 8

## Spiritual-Based Leadership from the Perspective of the Bhagavad Gita

C. Suriyaprakash

### 1 The Spiritual Era of Leadership

At the dawn of the third millennium, the world is experiencing a rapid transition in many fields, but especially in business. Organizations are facing market and economic conditions never encountered before. In this turbulent environment, effective leadership is a key factor in determining the success or failure of a business. Powerful visionary leadership is needed to inspire people to perform beyond expectations. This calls for leaders with not only exceptional skills but also impeccable personal characteristics.

Leadership is one of the most complex, multifaceted phenomena to which organizational and psychological research has been applied. The term *leader* was used as early as the 1300s (Murray 1933) and was conceptualized even before Vedic times. On the other hand, the term *leadership* has been in existence only since the late 1700s (Stogdill 1974), and scientific research in this area did not begin until the twentieth century (Bass 1981). Since then, however, there has been intense interest in and work on the subject of leadership from a variety of perspectives.

There are several classifications of the evolution of leadership theory. One of the most comprehensive is by Van Seters and Field (1990), who classified leadership theory into nine eras.

Leadership theory started with the *personality era*, during the mid-nineteenth century, which included the first formal leadership theories and represented a beginning in understanding of the leadership process. That era is divided into the *great man era* and the *trait era*. The great man era was inspired by strong leaders in human history, and it was believed that the way to become a strong leader was to copy the personalities and behaviors of these iconic heroes (Borgotta et al. 1954; Galten 1869). The trait era witnessed only a marginal advancement in leadership thought, with the emphasis on developing specific individual traits rather than focusing on individuals. This was believed to enhance leadership capacity and outcome.

The *influence era* built on the personality era by shifting the focus from the individual leader to the relational aspect of the leader-member dyad. The main area of study in this period was the power and influence exerted by the leader in relation to members. It is comprised of the *power relations era* and the *persuasion era*. The power relations era attempted to explain the effectiveness of leaders in terms of the source and amount of power they commanded and the way they used this power to reach their goals. In the persuasion era, the leader continued to be viewed as the dominant factor in the leader-member dyad, but the role of coercion was minimized.

The influence era was followed by the *behavior era*. This period offered a different view of leadership by emphasizing the leader's personality, specifically his or her behavior rather than built-in traits or sources of power. Leadership was thus defined as a subset of human behavior (Hunt and Larson 1977). The early behavior era was marked by the Ohio State and Michigan Studies (Katz and Kahn 1952; Fleishman 1953) which identified two important leader behavior traits: initiating structure and consideration (Griffin et al. 1987). The late behavior era expanded earlier theories by adapting them for application in organizational management. The best known behavioral model of this period is the managerial grid model (Blake and Mouton 1964, 1978). Theory X and Theory Y also received considerable attention (McGregor 1966). This theory relates to two opposing sets of assumptions about motivation of employees from two different managerial styles. Theory X relates to strict supervision, rewards and punishment to motivate the workers. Thus it is based on a



pessimistic view about the average employee. In contrast Theory Y is based on an optimistic assumption about the average worker and highlights that employees are self motivated and job satisfaction plays a greater role in driving them than external rewards. They were followed by the *operant era* (Ashour and Johns 1983; Sims 1977), during which the focus shifted to reinforcement patterns used by leaders to motivate members. The *situation era* involved a significant step forward in advancing leadership theory by acknowledging the importance of factors beyond the leader and his or her subordinates. The focus was on situational factors, the most important of which was the task-relevant maturity of members. Hersey and Blanchard's (1969) situational leadership theory was the main representative of this era. Even though it is still a common and often-used model for leadership development, situational leadership theory did not stand up to the empirical rigor of leadership research; Hersey and Blanchard themselves changed the focus and definitions of the theory several times. At one point, they declared that situational leadership theory was an approach to leadership and not necessarily a theory (Graeff 1983). In spite of its lack of conceptual validity, the most important contribution of situational leadership was in highlighting that leadership behavior needs to be flexible and responsive to situational factors (Yukl 1989).

The *contingency era* marked the beginning of consolidating notions from previous eras by recognizing that leadership is not based on any single factor but a combination of several, perhaps even from all of the previous theories. The essence of the contingency era was that effective leadership depends on one or more of the factors of behaviour, personality, influence, and situation. The three most noteworthy theories of that era are contingency theory (Fiedler 1964, 1967), path-goal theory (Evans 1970), and normative theory (Vroom and Yetton 1973).

The contingency era was followed by the *transactional era*, which revitalized the study of leadership by suggesting that perhaps it lay not only in the person and the situation but also, and rather more, on how far the roles were differentiated as well as on social interaction. It was almost like revisiting the influence era, with two distinct periods: the *exchange era* and the *role development era*. The exchange era included vertical dyad linkage theory (Darsereau et al. 1975), the reciprocal influence approach (Greens 1975), and leader-member exchange theory (Dienesch and Liden 1986). In these theories, leadership involves transactions between leader

and subordinates that affect their relationships. The role development era refers specifically to the relative roles of the leader and the subordinate through theories such as social exchange theory (Hollander 1979; Jacobs 1970) and the role-making model (Graen and Cashman 1975).

During the late 1970s, there arose an era of anti-leadership. In the *ambiguity era*, scholars argued that perhaps leadership is only a perceptual phenomenon in the mind of the observer (Mitchell 1979; Pfeffer 1977).

This was followed by the *substitute era*, which attempted to identify substitutes for leadership (Kerr and Jermier 1978).

The *culture era* proposed that leadership is not a phenomenon of the individual, the dyad, or even the small group but rather is omnipresent in the culture of the entire organization. This macro-view of leadership included the 7-S framework (Pascale and Athos 1981), the “In Search of Excellence” attributes (Peters and Waterman 1982), and Theory Z (Ouchi 1981).

The *transformational era* represents the most recent and most promising phase in the evolutionary development of leadership theory. Its dramatic improvement over previous eras lies in the fact that it is based on intrinsic, as opposed to extrinsic, motivation whereby leaders must be proactive in their thinking, radical in their approach, innovative, and more open to new ideas in problem solving (Bass 1985). Leadership influence is characterized by enthusiastic commitment by subordinates as opposed to reluctant obedience or indifferent compliance (Yukl 1989). The main focus and responsibility of leadership is to build, monitor, and reinforce a culture of high expectations. That philosophy was echoed by Bass (1985) in his book *Leadership and Performance Beyond Expectations*. The transformational era is promising because it draws together and blends many aspects of the previous eras while building on them and taking leadership into a new paradigm, one beyond the transactional nature of trade-offs into the realm of transformation, if not transcendence.

We are currently on the verge of leadership theory shifting gears toward considering the transcendental nature of humankind, with increasing interest in studying the leader as a whole, including his or her spiritual base. In India, several recent research projects have studied how spiritual concepts (e.g., karma) influence leadership. One such effort (Krishnan 2001)

proposed that human existence is characterized by contradictions: Maya—the preference for action over inaction; Karma—understanding the potentially divine nature of oneself and others; Atman—understanding and making others understand that freedom is the supreme goal of human existence; and Moksha, which is positively related to transformational leadership. In another study, Madhu and Krishnan (2005) found that the combined effect of transformational leadership and Karma Yoga has a positive influence on altruism, conscientiousness, and courtesy but a negative one on sportsmanship and civic virtue. Mulla and Krishnan (2006) found that a belief in Indian philosophy enhanced duty orientation, and the absence of desire for rewards enhanced life satisfaction.

There have also been sporadic attempts to study phenomena such as the impact of spirituality as oneness on leadership (Chatterjee and Krishnan 2007), the impact of *svadharma* orientation on leadership (Mehra and Krishnan 2005), the impact of the Vedic worldview and *gunas* on leadership (Kejriwal and Krishnan 2004), moral leadership (Krishnan 2003), and the impact of *sattva* and *rajagunas* on leadership (Narayanan and Krishnan 2003).

Even though such research efforts are fewer than that of the transactional nature of leadership, there is interest in studying the impact of and relationship between the spiritual philosophies of leaders and their leadership styles. This interest exists not only in India but around the world and heralds the beginning of what I term the *spiritual era* in leadership theory.

## 2 The Scope of This Study

The Global Dharma Center (<http://www.globaldharma.org>), in partnership with Dr. Peter Pruzan, professor emeritus at the Copenhagen Business School and Kirsten Pruzan Mikkelsen, launched the Spiritual-Based Leadership Research Programme (SLRP) in 2002. The overall purpose of this research program is to contribute to the emerging field of, and the consciousness about spiritual-based leadership in work organizations worldwide, by making high-quality and reliable data, information, knowledge, and development methodologies about spiritual-based leadership easily

accessible. The program outcome was the book *Leading with Wisdom: Spiritual-Based Leadership in Business* (Pruzan and Mikkelsen 2007), which profiled 31 spiritual-based executives from 15 countries and six continents. These profiles were classified into seven universal values: love, looking and listening within, living and serving, compassion, divinity, purpose, and balance and grace.

This paper looks at those 31 spiritual-based leader profiles through the lens of 18 leadership sutras. Sutras are rules or aphorisms from ancient Indian Sanskrit literature. They often appear as short phrases, each of which contains deep meaning that is often the subject of interpretation, discussion, and debate. I explore the extent to which the lives of the 31 leaders from diverse global cultures reflect the principles and teachings of the Bhagavad Gita. Each sutra is derived from the essence of each chapter of the Bhagavat Gita. My aim is to empirically verify the cross-cultural relevance of the age-old wisdom in the Bhagavad Gita and thus develop a truly Indian model of leadership that I refer to as *wisdom leadership*.

The SLRP research team conducted first-hand interviews with business executives who had a consciously held spiritual view of life and who have managed and/or run their businesses from that basis. They did not define spirituality but allowed the leaders to define it for themselves. They confined their task to questioning, listening, and recording how the leaders defined and understood spirituality and their spiritual views of life as well as how their perspectives and actual experiences of leadership were a reflection of those views.

The project covered 31 business leaders from 15 countries and six continents. Of these, 11 were from the United States, eight from India, four from South America, seven from Europe, and one from Southeast Asia. The industries they were associated with came from across the manufacturing and services sectors, varying from banking to chemicals, professional services to telecommunications, publishing to machine tools manufacturing. The leaders' ages ranged from 32 to 73 years, and the size of the companies they led ranged from start-ups with a few employees to major international companies with over 100,000 employees. Three of them were women and the rest were men. (A list of some of the leaders is given in Appendices A.)

In the interviews, the leaders were asked about various aspects of their inner selves and the way they led their businesses. The major dimensions covered included the following:

- Their spiritual view of life
- The distinction between spirituality and religion
- The purpose of business
- The importance of financial and productivity goals
- How they define and measure success for their career and their organization
- How they develop an organizational culture
- The role of business in benefitting their local community, nation, and society as a whole
- Their relationship with other executives and stakeholders
- Their continued growth as a spiritual-based leader
- The inner processes that guides their decision making
- Advice and guidance for aspiring spiritual-based leaders

For this chapter, however, I consider only the following dimensions:

- Their spiritual view of life
- The purpose of business
- The inner processes that guide decision making

I chose these factors because they reflect the dimensions of timeless leadership sutras based on the Bhagavad Gita. Leadership sutras are aphorisms that delineate the principles that govern leadership and act as guidelines for leaders. The spirituality of the leaders influenced their perceptions, decisions, and actions in relation to other factors as well, but these three directly reflect their spiritual worldview and thus offer insight into how they think when faced with a business situation.

The themes of the leaders for the three dimensions under study are tabulated in Appendix A. The original research had 33 leaders (<http://www.globaldharma.org/sbl-knowledgebase.htm>). The book (Pruzan and Mikkelsen 2007) included 31 of those. Of the 31, 28 leaders who responded to all three dimensions were included for this article.

### 3 Timeless Leadership

In his book *Timeless Leadership*, Chatterjee (2012) described 18 leadership sutras from the Bhagavad Gita. Each corresponds to the essence of a chapter in the Gita. The titles of the 18 chapters and the corresponding sutras are summarized in Table 8.1.

Spirituality is so vast, diverse, and abstract that finding a linear way to discuss it is difficult. Every spiritual belief has several dimensions, so trying to categorize each under one dimension or sutra is not possible. Given the limitations of language and the fact that we can write or read material only in a linear fashion, I have taken leader quotes for each of the three dimensions of spirituality mentioned earlier and fit them into as many sutras as reflected in that quote. Then I did a meta-analysis to identify the sutras that are predominantly reflected across the spectrum.

The Bhagavad Gita's teachings are spread over its 18 chapters. Its message can be summarized as *brahmavidya* and *yogashastra* (Swami Dayananda 2009). *Brahmavidya* is the knowledge that every human being—in fact every being—is a complete adequate self. There is an element of divinity in all beings. And in that divinity all beings are one. *Yogashastra* shows the way to neutralize likes and dislikes and bring about a mind that is tranquil and open, that is, a learning mind. Action needs to be done with the attitude of offering—results of our actions are to be received with the attitude of glad acceptance. Whereas *brahmavidya* is the goal of the Bhagavad Gita, *karma yoga* is the means to achieve that goal. *Bhakti* is when action is performed with devotion to the Lord. It can be safely said that matured *karma* is *bhakti*, which in turn matures into *jnana*, the celestial wisdom that all beings are one: *brahman*.

The Bhagavad Gita also talks about renunciation or *sannyasa yoga* as a means of reaching the goal of *brahmavidya*, as opposed to *karma yoga*. However, the Bhagavad Gita makes it clear in several places that the path of renunciation is not suitable for all. For people who are involved in the normal course of life, *samsara* or *karma yoga* is prescribed. As long as one's actions are guided by one's innate nature of unity or *dharma*, coupled with renunciation of the desire for the fruits of one's actions,

**Table 8.1** Leadership sutras from the Bhagavad Gita

Gita chapter no.	Chapter title	Meaning	Sutra of 'timeless leadership'
1	Arjuna Vishada Yoga	Arjuna's grief	Leaders embrace discontinuity and death
2	Sankhya Yoga	Knowledge	Leaders create alternate reality
3	Karma Yoga	Action	Leaders enter the timeless cycle of action
4	Jnana Karma Sanyasa Yoga	Transcendental knowledge	Leaders pursue purpose as the source of supreme power
5	Karma Sanyasa Yoga	Renunciation of action	Leaders act from the state of detached engagement
6	Dhyana Yoga	Meditation	Leaders are masters of their mind
7	Jnana Vijnana Yoga	Knowledge of the absolute	Leaders are integrators; free from 'I am'
8	Aksharabrahma Yoga	Attaining the supreme	Leaders decode the meaning of life
9	Raja Vidya Raja Guhya Yoga	The most confidential knowledge	Leaders live in a self-organising universe
10	Vibhuti Yoga	Opulence of the absolute	Leadership is an adventure of consciousness
11	Vishvarupa Darshana Yoga	Universal form	Leaders have integral vision
12	Bhakti Yoga	Devotion	Love is the leader's essence, presence
13	Kshetra Kshetragna Vibhaga Yoga	The field and its knower	Leaders command their field with the eye of wisdom
14	Guna Traya Vibhaga Yoga	Three material nature	Leaders harness the dynamic force of nature
15	Akshara Purushottama Yoga	Supreme person	Leaders discover their invisible source

(continued)

Table 8.1 (continued)

Gita chapter no.	Chapter title	Meaning	Sutra of 'timeless leadership'
16	Daivasura Sampad Vibhaga Yoga	Divine and demonic nature	Leaders negotiate the crossroads; discriminate the divine and the devilish
17	Shraddha Traya Vibhaga Yoga	Threefold divisions of faith	Leaders follow their faith
18	Moksha Sannyasa Yoga	Perfection of renunciation	Leadership is transcendence; unity of two wills

one is eligible to attain brahma vidya. That is why, in the *Mahabharata*, in spite of Arjuna's repeated expression of interest in quitting the battle scene and taking the path of renunciation, Krishna strongly reprimands and restrains him from doing so. Instead, he urges Arjuna to take the path of action, which is in line with his responsibility toward society. This is where the teachings of the Bhagavad Gita become relevant to business leaders.

Often the criticism of spirituality in relation to business is that they are poles apart because there is the mistaken idea that spirituality is for the weak-hearted and the pious, whereas business is a ruthless game for profit, involving impropriety. But the Bhagavad Gita opposes this notion and reiterates that the path of action can be suited to everyone, including the business leader. Hence, this study identifies those spiritual themes that guide the professional lives of successful business leaders, themes that resonate with the teachings of the Bhagavad Gita.

The 18 leadership sutras can be broadly summarized under three headings:

1. The universal oneness of the human spirit
2. Performing action without attachment to its outcomes
3. Actions governed by one's dharma



In this study, I present an analysis of leaders' responses to the three spiritual dimensions according to these three main tenets of the Bhagavad Gita (See Table 8.1).

## 4 Leaders' Spiritual View of life

"What is your spiritual view of life?" Leaders' responses to this query range from "we are here to do good" to "we are trying to see God in everyone." The words they use to convey their view of life from a spiritual perspective include equanimity, love and compassion, integrity and accountability, happiness and contentment, peace and nonviolence as well as other emotions and feelings that relate to inner search and experience.

The common thread running through these words is the way the leaders use them. All of their responses are characterized by their focus on humanity as a whole, well beyond a narrow sense of self. They acknowledge the innate divinity in all human beings, and so they see life beyond their own self-interests. All of them expressed the need to serve others while still living their own lives fully. The search for meaning and purpose in life is evident in their responses.

Most, if not all, of the leaders believe "the ego is a disposable idea" and they are in search of the real "I." Thus, their spiritual themes clearly reflect that "leaders embrace discontinuity and death" (sutra 1). Their motivation comes from unselfish work, which leads to an evenness of mind by which they apply "invincible wisdom that is powered by the intellect and driven by unselfishness" (sutra 2). They also "pursue purpose as the source of supreme power" (sutra 4). Their themes also reflect how they see their role as integrating people and processes and that their actions are guided by the spirit of unmanifest dharma. Their move from ego-centered to spirit-centered leadership is evident in their spiritual themes of life. Joy, happiness, contentment, and peace are what they pursue not only for themselves, but also for others. This shows how they see their life mission

as to liberate themselves and others from suffering. Thus, they are “integrators” (sutra 7). They acknowledge the existence of the sovereign self and the path of unity. They also embrace the path of giving through being and becoming. They acknowledge that when ego governs our lives, we are led down the path of destruction, but when an organization becomes a community, we go down the path of self-organization (sutra 9).

Leaders acknowledge their role as an instrument of the whole and thus demonstrate “integral vision” (sutra 11). Many leaders mention love and devotion as the spiritual themes of their lives (sutra 12).

## 5 The Purpose of Business

When describing what they consider to be the purpose of business, spiritual-based leaders use words/phrases such as profitability, social impact, serving, personal fulfillment, contributing, calling, sustainable, maximize potential, we-ness, common purpose, environmental protection, human excellence, learning and growing, ethical means, value creation, empower, spirit of humanity, share, optimize, soul, integrity, and respect.

It is interesting to note in these responses that although the leaders were from varied industries (e.g., telecommunication, manufacturing, finance, and so on), most of them emphasized that the purpose of business is to serve employees, customers, supplies, and shareholders. They acknowledge that the primary responsibility of a business is to make profit, but they quickly add that the means by which these profits are made are of primary importance. Strikingly, all the leaders emphasize the need to help people—both their own employees and society at large—to find meaning and happiness in their lives. Even those in manufacturing opine that the products they produce must be useful to consumers as well as environmentally friendly. Many of them tell stories from their corporate lives to illustrate how this overarching spiritual perspective on business has influenced their actions even while they are making day-to-day

business decisions. (To read these stories, see <http://www.globaldharma.org/sbl-knowledgebase1volumes.htm>)

When the purpose statements of these leaders are studied through the lens of the sutras of timeless leadership, the strong spiritual quality is clear. The leaders are creating alternate realities (sutra 2) in which the focus of business shifts away from profit-making toward serving people and bringing happiness to their lives. These leaders travel the journey of giving the self by following their faith (sutra 17). By approaching business with a sense of service, they dip into the ultimate source and resource of the universe and are able to negotiate the problems of attachment. They travel the path of transcendence (sutra 18) and guide others in doing so too.

## 6 Inner Processes That Guide Decision Making

While the first two dimensions presented the leaders' belief and thoughts about life and business in general, this third dimension offers us a look at real-world scenarios in which their spiritual themes are put to the test. It reveals the process they adopt when confronted with major and difficult decisions governing their business. Their responses demonstrate how they have integrated their philosophy into day-to-day living and how their spiritual philosophy guides them in facing life's challenges.

As described in Appendix A, Floy Aguenza, for example, said, "I try to leave things up to the Lord." This indicates surrendering one's will to the ultimate and being an instrument of the Whole (sutra 17). Philip Budin said, "I do the best I can do to accomplish what I want to accomplish, and the results are in God's hands and not mine." Victor-Krishna Kanu said, "What happens, accept it as a gift, coming from God." This is karma yoga exemplified (sutra 3), which is the essence of the Bhagavad Gita. Amber Chand said, "My spiritual theme of 'a God-being tapestry of compassion, balance, grace, and friendliness' provides me with the inner guidance for what I do and how I do it." This is an indication of being an instrument

(sutra 17) and also demonstrates the quest for the Supreme Self (sutra 15), where leaders discover their invisible source.

Stephen Covey draws inspiration from the scriptures, whereas John Behner asks himself, “What would my spiritual teacher do?” Alvaro Cruz turns inward to draw inspiration from the wisdom of his spiritual teacher. Thomas Daugherty feels guided by reading, meditating, prayer, journaling, and working with and listening to people. André Delbecq follows the protocol of Ignatian spiritual discernment, Carol Franklin is guided by her gut feelings, and Lars Kolind bases his decisions on intuition. Rajan Govindan believes it is the compassionate heart that makes his priorities right.

All of these leaders are inspired by external or internal forces, yet they all have in common the process of contemplation and reflection, diving into the depths of their consciousness, and being guided by what inspires them (teacher, scripture, and so on). Thus they harness the dynamic forces of nature (sutra 14) and they lead consciously (sutra 10), which makes them command their field with the eye of wisdom (sutra 13).

Niran Jiang relies on practices that help him integrate the ying and yang, the feminine and the masculine. Ricardo Levy continues to improve his ability to quiet his mind and go inside. Ashoke Maitra resorts to introspection, whereas Nilofer Merchant asks, “Who do I want to be?” Deependra Moitra, Parantha Narendran, and G. Narayana contemplate several questions and review what has been done and how it can be improved. Magnus Vrethammar asks himself, “Does this give me a bad conscience?” This demonstrates their mastery of skills such as concentration, detachment, and transcendence, which help them harness the power of stillness and to separate their self-image from their real self. This translates into mastery of the mind (sutras 6 and 10).

Ramón Ollé looks for consistency between what is thought and what is done. Hélène Ploix and N. S. Raghavan consider integrity to be their main motivator, and James Sinclair watches his words, actions, thoughts, character, and heart. Ananth Raman and V. V. Ranganathan

tap into their feeling of awareness and consciousness when making decisions. This helps them to keep the past from hindering here-and-now performance and decide from a state of detached engagement (sutra 5).

## 7 Conclusion

The responses of the leaders who participated in the Spiritual-Based Leadership Research Programme reveal that in spite of differences in their religious and sociocultural backgrounds, there is a good deal of commonality in their approach to business from a spiritual perspective. This analysis demonstrates that the teachings of the Bhagavad Gita are universal given the way that the sutras of timeless leadership are reflected in these leaders' comments and ways of thinking about their work and lives. Even though some of them are likely not aware of the Bhagavad Gita itself, and their spiritual orientation is influenced by their respective religions, their spiritual beliefs and practices still align with the teachings of the Bhagavad Gita. These leaders tend to follow the basic tenets of timeless leadership: They explore the multidimensional and ultimate meaning of life, they look beyond the individual self for the sake of the greater self, they recognize that the real meaning of life is not found in material pursuits, and they find meaning in their work, which is a synthesis of reflection and action.

In summary, I conclude that the Bhagavad Gita has universal relevance in the field of business leadership. Spiritual-based leaders, irrespective of their backgrounds, can be considered to be wisdom leaders.

## 8 Appendix A

See Table 8.2.

Table 8.2 Leaders and their quotes on spiritual dimensions<sup>a</sup>

Leader	Spiritual view of life	Purpose of business	Inner processes that guide decision making
<b>FloyAguenza</b> President and COO of Planters Development Bank in The Philippines	The truth is we are here to do good—to make the world a better place, to be a better person, and to help others to have a better life.	Profitability and social impact are fundamentally intertwined.	I try to leave things up to the Lord.
<b>John R. Behner</b> Former Country Manager for Nabisco in El Salvador	It's trying to see God in everyone and trying to interact with everyone on a very loving basis, seeing everything as being perfect, and not pointing your finger at anyone or anything. Realising God by serving others.	I tried to instill in the employees the idea of serving, and that the reason for them to be there was to serve our clients and to do the best possible job.	The most important thing I consciously do now is to always ask myself, "What would my spiritual teacher do?" And then I try to do that.
<b>Philip Budin</b> CEO of Royaltons Ltd. in the USA	For me spirituality is equanimity.	The purpose of being in business is to make money. Even if you live in a monastery or ashram, you have bills to pay, you must live, you must travel.	In business, I do the best I can do to accomplish what I want to accomplish, and the results are in God's hands and not in mine.
<b>Amber Chand</b> Founder of the Amber Chand Collection: Global Gifts for Peace and Understanding, an internet-based company in the USA that markets the products of artisans from around the world	Compassion, balance, grace, and friendliness are words that ring as a spiritual theme for me. Yes, this is a "God-being tapestry".	Business leaders must literally steep themselves in values, which includes the question of how they are impacting people and the planet, as well as their profits.	My spiritual theme of "a God-being tapestry of compassion, balance, grace, and friendliness" provides me with the inner guidance for what I do and how I do it.

<p><b>Stephen R. Covey</b> Vice Chairman of Franklin Covey, a global professional services firm based in the USA</p>	<p>The source of all the principles that give your life its integrity, and its power and its meaning, all of them link up to the Divine. Love and respect others.</p>	<p>The purpose of business organisations is to serve human needs. Service to others comes before serving one's self.</p>	<p>I carefully ponder the scriptures every day, it affects my spirit towards all people as well as towards my decision-making and my work in general. I turn inwards. That is where the wisdom of my spiritual teacher is to be found.</p>
<p><b>Alvaro Cruz</b> Former Minister of the Government of Colombia and Governor of Cundinamarca, Colombia CEO of an engineering/building company in Colombia, I.C.M. Ingenieros Ltd.</p>	<p>Love and respect others.</p>	<p>The purpose is personal fulfillment, secondly happiness, and thirdly entering into activities enabling me to contribute to the well being of my country.</p>	<p>I think that a lot of my guidance and decision making comes as a result of many things I do: my reading, my meditation and prayer, my journaling, and my working with and listening to other people. These all seem to come together for me as an intuitive sense as to what direction I should move in.</p>
<p><b>Thomas Daugherty</b> Former Vice President of Spiritual Care and Values Integration with the Methodist Health Care System in the USA</p>	<p>One theme for me would be caring and compassion. Another would be faithfulness. A part of that has to do with persistence and perseverance, courage and humility.</p>	<p>The reason we are here is that we care.</p>	<p>I think that a lot of my guidance and decision making comes as a result of many things I do: my reading, my meditation and prayer, my journaling, and my working with and listening to other people. These all seem to come together for me as an intuitive sense as to what direction I should move in.</p>

(continued)

Table 8.2 (continued)

Leader	Spiritual view of life	Purpose of business	Inner processes that guide decision making
<p><b>André, D.B.A. Delbecq</b> Former Dean of the Santa Clara University School of Business in the USA, Professor and Director of the Institute for Spirituality and Organizational Leadership at the Santa Clara University School of Business in the USA</p>	<p>Spirituality is less a matter of definition; it is more a matter of sharing our deep lived inner experience that one taps into and draws from in every aspect of life, including professional/organisational efforts.</p>	<p>We see all the elements of business challenges as part of a calling to service.</p>	<p>I have come to appreciate the protocol of Ignatian spiritual discernment. In brief, it:</p> <ul style="list-style-type: none"> <li>• Commits to a life that embraces meditative and contemplative practice every day</li> <li>• Rests comfortably in a problem nexus while patiently seeking to discover the true underlying issues</li> <li>• Seeks information inclusive of the voices of all those impacted upon by a decision</li> <li>• Returns continually to prayer attentive to affective and intuitive insights</li> <li>• Takes decisions with a degree of tentativeness</li> <li>• And examines not only the factual outcomes, but also the “fruits of spirit” (e.g. peace, courage, hopefulness)</li> </ul>
<p><b>Carol Franklin</b> Former Head of Human Resources for Swiss Re Insurance in Switzerland Former CEO of the World-Wide Fund for Nature (WWF) in Switzerland</p>	<p>Caring for and being responsible for the earth and its inhabitants. Be responsible. Be the change you want to see in the world. Help move the world forward.</p>	<p>The purpose of business is to make the world a better place for our children. Only sustainable businesses that care for people, the planet and profit will survive.</p>	<p>I’m very pragmatic. It’s very much a matter of intuition. Even though you have done your homework and know all the pros and cons, in the end it is a gut feeling.</p>



<p><b>Rajan Govindan</b> Former Senior Managing Director with Bankers Trust in the USA Chief Operating Officer of Bear Stearns Asset Management in the USA</p>	<p>“Happiness and contentment” and “to act with right conduct. God has given me the work to do and I must leave the results up to God.”</p>	<p>We do need profit-making enterprises, but they should make their money by applying proper values.</p>	<p>It is the spiritual heart that enables us to make decisions that we will never be sorry about; it is the compassion heart that makes our priorities right.</p>
<p><b>Niran Jiang</b> Formerly Senior Trends Manager for Coca Cola and Marketing Manager for S. C. Johnson in the USA CEO for the Institute of Human Excellence in Australia</p>	<p>I want to contribute what I can in a process of “whole system change” to create a world that works for everyone—not just humans, but for all species, plants, everything that has a soul. And everything has a soul for me.</p>	<p>Business should be a home, a vehicle for individuals to operate at the maximum of their potentials.</p>	<p>Right now a major learning for me is the integration of the yin and yang, the feminine and the masculine, and a major calling of this integrating the two energies is to reach out with vulnerability and gentleness.</p>
<p><b>Victor-Krishna Kanu</b> Former High Commissioner (Ambassador) for Sierra Leone to the UK, Norway and Sweden Director of The African Institute of Sathya Sai Education in Zambia</p>	<p>A person is spiritual if he practices truth, right conduct, love, peace and non-violence. I see myself as an individual who is connected with the entire Universe. What is important is love, caring for others.</p>	<p>No business can succeed in a meaningful and sustainable way if it is not anchored on these values.</p>	<p>Human values are the treasures that becomes the beacon of light, the guiding spirit in decision-making processes. Whatever happens, accept it as a gift, coming from God.</p>

(continued)

Table 8.2 (continued)

Leader	Spiritual view of life	Purpose of business	Inner processes that guide decision making
<b>Lars Kolind</b> Former CEO of Oticon in Denmark, one of the world's premier suppliers of products for the hearing impaired, Chairman of Grundfos in Denmark	Love God and love your neighbor.	Organisations will survive, develop and prosper if they build a very strong culture that ties the staff together—a culture that creates a strong sense of we-ness—not only for financial reasons, but primarily for a common purpose of doing something important.	The major decisions I've actually made, they are very intuitively based and values-oriented.
<b>Ricardo Levy</b> Co-founder and CEO of Catalytica, Inc. in the USA	The deep inner search for a fuller personal integration with a transcendent greater than our narrow self.	By using our skills we could create better ways to manufacture goods with less environmental detriment.	One of the important tasks for me in my own spiritual growth is to continue to improve my ability to quiet my mind and go inside. This is where most everything is happening anyway.
<b>Ashoke Maitra</b> Former Director of Human Resources for the Times of India Founder of the Centre for Human Resource Development and the Sri Ramakrishna International Institute of Management in India	My definition of spirituality is that each soul is potentially Divine. The goal is to manifest this Divinity, by any means that suits you.	The purpose is to create human excellence in everything that we do. Each human being should grow as much as possible. Happiness is also a purpose.	I normally introspect and try to see the different dimensions of the situation or the problem. I think of the consequences of the actions I take and whether there are also alternative actions.

<p><b>Nilofer Merchant</b> President and founder of Rubicon Consultants, a marketing consulting firm in the USA</p>	<p>To me this means using your gifts to the fullest, working in a position that is using all of you, and being in true, intimate relationships with other people in the community—all of those things that bring you fully alive.</p>	<p>Contributing productively to the greater community, serving others, using the skills and gifts God has given us all. And learning and growing into a more conscious person so that we might fully be alive.</p>	<p>I ask myself a question, “Who do I want to be?”</p>
<p><b>Deependra Moitra</b> Formerly the youngest General Manager within Lucent Technologies, who at the time had 70,000 employees worldwide Associate Vice President with Infosys Technologies Ltd. in India</p>	<p>“Living with a purpose” would be my theme. True fulfillment is then the outcome of this journey.</p>	<p>To relentlessly pursue the creation of value by ethical means.</p>	<p>I ask questions like: Am I able to really make people happy around me? Am I able to make them comfortable? Am I able to provide them with a sense of direction? Am I able to really help them grow? Am I able to help them be successful?</p>
<p><b>G. Narayana</b> Chairman Emeritus for Excel Industries Ltd. in India</p>	<p>Noble actions, noble feelings, noble thoughts, noble responsibility.</p>	<p>The purpose of business is to add value and happiness. Business is to make excellence and make people happily conscious.</p>	<p>I ask: Is anyone unhappy? Is anyone hurt? Is anyone insecure? Every minute, it’s like I “run the real” of my moment-to-moment life. That is, I review what I have done and how I can improve.</p>

(continued)

Table 8.2 (continued)

Leader	Spiritual view of life	Purpose of business	Inner processes that guide decision making
<b>Parantha Narendran</b> Former Strategy Director for Eurotel in the Czech Republic, Private Equity Consultant and Investor	Spirituality challenges me and makes me grow.	The role of companies is making money; to help their employees to empower themselves and to give them a stable quality of life. But also a company can be a good citizen within society.	I ask myself: Is it the right decision? Am I making the decision because I am scared—because I don't want to stand up for what I know is the right decision? Am I making the decision that is in the best interest of the employees or the company or the shareholders? Is my ego involved in it? I don't make a decision if there is a conflict between my intuition and my rational argument.
<b>Ramón Ollé</b> President of Epson Europe in The Netherlands	It is the driver of our human vehicle. Know thyself.	Our responsibility is to ensure that the company will survive and thrive for the next 120 years. We cannot just pay attention to the short term. When you begin to think this way, you are really entering into the spirit of family, into the spirit of a multi-cultural environment, and into the spirit of humanity as a whole.	I have always asked myself one critical question throughout my life, "Is there consistency between what I am thinking and what I am doing?" When your leadership is founded on a value and belief system that considers the person as a total unity of the spiritual and the material, you cannot segregate which part of your daily activity is which and just consider one side of your total integrity. I have tried all of my life to be consistent with myself and to be a whole person.

<p><b>Hélène Ploix</b> Chairman and Managing Director of Pechel Industries and Pechel Industries Partenaires in Paris, France</p>	<p>To contribute to society. And to try to be attentive to others and have a better understanding of them.</p>	<p>My prime motivating factor is maintaining my integrity and contributing high quality. I must keep my promises.</p>
<p><b>N. S. Raghavan</b> Founding Director and former Joint Managing Director of Infosys in India</p>	<p>It is something that is beyond the body and mind. It is something that gives a certain purpose and meaning to our existence. It is something that gives you joy, happiness and contentment, which cannot be gotten through material pursuits and knowledge.</p>	<p>Every business is really a social organisation, which has to ensure that it does create wealth so that it can be shared with others.</p>
<p><b>Ananth Raman</b> Chairman of Graphtex Inc., a manufacturing company in the USA</p>	<p>The purpose of business is to optimise and create value, which should then be shared between the different stakeholders.</p>	<p>The desire that life must have a purpose, the desire to add value, and the desire to set an example are the basic principles that I use to evaluate and take all decisions. And of course added to that is the feeling of awareness of who you are.</p>

(continued)

Table 8.2 (continued)

Leader	Spiritual view of life	Purpose of business	Inner processes that guide decision making
<p><b>V. V. Ranganathan</b> Formerly a Senior Partner with Ernst &amp; Young India Co-founder of Pinnacle Opportunities, a product incubation company in Bangalore, India</p>	<p>Seeing God in everyone.</p>	<p>People are important</p>	<p>The Lakshman Rekha is the invisible line that is within everyone's system that is driven by consciousness. This is a consciousness that has its own existence. It comes into the mind; it is not a product of the mind or societal influences. It is something that can stand on its own. You've got to "watch"—which means to "watch" your words, actions, thoughts, character and heart—and then you'll be happy.</p>
<p><b>James E. Sinclair</b> Chairman and CEO of Tan Range Exploration Ltd. in the USA and Tanzania</p>	<p>Live it.</p>	<p>Business is yoga, which is to be practised always with a realisation of the silence upon which all apparent action is based. Success or failure is not our focus. Our focus is to serve.</p>	<p>The bottom line question for me when considering a decision is: does this give me a bad conscience? If it does, then I don't do it.</p>
<p><b>Magnus Vrethammar</b> Former President for Europe of Pergo Flooring in the UK President of an executive coaching and business development firm Creability AB in Sweden</p>	<p>Spirituality is man's quest into his innate Divinity.</p>	<p>Business today is a house-holding operation, where the principle is that someone invests money and wants more back.</p>	<p>The bottom line question for me when considering a decision is: does this give me a bad conscience? If it does, then I don't do it.</p>

<p><b>Janiece Webb</b> Former Senior Vice President with Motorola Corporation in the USA</p>	<p>Spirituality is getting in touch with the essence of God inside of me and in everyone.</p>	<p>I believe that a corporation has a soul and what that means to me is that yes, you do perform in a capitalistic model, but you do it with integrity, with absolute deep respect for people</p>	<p>I've been demoted and I've been celebrated and through it all I have learned not to get attached because none of this is what's real.</p>
<p><b>S. K. Welling</b> Former Executive Director of HMT International Ltd. (Hindustan Machine Tools) in India</p>	<p>Purity of character through faith, bhakti (devotion), trust and love.</p>	<p>I think the ultimate game of business is that we should have happiness for all stakeholders of the business: employees, customers, suppliers, and shareholders.</p>	<p>I believe in personal optimism: I hope for the best, expect the best, and toil for the best. I always think positively.</p>

<sup>a</sup>Quotations extracted from the public knowledge-base of the "Spiritual Based Leadership Research Programme" are © 2006 by the Global Dharma Center (GDC). GDC retains the copyright to all excerpts from this knowledge-base.

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# 9

## Literature as a Mirror for Leadership

Rita Ghesquière

Contemporary philosophers and educationists like Martha Nussbaum, Richard Rorty and Jill Kerr Conway, believe in narrative ethics. They consider literature an appropriate avenue to the spiritual self. While philosophy by nature argues and teaches, literature demonstrates. Narratives hold up a mirror and confront the reader with ‘otherness’ that questions his or her self-evident norms and values. This paper focuses on three literary models that might help entrepreneurs and leaders to reflect on their position and make conscious choices: fables, novels and autobiographies.

The fable has its roots in popular tradition. We find fables in all cultures often with a similar message. The fable is by nature didactic. The story, often with animals as protagonists, establishes the proof while a saying recapitulates the message in a nutshell. The fable elucidates a practical wise insight by connecting concrete events with a general rule. The other side of this simple and successful formula is that the message is often black-and-white and open for manipulation.

The novel by contrast is far more complex. Novels like *War and Peace* by Leo Tolstoy, *Freedom* by Jonathan Franzen or *A Suitable Boy* by Vikram Seth offer a broad panoramic view of society, politics and economy. They enhance our awareness of the possibilities of life and provide accelerated

insight. By reading novels, the reader develops the capacity to see the world from the viewpoint of other people. Hence he or she can counter stereotypes about other groups (racial, religious and sexual minorities; disabled people).

With the third model, the autobiography, we reach the border of fiction. Reading about another person's life holds a peculiar attraction. It means a continuous reflection on our own modest existence. For example, Ingrid Betancourt was held hostage for six and a half years by the Revolutionary Armed Forces of Columbia ( FARC). She reported on this difficult period in *Even Silence Has an End. My Six Years of Captivity in the Columbian Jungle*. Loung Ung describes in *First* how she survived the Pol Pot regime. Although most readers will never be confronted with similar extreme circumstances, these autobiographies make us aware of the resilience and the deep inner strength that kept these women on their feet. The unseen power of these life stories can be compared to the message of religious texts like the Gospels, the life of Buddha or Gandhi, stories of saints. Even if they confront readers with an unattainable ideal, they inspire and arouse positive energy.

## 1 Introduction

Contemporary philosophers and educationists like Martha Nussbaum, Richard Rorty and Jill Kerr Conway believe in narrative ethics. They consider literature an appropriate avenue to the spiritual self. While philosophy by nature argues and teaches, literature demonstrates. Narratives hold up a mirror and confront the reader with otherness that questions his or her self-evident norms and values. In this paper, I will focus on three literary models that might help entrepreneurs and leaders reflect on their position and make conscious choices: the fable, the social-realist novel and the autobiography.

But before discussing literature, let us start with a short reflection on leadership. What are the secret qualities of successful leadership? Deepak Chopra, founder of the Chopra Foundation distinguishes four important human elements that guarantee good decisions. Leaders should bear in mind the self, their emotions and the specific context in which they oper-

ate as well as they must develop a vision. These elements, unlike statistical trends and market movements, often are not adequately taken into account (Chopra 2013).

Self refers to the personality of the decision maker. According to Chopra, success depends more on who you are than on what you do. Hence, knowing your own truth and having self-confidence and maturity are virtues when it comes to leadership. Decisions that correspond with the true inner self and not with the demanding ego have more chance to last.

The alert leader should also be aware of the emotions that may influence his/her behaviour. Negative emotions like anger, fear, rivalry or greed often end in bad decisions or at least might cloud the decision-making.

Furthermore, immersion in the complex world of often conflicting emotions can sap one's energy. To avoid rushing to decision, the leader needs distance and vision. Vision turns the emotional jumble into a coherent perspective that makes clear where the decisions will lead to.

In addition to emotions, the context also might interfere and complicate the decision-making process. Flexible, dynamic decisions cannot be reduced to a simple formula, they must be adaptable and take into account the concrete situation. Successful leaders do not rely exclusively on data; they assess the situation rationally and with empathy.

To what extent can literature activate these human virtues of leadership?

## 2 The Fable

The fable invites readers or listeners in the first place to reflect on the self. The genre has its roots in the popular tradition.<sup>1</sup> The stories, often with animals as protagonists, bring forward the proof while a saying recapitulates the message in a nutshell. The fable is by nature didactic and pushes forward some practical wisdom, connecting concrete events with a general rule. The other side of this simple and successful formula is that its message is often black and white and open for manipulation.

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<sup>1</sup> Fable comes from the Latin *fabula* (discourse, story) and is linked to *fari*, which means (speak/talk especially by gods).

The fable is a polygenetic genre. We find fables in all cultures around the world and they often project a similar message. The popular wisdom of anonymous authors was later turned into 'literary' writing. Aesop was one of the first who gave the fable its literary prestige.<sup>2</sup> Famous writers and/or collectors also include Phaedrus (15 BC–AD 50), Jean de La Fontaine (1625–1695) the Russian Ivan Krylov (1768–1844), the Indian P.V. Ramaswami Raju (?–?).

The fable combines merriness and wisdom. It is 'fiction' but the animals act as humans. Hence, their behaviour and the circumstances are experienced by the audience as true, as an essential part of the experience of life. The reader/listener deduces practical wisdom by connecting the concrete events with the general rule. Reasoning by analogy (animals behave like human beings) requires a different intellectual competence.

The essential characteristics of the fable e.g. anthropomorphism, convincing logic of characters and events and generalisation of practical wisdom can serve in a simple but convincing way the first purpose Deepak Chopra mentions: self-knowledge. (Chopra 2012)

Almost all fables can be read at different levels. The moral is suitable for the individual but often also appropriate in a larger (social) context since the wisdom we honour in our personal life is mostly also usable on a professional level, in economic activities or in politics. A common message runs as follows: animals that deny their own nature and capacities are punished severely. To forget who you are is a blunder: you end up paying dearly with your life like the ambitious tortoise that wanted to fly. In Aesop's version, the ambitious flying tortoise is dropped by his mali-

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<sup>2</sup>The Perry Index is a widely-used index of *Aesop's Fables* or *Aesopica*, the fables credited to Aesop, the storyteller who lived in ancient Greece between 620 and 560 BC. Modern scholarship takes the view that Aesop probably did not compose all those fables attributed to him; indeed, a few are known to have first been used before Aesop lived, while the first record we have of many others is from well over a millennium after his time. Traditionally, Aesop's fables were arranged alphabetically, which is not helpful to the reader. Perry and Rodriguez Adardos separated the Greek fables from the Latin ones, with the Greek ones first; then they arranged each group chronologically and by source; finally they arranged the fables alphabetically within these groups.

Ben Edwin Perry (1892–1968) was a professor of classics at the University of Illinois at Urbana-Champaign from 1924 to 1960. He authored *Studies in the Text History of the Life and Fables of Aesop* and many other books. His *Aesopica (A Series of Texts Relating to Aesop Or Ascribed to Him Or Closely Connected with the Literal Tradition that Bears His Name)* has become the definitive edition of all fables reputed to be by Aesop, with fables arranged by earliest known source. His index of fables has been used as a reference system by later authors. En.[wikipedia.org/wiki/Perry\\_index](http://wikipedia.org/wiki/Perry_index). (2012.06.12).

scious helper. In the Indian version, the tortoise himself is responsible for the disaster. High in the air he forgets his own vulnerable position—he holds a stick between his teeth—and that causes his downfall. Even if the ill-considered plan in this fable originates from the geese, the result is the same. The tortoise lost sight of the self and the situation. The fable again rejects recklessness and inappropriate behaviour.

### **The Tortoise and the Eagle (Aesop—Perry 230)**

A tortoise, discontented with his lowly life, and envious of the birds he saw sporting themselves in the air, begged an eagle to teach him to fly. The eagle protested that it was idle for him to try, as nature had not provided him with wings; but the tortoise pressed him with entreaties and promises of treasure, insisting that it could only be a question of learning the craft of the air. So at length the eagle consented to do the best he could for him, and picked him up in his talons. Soaring with him to a great height in the sky he then let him go, and the wretched tortoise fell headlong and was dashed to pieces on a rock.

### **The Tortoise and the Geese (Ramaswanii Raju 107, 2009)**

A tortoise who lived in a tank, made friends with two geese who used to come and visit him there. They were happy for many years, but then there was a drought that lasted for months. The tanks and rivers started to dry up under the scorching sun. People and animals were starving. The two geese decided to save themselves and fly to somewhere else. Then they figured out how to save their friend too, even though a tortoise cannot fly. The geese wanted to hold a stick in their beaks, and then the tortoise could hold the stick between his teeth. In this way the geese could fly him to a more fertile land while holding the two ends of the stick.

The geese flew off with the tortoise between them. They flew over hills, valleys, fields and plains, and a city. The people of the city saw them and clapped in wonderment too see two geese carrying a tortoise that way. But the shouting and clapping irritated the tortoise, so he opened his

mouth to teach them not to shout and clap that much. But in so doing, he lost his grip on the stick and fell down.

Vices such as unbridled ambition, recklessness, overconfidence and pride cloud self-knowledge and bring misfortune. Leaders should especially take this simple lesson of the fable into account. They should be aware that both enemies (the eagle) and friends (the geese) can be unreliable helpers.

Self-knowledge applies in the first place on an individual level, but it holds also for institutions and companies. They should be aware of their strong and weak points in order to make the right decisions, and take the time to work out well-considered decisions.

Several fables proclaim *Festina lente* a classical adage, meaning “make haste slowly” or “more haste, less speed”, a meritorious message in our busy modern times.

‘Slow down’ is also a frequently heard slogan in business. *Festina lente* is more complex. It rather means that activities (such as preparing food in the slow food movement) should be performed with a proper balance of urgency and diligence. If tasks are rushed excessively, mistakes are made and good long-term results are not achieved. This is exactly what led the hare to failure in ‘The Hare and the Tortoise’.

## The Hare and the Tortoise (Aesop—Perry 226)

‘A hare was one day making fun of a tortoise for being so slow upon his feet. ‘Wait a bit,’ said the tortoise; I’ll run a race with you, and I’ll wager that I win.’ ‘Oh, well,’ replied the hare, who was much amused at the idea, ‘let’s try and see’; and it was soon agreed that the fox should set a course for them, and be the judge. When the time came both started off together, but the hare was soon so far ahead that he thought he might as well have a rest: so down he lay and fell fast asleep. Meanwhile the tortoise kept plodding on, and in time reached the goal. At last the hare woke up with a start, and dashed on at his fastest, but only to find that the tortoise had already won the race. Slow and steady wins the race.

The tortoise represents here tenacity and stubbornness. Calmly he perseveres in what he started, but thoroughly and in his own way. The hare



is overconfident, even reckless. He starts in a hurry but doesn't finish the job. The fable teaches that steady work pays off, even when the personal talents are modest. Rather than slowness, the fable praises perseverance. Since the tortoise wins the race the opposite slow versus swift is overcome. The fable awards a prize to moderation, equanimity and composure, attitudes that also suit the modern entrepreneur.

To hold on this long-term perspective, one needs a dream that fights off instant or immediate satisfaction. Spirituality can be a means to foster this dream.

The fable has proved to be a simple and successful narrative formula. It stood firm in different cultures from antiquity onward and among scholars constructive appreciation has been dominant. Animal characters simplify the process of identification. Male and female, young and old easily enter the story. The characters can be flat or trenchant. The fable focuses in the first place on the situation, on traits and feelings. Characteristics are inflated to confirm the message that often is made explicit in a sentence or maxim. Often several applications are possible. The lesson provokes an 'Aha' experience. The fable often opens a window that offers us a new perspective to look at the world. But at the same time the fable functions as a mirror that reflects the virtues and vices of its reader.

At first sight the message might be simple. Looking on more closely, the characters and the situation are often more ambiguous.

### 3 The Social-Realist Novel

The novel is far more complex than the concise fable. In *The Literary Work of Art*, Polish phenomenologist Roman Ingarden describes the novel as a stratified interconnected whole of sounds, meaning units and represented objects that culminate in a fictional world. Its metaphysical layer reveals a 'deeper sense' of life and existence in general. (Ingarden 1973: 292). Great novels picture—either in a realistic or fanciful way—a complex image of society and of the inner world of their heroes. The chosen examples, *A Suitable Boy* (Vikram Seth 2005/1993) and *Freedom* (Jonathan Franzen 2010), illustrate this. They offer a broad panoramic

view of society (politics, economy), enhance our awareness of the possibilities of life and provide an accelerated insight.

In both novels, the lives of individuals and families are laid out and intertwined. We follow the characters over a long period of time, in *Freedom* several decades and in *A Suitable Boy*, 18 months. The novelists switch from short accounts concerning ups and downs of family life, to special events (a wedding, an important meeting) of short duration that are described in detail. As keen observers, the authors confront the reader with what life does to his heroes.

In his large epic novel, *A Suitable Boy* (2005/1993), The Indian author Vikram Seth, describes the vicissitudes of four families during eighteen months, three Hindu and one landowning Muslim family. Post-partition India is the background setting. The key roles in this novel are reserved for Mrs. Rupa Mehra and her daughter Lata. The widowed mother wants to marry off her youngest daughter and is in search of 'a suitable boy'. Lata's suitors Kabir, Haresh and Amid not only have a different social background, they also embody different options for her future.

Political issues e.g. the first post-independence election in 1952 and social issues such as the status of lower caste people and land reform, religion, education and arts (literature and music) play a role and influence the complex inter- and intra-family relations. In Vikram Seth's novel the Kapoors belong to the Hindi-speaking elite, but have good contacts with the Muslim Kahns. Mahesh Kapoor, (the father) a former minister, is the architect of the Zamindari Abolition Act. Maan Kapoor, his youngest son leads a free and easy life. He is in love with a courtesan, but when he comes on too strongly she sends him away to a small remote village. There, far away from civilization, the contact with poor farmers opens his eyes for another reality and is helpful when afterwards he assists his father during the election campaign. But back in town, passion and jealousy again overtake him. Maan ends up in jail. The scandal ruins the poor health of his mother and the candidacy in the election of Mahesh Kapoor collapses. This tragic development marks both father and son.

Vikram Seth pictures post-colonial India as a multi-ethnic society in flux. The process of transformation is tangible in the behaviour of the characters, their conversations, the way they explore opportunities. Financial problems, political viewpoints and strict codes of behaviour

set limits to their freedom of action. Underneath there is a palpable tension between the established social order and the centrifugal forces that threaten that order. Young educated people and artists long to break free and that feeds their restlessness. For them the influence of religion has waned. And above all the social and emotional turmoil there is the cosmic indifference. Thinking of the socialist endeavours of Rasheed, his companion and teacher, Maan Kapoor realises that one can never read the human heart and wonders if the effort is worth making. “It was not true that one could change everything through effort and vehemence and will. The stars maintained their courses despite his madness, and the village moved on as before, swerving only very slightly to avoid him” (Seth 2005/1993: 1290).

*Freedom*, by the American best-selling author Jonathan Franzen, is another social-realist novel. It tells the story of a contemporary middle-class family, the Berglunds, during the last decades of the twentieth and the first years of the twenty-first century. In the middle of the picture are Walter, Patty and their two children, surrounded by neighbours, siblings, friends, colleagues and lovers. Franzen is concerned with the public and private life of his characters. Problematic, even traumatic experiences of the main characters steer their choices. Patty’s forced happy-family dream is scattered when teenaged son Joey rebels and leaves the house. Walter avoids an open dialogue with his depressed wife. Richard, a bohemian musician and former friend of Walter and Patty threatens their weakening marriage. The couple leaves Minnesota for Washington D.C., where Walter takes up a job for a coal mining magnate who meets his environmental concern. Their marriage collapses, when Walter unintentionally sets eyes on Patty’s intimate therapeutic memoir. He starts a relationship with his assistant Lalitha, but the environmental project fails. After the death of her father, Patty—who lives as a teacher in Brooklyn—successfully solves the financial and relational problems of her mother and siblings. She has matured and creates balance in her life. In the meantime, Patty and Walter’s daughter Jessica is on friendly terms with her mother, but struggles to find her own place as a professional. Joey runs serious risks in trading with military suppliers in Iraq, but finds a way out with his father’s help. He settles with his childhood friend Conny and starts a sustainable coffee business. Finally,

Patty decides to reconcile with Walter, who withdrew in his lakeside vacation house in Minnesota, after the tragic death of Lalitha.

Franzen depicts his characters against the broad backdrop of contemporary America. Politics enter the scene ranging from the progressive democratic mother of Patty, to the Zionist neoconservative politician who trades with young Joey, to the local rednecks who oppose Walter's project. Technological innovation, business, consumerism, rock music and the shift in morality complete the picture. The complex focalisation—we look at the characters through different eyes—and the fact that present, past and future are almost simultaneously presented turns *Freedom* into an indelible portrait. Like his shining example Tolstoy, Franzen asks the question “How to live?” The reader following the characters in their often tragic wanderings, wonders and discovers where they went wrong. Selective blindness and the inability to communicate transparently, play an important role.

The two novelists create a fictional world that is both panoramic and personal. They open up a big picture window on society life but focus at the same time on the inner world of feelings, intimate thoughts and chimera. Recurrent themes include the clash between principles and realpolitik, cross-generational strife, disappointment and loss of ideals. While identifying himself with the characters, readers explore their true selves and their emotions. He discovers that negative emotions like pride, rivalry and stubbornness often lead to bad decisions and disaster. Sharing their hopes and fears, successes and failures, opens the way to empathy. Seth makes use of an omniscient narrator, Franzen prefers multiple selective episodes of omniscience. Both narrative strategies are employed in a way that the reader is faced with a heterogeneous patchwork of differing and often conflicting attitudes and viewpoints. Hence, neither can be labelled as authoritarian fiction (Suleiman, 1992). The authors do not galvanize their readership, but only hold up a mirror. Out of the jumble of facts and emotions the reader must piece together the facts into an intelligible whole in search of the sense of life. The bird's-eye view of society goes hand in hand with plumbing the depths of the characters' mind. Do the characters have a coherent perspective, do they know where they are heading or do they lack vision? Following the twisty path of the protagonists challenges the reader to assess complex situations and to think ahead. The reconstruction of the fictional world and the tales of growth offer an insight that

one rarely gets in real life. Most people reach this stage of maturity only after many years of keen observation and reflection, often also by trial and error. Maan Kapoor evolves from a callow youth to a thoughtful and repentant adult. The reader observes how Patty Berglund matures when she realizes that she is responsible for her own actions. With Lata, the reader is compelled to think about (arranged) marriage, love and passion and to assess the meddling of her concerned mother, siblings and friends. Martha Nussbaum (2010) stresses the fact that by reading novels the reader develops the capacity to see the world from the viewpoint of other people, which might help to counter stereotypes, not a negligible factor for a good leader. Multi-ethnicity is an unmistakable quality in *A Suitable Boy*. The Kapoors and the Kahns befriend each other, although they have different religious backgrounds. Maan Kapoor and Firoz Kahn share their bohemian lifestyle, they are both soulmates and rivals, but remain always loyal and even ready to go through hell for each other.

According to Ingarden, metaphysical qualities such as the tragic, the dreadful, the demonic or the sinful are usually revealed, in complex and very often desperate situations or events. In ordinary everyday life that is oriented toward small practical ends, situations in which these metaphysical qualities would be revealed very seldom occur. (Ingarden 1973: 291–92). The micro cosmos of a novel offers the reader the opportunity to attain what is almost impossible in real life: a calm contemplation of these qualities, a contemplation also of either steady growth towards a mature and self-confident self or the drama when this process fails. Freeman shares this meaning. “Novelists rewrite the world in such a way that we, the readers, may find ourselves in the position of learning or seeing or feeling something about it that might ordinarily have gone unnoticed or unexplicated.” (Freeman 1993: 222)

## 4 The Autobiography

With the autobiography, we reach the border of fiction. Autobiography and memoir claim a faithful correspondence with reality. The fictional world, even when familiar and recognizable, is always a construction. The novelist who deals with persons or events that actually existed, brings

them into a new context, a 'quasi-world' that does not claim to be a factual account or a scientific work. (Ingarden 1973: 245)

Autobiography has recently boomed (Evans 2007; Gilmore 2007) and the genre has been the subject of much discussion in literary and cultural studies, philosophy and psychology. Key questions include: "Is the self in autobiography discovered or just invented as a signature, a kind of writing?" "Why do people enjoy reading autobiographical narratives?" What separates fiction from autobiography could be a deep ontological question. Without going that far we accept here the assumption that the autobiographic author recounts what his/her life has been like, taking into account that the remembering might be selective and that truth cannot be understood in a simplistic way (Freeman 1993: 32).<sup>3</sup>

There are many reasons for reading autobiographies starting from curiosity to psychological or philosophical interest in people. Jill Kerr Conway discerns a particular attraction in reading about other people's lives. "What makes the reading of autobiography so appealing is the chance it offers to see how this man or that woman whose public self interests us has negotiated the problem of self-awareness and has broken the internalized code a culture supplies about how life should be experienced" (Conway 1990: 17). According to Mary Evans (2007), the memoir offers readers the opportunity to stabilise the uncertainties of their own existence. What these critics proclaim as a general statement applies to *Even Silence Has an End: My Six Years of Captivity in the Columbian Jungle*, the narrative Ingrid Betancourt (2011) wrote about her six and a half years as a hostage of the FARC. Betancourt, a Colombian politician and former senator was kidnapped in February 2002 and rescued in July 2008. After several escape attempts followed by physical and psychic torture, she realizes that she needs other strategies to survive. Learning to weave, giving French lessons, reading the Bible are means to concentrate and bring structure in the monotonous days. The frightening idea that she might never be released, is always silently in hiding and it takes a lot of energy to keep the flame of

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<sup>3</sup>The celebrated autobiography of Noble Peace Prize winner Rigoberta Menchú I, *Rigoberta Menchú: an Indian Woman in Guatemala* was the object of harsh criticism. According to David Stoll, the author describes as her own "experiences she never had herself" (Gilmore 2007: 230).

hope alive and to maintain her self-respect. Perhaps even more difficult than the protracted hardships is the hostility of the fellow prisoners and some of the guerrilla commanders. To overcome that, Betancourt draws energy and comfort from bygone times e.g. the love of her parents, especially her father.

Now I realized that life supplies us with everything we need for the journey. Everything I had acquired either actively or passively, everything I had learned either voluntarily or by osmosis, was coming back to me as the real riches of my life, even though I had lost everything. (Betancourt, 113)

But finally it is the Bible that gives her new strength and becomes a daily companion. More than an adventure story, *Even Silence Has an End* describes the survival trek through a hostile human wasteland. It is this unique spiritual path in the wilderness of the Colombian jungle that fascinates us. The narrative demonstrates how spirituality can foster resilience even in extreme bitter circumstances. Then a first seed of positive energy can be as simple as a smile or a bit of a laugh.

I knew of no instruction manual for reaching a higher level of humanity and a greater wisdom. But I felt intuitively that laughter was the beginning of wisdom, as it was indispensable for survival. (Betancourt 261)

Several times Betancourt mentions in her memoir the transformation process that the Bible brings about, not as a naive luck-bringing talisman, but as the voice of an invisible but real Presence.

The book in my hands became my trusted companion. What was written there had so much power that it forced me to stop avoiding myself, to make my own choices as well. And through some sort of vital intuition, I understood that I had a long way to go, that it would bring about a profound transformation within me, even though I could not determine its essence, or its scope. In that book there was a voice, and behind that voice there was an intelligence that sought to establish contact with me. It was not merely the company of written words that distilled my boredom. It was a living voice, speaking. To me.

I already knew that I had the ability to free myself from hatred, and I viewed this as my most significant conquest.

It is said that the compensation for the effort, courage, tenacity, and endurance displayed during the journey was not happiness. Nor glory. What God offered as a reward was only rest. (Betancourt 29)

This part of Betancourt's narrative was also a target of criticism. Some construed her setting aside of vengeance and her discovery of forgiveness as self-serving, but others like Elkins (2010) praised her ability to scrutinize herself and to ruminate on nuance, intellectual skills that lent credibility.

Although most readers will never be confronted with similar extreme circumstances, this autobiography makes them aware of the resilience and the deep inner strength that kept this woman on her feet. Spirituality and resilience can be valuable in many contexts, e.g. confrontation with a terminal disease, divorce, lawsuit or—in the business world—a threatening bankruptcy or a hostile takeover. To confront these and similar situations we need something or someone to grasp onto. Life stories offer the opportunity to demonstrate how virtues are at work in concrete situations and at the same time they invite us to reflect on our own modest existence. The power of this life story and of other similar narratives like Solzhenitsyn's *The Gulag Archipelago* (1991/1973) a book about his imprisonment in a forced labor camp,<sup>4</sup> or *First They Killed My Father*, the memoir of Loung Ung (2000) who survived the Pol Pot regime. What they have to tell can be compared to the message of religious texts like the Gospels, the life of Buddha or Gandhi and stories of saints. Even if these texts confront their readers with an unattainable ideal, they inspire and arouse positive energy.

## 5 Conclusion

Literary texts inspire. Next to scientific analyses of market situations and managerial strategies, literature can be a source of inspiration for true leadership, because literature brings in the often-neglected human ele-

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<sup>4</sup>Aleksandr Solzhenitsyn wrote this book between 1958 and 1968. It is based on his own experiences as a prisoner in a gulag labor camp. Eyewitness testimonies and research material complete the personal narrative. The book was published in the West and circulated as an underground publication in the Soviet Union until its official publication in 1989.



ments. Literature teaches its readers in a very comprehensible way about the self, the emotions and the complicated world.

Literature is not a homogenous mass but a colourful field of texts that might serve in different contexts. The clear-cut lesson of the fable recapitulates in a nutshell the wisdom of nature. By contrast the novel guides us through the labyrinth of hidden forces, conflicting interests or contexts and ambivalent feelings. Reading novels enhances both self-knowledge and social and emotional intelligence. While turning the jumble of facts into a coherent perspective, the reader develops the competence to assess situations. Reading about other people helps to understand better why they act and react as they do. The reader reconstructs the inner journey of the characters and learns from their inconsistency and mistakes. All these skills can be helpful in real life. Finally the autobiography, even more than the novel, compels the reader to look in the mirror and to reflect upon his/her own life. The claim of truth imposes a more compelling demand on the autobiography, especially if the memoir confronts the reader with desperate situations that test human endurance.

The disclosure might happen quickly (as in case of the fable) or be the result of a long and intense reading process (novel and autobiography), but by entering the dialogic space that the reading experience opens, the reader will improve his knowledge of life and its secrets.

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# Part III

## Ethical Leadership in Practice

# 10

## Mindfulness and Non-Violence in Business

Gabor Kovacs and Andras Ocsai

Mindfulness and non-violence are traditional Indian virtues whose origins can be traced to ancient times, but have since been refined through the centuries by various teachings and practices of Indian spiritual traditions. Their emergence and currently central role in spiritual practices and practical activities is inevitable. In modern times, the emphasis is being placed on mindfulness rather than non-violence, and mindfulness has become an important practice of economic agents and a characteristic of successful entrepreneurs, CEOs and other leaders.

Conventional leadership theories say little about mindfulness and non-violence, although these practices are generally assumed to strengthen goal orientation, which can improve personal and professional effectiveness and result in financial benefits. Proponents of mindful leadership define mindfulness as intentionally and non-judgmentally paying attention to the present moment. In recent years, mindfulness has been the subject of significant attention in the United States as businesses and other organizations have started understanding its vast potential for leadership and employee development. Mindfulness is increasingly assumed to be a key leadership competency, through which leaders can gain poise, courage, enthusiasm and awareness. Leaders now more than ever cultivate

leadership presence so they can bring all of their mind's abilities to bear on their leadership tasks. They also lead and coach others to be mindful and create working environments in which colleagues are nurtured and energized; organizations innovate and flourish; and communities are respected and supported. Thus, mindful leadership is thought to be able to boost productivity, flexibility, innovation, focus and job satisfaction. However, one can point to countless negative consequences of single-minded leadership practices in modern times. The financial crisis of the mid 2000s and the Deepwater Horizon oil spill in the Gulf of Mexico in 2010 are just two of the most significant outcomes of profit-driven, single-minded leadership.

The most influential person to attempt to integrate non-violence into everyday life is Mahatma Gandhi, who considered non-harming to be the most important of all the virtues. In an age when humanity has the power and the technology to modify the vital processes of the planet, the practice of non-harming should be awarded more importance. Numerous business models are now attempting the practical implementation of the principle of non-harming, including Community Supported Agriculture, Ethical Banking and the Slow Food Movement. There are also many entrepreneurial initiatives based on the principle of non-harming: Windhorse Evolution, Apopo Foundation, Interface and the Social Venture Network, to name a few.

From the point of view of sustainability, promoting the vital role of non-harming is indispensable if the damaging social and economic processes of our modern world are to be halted. The current emphasis must be shifted to achieve a better balance between mindfulness and non-violence.

The appearance of spiritual values in the fields of business, leadership and economics is generally new. The reason for this is the difficulty of coming up with a new approach to dealing with the personal and institutional difficulties that are inherent to business practice. This paper examines the roles of two Indian spiritual values in an economic context: mindfulness (*sati*) and non-violence (*ahimsa*). Both originate in Vedic traditions. Mindfulness is of great importance to Buddhist spiritual practice, and non-violence is of the utmost importance to Jain spiritual practice. Mindfulness is commonly mentioned in modern leadership theory, but

non-violence not so much. This paper makes the claim that mindfulness itself is not enough for dealing with the consequences of mainstream economic practices, and is not appropriate for solving problems in business life. The way that mindfulness is currently practiced by leaders is not contributing to social well-being and ecological sustainability. Furthermore, adherence to the principle of non-violence is indispensable for effectively coping with current problems.

The first part of this paper investigates and defines the concepts of mindfulness and non-violence. The second part shows how mainstream leadership theories largely fail to incorporate these principles, although recent leadership theory occasionally refers to mindfulness. Furthermore, we challenge the notion that practicing mindfulness in business without considering non-violence will have positive outcomes. The third part of the paper delineates Gandhi's interpretation of the practice of non-violence in a social and business context. Finally, several business models and entrepreneurial initiatives are described to show the importance of applying the principle of non-violence to business practices.

## **1 The Traditional Indian Interpretation of Mindfulness and Non-Violence**

Both mindfulness and non-violence are traditional Indian virtues that originated in ancient times and were refined over the centuries through the teachings and practices of major Indian spiritual traditions. Their rise to prominence in the spiritual and worldly life of Indian people, both monastic and lay, was inevitable.

### **Mindfulness**

Although numerous Indian spiritual traditions include meditation exercises in their practice (Hopkins 1977), it is Buddhism which has awarded greatest importance to the concept of *sati*, a faculty of mind that is referred to in this paper as mindfulness. It describes a process

by which the attention or the awareness of the mind settles and fixes on a specified object. According to the teaching of the Buddha, Right Mindfulness is one part of the Noble Eightfold Path; accordingly, mindfulness meditation should be practiced in order to attain the foremost goal: reaching enlightenment. Mindfulness and the practice of virtues are equally important in Buddhist practice. Wisdom is a necessary condition for enlightenment and is a product of mindfulness meditation (Rahula 1974; Harvey 1990).

Mindfulness is interpreted slightly differently in the Jain tradition. Jain meditation aims at the control of thoughts as they influence behavior and practitioners should involve themselves in daily activities with full awareness to avoid causing harm to any living being (Schubring 1962; Jindal 1988).

## Non-Violence

The concept of *ahimsa* appears frequently in the sacred texts of the major Indian traditions. It covers a complexity of ideas. Its meaning is greatly context-dependent and hard to translate using a single word. Basically, *ahimsa* implies 'not causing injury', 'not adopting an aggressive attitude', 'not taking life', 'not causing pain', 'social morality', or simply 'non-harming' and 'non-violence' (Schweitzer 1936; Proudfoot 1987). Hereafter, the paper uses the word *ahimsa* to mean non-harm or non-violence. This means refraining from doing intentional harm by thought, word or deed.

The concept of non-violence originates from the Vedic tradition and evolved during the time the Upanishads were written, when it became a central concept (Fischer 1950; Walli 1974). The Mahabharata, one of the major epics of ancient India, states that non-violence is the greatest moral virtue and the foundation of human progress. Vegetarianism and the abandonment of bloody animal sacrifices are built upon the principle of non-violence (Proudfoot 1987).

The role of non-violence in Jainism is more radical than in any other Indian tradition, being the first and the most important virtue for every Jain follower: 'the highest law of duty is not to hurt any living creature'.

Non-violence, beside strict self-control, is the means to liberation—the ultimate goal of Jainism (Hopkins 1977; Jindal 1988). Thus, the Jain commandment of non-violence does not arise from a feeling of compassion, but from the idea of the need to remain undefiled for the practitioner's own sake (Schweitzer 1936; Dundas 1992).

The Jain concept of non-violence is more self-centered than the Buddhist understanding of non-violence. For the Jains, non-violence is the only means of expiation, which leads to liberation (Schubring 1962; Dundas 1992). According to Buddhist texts, suffering is a general characteristic of being. Life is unsatisfactory for every human and non-human living being. This fact is the source of all compassion, which is the basis of non-violence. This is why Albert Schweitzer refers to the Buddhist practice of non-violence as the 'ethic of compassion' (1936, pp. 89–121).

## The Relationship Between Mindfulness and Non-Violence

As mentioned above, the Jain concept of non-violence is more rigid than the Buddhist one, and involves more ascetic practices (Hopkins 1977). The Buddhist commandment to non-violence allows the eating of meat, and the Buddha does not bid his disciples bind a cloth before their mouths so that they may breathe in no living things (Schweitzer 1936). Although the first Buddhist precept also refers to the scope of non-violence, this can literally be interpreted to mean 'not to take the breath of life' (expressed by the word *panatipata*, instead of *ahimsa*). Buddhism rather warns against and deals with the causes of mental states that result in violent behaviors through thought, word or deed (Saddhatissa 1970; Harvey 1990).

Mindfulness in the Jain tradition is subordinated to non-violence. The only aim is to control the disciple's mind, speech and body through the practice of *ahimsa*. The opposite is true of Buddhism, which is rather the 'art of mindfulness' (Hanh 2008). Non-violence in the Buddhist tradition is less subordinated to mindfulness, so a relatively balanced relationship exists between the two virtues.



## 2 Leadership

This section of the paper examines how various leadership theories differ in their approaches to mindfulness and non-harming.

### Mainstream Leadership Theory

Mainstream leadership theory seldom refers to mindfulness and non-harming. Furthermore, mindfulness is framed as being a way to improve goal orientation, increase personal and professional effectiveness and achieve financial goals. At the end of the twentieth century, ‘new leadership’ theories add something to the previously described models by employing some reference to mindfulness and non-harming. Buchanan and Huczynski (2004) state that in ‘new leader’ theory, leadership involves inspiring subordinates and completing the organization’s mission. While we acknowledge the content of mainstream leadership theories, it appears that mindfulness is thought of only as a means of increasing effectiveness or improving business outcomes (for instance, leadership associated with business process reengineering or just-in-time strategies). Non-harm is not mentioned in these leadership approaches at all.

### Mindful Leadership

Certain components of mindfulness have appeared in mainstream leadership theories in the past, but the real potential of mindfulness for leadership and personal development was discovered only recently. Some leadership theories approach mindfulness at a higher level, employing a broader, more sublime meaning. Mindfulness can be seen as a decisive quality of leadership through which leaders can gain poise, courage, enthusiasm and awareness. Leaders now more than ever should cultivate a leadership presence to be able to apply all of their mind’s abilities to their jobs. They should also lead and coach others about the importance of being mindful, and create work environments in which employees are nurtured and energized, organizations innovate and flourish and communities are respected and supported. Mindful leadership can

boost productivity, flexibility, innovation and job satisfaction. Buddhist mindfulness meditation is regularly used in some businesses in Western countries.

Awakened leadership as a meta-leadership style creates a more positive working environment in which leaders, who are primarily relationship-oriented, and through this, goal-oriented, perceive profit-making to be a consequence of business rather than an initial goal (Marques 2008).

Deepak Sethi (2009) finds mindfulness at work to be a key leadership competency. Leaders need to live and lead mindfully, to coach others to be mindful and to create a mindful organization. Through mindfulness and practicing meditation, three important skills can be learned: focus, awareness and living in the moment. Furthermore, mental exercises can transform individuals' lives in many ways and make individuals more effective.

Boyatzis and McKee's (2005) 'resonant leadership' approach involves leading effectively and is targeted toward leaders who are interested in developing and maintaining their skills while avoiding the inevitable perils of power-related stress and cycles of sacrifice and renewal. Resonant leaders have high levels of emotional intelligence (self-awareness, social awareness and relationship management) which are underlain by mental clarity. To achieve this state it is not necessary to completely eliminate stress, but rather to plan for and recover from it. The key elements are mindfulness, hope and compassion.

'Authentic leadership' is a term used to describe positive leader capacities and a highly developed organizational context which positively influences self-awareness and self-regulated positive behaviors on the part of both leaders and followers, stimulating positive personal growth and self-development. The authentic leader is confident, hopeful, optimistic, resilient, moral and ethical, future-oriented and gives priority to developing associates into leaders (Ilies et al. 2005).

According to 'spiritual-based leadership' theory, a leader's inner perspective about personal goals and leadership are firmly integrated, which creates the foundation for his or her business decisions and actions. Empirical findings demonstrate that, by leading from a spiritual basis, leaders can obtain happiness, respect, peace of mind and success while serving the needs of all those affected by their leadership. Spirituality

as a foundation for leadership causes leaders to consider ethics, social responsibility and concern for the environment to be fundamentally important principles and values in their own right (Pruzan 2008).

The concept of ‘being-centered leadership’, developed by Fry and Kriger (2009), utilizes five levels of being as the context for effective leadership—from the physical world, through vision and values and the individual psyche to the spirit and on to the level of non-duality (Oneness). These authors categorize leadership theories based on the level at which they are effective. The theory implies that one must pay service to all the relevant stakeholders through having altruistic values and attitudes.

Carroll’s books *Awake at Work* (2004) and *The Mindful Leader* (2007) are inspired by classical Tibetan Buddhist teachings. They are designed to help organizations and individuals discover balance and well-being in the workplace through training the mind, enabling people to reconnect with their inner wisdom, clarity, purposefulness, and authenticity, the regaining of confidence, resiliency and playfulness, allowing work to re-start, with all its pressures and problems, and by encouraging us to be engaged, resourceful and alive right here and right now. Carroll emphasizes the relevance of meditation to the workplace and describes the dynamics of leadership; the contrast between high-pressure top-down style leadership versus mindful leadership (leadership from the inside), where the point is to bring out the best in everyone. The regular practice of mindfulness meditation can bring into being ten leadership characteristics: simplicity, poise, respect, courage, confidence, enthusiasm, patience, awareness, skillfulness and humility. Cultivating these principles can lead to further competencies which act to create health and well-being in organizations through building trust, eliminating toxicity, sending clear messages and healing wounds. A mindful leader demonstrates inner authenticity through reflecting elegance, command, gentleness and intelligence.

Mindfulness is awarded more significance in mindful leadership models and its role is more nuanced than in mainstream leadership theories. Nevertheless, explicit reference to the principle of non-harming is still basically lacking (Doyle-Corner 2009; Marques 2012), although it may be present in the form of caring (Schwartz 2005) or compassion (Kernochan et al. 2007). Reference to non-harming is almost fully reserved for the spiritual planes of life, but mindfulness has become an important trait

of economic agents—a characteristic of successful entrepreneurs, CEOs and other leaders.

Even though the principles of mindfulness appear to some extent in leadership theories, there are countless negative consequences of mindful (or rather, single-minded) leadership practices. Carroll (2007) writes about several well-known organizations that use mindful leadership techniques and produce significant negative externalities by their operations (e.g.: Monsanto, Raytheon and Aramark).

These examples indicate that mindfulness alone is not enough. Used by mainstream firms, it can lead to the escalation of opportunism and increase the efficiency of opportunistic behavior. Even if the principle of mindfulness has been integrated into some recent leadership concepts and business practices, economic agents rarely comply with the principle of non-violence, often seriously violating its spirit.

### 3 The Modern Revival of Non-Violence

The most influential person to draw attention to the importance of non-violence was Mahatma Gandhi (1869–1948) at the beginning of the twentieth century. Gandhi integrated this principle into his everyday activities. Born in India, where he was influenced by Jainism and Buddhism, he was educated in England and worked in South Africa where he developed his ethics, leadership skills and political views towards non-violence. The hallmarks of his life's work include the concept of 'peaceful resistance', a form of non-cooperation against the British Empire, the great role he played in India's independence and in the emancipation of women and his work towards improving the lives of the untouchables in India (Gandhi 1957; Richards 1982).

Gandhi devoted his life to addressing one crucial problem: how to perfect and extend the principle of non-violence into every segment of his personal life. Furthermore, he successfully proved that non-violence is applicable to every sphere of society: politics, the economy, religion, ethics, education, health care and ecology (Schweitzer 1936; Gandhi 1957; Walli 1974). Non-violence was Gandhi's creed. He stated: "Non-violence is the first article of my faith. It is also the last article of my faith" (Prabhu and Rao 1968).

Gandhi's definition of non-violence incorporates the positive, active sides of the term: truth, love, charity and compassion (Walli 1974). As he confessed:

For me non-violence is not a mere philosophical principle. It is the rule and the breath of my life ... its practice requires fearlessness and courage ... Would that all the acts alleged against me were found to be wholly indefensible rather than that by any act of mine non-violence was held to be compromised or that I was ever thought to be in favor of violence or untruth in any shape or form. Not violence, not untruth, but non-violence, Truth is the law of our being. (Duncan 1951, pp. 63–64)

Although Gandhi asserted that “non-violence should begin with the mind, the control of thoughts and motivation” (Walli 1974), the importance he attached to mindfulness was subordinate to that of non-violence.

Gandhi applied the notion of non-violence to economics. His basic tenets were the following: economic self-sufficiency with regard to the basic necessities of life; building the foundation for a more equitable social order through economic activity; ensuring decent working opportunities for people; fighting against the economic exploitation of villages and the misuse of capital; and maintaining wealth within moderate limits by reducing superfluous desire. He rejected industrialism and the ‘wrong’ use of capital whereby non-economic costs outweigh economic benefits. He emphasized the need to satisfy basic human needs (food, housing, clothing, health care and education) at the local village level. This contributed to economic self-sufficiency, the revitalization of village life through the creation of rural economies, the decentralization of the economy and environmental sustainability (Duncan 1951; Kumarappa 1951; Richards 1982). However, Gandhi was not against economic progress, the creation of capital, machinery and the market. He was against profit-making enterprises and the allocation of productive resources on the basis of their value as financial capital (Kumarappa 1951).

The spirit of Gandhi has spread throughout the field of economics. E. F. Schumacher, who established Buddhist economics (a people-centered economic philosophy), was inspired by the Gandhi's thoughts about economics. He further strengthened the concept of ‘locality’ as

he supported the creation of self-sufficient economic units which could supply the basic necessities for life from local resources (Richards 1982; Schumacher 1989).

## 4 Non-Violence in Business

Gandhian non-violence is a philosophy, but it is also a strategy for dealing with economic issues. Gandhi asserted that implementing the principle of non-violence could direct economic activities towards creating social well-being. The following section describes some business models and entrepreneurial initiatives whose goals are to promote well-being by adopting non-violence as a strategy.

### Business Models

Community supported agriculture (CSA) emerged in the early 1960s in Germany, Switzerland and Japan as a response to concerns about competition-oriented, unsustainable modern agribusinesses that produce low-quality food and have detrimental effects on nature, human wealth and society. The main problems they create are increases in dependency on energy, fertilizer inputs, transportation and associated environmental pollution, a decrease in countryside jobs, an ever-greater distrust in food and rising insecurity for farmers. Community supported agriculture brings together producers and consumers through local food networks to promote changes in consumption and production patterns. The essence of the process is that a group of consumers agrees to buy in advance shares of a farmers' harvest that has been grown in an ecologically sound manner. CSA necessarily involves small-scale systems whose central decision-making bodies are groups of farmers and consumers. It adopts a long-term perspective by rejecting the use of monoculture and chemicals, and strives to foster trust and unite people with the land and farm (Zsolnai and Podmaniczky 2010).

According to the official website (<http://www.slowfood.com/>), Slow Food is a global, grassroots organization with more than 100,000

supporters in 153 countries around the world. It was founded in 1989, and Slow Food members now form 1500 local chapters (*convivial*) and a network of 2000 food communities who are attempting to link the pleasure of eating good food with commitment to community and environment. Supporters of Slow Food believe that everyone has the fundamental right to the pleasure of good food, but also the responsibility to protect biodiversity, culture and traditional knowledge. The movement's founding goal was to counter the rise of fast food and 'fast life', the disappearance of local food traditions and a declining interest in the food that people eat with regard to where it comes from, how it tastes, and how food choices affect the rest of the world. Slow Food demonstrates that collaborative enterprise models can be a successful alternative to mainstream business models, and, importantly, can be economically sustainable when caring, responsible effort is acknowledged and reciprocated on highly competitive markets (Tencati and Zsolnai 2012).

Ecotourism is a growing sub-sector of the tourist industry that is designed to be a low-impact and often small-scale alternative to standard mass tourism. The concept has been widespread since the mid-1980s; the International Ecotourism Society in 1990 defined ecotourism as responsible travel to natural areas that conserves the environment and improves the well-being of local people. Ecotourism is about uniting conservation, communities and sustainable travel, and means that those who implement and participate in ecotourism activities should adhere to the following principles: minimize impact; build environmental and cultural awareness and respect; provide a positive experience for both visitors and hosts; provide direct financial benefits for conservation efforts; create financial benefits and empowerment for local people; and raise awareness about host countries' political, environmental and social climates. Ecotourism typically involves visiting fragile, pristine and relatively undisturbed natural areas where flora, fauna and cultural heritage are the primary attractions. Ecotourism is designed to offer tourists insight into the impact of human beings on the environment, and to foster a greater appreciation of natural habitats (Honey 2008; Weaver 2001).

'Sarvodaya' originated in India in the early 1920s and is the name used for the most important of Gandhi's most sociopolitical movements. The

meaning of the term is universal uplift or welfare for all, and the initiative was inspired by a life-changing experience described in John Ruskin's book *Unto This Last*, which became Gandhi's own political philosophy (<http://www.gandhifoundation.net/>). The three central tenets are the following: the good of the individual is contained in the good of all; all labor is of the same value and each person should have the same right to earn a livelihood from their work; and a life of labor is a life worth living. Gandhi strove to put these ideals into practice by promoting the dignity of labor, the more equitable distribution of wealth, communal self-sufficiency and individual freedom, hoping he could persuade the whole of India to embrace these principles in order to become a light for other nations. After his sudden and tragic death in 1948, the Sarvodaya Movement was successfully carried on by his followers Vinoba Bhave, Jaiprakash Narayan, Dada Dharmadhikari and many others. The real mission of the movement, to liberate the age of science from materialism, to destroy violence at its roots, and to establish a new set of human values, seems more relevant today than ever before:

[I]ndustrialization and unbridled consumerism have resulted in dehumanization in every sphere of life. The human species is being pushed to the brink of disaster in the name of the development and progress. Industrial civilization has assumed savage proportions in the form of problems of pollution and ecological imbalances. (Narayanasamy 2003, p. 17)

The Sarvodaya Wheel and Constructive Programme for a New Social Order works according to the main social, economic, political, educational, cultural, spiritual and health-related principles which range from the uplift of women, village industries, economic equality, rural education, the removal of the status of untouchability and village sanitation, to population control, afforestation and ecological restoration, and many others. From these, Gandhi considered economic activities and the future of India's villages to be most important; moreover, he considered such constructive programs to be long-term prerequisites for systems of non-violent self-rule (Narayanasamy 2003).

Ethical banks, also known as social, alternative, civic or sustainable banks, are concerned with the social and environmental impacts



of their investments and loans. The idea of ethical banking is part of a larger societal movement that promotes more social and environmental responsibility in the financial sector, including ethical investing, socially responsible investment, corporate social responsibility, and also the fair trade movement and ethical consumerism. Ethical banks are regulated by the same authorities as traditional commercial banks and have to abide by the same rules. The main difference lies in the fact that they are more transparent and that they consider the social and environmental impacts of the projects they finance (Lynch 1991). According to De Clerck (2009), the origins of ethical banking can be identified in the early twentieth century in the form of cooperative banks and credit unions. Current examples include Rabobank (Netherlands), Vancity (Canada), Crédit Coopératif (France); new social banks and private development banks such as ShoreBank (USA), GLS Bank (Germany), Triodos Bank (Netherlands), MagNet Bank (Hungary) and microfinance banks such as Grameen Bank (Bangladesh), Basix (India), Mibanco (Peru) and Centenary Bank (Uganda).

## Entrepreneurial Initiatives

Interface, the leading company in terms of the design, production and sale of environmentally responsible modular carpet, was founded as a traditional industrial organization in 1973 by Ray Anderson. In 1994, he transformed it into a sustainability-focused business using the principles of design for environment. Today it is a billion-dollar corporation and has been named on Fortune magazine's list of '100 Best Companies to Work For'. The company is striving to become fully sustainable by identifying and targeting seven key areas in which progress must be made: eliminating all forms of waste in every area of business; eliminating toxic substances from products, vehicles and facilities; operating facilities with 100 % renewable energy; redesigning processes and products to close the technical loop; recovering and using organic materials; using resource-efficient transportation; creating a culture

that uses sustainability principles to improve the lives and livelihoods of all stakeholders and re-designing commerce by creating a new business model that demonstrates and supports the value of sustainability-based commerce (<http://www.interfaceglobal.com/>).

Social Venture Network is a San Francisco-based network of social entrepreneurs that are working to create transformational innovation, growth and impact. Wayne Silby and Josh Mailman co-founded the network in 1987 as a platform for connecting, supporting and inspiring influential business leaders and social entrepreneurs to expand their practices to build a just, values-driven, sustainable world and economy. Their vision was to create a new paradigm by which business adds value to society without compromising the well-being of future generations. They focus on convening business leaders, building eco-systems for sustainable business, fostering active collaboration among members to create new ideas, partnerships and solutions and continuing to pioneer a new path for socially responsible business. Among their most famous members are Eileen Fisher, Ben Cohen and Jerry Greenfield, and Tom Szaky (<http://svn.org/>).

Apopo is a Belgian social enterprise which is headquartered in Tanzania and has operations in Mozambique, Thailand, Angola and Cambodia. Apopo researches, develops and implements technology for rats to enable them to provide assistance in humanitarian projects such as landmine removal and the detection of tuberculosis. The organization was founded by Bart Weetjens in 1995 at a time when he was seeking a solution to the global landmine problem. Through his research, he found that rats—intelligent, cheap and widespread throughout the world—are able to smell out mines, and even signs of tuberculosis. Among the core values of this company are quality, innovation, diversity and social transformation, which includes developing skills, creating jobs, improving socio-economic and environmental conditions, freeing up land for development and combating public health issues (<http://www.apopo.org/>).

## 5 Conclusions

This paper has described the role of mindfulness and the limited presence of the principle of non-violence in mainstream leadership theories and business practices. I emphasized that solely focusing on mindfulness cannot create social well-being and sustainability. Allowing non-violence to play a vital role alongside mindfulness in business, as suggested by ancient Indian spiritual traditions, appears to be indispensable for making changes to widespread modern social and economic processes and paradigms. The emphasis must be shifted to create a better balance between mindfulness and non-violence.

This paper has described three ways in which mindfulness and non-violence are applied in economics and business: (1) mindfulness is taken into consideration, but within the narrow scope of promoting the achievement of goals; (2) mindfulness is taken into consideration, but is applied with a broader meaning, with no consideration to the principle of non-violence; and (3) adherence to the principle of non-violence takes priority over mindfulness. In the first and the second manifestations, mindfulness is largely used as a means of increasing economic efficiency which may easily lead to the creation of negative externalities. Numerous examples exist of how mindfulness alone does not contribute to achieving social well-being and environmental sustainability.

In the current age, when humanity has the power and the technology to modify the vital processes of the planet through economic activity, the principle of non-violence should be awarded more importance—more so than mindfulness, because economic agents can create harm mindfully. A non-violence of compassion that is rooted in Buddhism must precede mindfulness as it is understood through the traditions of Jainism. The need to integrate the principle of non-violence into business practices is essential if we are to avoid the creation of negative externalities and promote a state of sustainability. This is why a shift in emphasis away from mindfulness towards the principle of non-violence is desirable in the practice and theory of business and economics.

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# 11

## Spiritual-Based Entrepreneurship: Hindu and Christian Examples

Katalin Illes

Ethical leadership and raising awareness about the importance of responsible decision making in organisations is becoming one of the focal points of academic and social discussions. There is a growing level of practical and academic interest in spirituality (Bouckaert and Zsolnai 2011) particularly in Western countries (Goldman Schuyler 2007, 2010) where the consequences of ego-driven, materialistic behaviors are clearly visible both in organisations and in society as a whole (Lewis 2011; Greenberg 2011).

Individuals and communities need to find new ways of working with and relating to each other and the environment in order to survive, make sense of life and prosper. Support for this attitude comes less from government initiatives and more from the innovation and creativity of individuals who choose to take control and put their trust more into the internal and spiritual powers than into external forces. Spiritual traditions around the world may also help to put life into a broader context and remind us that moral values and behaviors support a happy and meaningful existence.

The chapter offers two examples. One is from a Hindu and the other is from a Christian social entrepreneur. Although the stories are different these two entrepreneurs share a fundamentally similar outlook on life.

Both of them lead a life based on spiritual principles. They both took a leap of faith and chose a ‘road less travelled’ by following spiritual guidance rather than only rational thinking in their personal and working lives.

The basic principles of Hinduism and Christianity are described to illustrate the search for purpose, meaning and connectedness. I believe that spirituality and wisdom traditions direct our attention beyond the self and encourage us to find individual fulfilment by serving the common good and the interests of the community. The paper concludes by suggesting that tapping into the timeless wisdom of our rich human heritage, we can connect with others in meaningful ways, overcome cultural, political or religious barriers and find new ways of working together.

## 1 Introduction

The current global economic and environmental crises are an invitation to reflect and review how we relate to work, nature and each other in society. There is a strongly expressed view that we have made moral mistakes (Lewis 2011) and the behaviour of leaders has been described as immoral, unjust and without much coherent idea of how to fix it (Greenberg 2011). Our behaviour and decisions today will have far reaching consequences not only for the life of the people who currently inhabit the planet but the quality of existence of future generations. “Thus moral responsibility demands that we take into consideration the welfare of those who, without being consulted, will later be affected by what we are doing now. Without our choosing it, responsibility becomes our lot due to the sheer extent of the power we exercise daily” (Jonas 1996: 99). Zsolnai argues that the state of ecological capital, financial capital, human capital and intellectual capital together determine the fate of future generations. Zsolnai’s data indicates that “there is no country in Europe which would not present some burden for future generations in one or more domain” (Zsolnai 2011: 7).

There is a high level of discontinuity between technological development and our assumptions about leadership and how we are to relate to each other in the workplace and beyond. A growing number of scholars (for example Senge et al. 2004) urge us to broaden our views, take more



personal responsibilities, and offer all that we can both individually and collectively towards finding solutions to the complex challenges in the world. Pruzan argues, “What is clearly needed is a change in the mindset, values and principles of our leaders, as well as of those who finance our enterprises, and of those who teach and mentor our future leaders. At the very minimum, what is needed is an expansion of the concept of ‘success’ so that it transcends the prevailing myopic focus on short-term financial gains” (Pruzan and Pruzan Mikkelsen 2007: 6). Charles Handy observes that

In Africa they say that there are two hungers, the lesser hunger and the greater hunger. The lesser hunger is for things that sustain life, the goods and services, and the money to pay for them which we all need. The greater hunger is for an answer to the question ‘why?’ for some understanding of what life is for. (Handy 1997: 13)

The way people satisfy these two hungers has changed dramatically over the centuries. When farmers worked in the fields and craftsmen were responsible for designing and creating products, work had its own natural rhythm and workers received direct feedback from their labour. I am not suggesting that life was easier then or that everybody had the awareness or the desire to develop a balanced external and internal reality. What I propose is that while the eyes and hands are focused on the external task and something of tangible value is produced, the heart and soul has a chance to get into a meditative, interconnected state and feed the inner hunger for purpose and meaning.

In this technology- and profit-driven world, work has become fragmented and complex. We rarely see the exact outcome of our efforts at the end of a working day. The product of labour has become less tangible particularly in industrialized, service-oriented economies. We seldom get into a relaxed ‘flow’-like state (Csikszentmihalyi 2003) of oneness with our work. Work is often done without clear purpose and we push ourselves and others towards tangible, often short-term financial targets without asking ourselves ‘Why?’

Searching for meaning requires personal reflection, a willingness to examine one’s life and how it can connect with and enrich other lives.

Most of us know that there are more important things than money. As Aristotle pointed out: “Wealth obviously is not the good we seek, for the sole purpose it serves is to provide the means of getting something else” (quoted in Handy 1997: 15). However, finding that ‘something else’ is a personal quest for the individual and in Handy’s term it requires ‘Proper Selfishness’. “To be Properly Selfish is to accept a responsibility for making the most of oneself by, ultimately, finding a purpose beyond and bigger than oneself” (Handy 1997: 9).

This kind of ‘proper selfishness’ is the polar opposite of the unstoppable greed for money, fame, power and possessions in the hope that the soul’s hunger can be satisfied by more of the stuff that can only satisfy the ‘lesser hunger’ in us.

Current forms of education provide plenty of opportunities for learning how to satisfy the hunger for money and material success; however, one needs to search actively and select critically the appropriate guidance when it comes to searching for meaning and purpose in life. The growing interest in mindfulness meditation (Kabat-Zinn 1994), embodiment of leadership (Melina and Burgess 2013; Palmer and Crawford 2013) and the demand for ethical, sustainable and spiritually inspired business (Bouckaert and Zsolnai 2011) indicates a shift in attitudes of seekers who want to live and work differently.

In this chapter, I set out to illustrate the general points of connectedness and the value of spiritual practice in one’s life by presenting two real-life stories. The stories come from different countries and very different circumstances. These autobiographical reflections were shared with me by an Indian and a British social entrepreneur.

The data collection started in 2008 when I visited India and met Anupam Jalote, who told me about the beginning of his journey and how his spiritually based actions led to the establishment of the GreenOil company. We kept in touch over the years and I followed the journey of Anupam through Indian newspaper articles and email exchanges between 2008 and 2013.

I have been observing the work of Alan Barrell since 2007. I have a great respect for Alan’s integrity, hard work and enthusiasm for entrepreneurship. Although I have known Alan for six years, I only found out about his Christian spiritual practice in 2013. I interviewed Alan in

London in October 2013 and in Cambridge in March 2014. He shared the stories of many remarkable life events that led to his strong faith and daily spiritual practice.

Before proceeding directly to these narratives, I shall first look at developmental psychology. I will discuss the different stages of human development and suggest that searching for meaning and higher purpose is a natural human desire, an integral part of development and a healthy human life. I shall review some definitions of spirituality giving special attention to Hinduism and Christianity in order to offer a broader context to the reflective stories.

## 2 Finding Meaning and Purpose

Erik H. Erikson (1963) divides human life between birth and death into eight significant phases. Each phase has specific learning opportunities and an individual needs to develop certain positive emotions and their negative counterparts in order to grow and mature through these phases in a healthy manner psychologically. If we fail to develop one aspect fully within its natural phase we will carry the task with us to the next phase. If we accumulate a 'backlog' of psychological development it is part of our make-up, tending to show itself primarily under stress or external pressure.

The eight phases continually interact with and reinforce each other all through human life so they need to be considered as an evolving, psychological and emotional development process rather than closed, distinct and self-contained units of development.

Erikson says that we should not use these categories as checklists and that the 'positive' aspects should not be simply looked at as achievements secured once and for all at a given point in time. He also states that the negative senses are equally important and they remain the dynamic counterpart of the 'positive' ones throughout life.

In his book *Insight and Responsibility* Erikson (1964) outlines the basic virtues that are the lasting outcome of the favorable balance between the paired concepts of the eight stages of maturity.

Basic Trust versus Basic Mistrust: Drive and *Hope*  
 Autonomy versus Shame and Doubt: Self-Control and *Will-power*  
 Initiative versus Guilt: Direction and *Purpose*  
 Industry versus Inferiority: Method and *Competence*  
 Identity versus Role Confusion: Devotion and *Fidelity*  
 Intimacy versus Isolation: Affiliation and *Love*  
 Generativity versus Stagnation: Production and *Care*  
 Ego Integrity versus Despair: Renunciation and *Wisdom*

Erikson calls the italicized words at the end of each line *basic* virtues because without them, and their re-emergence from generation to generation, all other, more changeable systems of human values lose their spirit and relevance. For him these basic values are the cornerstones of all religions and cultures; they are the basic principles that constitute the foundation of well-functioning communities and societies (Illes 2009). These virtues are demonstrated within large families and close communities where the older generations teach the younger members by example. This is an education that is continuous, informal and is not restricted to the classroom.

According to Csikszentmihaly (1990, 2003), the total fulfilment of one's potentialities, which usually generates happiness, depends on the simultaneous presence of two processes. "The first is the process of differentiation, which involves realizing that we are unique individuals, responsible for our own survival and well-being, who are willing to develop this uniqueness wherever it leads, while enjoying the expression of our being in action. The second process involves integration, or the realization that however unique we are, we are also completely enmeshed in networks of relationships with other human beings, with cultural symbols and artefacts, and with the surrounding natural environment. A person who is fully differentiated and integrated becomes a complex individual—one who has the best chance at leading a happy, vital, and meaningful life" (Csikszentmihalyi 2003: 28–29).

Both Erikson and Csikszentmihalyi argue for the balance between one's external and internal development. I believe that internal development, self-discovery and the search for meaning and purpose is not an individual luxury or an institutional responsibility. It is a fundamental

necessity for the healthy development of humans and therefore must be a prime responsibility both for individuals and communities. Irrespective of the spiritual tradition or religion one draws upon, spirituality requires an individual willingness to explore oneself (Whitehead 1926), and reflect on one's own actions (Collins and Kakabadse 2006).

If we want to nurture the inner self we need to turn towards our rich tradition of philosophy, religion and spirituality. What will resonate with us personally will depend on our cultural heritage, childhood experiences, level of development, current needs and our environment. Getting to know one's inner self is a highly individual quest. It requires patience, solitude and gradually should become an integral part of one's daily life.

I believe that although it is good to learn from the experience of others, our personal experience and much of the wisdom literature through the ages indicates that this is an area where one should primarily follow one's inner guidance, feelings and intuition.

### 3 Hindu and Christian Spirituality

There is no universally accepted definition of spirituality. The word has different meanings for different people and in different cultures (McSherry and Cash 2004). It is generally considered to be a complex, intercultural, multi-dimensional concept (Cook 2004; Hill et al. 2000; George et al. 2000; Moberg 2002; Bouckaert and Zsolnai 2011). Muldoon and King (1995: 336) suggest that spirituality is “the way in which people understand and live their lives in view of their ultimate meaning and value”. Clark (1958) defines spirituality as the inner experience of the individual as evidenced by attempts to harmonize day-to-day life with the Beyond. Meezenbroek et al. (2012) define “spirituality as one's striving for and experience of connection with oneself, connectedness with others and nature and connectedness with the transcendent” (Meezenbroek et al. 2012: 338). In their book *Leading with Wisdom* Pruzan and Pruzan Mikkelsen (2007) provide an interesting collection of perspectives and definitions on spirituality, not by academics but by business leaders from around the world.

Connectedness plays a crucial role in human life. Connectedness with the transcendent includes connectedness with something or someone beyond the human level, such as God, the universe, transcendent reality, a higher power or consciousness. The term one uses is determined by one's cultural heritage, life experience and environment. This level of connectedness includes feelings of oneness, awe, hope, joy, sacredness and adoration of the transcendent (Cook 2004; Meezenbroek et al. 2012) and in my view this will inform and influence one's relationship with others and the environment. In Christianity, for example, spirituality can mean seeking oneness with Christ's spirit.

In Hinduism, particularly in the Vedantic school of thought, spirituality is understood as connecting with the Atman, the eternal spirit that attains all human life and appreciating and acknowledging Brahman, the spirit that maintains the universe.

Connectedness with oneself is expressed through actions based on moral values, authenticity, inner harmony, self-knowledge and search for meaning (Elkins et al. 1988; Young-Eisendrath and Miller 2000; Hungelmann et al. 1985; Howden 1992; Mahoney and Graci 1999; Illes 2012). Self-knowledge and connectedness with one's true self is the foundation for building meaningful relationships with others. The quest to 'know thyself' has been an integral part of human development throughout human history and each individual needs to make personal choices and discoveries on that journey. Connectedness to others and to nature can be expressed through compassion, caring, gratitude, selfless love and wonder.

## Hindu Spirituality

Let's turn our attention to Hindu spirituality and see the wisdom one can get by studying one of humanity's most ancient and sacred texts: the Vedas. The Vedas may be thought of as the 'Old Testament' of Indian religion (Abhayananda 2006).

The Vedas are the oldest of mankind's works on philosophy, predating the earliest Greek works (Bhaskarananda 1994). They are said to have been compiled from an oral tradition by a sage, Vyasa, into a set of hymns concerning all aspects of life. There are four main Vedas and four

additional Vedas. The *Rig Veda* tells about peace, prosperity and liberation. The *Yajur Veda* describes the sacrificial rituals and rites for prayer. The *Sama Veda* explains the use of chanting and music. The *Atharva Veda* gives practical application in the arts, sciences, medicinal secrets and explains the nature of life and time. The four additional Vedas deal with preventative medicine (*Ayur Veda*), military science (*Dhan Veda*), performing arts (*Gandarva Veda*) and technology in the broadest sense of the word (*Staptya Veda*) (Mascaro 1968). Vedanta is often referred to as the ‘end’ of the Vedic texts called the Upanishads, where ‘end’ can be understood both as a goal and as its being the culmination of the Vedas. Vedanta (Veda = knowledge; Anta = end) is revered by Hindus as the highest expression of truth. “Truth is one; men call It by many different names” (Abhayananda 2006: 6). According to Sri Aurobindo (1872–1950), leading Indian freedom fighter, philosopher, poet and spiritual leader, in the introduction to his translation of the Upanishads state: “The idea of transcendental unity, Oneness, and stability behind all the flux and variety of phenomenal life is the basic idea of the Upanishads; this is the pivot of all Indian metaphysics, the sum and goal of our spiritual experience.” (Abrahams 1995: 70) The great sage Swami Vivekananda (1863–1902), a leading figure in the introduction of Indian philosophy to the West in the late nineteenth century, refers to Vedanta as “... the culmination of knowledge, the sacred wisdom of the Hindu sages, the transcendental experience of the seers of Truth ... the essence or conclusion of the Vedas, so it is called Vedanta”. (Pruzan 2015)

According to Vedanta, this Universal Consciousness is manifest in all of creation and independent of scientific concepts of matter, time and space such that all physical and social reality, the subject matter of scientific investigation, has its source in a timeless, omnipresent Source, the Universal Consciousness. Although omnipresent, the highest manifestation of that consciousness in sentient beings is in humans; we are embodiments of this Universal Consciousness and are endowed with the capability of self-reference and thereby eventually of self-realization—of realizing the unity of the individual consciousness with all consciousness and the Universal Consciousness, and the unity of the individual self with the ultimate source, the Self. (<http://en.wikipedia.org/wiki/Vedanta>) Seekers meditate and go to the depths of the soul in

search of God-realization and self-realization. Vedanta develops the philosophy for the identification of the Brahman—the spirit that maintains the Universe with the Atman, the eternal spirit that maintains each individual (Vyakarnam 2001).

## **A Hindu Social Entrepreneur**

Anupam Jalote is a social entrepreneur and the CEO of GreenOil, a bio-fuel company in India. However, he chose a life that is based on spiritual principals. He found the courage to take a leap of faith and follow his heart and spirit to work and create something worthwhile and meaningful not only for himself but also for a community of small farmers in a deprived area of India.

Anupam was born and brought up in a middle-class Indian family. He attended good schools and achieved good grades. His family taught him to respect all forms of life and take good care of people and nature. From his grandfather, he learnt about the Vedas and the rich heritage of Indian culture and religion. Anupam learnt to appreciate and respect his Indian roots, the interconnectedness with nature and the colorful human and spiritual expressions of life. He developed a deep pride and self-respect in his Indian-ness, a profound love for the environment and a burning desire to help to take India to greatness once again.

After completing a university degree in mathematics and economics, and an MBA, Anupam started paid employment in 1988. He worked in sales, in consulting and as a systems analyst. He was fairly successful in all these fields, however, he never really felt that he belonged in the competitive corporate world.

In 1995, he got married and in 1996 joined the rapidly emerging telecommunication industry. He started as a district sales manager for a large Indian firm and within 18 months became the head of product management and marketing, and later the head of a profit center operation. He was in charge of 50 % of the firm's operation in that particular Indian state.

Anupam was well paid and enjoyed the praise and appreciation of both superiors and colleagues. He was successful in a conventional business



sense but somehow he did not feel contentment or joy. His income paid his family's bills, but he felt a growing void in his heart.

During this period, Anupam had three very serious car crashes. Any one of these incidents could have been fatal. All three cars were totally destroyed, but miraculously, Anupam was not hurt in any of these incidents.

He started to have a feeling that perhaps life (and God?) was trying to tell him something that he could not hear in the frantically busy life that he had. It was time to slow down and listen inwardly to figure out the way forward. In 2001, Anupam took a year off and went to Germany where he completed his second MBA. Away from the workplace he had time to think, reflect on his life and when he returned to India he felt reinvigorated. With his new MBA, a lot of new opportunities presented themselves and Anupam started to work for one of the most prestigious Indian companies, the Tata Group in Mumbai. Tata is held in high esteem not only because of the high quality of its products and services but also for its ethical conduct.

At this time, Anupam lived quite close to the Sanjay Gandhi National Park and went for long walks. He wrote down and shared with me the following thoughts and reflections that started to enter his mind during these walks:

- Was it a sheer accident that I was born in a well-educated, progressive family and got the finest education available?
- My life had been spared three times.
- I have always been very sensitive and acutely aware that India has two halves: one half is competing with the rest of the world and the other half is completely dependent on an increasingly corrupt and self-serving government. The poor people in India have not been able to increase their living standards over the past 50 years.
- Is it just a coincidence that these thoughts are entering my mind now or is there a larger force out there? (I have to confess I have never had a full vision of my life but I received small, incremental insights and clarities.)
- What if I started to use my talent to serve the poor half of the nation? Could I make a lasting, positive impact or would my life be wasted?
- What are the fundamental problems that plague these poor people? To my mind the main problems are the lack of education and energy. With

energy these people could break their dependence on the state system and move up the value chain in agriculture. With education they could absorb newer and better technologies and lead better lives.

It took Anupam about a year of soul searching to crystallize these thoughts. Even when he knew what he wanted to do he was not in the position to start his new venture straight away. He needed to support his family and build up some savings for his children's education.

He took a well-paid job in Delhi and worked there for four years. His work in a telecom company was truly soul-destroying. "Was the sum of my existence the fact that I was able to increase the efficiency of operation by 3.62 %?" This question was haunting him and made him very unhappy. Mamta, his wife helped him to let go of this huge burden and told him: "if you want to follow your dream hard enough, then just do it, do not think too much about it." So with his wife's blessing Anupam decided to quit the corporate sector in June 2008 and set up his own company, GreenOil.

GreenOil is based on trust. The biofuel business requires large tracts of land. Anupam's focus was on using wasteland, and planting a species of trees that were hardy enough to survive these semi-arid wastelands, and yet produce non-edible oil seeds from which biodiesel could be produced. As he did not have the financial resources to purchase the thousands of hectares for the plantations, he needed to come up with a different plan.

The government had the land, but Anupam knew from past experience that the government was a slow decision maker and without personal connections in high circles he would not have a chance to get any land.

His research revealed that small plots of wasteland were owned by individual farmers who were not putting that land to any productive use. Anupam helped to organize these farmers into cooperative societies. The land ownership remained with individual farmers, but collectively they formed a land bank. In the process, Anupam had to overcome a lot of suspicion and distrust. His offer sounded too good to be true, but in the end the farmers decided to go ahead and give this venture a try.

The newly formed land bank societies invited GreenOil to invest in their land to set up biofuel plantations, and enter into a long-term agreement for the purchase of the seeds produced. The villagers retained control

of their land, and started to earn money from the plantations after three years. The money came from land that had never given them any returns before. It is not surprising that the farmers were happy to receive the additional income.

Anupam took a great risk. Although the farmers welcomed GreenOil's initiative and the revenue it generated, there was no guarantee for the company to keep its position in the future unless it developed lasting, trusting relationships with the farmers.

Creating trust over a period of years, with actions, rather than with words became the mission of GreenOil. The company has gradually become an integral part of rural life continuously creating value both for the local farmers and the enterprise.

Anupam knows that he had chosen a road less travelled (Scott 2006) when he set up GreenOil five years ago. His days have been filled with meetings, negotiations, and fighting with and for the farmers. He is tired in the evenings, but he knows that he is following his path and purpose in life with integrity and that gives him contentment and faith in the future.

## Christian Spirituality

According to The Oxford Dictionary of the Christian Church (Cross and Livingstone 1997: 1532) spirituality “is used to refer to people's subjective practice and experience of their religion, or to the spiritual exercises and beliefs which individuals or groups have with regard to their personal relationship with God. It is usually to regard prayer, meditation, contemplation and mysticism as major factors in spirituality.” According to Campbell, “All final spiritual reference is to the silence beyond sound. The word made flesh is the first sound. Beyond that sound is the transcendent unknown, the unknowable” (Campbell and Moyers 1991, Ch. 4, para 42).

In September 2013 and on numerous occasions previously, I spent several hours discussing Christian spirituality with an Anglican Priest, Brother Martin, who has been a member of the Franciscan community, for 53 years. Parts of the interview were recorded and transcribed. According to Brother Martin (for further reference see Huxley 2009), from the

beginning of time people looked at a force bigger than themselves in the world and they called it God. People believed in and worshipped God throughout the ages. The Jews particularly had a strong relationship with God. They realised that God was not only a force in the world, but he also had personality so the Jews started to call him Father. Christians believe that the same God sent his son, Jesus Christ, into the world. Jesus not only showed us revelations about his Father but he also observed the selfishness and sin in the world. He stood up against the sins of mankind and by his death, Christians believe, he saved the world. Before departing from the world, Jesus promised to send the Holy Spirit to guide Christians in the truth. In Christianity, Father, Son and Holy Spirit together are called the 'Trinity' and Trinity means God. In Christianity there is one God represented by these three entities forming a perfect relationship. The Trinity is explained in Matthew's Gospel through the baptism of Jesus. "When He had been baptized, Jesus came up immediately from the water; and behold, the heavens were open to Him, and He saw the Spirit of God descending like a dove and alighting upon Him. And suddenly a voice came from heaven saying 'This is My beloved Son, in whom I am well pleased'" (Holy Bible, Matthew 3: 16–17).

The Trinity is the foundation of Christian belief. Christians seek a close relationship with God through prayer, meditation, contemplation and following God's commandments and guidance in their daily lives. The life of Jesus gives Christians an ideal, faultless way to connect to God, the Father, human beings and the environment.

How should practicing Christians conduct their daily lives one might ask? There is clear guidance for that in the New Testament of the Bible. One's number one responsibility is to seek communion with God and see God in other human beings and in the whole world.

For I was hungry and you gave Me food; I was thirsty and you gave Me drink; I was a stranger and you took Me in; I was naked and you clothed Me; I was sick and you visited Me; I was in prison and you came to Me. Then the righteous will answer Him saying, 'Lord, when did we see You hungry and feed You, or thirsty and give you drink? When did we see You a stranger and take You in, or naked and clothe You? Or when did we see You sick or in prison and come to You?' And the King [God] will answer

and say to them, 'Assuredly, I say to you, inasmuch as you did it to one of the least of these My brethren, you did it to Me.' (Holy Bible, Matthew 25: 35–40)

The Bible tells Christians to love, respect and help one another, including strangers. It is a tall order and Christians who take the teaching of Jesus to heart will try to conduct themselves in a way that would meet these norms and requirements as closely as possible.

The following quotes from the Bible also guide and reinforce believers' attitude and responsibility towards God, other people, themselves and their environment:

For the kingdom of God is not food and drink but righteousness and peace and joy in the Holy Spirit (Holy Bible, Romans 14:17).

Do you not know that your body is a temple of the Holy Spirit within you, which you have from God? You are not your own (Holy Bible, I Corinthians 6:19).

Guard the truth that has been entrusted to you by the Holy Spirit who dwells within us (Holy Bible, 2 Timothy 1:14).

No prophecy ever came by the impulse of man, but men moved by the Holy Spirit (Holy Bible, 2 Peter 1:21).

Practicing Christians seek daily commune with God through prayer, meditation, contemplation or reflection. They seek the guidance of God in decision making and listen to the silence of the heart before taking action. They also aspire to behave in a way that is in line with the life and teachings of Jesus.

## **A Christian Social Entrepreneur**

Alan Barrell is a biologist turned salesman turned businessman, entrepreneur and venture capitalist. He is a champion and keen supporter of the next generation. Alan is Entrepreneur in Residence at the Centre for Entrepreneurial Learning, Cambridge Judge Business School; Visiting Professor at University of Xiamen and Shanghai College of Science and Technology; and International Research Fellow at both Laurea University

Helsinki and the Tohoku Fukushi University Sendai Japan. Alan is also engaged in support of National Health Service (NHS) reforms. His work with young entrepreneurs extends to board membership/shareholdings in four early-stage companies and to being Chairman of Trustees of the National Association of College and University Entrepreneurs (NACUE). In his spare time, Alan raises money for the charitable causes he supports. He is also a practicing Christian who has lived most of his adult life following spiritual principals.

In 1973, Alan Barrell was a thrusting young executive—33 years old—working his way up the ladder of a large international healthcare company. He was baptized as a baby and confirmed as a Christian in the Anglican faith as a teenager, but totally lapsed from active engagement in any Church. He still ‘believed’, but did not ‘practice’. Alan was happily married with three children and spent long hours away from the family earning a living to provide for all of them. In 1973, Alan’s father and mother-in-law suffered a near-fatal car accident. Through a series of miraculous events, the couple recovered to full health. This traumatic event, the fear of losing his loved ones, the prayers of nuns and other spiritually gifted individuals transformed not only the life of the severely injured couple but also opened Alan’s heart and mind to a broader, more spiritual and faith-driven way of life.

Understandably, Alan believes in miracles as he and his family has been blessed with more than one. Since that time, Alan’s faith has been renewed and he vows to never lapse again. He does his best to thank God in practical ways through his work and daily actions.

When I interviewed Alan, he told me how special he felt after the miraculous healing of his mother and father-in-law. He tried to think about the event afterwards in a rational way and came to the conclusion that there were far too many ‘coincidences’ in the story not to feel the hand of God and the action of the Holy Spirit.

Through this personal experience, Alan felt a unique connection with the divine and started to notice the interconnectedness between people and all other creatures in the world. This realization gave him a new purpose and inspired him to become a ‘meta-connector’ of people and networks. Alan spent the next 40 years of his life trying to understand

people's needs better and use his insights, knowledge and networks to help people make appropriate decisions and find the right solutions.

Alan is deeply convinced that the Holy Spirit is always with us and is working through us regardless of one's beliefs or religious orientation. When we face a dilemma, thinking about the issues deeply is very important. Not long after the transformational experiences, Alan's American medical production company was not happy with the level of productivity in Alan's subsidiary. They informed the management team that the unit would be closed unless productivity improved substantially within a short spell of time.

The majority of senior managers intended to keep this information close to their chests. They felt that talking about the danger of factory closure openly could generate unrest among the workforce. Alan knew that the employees had the right to know the truth. Despite the disagreement of his senior colleagues Alan called a meeting and shared the news honestly with the 500 people whose jobs were in danger and asked them to make suggestions for increasing productivity.

Alan's honesty and the truth energised people and they came up with new ways of improving efficiency and increasing productivity. This factory was one of the major employers in the region in the 1970s and people knew that finding an alternative job for 500 people would be rather difficult.

The fear of factory closure mobilized the dormant talent and energy of the workforce, improved team spirit and encouraged collegiate behaviour. Alan's honesty and integrity initiated a 'we are all in it together' culture. To the great surprise of the American parent company, the UK subsidiary's productivity increased substantially in six months and the factory avoided closure.

Alan felt that by moving beyond his own personal interests and focusing on helping other people, his managerial work became truly meaningful and rewarding. He shared with me a more recent example. In 2013, he was one of the judges at a global business challenge competition for young entrepreneurs in Hong Kong. A group of female social entrepreneurs presented a business case to raise money to educate women about personal hygiene in the textile industry in Bangladesh.

Women in the textile industry work in harsh conditions. Many of them are poor and uneducated. The lack of facilities and information make life particularly challenging when women are facing their monthly period. The disposable sanitary products that are readily available for women in Western countries are prohibitively expensive in Bangladesh. Even if these women had the money, they would find it difficult to go into a shop where the shop keepers are typically men and buy these essential products. Currently they use old rugs and strips of old garments. It is not surprising that many of them suffer infections and diseases.

The female entrepreneurs at the competition proposed a sanitary towel made of bamboo shavings. This innovation makes the towels recyclable and affordable even for poor women. The enthusiastic entrepreneurs also set up a network of women called the ‘info fairies’ to educate women and promote these towels initially in the textile industry in Bangladesh.

Alan was very impressed by the dedication and commitment of these female entrepreneurs in Bangladesh who set out to improve the life of many other women. He reflected on their presentation and decided to use his extensive network to raise funding for this social enterprise in the UK.

Alan is actively searching for opportunities to help people. He believes that by serving people and helping them to achieve their purpose, to create something worthwhile and good, we are also serving God’s purpose in the world.

## 4 Discussion

Why do we need to talk about spirituality and bring it into the discussion of business and entrepreneurial research and practice? How can it help to reduce the ethical deficit currently present in business? “Spirituality—as an inner experience of deep interconnectedness with all living beings—opens a space of distance from the pressures of the market and the routines of business-as-usual. This distance is a necessary condition for developing innovative ethical ideas and practices. It restores intrinsic motivation and provides a long time horizon” (Bouckaert and Zsolnai 2011: 4–5). It invites individuals to put life and work into the broader perspective of meaning and purpose. Anchored in a spiritual belief one looks at business



and ethical dilemmas from a rather different vantage point. When one feels accountable to the Creator of the Universe and one follows the guidance of the Spirit, it is easier to make a morally sound decision and feel the responsibility for and the interconnectedness with all living beings.

Anupam found his purpose and built a meaningful life by giving up his secure multi-national employment and creating a sustainable green energy enterprise in a remote part of rural India. His spirituality informed and guided his decision making. It was not easy for him to leave behind the financial security and social status that the multinational corporations provided. However the growing gap between the life he was living and the life he felt he needed to build gave him such a discomfort and unease that he decided to take a leap of faith into the unknown. He obeyed his inner, spiritual guidance, resigned from the corporate world and became a social entrepreneur building a trusting community of small farmers by helping them to move from chemical to organic farming, providing work opportunities for more than 50 people, seed-funding rural entrepreneurs and contributing to sustainable energy production. This process of hard work also helped him to create a happy and fulfilling life for himself. This case is an example of courage, faith, service and connectedness. It demonstrates the positive influence of spirituality on entrepreneurial initiatives and how we can achieve our life purpose by following our calling and connecting to ourselves, to others and to nature in a deep, meaningful way.

Alan Barrell's life was transformed in his mid-30s when he experienced the power of miracles in his own life. Alan is now in his 70s and devotes his life to helping people set up innovative enterprises based on solid values of ethics, sustainability and spirituality. He is a caring grandfather, an active member of his community and he travels all around the world to promote entrepreneurial learning and supports young people in the early stages of their careers. Alan is a public speaker with a positive outlook on life. He inspires large audiences with his lectures and gives his time freely to students who seek his advice about assignments or dissertations.

Alan prays regularly and visits his parish church in Cambridge every Sunday when he is not travelling. In his work, he does not talk about his spiritual practice but his principles and authentic behaviour attract trusting people into his working life from different cultural, spiritual and religious backgrounds.

Neither Alan nor Anupam talk much about their spiritual practices in the workplace. It is something that they both consider private and personal. They both have a strong connection with the divine, the all-connecting force of the universe. Although they use different names, follow different rituals, celebrate different festivals they are both informed and guided by the same spirit. Their decisions are based upon the spiritual principles expressed in the Vedas for Anupam and in the Bible for Alan.

In their communities and in their work environments they lead by example and their behaviour inspires others to act in more considerate and connected ways.

In this paper, I have used two very different examples of spirituality to illustrate the positive impact of such practices on working life, entrepreneurial behaviour and decision making. A growing body of research evidence demonstrates that “business leaders can achieve success, recognition, peace of mind and happiness, while at the same time serving the needs of all those affected by their leadership, when they lead from a spiritual basis” (Pruzan and Pruzan Mikkelsen 2007: XIV).

## 5 Conclusion

This paper focused on some aspects of connectedness and spirituality. It was argued that in order to address the complex challenges of the world that impact the lives not only of those who currently live on the planet but also the lives of future generations as well as the environment, we need a more connected and responsible approach to decision making.

Spiritual practices help individuals to put life into a broader perspective, look beyond ego-driven desires and search for meaning through seeking connection with the transcendent, with others, with themselves and the environment.

A Hindu and a Christian example were offered to illustrate that although the language, the texts and the practices are different in the two spiritual traditions they both encourage people to follow and practice spiritual principles, seek connectedness with the transcendent, with other people, themselves and the environment. Spiritual practices require self-discipline and courage to reflect on one's actions and behavior honestly,

so one can acknowledge mistakes and shortcomings and aim for continuous improvement.

Research in developmental psychology gives equal importance to one's external and internal development and suggests that a fully developed individual (someone who has a well-developed capacity to reflect and explore the inner world as well as the external world) will lead a life that is respectfully connected to others and to the universe through wisdom.

Where we find the approach that resonates with us and how we learn to connect with the silence inside is incidental and secondary to our ultimate need to belong to that all connecting silence. "I learned the practice of Buddhist sitting at a Trappist monastery from a German Jesuit priest teaching Christian spiritual direction to Indonesian Catholics in Java. Perhaps that says something about the adaptability of the wisdom of the practice of Buddhist sitting. But the silence toward which this practice directs us does not belong to Buddhism or any tradition that adopts it. Rather, we belong to the silence and continue to search in innumerable ways for its embrace" (Gross and Muck 2003: 19).

To satisfy our need to connect requires commitment and self-discipline to a daily practice of meditation, prayer and reflection. Whilst this is a personal choice and gives benefits primarily to the individual, its impact on the business and the social environment should not be dismissed or underestimated.

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# 12

## Going Beyond Profit: A Case Study of the CSR Initiative of Titan, Tata Group

Madhumita Chatterji and Nitha Palakshappa

This paper gives a brief introduction of the Tata Group, spanning from its chronology, strategy and values. We then give a description of its consumer business, Titan, and explain a brief idea about the strategy, business ventures and social responsibility ingrained into the company. The value foundation of the Tata Group appears to be an outcome of the spiritual concept of giving back to the society in a proactive manner. We look at the jewelry division of Titan Company, which is led by one of its popular brands, Tanishq, and finally we explain the branding strategy, product categories and corporate social responsibility (CSR) initiatives focusing mainly on Mr. Perfect and Karigar Park, the innovative CSR initiatives of Titan Company's jewelry division.

### 1 Metamorphosis in Corporate Thinking

The traditional laissez faire rule of corporate thinking endorses the belief that business has only one goal: to maximize its profits and serve the interests of the shareholders. The proponents of such theory, like Milton Freidman (1970), argue that the rule of the free market along with adept

government would ensure the prosperity of the society. Hence, personal greed could benefit society if channelized properly (Crane and Matten 2010).

However, the free market theory is still a utopia since there is cartelization, marginalization of underprivileged communities and degradation of environment. Even the right to equal opportunity seems to be a farce since this right is a function of educational qualification and ownership of assets. The failed initiatives of natural gas privatization in Bolivia, the Wall Street crash in the US, corruption scandals in India and the Savar building collapse in Dhaka have exposed the frailties of profit mongering and opened avenues for new ways of corporate thinking.

One of them is the stakeholder perspective put forth by Edward Freeman, talking about business fulfilling the interest of the stakeholders (Crane and Matten 2010). A stakeholder is an individual or a group who is either impacted by or impacts the business. However there is no quantified method to gauge the relevance of respective stakeholder groups. There are various theories of dealing with the way stakeholders ought to be managed including normative, descriptive and instrumental theories (Chatterji 2013). This altogether lends new dimensions into business.

The traditional two-dimensional view talks about every business having an economic and a legal obligation towards the society. However there are cases wherein a business operating under a fixed legal framework is devoid of moral rectitude. This has given rise to a new dimension called 'ethical obligation', wherein a business should be concerned with activities which are beyond the law and are beneficial towards the society (Chatterji 2013). Hence, it must enter into the post conventional stage of cognitive moral development while maintaining universal ethical principles along with sensitivity towards the culture context.

This gives rise to a fourth dimension called 'spirituality within business.' A spiritually evolved entrepreneur would automatically be benevolent since he or she would make decisions by looking at their inner conscience and striving to maintain economic, legal and ethical standards. This lays the foundation of corporate social responsibility, in which the business shows sensitivity towards the society and moves beyond financial capital towards human and environmental capital.



There are various heterogeneous approaches to CSR, for example in China, consumers expect safe high-quality products, in Germany the expectation is of job security and in South Africa CSR is synonymous with positive contribution to the social needs like healthcare and education (Saether and Aguilera 2008). In India today the government is trying to institutionalize CSR by passing the company law which would require companies to allocate 2 % of their net profit to CSR activities. This gives rise to several approaches like the shared-value concept, resource-based value, ethical sourcing and development of sustainable business models.

Creating shared-value deals with the fact that corporate success and social welfare are interdependent. A business needs a skilled workforce, sustainable resources and adept government. Successfully competitive and thriving businesses result in increased wages, wealth creation, increased taxes and improvement in quality of life. This concept was discussed by Michael Porter (2011). However, creating shared value (CSV) only focuses on two stakeholders; shareholders and consumers and neglects the environmental factors completely thereby countering the multi-stakeholder approach of various CSR advocates.

When firms implement CSR policy, they have to assess the impact it would have on the society and environment, therefore positive financial outcomes on implementation of CSR policy can be analyzed through the RBV (resource-based value) concept. For a CSR policy to be successful, the resources should be valuable, rare, inimitable and non-substitutable (Barney 1991). There will be short-term competitive advantages and a long-term sustainable advantages since other corporations would emulate these policies (Wernerfelt 1984).

Owing to different laws and varied interpretations of ethical health, safety and environmental standards, there are complex issues with supply chain management which have resulted in corporations ensuring the practice of ethical sourcing (Wieland and Handfield 2012). The 2013 Savar building collapse in Dhaka and the illegal mineral sourcing in the Democratic Republic of Congo during the Second Congo War (1998–2003) have resulted in corporations implementing safeguards to ensure their suppliers meet the highest ethical standards. Certifications like ISO 14001 and sourcing fair-trade goods enable corporations to see beyond

opaque, labyrinthine layers of supply chains and maintain standards ([www.fairtrade.org.uk](http://www.fairtrade.org.uk)).

Then there are corporations which work towards ensuring sustainability, which is synonymous with the maintenance and progression of economic, social and environmental standards to protect future generations. The 'triple bottom line' concept by John Elkington (1994) channelizes sustainability by focusing on the three Ps—people, planet and profit, however it is circuitous to quantify qualitative parameters like people and planet (Chatterji 2013). Provisions for 'social accounting', which deal with auditing and giving reports about a company's environmental and social impacts to respective stakeholders, holds the key. For example, the Annual Directors Report (2006), under the requirement of UK company law, prescribes social accounting. In South Africa, the bourses listed on the Johannesburg Stock Exchange from 2010 have to publish an integrated report which includes social and environmental performance along with financial performance (SAICA 2014).

Finally, a new approach called 'social enterprise' has taken form which looks to address social problems through business goals in countries. A social enterprise applies business strategies to manage improvements in human and environmental wellbeing rather than profits. A social enterprise can take the form of nonprofit, profit, cooperative or charity organization (Ridley Duff and Bull 2011).

Here, the returns to shareholders ensure betterment in the standards of living and environment. Generally, the parties in the social enterprise are corporations and marginalized communities with implicit or whole-hearted support from civil society organizations (CSO) and/or the government. The shareholders are primarily the employees, their families and members of CSOs, hence greater returns on investment correspond to greater improvements in quality of life. These returns are invested in the business to expand, take in more employees and improve on their skills (<http://www.socialenterprise.co.uk/pages/what-is-social-enterprise.php>).

There are three salient features in a social enterprise: first, it engages in an ethical review of its goods, services and production processes. Second, it has a social goal and believes in social impact. Third, it is concerned with the democratic distribution of ownership, management and governance.

As far as Tata Group is concerned, CSR is embedded into its business practices and it always 'walks the walk'. In this paper, the CSR activities of Titan Company, namely Meadows, the Karigar Park, Mr Perfect and Karigar Centre, are discussed. Meadows is a social enterprise since it meets the required criteria, Karigar Park is the first model of ethical sourcing ensuring abolition of child labour in the jewelry industry and represents a business enterprise which guarantees optimal happiness to all the stakeholders. The initiatives also meet the basic requirements of a social enterprise. The Karigar Park initiative pleases the consumers by giving high-quality products with the promise of purity and contemporary designs. It also satisfies the employees by maintaining health, safety and environment standards and finally the sustainability is maintained by the provision of scrubbers and oil coolant in the factory.

## 2 Tracing the Success of Tata Group

Tata is one of the largest business conglomerates in the world today and is truly a multinational company with diversified business interests in over eighty countries. It generates more than three-fifths of its revenue outside India from eighty-five countries. However, most of its overseas clients are 'business-to-business' (B2B) and it is still in its infancy while dealing with customers overseas. Today, Tata is connecting with customers through auto brands like Jaguar Land Rover as well as jewelry and watches from Titan Company.

Tata has built a strong brand in India based on core values like trust, reliability and service to the community while continuing to be inclusive of all the stakeholders. It generates products and services for clients from a wide spectrum of economic strata. Tata generates trust among the poor through its salt, which reflects purity and is rich in iodine. The underprivileged section of society is also included in various social enterprises that the Tata companies carry out at a grassroots level, thereby transforming their lives. The opulence of 'Asian modernity', is symbolized by the Taj group of hotels run by the Tata Group. However, the resilient Tata values play an important role in their governance and this was truly

exemplified during the terrorist attack on Taj Hotel Mumbai (Bombay) on 26th. November, 2008. Even politicians, except the far left (cynical of any kind of capitalism) and the far right (cynical of CSR), trust Tata and look at it as a nation builder. Tata through its trust with the political class negates corruption which has pervaded the socio-economic ethos of the Indian society. Unlike large multinational Fortune 500 companies who use CSR as a marketing gimmick, Tata commits to the concept.

Tata Group is into many industries, ranging from information technology (IT) and communications, to engineering products and services, materials, services, energy, consumer products and chemicals, which are defined by many companies with diverse business interests in the conglomeration. For example, Tata Motors is in automotive vehicles, Indian Hotels is in hospitality, Titan Company is in consumer products, Tata Consultancy Services (TCS) is in IT services and Tata Global Beverages is in hot and cold beverages. At the helm of all this is Tata Sons; founded by Jamshetji Tata in 1887. Tata Sons gives direction to many individual companies by formulating revenue-sharing policies and allowing the individual companies to use the Tata brand for a fee. Companies in which the Tata group plays a pivotal role in defining business strategies use the Tata brand to good effect, like Tata Motors, Tata Steel and Tata Chemicals while companies which are individual brands on their own do not use the Tata brand. Tata remains in the background and propagates its values into the company brand. Some examples are Titan Company, Trent (Westside), Indian Hotels (Taj), Jaguar Land Rover and Infinity Retail (Croma) (Witzel 2010).

These companies along with Tata Sons believe in giving back to the community and its investments are directed towards empowering disadvantaged sections of the society. Tata Sons has a stake in many companies ranging from 25 % to 75 %. Charitable trusts own 66 % of Tata Sons. These trusts are involved in giving grants to individuals and non-governmental organizations (NGOs), which help to improve the standard of living of marginalized communities. Even the individual companies are involved in charitable initiatives. TCS runs a computer-based functional literacy program (CBFL) with the National Literacy Commission to eradicate illiteracy. Tata Teleservices has built a fishing application to help fishermen in their enterprise. Tata Steel works continuously with the

adivasis (aboriginals of India, who first colonized the Indian peninsula from 60,000 to 30,000 BCE; consisting of the Negrito and Australoid inhabitants) (Fuchs 1974). They inhabit forests, hills and remote islands with little contact with outsiders and survive on subsistence occupations like hunting, gathering and farming. Tata Steel works in the Indian state, Jharkhand, with these adivasis to improve the quality of their life. Hence, greater profitability translates into greater service to the society (Witzel 2010).

The colossal reputation built by the Tata Group goes back to the nineteenth century. Jamshetji Tata born on 3rd March 1839 in Navsari, Gujarat to an eminent Zoroastrian family, who had business ventures in banking and trading. Unlike the traditional Indian society which was imbued in the caste system, the Zoroastrian society was rather egalitarian. Many Hindus considered overseas travel a taboo while Jamshetji Tata capitalized on overseas travels to learn new business ideas and was influenced by enlightened capitalists like William Lever, Titus Salt and Robert Owen (RM Lala 2004). He believed that Indian mills, if managed well, could compete with the best British mills. He came back to India in 1868 and started his first mill at Chinchpokli in Mumbai. He went to England in the early 1870s and returned in 1874 to open Empress Mills in Nagpur. The working conditions at Empress Mills were humane and workers were treated with dignity. Therefore Empress Mills had one of the lowest rates of absenteeism in British India (Witzel 2010). He also opened an iron and steel plant called TISCO in Saakchi (now known as Jamshedpur) in 1907 and built the Taj Mahal hotel in 1903 to accelerate foreign investment in Bombay. He also built a science research institute in Bangalore and was instrumental in providing Bombay with hydroelectricity (Lala 2004).

The next great head of Tata Group was J.R.D. Tata, who became the CEO in 1938 at a young age. He was a very good pilot and was obsessed with aviation thereby founding Tata Airlines in 1932. His tenure as the head of Tata Group (1938–1991) was marked by reducing the friction between workers and management at TISCO, venturing into cosmetics with Lakmé, creating a consensus-based environment in the Tata companies and lobbying with the government to prevent flagrant nationalization of the companies during the License Raj (1947–1991).

However he could not help his aviation venture. In 1948 he founded Air India along with the Indian government as India's national carrier. Many airline companies which were operational during the British Raj were going bankrupt therefore they were expropriated into Indian Airlines. Intense lobbying by J.R.D. Tata helped in Air India being retained as a separate corporation however, it was still nationalized with J.R.D. Tata as its CEO. In 1978, Tata had a tussle with Morarji Desai, the then Prime Minister of India, and he was removed from Air India, leaving the business to go into a bureaucratic oblivion (Witzel 2010).

By the early 1990s, the Indian economy was liberalized and Tata Group was caught napping as many new companies based on entrepreneurship and innovation propped up in the services, manufacturing and pharmaceutical sector. Ratan Tata took over as chairman of the conglomerate in 1991 and helped to restructure it with a new dimension called innovation. The organizational structure was overhauled, several recalcitrant CEOs were cajoled and the Tata brand was codified. Many companies were required to sign the 'Brand Equity Business Promotion' and implement the Malcolm Baldrige quality model which codified their business models and ensured quality, high standards, ethics and innovation. Initiatives like 'Tata Innovista', celebrating innovations and failures (Dare to Try) have cemented the culture of innovation. They have also helped create the 'Tata Code of Conduct' which is signed by all those parties working with the Tata Group: vendors, third-party employees, outsourced groups and staff working in various Tata brand showrooms. Today Tata companies are on a healthy path of globalization and the Tata Group is a multinational corporation. Several companies like Tata Motors, Titan Company and Tata Consultancy Services have fostered a spirit of innovation. Tata made global headlines when its automotive venture had created the world's cheapest car, Nano, and its global acquisitions like Jaguar have made it a significant international player. However, while Tata is on its path towards globalization it faces many challenges which include slow transformation of India's image from exoticism to modernity (Witzel 2010).

The Tata Group's commitment to give back to society has resemblance to the term within the realm of CSR called "Corporate Social Rectitude. This idea looks at a company's decision to contribute to society using

moral and ethical principles ... It surpasses the general guidelines of CSR within the management or corporate practitioners by acknowledging the core values of ethics and integrating them into social responsible practices” (Frederick 2006: 89, 90). This attitude springs from having a spiritual outlook that encompasses the concept of sustainability of the whole ecosystem in and around business.

### 3 Precision in CSR Idea Through Titan

Titan, the brainchild of Xerxes Desai, was founded in 1984 as a joint venture with TamilNadu Industrial Development Corporation Ltd. (TIDCO) in Hosur, Tamil Nadu, India (Morgan Witzel 2010). The corporation established their factory in a backward area and thus availed concessions. Unlike many companies who take undue advantages of the rebates, Titan sought to transform the area completely. Iterates Bhaskar Bhat, the managing director of Titan “We said we really have to be responsible and what we have done has really transformed the area significantly. The employees and the organization believe that much like Tata, starting with the Tata philosophy giving back many times more than what you earn from society”.

Titan recruited and trained 15- to 16-year-old kids from nearby villages in Dharmapuri district in and around Hosur as horologists. They were from very poor families living on less than Rs 20 a day (In 1985, one US dollar equaled 12 Indian Rupees so this roughly translated to \$1.60 USD a day) (<http://www.forecasts.org/data/data/EXINUS.htm>). During that time, the rupee was a closed currency and was pegged to the US dollar. Initially, they were given a stipend of Rs 650 per month (In 1987, this would have translated to \$50 USD a month) which was increased to Rs 750 per month in two years (In 1989, this would have translated to \$53.50 USD per month), at which time they would also become permanent employees. Titan commenced its watch production in 1986 with quartz technology and hit the market in March 1987 (<http://titan.co.in/company-profile>).

However, there were many problems with these young horologists who couldn't handle their newfound wealth. Hence, Titan arranged for dormi-

ories and played a parenting role in their lives. Some of the horologists were provided with foster parents. Iterates Mr. Sumant Sood, “They had moved out of the village for the first time and were suddenly earning a lot of money. Life skills programs on how to handle the money, improvement in interpersonal communication skills were provided in the dormitories which housed these young employees and parenting by the Tata group helped in uplifting the rural folk of Dharmapuri. The Muslim girls who were working continued working even after marriage. They would come in a burqa (A loose long robe covering the entire body worn as an outer garment by some Muslim women in public) up to the factory and then take it off when they reached the factory since Tata was always treated as a family”. In 1994, a township by Charles Correa was created for the employees of Titan Company in Hosur and the horologists were given family accommodations there (<http://titan.co.in/company-profile>). Titan also strived to educate their children and built a school for them in 2000 and the first 10th standard batch (completion of school education) passed out in 2010.

Titan has been sensitive to the Indian culture and its impact on business. Examples like Muslim girls feeling at home and elderly people going to recruit girls depicts how Titan has its ear to the ground and is extremely aware of the traditions followed in India. Thus, they have been able to work at the grassroots level in India and earn their profits in a sustainable and responsible manner. The concept of social enterprise gets vindicated in this business model where they have used culture and tradition of the society to bring development and awareness in a very non-invasive manner.

Today, Titan is the fifth largest integrated watch manufacturer in the world and has 60 % of the organized market share in India. It has also diversified into various business-to-consumer (B2C) businesses, selling products such as eyewear, jewelry and fashion accessories (<http://titan.co.in/business-divisions>). Titan Company established a joint venture with Timex from 1992 to 1998 and was involved in distributing their watches. After the end of the venture in 1998, Titan launched the Sonata collection for the mass market with fashionable and durable watches, which are lean on the common man’s budget. Titan Company has also ventured into high-end watches for the new age achiever and the opulent connoisseur with the Swiss-made Xyls, diamond studded Nebula, feminine Raga and chronographic Octane (<http://titan.co.in/company-profile>). Titan created



the world's slimmest watch called Edge and has launched the new HTSE series which can run on light from the candle.

In 2005, they ventured into precision engineering, manufacturing precision components for clients like Honeywell, Ford, HAL, L&T, ISRO, Bosch and Siemens. The precision engineering division manufactures assembly and testing machines, machine tools and electronic subassemblies with a plant at Verna in Goa. Titan Company extended its range into eyewear through Titan Eye + in 2007. In 2009, it launched belts, bags and wallets (<http://titan.co.in/business-divisions>). Titan Company is based on a value-driven culture which fosters innovation, drives performance and ensures the highest global standards with relationships and trust being the pillars of the organization. Titan is an ISO 9001 and ISO 14001 certified company.

Titan Company has also worked to impact the communities around it through various CSR initiatives. What does CSR mean to Titan? According to Sumant Sood, "Beyond the scope of the market, profit would get stagnated if you did not look at the community. CSR is a way of doing things and isn't advertised at all. The product is bought on basis of the merit and not CSR. Thus CSR isn't being bragged about to buttress the brand but imbues in the background of the company based on values". This vindicates the resemblance to corporate social rectitude which highlights the idea of spiritual quotient. Some of Titan's CSR initiatives include Titan Kanya – educating the Girl Child; Titan Scholarship, for poor yet deserving students; the township, which gives accommodations to its workforce; and the Meadow Project, which works with the Mysore Resettlement and Development Agency (MYRADA) to promote women empowerment. The Meadow Project is a social enterprise that helps women from marginalized communities form a cooperative, where they can use their rudimentary skills to serve Titan. Titan then uses its profits to develop their skills, thereby increasing their productivity and earnings. According to Mr C. K. Venkatraman, the CEO of Jewelry Division of Tanishq "Meadow comprised of women coming from needy communities, they hadn't studied beyond matriculation and initially started out helping in laundry, chappati (Indian bread) making. Slowly we learnt we could help them upgrade their skills and initially low value skill knowledge was imparted which improved their production

resulting in an improvement in their earnings and learning capabilities. Today they are also helping us in Jewelry & Precision Engineering by helping us manufacture components and jewelry products. Even though they are not qualified technically, their earning has quadrupled. Therefore it is a sustainable livelihood generation program of social enterprise. It is an enterprise with social aptitude and social consciousness". Iterates Mr Bhaskar Bhat, "the self-help groups, called Meadow are given the components which they assemble and bring back to us. They do not have to buy anything, the payment we make to them is their salary which they share with their coworkers hence this model is somewhat like a cooperative. They have a certain business model wherein an NGO MYRADA is the agency. They have a model with women coming together and sharing the profits. Our engagement is only by the way of giving them work, helping in training them, setting up the infrastructure and continuing to deal with them without cutting off the larger term engagement. We realized that we could make a difference by aligning the business into self-help groups which are self-managed. Thus they are helped in the sustainable business model".

Through the Meadows program, the women are involved in the assembly of watches, jewelry and aerospace components at Hosur. Besides the plant in Hosur in South India, women are involved in the assembly of watches at Pantnagar, Dehradun and Roorkee, assembly plants in North India. Narrates Mr Bhaskar Bhat "Titan has recruited from the hilly areas (these areas are not very economically advanced) and girls have been employed into assembly operations. The village folk are more reluctant to give consent to girls because they are suspicious of large corporations hence older employees were sent in order to convince the parents. We only provide the training, technology and we help in creating the infrastructure, giving our equipment where necessary, tools and so on and they are 100 % Titan unit in a way."

Titan Company has been sensitive to the 'differentially abled' members of society by employing them and providing them livelihood with dignity. Titan Company was conferred with the President of India award. According

to Mr C. K. Venkatraman “Many of the things Titan has done is part of its ethos and culture, there was no compulsion from the government”.

## 4 Striking Gold Through Tanishq

When the Indian economy was liberalized in 1991, Titan decided to venture into the jewelry division in order to explore foreign markets. In 1991, the watch business was good and it was common for watchmakers to enter the jewelry business. Narrates Mr Sumant Sood “India was a market that could be played on, as it was unstructured where each one was trying to undercut the other and thus one could get the best deals. We started exports, but we were not making enough money. The reason for venturing into exports was at that time this factory was set up under a rule wherein we would import a certain amount of machinery only if we export a certain amount of jewelry. They had to do certain amount of exports and it was in the year 1995 that we finally decided to change the setup in India. 75 % export, 25 % domestic slowly transformed into 75 % domestic and 25 % export. The export was primarily B2B wherein Titan was not using its brand”.

In 1996, they launched their first store at Cathedral Road in Chennai under the brand Tanishq, selling 18-karat gold studded jewelry, but the venture didn't take off. In the Indian customer's mind, 18-karat gold jewelry was not considered pure gold jewelry. Anything below 22 karats was considered 'artificial'. In 1998, they decided to test the market by selling a small collection of 22-karat gold jewelry along with the original studded jewelry (50 % 22 karat, 50 % 18 karat); they also brought in the 'karat meter'. They got an overwhelming response from customers for their 22-karat jewelry and this convinced the company about the importance of branded jewelry. The karat meter was a great success as well. Customers who bought 22-karat gold from other jewelers would bring their pieces to Tanishq for testing. They were taken aback when the karat meter showed their jewelry to be 20 karats or lower, hence learning

that their family jeweler was cheating them by 2 or more karats. Thus, Tanishq (jewelry division) brought in transparency with the karat meter in purity measurement. They were also looking to buy old gold which facilitated in the patronage of the karat meter. To woo the customers, they offered free jewelry testing. This brought a lot of ripple in the market, causing other jewelers to feel unsettled. Thus, Titan came up with a campaign to strengthen their business idea which culminated in the advertisement: “There is a thief in your house”. Iterates Mr Sumant Sood “Employees of Titan, needed police protection from the local jewelers who were intimidated by this campaign. Many customers had purchased 22 karat but sold jewelry lower than 20 karats. Tanishq was looking to buy old gold. There were queues of people wanting to check jewelry these people then moved from their family jeweler to Tanishq”.

However, Tanishq was not profitable at this stage since the Indian consumers had eclectic tastes and preferred handmade customized jewelry to machine-crafted studded pieces. Narrates Mr Sumant Sood, “Initially an export outlet, they realized the tastes of the foreign women are different from those of the Indian women hence they started with focus on the domestic women. 90 % of the jewelry is bought by women while men only buy 10 % of the jewelry with 5 % as gifts to girlfriends and spouses”. Gold was also looked at as an investment apart from being an auspicious lifestyle product therefore, Tanishq felt there was a need to diversify and pander to the Indian tastes. Hence, they began outsourcing to different suppliers and experienced a turnaround in their revenues. Its design studio analyzes consumer behavior across the country and comes up with market trends which then facilitate jewelry design with a pan-Indian appeal. Keeping consumer requirements in mind, they have launched a variety of collections. Their popular collections include: Inara, Ganga, Mia, Taj, Jodha Akbar, Glam Gold, Divine Chants (24-carat Bhagvad Gita pendants crafted through nanotechnology) and Iva. Tanishq has also diversified into semi-urban and rural markets through the brand Gold Plus, with diamantine-studded jewelry and 22-carat pure gold jewelry. There are also Zoya boutique stores for the upwardly mobile consumers with three outlets; one in Greater Kailash Part 1 Delhi, one at Warden Road in Mumbai and the other one at Linking Road in Mumbai. Tanishq has brought out branded jewelry in a market primarily dominated by unorganized ‘seths’ (a name commonly used for

the mercantile community in India). Branded jewelry in India only has a 15 % market share out of which Tanishq has a 4-5 % market share. Tanishq has also come up with a gold equal monthly installment (EMI) scheme wherein the customer pays money and an equivalent amount of gold is put into their account, which they can sell to get more money with surging prices of gold touching a peak of Rs 3200 per gram (at the time this was written, one US dollar equaled 60 Indian rupees, translating to 53 USD per gram). (This scheme is no longer run because of the new Companies Act being enforced).

## 5 Golden Heart With Initiatives: Karigar Park and Mr Perfect

While Tanishq was trying to tap into the domestic market, they realized they could save costs to the company by outsourcing to third-party vendors. They started in 2002 and discovered the deplorable conditions of the goldsmiths. Goldsmiths are known by various names across India; in Maharashtra they are called '*karigars*', in Karnataka they are called '*achars*' and in Bengal they are called '*sonars*'. Most of the goldsmiths working with Tanishq are from the Sinthee More region in Kolkata. Goldsmiths have been known to mankind since the chalcolithic period when they would work on mined gold indigenously. Gold jewelry has always held a significant place in the economic environment since ancient times. Archeological excavations at various ruins in the Indus Valley Civilization have revealed gold artifacts. There is mention of guilds of goldsmiths actively engaged in the socio-political environment of India in ancient Indian history. They were also patronized by royalty, however during the British Raj era, royalty rule waned and the guilds disappeared. This gave rise to various trading families who made a fortune in jewelry, spices, indigo and dyes. These families never cared for the goldsmiths who toiled as blue collar workers in inhumane conditions. This trend continued even after India became independent and is experiencing change at a moribund pace.

While Tanishq ventured into outsourcing, they gauged the condition of the karigars and found them to be inhumane. The average karigar was a young adolescent, working in a poorly ventilated room, with a spirit

lamp and a blow torch. He was using cadmium-based solders which are highly carcinogenic. The job was neither continuous nor did the karigars get regular pay. They worked 16-hour days without any regular vacations. By the time they were 40-45 years old, their productivity dwindled and they were physically handicapped with deteriorated eyesight and damaged lungs. They would return to their village and either work as landless subsistence farmers or fall into the trap of money sharks. Therefore the profession of goldsmiths was becoming emaciated. Iterates Sumant Sood “Hence, they would try to educate their kids in order to move them out of the dreadful occupation. Tanishq looked at this issue and tried to revive jewelry making. Indian customers like hand crafted and not machine made jewelry. Tanishq has incorporated 600 karigars, there are around 1 million”.

It is interesting to note here that this initiative of reviving the jewelry trade by promoting the jewellers was born out of a business need. This business need was about getting quality jewelry at a faster rate and having full control over the process to ensure purity. Therefore they started with a pilot project where they learnt more about the karigar and understood the entire model of jewelry making in India. They learnt that the jewelry industry in India was unorganized, unstructured and unregulated. Karigars were recruited in a haphazard manner by the ‘head karigar’, who brought in boys as young as 12 straight out of primary school. The boys would learn by watching and helping and were treated harshly. After a certain age, they became head karigars and continued this process in a cyclic manner. Until 2000, the company was not accruing much profit and therefore there was a business need that resulted in implementation of the pilot initiative.

The first phase started in 2003, when Tanishq decided to treat its vendors as partners in business rather than suppliers. Vendor manuals were created along with measurement metrics defining the parameters on which the partners would be rated. This started the vendor rationalization process. This process continued until 2005 and the confidence of the vendors was gained.

The second phase ran from 2005 to 2007 and culminated in involvement with partners in the growth journey wherein the company had shared its plans with the partners and created a competitive environment.

Here the commitment to social wellbeing and sustainable business can be discerned. Titan Company achieved this through partner meets and karigar camps. The senior management was totally involved as they directly interacted with the partners. Karigar parks were born during this phase—they included a unit with a proper layout for working while sitting on the floor with adequate lighting, ventilation and proper machines.

The karigars had organized themselves in a cooperative with a leader who facilitated interaction with the company. The company identified individuals who trained the karigars on modern manufacturing techniques and proper documentation.

Today there are six centers benefiting 400 artisans being run as cooperatives or dedicated vendors for Titan. Says Mr Bhaskar Bhat “Karigar Park is getting all the crafts under one roof and transforming their lives. It is also benefiting us in many ways since we can get talented workmen to make jewelry for us at a cost which is competitive because once we take them out of the deplorable conditions, the productivity increases so their earning capacity increases while the production costs reduce”. Iterates Mr C. K. Venkatraman “there is an economic benefit as well as a CSR benefit coming out of the Karigar Park. We hope that this will be a demonstration format for other manufacturers in the jewelry industry to follow thereby influencing the way jewelry is manufactured in a couple of generations. Hence the conditions of the artisans who are employed is rather safer, better, economically more suitable and so on”. Thus such a structure has been a conscious effort by the company to benefit all its stakeholders.

The authors questioned whether this facility was stunting creativity among the karigars. However, this fear was removed when the karigars mentioned that the reduction of time through mechanization in the routine work that goes before the making of the jewelry—getting a gold wire or a gold thread—actually helped them to be more creative. Production improved because the system was broken up into processes and the cooperative concept of business was brought in. However, when the management team reviewed the program, Mr Sumant Sood says they felt, “the glass was half empty and half full. So that is when they debated at the management level how to make this equivalent to a factory system bringing in the idea of Mr Perfect.”

The third phase, from 2007 to 2009, was devoted to creating awareness and educating the partners and karigars on the need for change. This was done by showing the karigar parks to all partners and sharing the improvements in productivity with them. It was felt that if the factory setup could be replicated in this initiative, the productivity will be impacted very positively. After much discussion with different partners, the perfect factory was defined and a setup called 'Mr Perfect' was designed with an existing partner. This was achieved by focusing on eight pillars: layout, equipment, material, people, process, systems, safety and environment.

According to Mr. Sumant Sood, "Through the pilot they learnt more about the craftsmen". He went on to explain the transformation of the jewelry industry by saying the following, "the understanding of karigars, led to better manufacturing and symbiosis of both the parties. The engagement with the karigars included providing the equipment, location and providing an intermediary to oversee the activities. This increased productivity and benefits like better work stations based on ergonomics were given which improved their quality of life. Gold was parked with the karigars and karat purity was the essence of paying the karigars. They also had other needs like health insurance, education, family welfare and children education. So there was a need to help them and look after them in order to boost growth." Driven by the social responsibility concept, Titan company ensured that the karigars were provided with ergonomically designed work benches and chairs in a professional working environment with adequate lighting, air-conditioned working areas and defined layouts with safety features. This helped the karigars to improve their earnings and work-life balance.

During this stage, the company had provided the karigars with medical insurance and introduced various rewards and recognition mechanisms. Technology like the factory oracle systems was used to monitor the production levels and gold inventory levels at the vendor locations. This resulted in no documentation for the vendors as stocks and materials were transferred through systems and products moved physically along with system documents.

Titan Company could implement these social welfare activities without any hindrance as it met the Tata tradition of going beyond



the business bottom line. According to Whetten and his colleagues, “the presumption that organizations, like individuals, should be held accountable to society requires a corollary presumption that organizations, like individuals, are capable of intentional, accountable, and self-regulated action”. The realization that profitability without ethical and sustainable considerations would be questioned sooner or later by society where businesses need to operate has been the central theme of Tata culture.

The team at Titan found that initially, the suppliers were hesitant because they didn't agree with the Tata Code of Conduct and felt the lines of ethics were scratching out their earnings but they were soon convinced of the long-term returns such a venture would provide. The business need which led to the *karigar* CSR initiative helped Titan to ensure retention of their human capital (*karigars*) by becoming sensitive to their needs.

The fourth phase from 2009 to 2014 focused on improving technology, social development, logistics with special emphasis on human capital, Information and Communication Technologies (ICT) and technological advancement such as: preparing the bill of material (BOM) for all jewelry items in line with engineering products (this was achieved by sitting with the *karigars* and preparing for each product); estimating elements consumption on daily basis vendor-partner wise and maintaining a two-bin kanban at the vendor's end; releasing purchase orders on a daily basis with the jewelry item variant number; and consolidating the list of elements required to produce that product. This increased the efficiency as it reduced time waste in preparing the items. Ingenuities like replacing the black wax mould method of preparing the jewelry with an RTV mould and other similar initiatives increased productivity considerably.

The latest initiative, the ‘*karigar center*’, has lent a new dimension to this business enterprise with a social conscience. It was inaugurated on 20th February 2014 in the presence of dignitaries in the jewelry industry and the National Skill Development Council (NSDC). The 11,990-square-foot *karigar center* provides each *karigar* with ergonomic workstations, air conditioning and a well-illuminated environment meeting all the safety standards. This center also fulfills all the statutory and legal requirements. Carcinogenic cadmium solders have been replaced by indium solders. In addition, the use of personal protection equipment (PPE) is provided and work station exhaust with scrubbers ensure safe

disposal of hazardous wastes. The karigars are provided accommodation in comfortable dorms with a recreational facility. In addition, the karigars are provided with identity cards, medical assistance, health insurance and periodic health checkups to support and ensure longevity of their working life span.

Narrates Mr Balasubramaniam P., “To ensure comfort in at work and outside work proper lighting, 1000 W level generator, factory outlet, drinking water, seating arrangements, acid mask, safety board, hygienic toilets, gas production, a cook from Kolkata (since most of the karigars are from Bengal) for preparing food and a comprehensive set of recreational facilities have been provided”.

Fixed pay along with regular working hours and public holidays are ensured. Mr Sumant Sood informed, “they made money when their output increased which resulted in improvement of their welfare. Generally it takes 10 hours to make jewelry but here it took 5 hours with improved machines hence production doubled. The karigars were given 6 days to work with a vacation on 1 day. Karigars were working well, the management stepped back and assessed the work”. The production doubled from 100 % to 200–300 % at these locations.

The increased revenues were used to ensure the wellbeing of all the karigars. Its effect was seen since the karigars began getting offers for marriages and could work up to the age of 60 years. Quotes from the karigars like “Mr Perfect mein aane ke baad shaadi ke liye ladki mil jaata hai” (After coming to Mr. Perfect, parents are willing to offer their daughters for marriage) and “Mr Perfect location mein aane ke baad (After coming here) no stain, no pain, no acid abuse we will work up to 60–65 years” are infallible covenants to this model. This model also created a peer pressure in the industry thereby ensuring such standards among suppliers sourcing jewelry to rival companies.

All vendor locations have been transformed into Mr Perfect locations and four karigar centers have been created for karigars at Hosur with state-of-art working environment.

Therefore, Titan Company, through concepts like karigar parks, Mr Perfect and karigar centers has transformed and modernized the jewelry industry. The company has worked to improve the standard of living of goldsmiths and has also helped to revive and glamorize the artisan indus-

try. With the emphasis on innovation, cultural modernism and sensitivity towards the environment and society, Titan Company has worked to benefit all the stakeholders in the jewelry market and has also made whole-hearted efforts to transform the jewelry industry and market. This has helped to increase profits, improve skills and give back to the society. There is no force, even though karigars can join any other company, they are loyal and the trust along with both internal and external satisfaction helps to retain the karigars. This has helped Titan maintain its culture of modernism, which is rooted in Indian culture, by taking steps to revive and modernize the artisan industry. Iterates Mr C. K. Venkatraman, “the Indian artisan or any other artisan talent is typically family based. We felt the way India is exploding on the white collar side in terms of BPOs and software with so many ventures there was a need to revive the artisan culture... The karigar who may be a teenager 17, 18 years old, lives in a dingy hole, is surrounded by fumes and sleeps in the same clothes in which he had worked is subjected to a hell hole. The young karigar feels, while I go to a BPO or Infosys and speak in an Anglicized Indian English, talk to somebody in Britain and work in an air conditioned office making money, so why should I work as a karigar? Therefore we realized that danger of future generations looking at this behavior is huge. Though that danger was not personally large, we felt that we could continue to attract karigars to our region without worrying about this larger behavioral change that may happen in the future generation of artisans but we felt that this is our duty as a responsible corporate body to change industry practices, to transform industry practices so that positive impact may be felt. It is not necessarily supporting the needy but behaving like a socially responsible organization as opposed to behaving like a profit making company”.

Tata has never targeted vulnerable consumers and employees, exhibiting integrity in marketing management, research and strategy. They have taken national issues and promoted them through their product. They do not force consumers to buy the product. Therefore, it is a social enterprise in the context of the Indian society approaching everything from a stakeholder perspective.

What drives the Tata companies onto their golden path? Explains Mr Balasubramaniam P., “It is 70–30, of which 70 is on the system and 30 is on the individual... The initiative works from the top, their idea came

from Mr L. R. Natrajan, the then Chief Manufacturing Officer, who mentored these projects and all of us”.

Concludes Mr Bhaskar Bhat “There is no formal induction on CSR, but the moment you join and begin to grow in the company, the practices of the Tata companies are brought into business and into conscience. As I grew up I was in awe of the companies like Tata Steel and Tata Motors. They were showcased as champions of Tata business and values therefore exposing us to companies like Tata Power, Tata Chemicals etc imbibed in us and made us realize those values. One is integrity, the other is social responsibility embedded in all this is respect for human being so even the way in which we treat our people like employee is very different ... So there are 3 different buckets: Integrity in behavior, treating human employees as human beings is linked to the next wanting to transform the society, giving back to the society. Even if a company was not doing socially responsible work let us say a Tata company since it is early days and many companies are busy developing their business they would have the same philosophy about people, for example you are not hiring mercenaries or people who come to work for the day’s wage. Therefore you are hiring people who need to be treated with respect; their aims and aspirations need to be taken into consideration so for us it is not only the customers but all the stakeholders. So we have to ensure that our customers are not only delighted with our products but are also kept in a relationship”. Jones and Pittman (1982) noted that exemplifiers and self-promoters both want to be admired, but the former are more concerned with projecting integrity than with projecting success. MacMillan et al. (2005) discussed stakeholder commitment (i.e., holding the business in high esteem) and trust (i.e., expecting the organization to act with integrity) as two important reputation components. Titan Company, with its initiatives in the jewelry division, is a self-exemplifier trusted for its commitment to stakeholders’ wellbeing and common good.

## 6 Note

Information and data based on personal interview conducted with different executives at Titan Company© Madhumita Chatterji, Nitha Palakshappa. October 2013 (updated in July 2014).

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All direct quotations are taken from approved interview with Titan representative.

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# 13

## Spirituality and Effectiveness in Today's Workplace

A. Lakshminarasimha

The digitized workplace of today is result-oriented and very dehumanizing. This arises partly due to the highly competitive environment in which businesses have to function in the twenty-first century. The result is that the goal/role stress combined with the interpersonal relationships (human relationships with colleagues, goal-oriented interaction with team members—both face to face and virtually, and the ever increasing and ambiguous demands of the boss/bosses) creates turbulence in the mind of the individual, which affects productivity, disturbs peace and harmony and creates a negative atmosphere at work. This negativity also often gets carried by the individual into the home. The consequences are quite serious on the body and the mind.

Will internalizing and following relevant spiritual thoughts—as offered by spiritual leaders, Indian spiritual traditions and leading management thinkers—help the 'knowledge worker' to derive a deeper meaning in life and work effectively in the business environment? How does one overcome the deleterious effects created by stress using a spiritual edict? These thought lines are investigated through a study of The Vedas, the Upanishads, the Bhagavad Gita and the greatest minds of

India such as Swami Vivekananda, Sri Aurobindo and Sri Rabindranath Tagore along with management thinkers such as Peter Senge, Peter Drucker and others.

An exploratory study shows an immense potential for further in-depth analysis to determine spiritual and practical models, which can be applied to the work place of the twenty-first century.

## 1 Understanding Stress in Today's Workplace

The knowledge worker of today is buffeted by two major parameters: the external economic condition and the ever-increasing usage and dependence on computers and the internet.

Today, the economic climate in most countries is fluctuating. In most organizations, budget limitations and layoffs have become bywords. This results in increasing uncertainty leading to insecurity and fear. Added to it is the stress created by the bosses.

There are many scholarly articles on stress in the workplace, especially published on research in the US. Cooper and Payne (1988) have edited a book on the causes, coping and consequences of stress at work. In today's workplace, technology is adding to this stress with gadgets such as mobile phones, e-mails and internet, which chases anyone all through the day and night.

Occupational stress has been defined as a 'global epidemic' by the United Nations' International Labor Organization (Maxon 1999). In India, the workplace stress dimension takes a local cultural turn.

It has been gathered during discussions with engineers in the information technology (IT) sector in leading companies in Bangalore that knowledge workers at the bottom of the pyramid feel the stress, especially when there is a need to attend to family matters, such as an ill elderly father or mother. Their immediate bosses may not appreciate their needs and despite hard work, their effectiveness goes un-noticed. This builds up a lot of stress. Pestonjee (1999) identifies the following sources of stress:



1. Role ambiguity due to lack of clarity of the role.
2. Role expectation conflict due to different expectations of different significant persons.
3. Role overload due to too many expectations from significant persons.
4. Role erosion due to transfer of some functions (which rightfully belong to one person) to others.

Managers in most modern organizations in India have leadership roles but do not have the adequate ability required of leaders. This becomes a major source of stress for their subordinates (Lakshminarasimha 2008).

Some thought from our ancient texts, from Kathopanishad and Keno Upanishad:

*Aum, sha nau avatu, shanau bhunaktu,  
Saha veryam karava vabhai, tejawi nau  
Adhitam astu, ma vidvishavabhai*

Let us be protected together, let us be nurtured together, let us work with energy together, let us learn with effectiveness together, let us not have friction among ourselves. (Chakraborty and Chakraborty 2008: 165)

While the physical effects of work stress are often emphasized, the economic consequences are alarming. In the US, it is estimated that workplace stress costs American employers an estimated \$200 billion per year due to absenteeism, lower productivity, staff turnover, and so on. (Maxon 1999). Considering this, stress management may be business' most important challenge for the twenty-first century.

Of course, stress is a factor in everyone's life, particularly during major life events, such as marriage, divorce or buying a home. But according to the Holmes-Rahe Life Events Scale, which rates the levels of stress caused by life events, many of the most stressful events are related to the workplace: firings, business readjustments, changes in financial status, altered responsibilities, switches to different lines of work, troubles with the boss, variations in work hours or conditions, retirement and vacations. (Holmes and Rahe 1967).

Increased stress may lead to unhealthy behaviors such as smoking, comfort eating, poor diet choices, inactivity and drinking alcohol. These are purported to be done to manage stress. Such unhealthy behaviors can degenerate into serious health problems ([helpguide.com](http://helpguide.com)).

Some thoughts from Peter Senge's perspective are relevant here: In the modern world, the rational-economic view point prevails. It is programmed into us from a very early age. It should be noted that ultimately it cannot replace the deeper awareness, which says that there is more to life than how much an individual can acquire. He infers from Eric Hoffer, a famous philosopher of the twentieth century: Senge (2003) opines that one can never get enough of what one does not really need to make one happy. Two statements emerge from this:

- It is human nature to acquire ... You actually start to be convinced that the key to your happiness is that car, you are about to buy.
- The economic system in which we exist deludes people about what will make them happy and creating thereby a self-sustaining engine, based on insatiable desires.

This paper focuses on the management of work-related stresses through spirituality and thereby improvement of effectiveness at the modern workplace. Peter Drucker also says that mankind needs to return to spiritual values (Wartzman 2010).

## 2 Understanding Spirituality

Morgan (1993) describes spirituality as the ability to transcend the physical limits set by time and space. It also implies the ability to reason and seek meaning. Spirituality includes our perception of ourselves, an adherence to values and being ethical, while maintaining a belief system. It is an evolutionary process that necessitates a striving for transcendental values, meanings and discovering knowledge of an ultimate reality.

Anderson and Wortham (1997), propose that spirituality is based upon three factors:

- An awareness of the existence of a supreme power
- A deep yearning to connect with this divine entity
- A belief that this power is positively oriented towards the world and its beings

Being at the pinnacle of animal kingdom, man has been bestowed with abilities to elevate himself further or crash down. These abilities are measurable, quantified and expressed as spiritual quotient (Lakshminarasimha 2008).

Spiritual quotient, according to Tekkeveettit (2001), involves the ability to:

- Be flexible
- Be self aware
- Face and use suffering
- Be inspired by a vision
- Establish connections between diverse things
- Cause as little harm as possible
- Probe and ask fundamental questions
- Work against convention

Spirituality could be defined as the state or quality of being neither physical nor material, but of the soul apart from matter ... Spirituality is a subtle perception of not what meets the senses and influences the mind, but of what intuitively arises from within, rooted in the Universal Self, rather than in the limited body-mind complex. (Lakshminarasimha 2008: 41)

Chakraborty and Chakraborty (2006) believe that both ancient and contemporary authorities affirm that spirituality has meant acceptance and realization of the Power, higher than the human mind. They have also realized that this resides below the surface mind.

To understand spirituality one must ponder over a deeply structured subjective perspective of the world, as well as an objective one.

A deeply structured subjective perspective involves an understanding of the universe, based on the following tenets:

- The infinite (Eternal) is the foundation of the finite (the changing).
- The ‘whole’ includes the finite and the infinite.
- The individual has two selves: the empirical outer ‘self’—an instrument for action, and an internal ‘Self’ within.

Further:

- Our mental faculty is insufficient for ‘knowing’ the ‘whole’.
- Receptive mental silence with a desire for directly perceiving the whole (the ‘Self’ within) is absolutely required.

An objective perspective is what all of us is conditioned to use from birth to death. We look at the world as objects with various laws governing their function and behavior—laws such as physics, chemistry, biology and so on, which helps the mind of the body-mind complex to make better sense of the ‘world of objects’ and also helps us to derive a degree of ‘comfort’ and quite a bit of ‘happiness’ and also to experience ‘pain’ and ‘unhappiness’; incidentally it is the same relationship with objects, which results in ‘success’ and ‘failure’. In the modern world, the objects are often substituted by an imputed value called money and the more the potential one has in terms of the imputed value, the more potential happiness or comfort one can get in the objective world. And it is in this world of money-rated ‘happiness, comfort, object possession or control’, that people who mostly dwell in the empirical outer ‘self’ live and die.

Spirituality is a deeply structured subjective perspective, whereas the ‘normal’ perspective of life is objective perspective. These two perspectives are in different planes. One needs to move from the ‘objective perspective’ plane to the ‘spiritual’ plane to be able to appreciate spirituality. Spirituality does not require religion or religious practices as most of these are in the ‘objective plane’. In spirituality, God-form transcends God-concept, i.e. from the physical perception through the senses to mental perception and then the mind is transcended ultimately to become ‘THAT’. Religion operates at the physical level whereas spirituality goes beyond.

The above requires self-discipline and will result in experiential realization. Translated into psychology, the foregoing means use the dormant

'right brain', while stilling the hyperactive 'left brain'. (Chakraborty and Chakraborty 2008). Sri Aurobindo likens the 'internal self' to the 'higher self'. "It is inmost being of all; a perception of truth, which is inherent in the deepest substance of the consciousness, a sense of good, true, beautiful ... is its privilege" (Sri Aurobindo 1989: 25).

Again to put a firm finger on the self, we turn to Sri Aurobindo (1989: 32–33):

Self remains ... pure and stainless, unaffected by the stains of life, by desire and ego, and ignorance. It is realized as the true being of the individual, but also more widely as the same being in all, and as the Self in the cosmos

The first realization of Self as something intensely silent and purely static is not the whole truth of it; there can also be a realization of Self .... As the condition of world activity and world existence.

Thus we may safely conclude that our normal 'self', the ego (the body-mind complex) is driven and has deficits, which it seeks to fulfill, whereas the 'Self' (the higher self represented by capital "S") is complete in itself. To elaborate further, the normal 'self' has to have attachments in order to survive and 'succeed and be happy', whereas the 'Self' in us is 'complete and perfect in itself', it needs nothing more to contribute to it. The lower 'self' looks for 'secular success' to attain 'happiness' while the higher 'Self' within us needs nothing more and is 'spiritually perfect'.

At this point in time, it is worthwhile to spend some thoughtful moments over Bhagavan Sri Ramana's words as reflected in Maha Yoga of Bhagavan Sri Ramana by Who (1984: 192):

Meditation is a battle to hold on to one thought to the exclusion of all other thoughts. Breath regulation is required only if you cannot control your thoughts. Follow the quieting of the mind with concentration. With practice the mind will become quiet as soon as meditation is attempted. When meditation becomes established it cannot be stopped and will go on even during work, play and other activities. Meditation extinguishes all thoughts and then the Truth alone remains.

This may be supplemented by a few thoughts from Brahma Rishi Vasishtha:

This world appearance is confusion: even as the blueness of the sky is an optical illusion. I think it is better not to let the mind dwell on it but ignore it. (*I- 3/2 The Supreme Yoga by Swami Vankatesananda 2005: ix*)

As indicated by Swami Venkatesananda (1976), there are four factors which should be fulfilled to attain spirituality as given in Yoga Vasishtha:

- Self-control
- Spirit of enquiry
- Contentment
- Good company

In his book *The Seven Spiritual Laws of Success*, Deepak Chopra (1994) has distilled the thoughts of the Great Seers. Table 13.1 represents a paraphrasing of his presentation.

### 3 Stress Alleviation

From time to time, even in the midst of furious pace of work, try to feel *your inner being* as detached. This you have to sense at every moment, repeatedly ... there it is calm, silent and pure. No, by no means shall we allow an external agitation to enter there ... the lament of sorrow does not reach there; there the roar of anger is calm! (Tagore 1999: 130)

Eckhart Tolle (2002) has also provided specific practices to help discover the sacred presence of your Being. The essential objective set by him is to be at ease always by accepting each moment fully. This involves, among other practices, being non-judgmental, practicing detachment and accepting what is. This has been called by him as the Power of NOW.

Research studies in the West indicate that spiritual people manage stress well. They also reveal that women performing the roles of men exhibit the same stress-related health issues, e.g. heart attack, high blood pressure, insomnia and so on. (Morse and Stress 1979).

Let us look at the two approaches to mitigate stress

- The quantitative scientific approach
- The qualitative, experiential and intuitive approach

**Table 13.1** Spiritual laws of success

Sl	Source	Law	Application	Observation
One	The Rig Veda	<i>The Law of Pure Potentiality</i> We are essentially pure consciousness, which has attributes of pure knowledge, infinite silence, perfect balance, invincibility, simplicity, and bliss. (In the beginning there was neither existence nor non-existence, all this world was unmanifest energy ... ( pure consciousness), That One was, by His own power, Nothing else existed.)	To get in touch with pure potentiality one has to simply BE by maintaining inner silence for some time. Meditation can help in this. Communing with nature for some time also helps.	Practice of non-judgment helps to maintain access to your true essence.
Two	Rabindranath Tagore , Gitanjali	<i>The Law of Giving (or Law of Exchange)</i> You are dynamically interacting with the cosmic energy and thought. (This frail vessel thou emptiest again and again, and filled with fresh life.)	Remember that as you give so you receive.	Try to give so that you may receive

(continued)

Table 13.1 (continued)

Sl	Source	Law	Application	Observation
Three	Swami Vivekananda	<i>The Law of 'Karma'</i> karma is the eternal assertion of human freedom ...	Your past actions help you reap the current fruit.	If a work has to be done by you, it will inevitably happen.
Four	Lao Tzu	<i>The Law of Least Effort</i> Nature's intelligence functions with effortless ease ... (An integral being knows without going, sees without looking, and accomplishes without doing.)	"When you surrender to what is and so become fully present, the past ceases to have any power. The realm of Being, which had been obscured by the mind, then opens up." (Eckhart Tolle 2002, p. 144)	Accept the result without struggle, 'Just do it'.
Five	The Rig Veda	<i>The Law of Intention and Desire</i> Every desire has the mechanics of fulfillment built in. (Desire as in the beginning of creation provides the connection between the existent and non-existent.)	Trust the infinite organizing power of intention.	Just stop worrying about the future.



Six	The Mundaka Upanishad	<p><i>The Law of Detachment</i>                  Step into the future of uncertainty with detachment and surrender to the Creator.                  (Like two golden birds perched on the same tree, intimate friends, the ego and the Self dwell in the same body. The former eats the sweet and sour fruits of the tree of life, while the latter looks on with detachment.)</p>	Commit yourself to detachment.	Detach and observe what happens.
Seven	Dr. S. Radhakrishnan	<p><i>The Law of Dharma</i>                  Everyone has a purpose in Life, and a unique talent. Match it with unique needs and you have exultation.                  (Dharma is used to connote all the means for the achievement of the different ends of life.)</p>	Recognize your unique talent and use it to create.	Try to be creative for that is the purpose in life.

## Approaches to Mitigate Stress

Based on the quantitative approach of Pestonjee (1999), it may be surmised that at the individual level, in case of conflict between the self-concept and that of integration, the situation would need analysis of the various aspects of the role and acquiring the skills to bridge the gap. However, role negotiation would be more relevant in case of conflict between the role and the expectations. Also, in case of role overload prioritization would be required.

At the organizational level, to become more effective, a stress audit is recommended, and checkups with the company doctor and spreading the message of work-life balance including leisure, diet, exercise and mental peace would have to be followed. These could be supplemented with stress management programs or assistance-intervention programs.

It may be noted that these interventions are temporary palliatives in the sense that their enduring efficacy seems doubtful because they do not go into the root cause at the individual level.

## The Qualitative, Experiential and Intuitive Approach

This focuses only at the individual level and seeks to achieve ‘inner anchoring’ and ‘emotional integration’ (Swami Akhilanada 1950):

- (a) Create a steady mental atmosphere through a study of teachings of realized persons.
- (b) Develop a higher philosophy beyond one’s career only.
- (c) Direct emotions towards the Super Personal and thereby create an elevating hub at the centre of life’s wheel.
- (d) Practice control over dis-values such as anger, rivalry and greed. Thereby prevent stress.
- (e) Cultivate higher human values—contentment, gratitude ... to quiet the mind. This will enable integration of emotions.

Interestingly, Western thought streams in psychology consider some order of stress as beneficial in the workplace. However, Eastern thought

on leadership suggests that any stress is negative, since it is an energy dissipater (Chakraborty and Chakraborty 2008).

Chakraborty and Chakraborty (2008) suggest a strategy for stress management, based on the Indian tradition:

- Promote regeneration from stress to challenge.
- Prevent degeneration of challenge to stress.
- For external and uncontrollable stresses, Samatva is recommended.

Akhilanada (1950) suggests the following six steps to achieve Samatva:

1. Desire integration.
2. Accept a higher philosophy of life.
3. Direct emotion to the Higher Power.
4. Express inner divinity.
5. Cultivate higher tendencies.
6. Practice concentration.

The Bhagavad Gita asserts Samatva as even-mindedness (Verse 48 *samatwam yoga uchyate*) (Chidbhavananda 1986).

Csiernik and Adams (2002), in a study of 154 helping professionals from seven different work environments, employed five different measures to examine the impact of stress on spirituality and of spirituality on workplace stress. Overall, it appeared that for this non-random sample, spirituality contributed to wellness, particularly in the workplace. Spirituality has historically been seen as an inner source of strength, especially when dealing with uncertainty and chaos in one's personal life. That it should also help in ameliorating workplace stress and be important in one's working life should then be no surprise.

The two main approaches to stress alleviation are depicted on Fig. 13.1.

The Western quantitative approach of having an individual initiative and an organizational initiative are very much implementable, but has short-term benefits. It does not look at the deep root causes. However, it can be implemented in the short term.

In the long term, the more difficult and individualistic spiritual approach would have a greater benefit. The spiritual approach takes

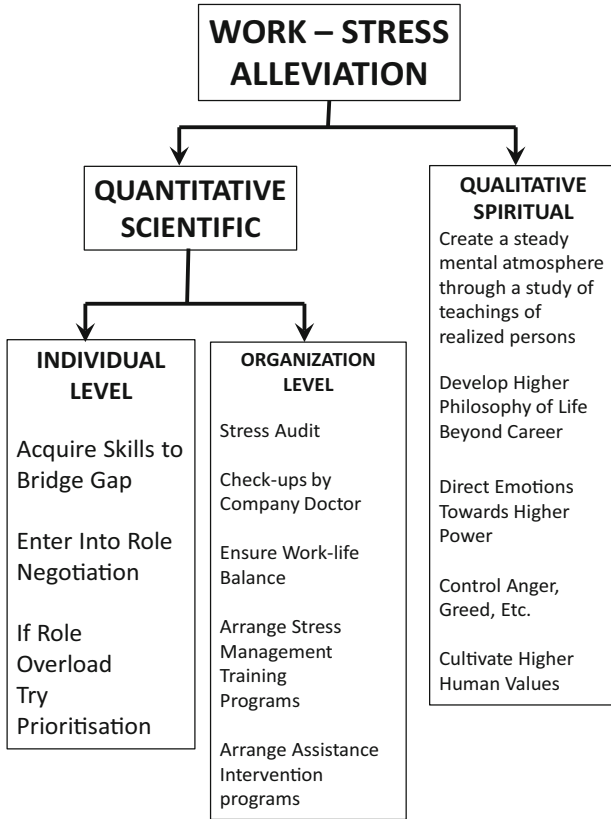


Fig. 13.1 Work stress alleviation

time depending on the inbuilt/acquired tendencies of the individual. As such this approach is better cultivated at an age, when the individual just begins his or her career. It is felt that while the spiritual perspective may have a permanent hold effect on stress, it requires a great amount of internal thinking, reviewing and sifting of thoughts, including reading authors quoted in this article and beyond. Bhagavan Ramana says “Meditation differs according to the degree of advancement of the seeker. If one is fit for it, one might directly hold the thinker, and the thinker will automatically sink into his source, namely Pure Consciousness. If one cannot directly hold the thinker, one must meditate on God; and in due

course the same individual will have become sufficiently pure to hold the thinker and sink into absolute Being” (Cornelssen 1991: 35).

## 4 Conclusion

Work stress has increased tremendously in modern times. This has resulted in severe psychosomatic issues. For managing it, we have two approaches:

- A scientific one, which is more akin to a ‘quick fix’ approach
- A spiritual approach, which is basically long term

It is suggested that both approaches are required. The scientific approach is very relevant, when an emergency situation exists. The spiritual approach is more curative and long term, as such it is a must. Vivekananda (1898/1962: 477) warns “On one side, New India is saying, ‘What the Westerners do is surely good, otherwise, how did they become so great?’ On the other side, Old India is saying, ‘The flash of lightning is intensely bright, but only for a moment; look out boys, it is dazzling your eyes. Beware!’”

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# 14

## Spirituality at the Bottom of the Pyramid

Arun Raste

Modern day employees seek a sense of purpose in their work and like to align their personal values, belief system and ethics with the organizational values, culture and business ethos. While there has been a lot of discussion about the sense of purpose and contribution to community in the workplace in the mainstream business sector, not much thought has been given to the situation at the bottom of the pyramid. This paper explores the presence of collective spirituality, value systems and ethics in groups, which are at the bottom of the pyramid, and the impact spirituality, has on the work life of people. It is also an exploration of organizational spiritual orientation and its effects. The studied group is Mumbai Dabbawalas.

### 1 Dabbawalas in Mumbai

Hemmed in by water, the island city of Mumbai is one of the smallest, yet most populated global cities. The business districts and offices are located in the south, while common people, who work in these offices, live in the north. Therefore, a lengthy commute in an over-crowded local train is an

everyday reality for the quintessential Mumbai resident. Instead of going home for lunch or eating out in restaurants, which becomes unaffordable, many office-goers prefer to have a cooked meal sent from their homes. The meal is sent in dabbas (Tiffin boxes) carried by dabbawalas (those who carry Tiffin), who have a complex association and hierarchy across the city.

A collecting dabbawala, usually on bicycle, collects dabbas either from a worker's home or from the dabba makers. As many of the dabbawalas are semiliterate, the dabbas carry distinguishing marks on them, such as a color or group of symbols. The dabbawala then takes the dabbas to a designated sorting place, where he and other collecting dabbawalas sort (and sometimes bundle) the lunch boxes into groups. The grouped boxes are put in the coaches of the local trains, with markings to identify the destination of the box (usually there is a designated rail coach for the dabbawalas). The markings include the railway station to unload the boxes and the destination building delivery address. At the destination, boxes are handed over to a local dabbawala, who delivers them in the offices in the vicinity. The empty boxes are collected after lunch or the next day and sent back to the respective houses.

This service is originated in 1880. In 1890, Mahadeo Havaji Bachche and Ananth Mandra Reddy started a lunch delivery service with about a hundred men. A charitable trust was registered in 1956 under the name of Nutan Mumbai Tiffin Box Suppliers Trust. The commercial arm of this trust was registered in 1968 as Mumbai Tiffin Box Supplier's Association. The service is almost always uninterrupted, even on the days of severe Mumbai rains. The dabbawalas and their clientele know each other well and often form bonds of trust and dabbawalas are generally well-accustomed to the local areas they cater to.

It is an extensive delivery chain, and the precise execution of their day-to-day operations is dependent on trust, teamwork and time management. Such is the dedication and understanding of these semiliterate delivery men (there are only a few delivery women), who form links with no system of documentation at all. A simple color-coding system works as an identification system for the destination and recipient. There are just three layers of management. Each dabbawala is required to contribute a minimum capital in kind, in the form of two bicycles, a wooden crate for the Tiffin, a white cotton kurta-pyjamas, a Gandhi-cap, which



has become their trademark, a Tulsi chain under the collar, and a red teeka on the forehead. The return on capital is ensured by monthly division of the earnings of each unit.

Most of the dabbawalas come from the Maval Taluka (block) of Pune district and a new member is recruited from 30 villages in and around Pune. The close association of these employees with each other contributes to the organization's performance. The only recruitment criterion is a 'guarantee'—essentially, a verbal assurance of the candidate's character—by an existing member. Most people tend to refer their friends or family members, who belong to the same community.

Over the years, the dabbawalas have become a growing community of busy delivery men, who carry out their work with honesty and commitment. This is because each person in the value chain is selected very carefully and with due recommendation only. The implication of the word 'recommendation' is different from the common parlance—the referrer assumes responsibility for the incumbent's conduct throughout his working life.

## 2 Business for the Masses

This is a business for the masses by the masses. Uneducated people, who have limited opportunities in life, are given a purpose and a vocation that gives them self-respect and pride. The service is invaluable to workers who cannot afford to eat out; it offers them a healthy, viable home-cooked lunch alternative at an affordable price. The entire operation is carried out sustainably with minimal consumption of natural resources, using trains, cycles and handcarts.

The dabbawalas take their role as *annadatas* (provider of food) very seriously. For them, the delivery of Tiffin is much beyond a job—it means quelling the hunger that strikes the customer. And so they move about their mission briskly with a smile, making sure they are never late and have minimal mistakes. The entire network functions flawlessly because every member takes complete ownership and is driven not to let his fellow community members down—come rain or shine. The dabbawalas have more of a sense of autonomy and accountability. The system itself demands that. The most vital link in this chain of food delivery is human capital.

The dabbawalas belong to a sect called *Varkari* (loosely translated as the Pilgrim Group) that regularly chants songs of praise to the Lord. The philosophical approach to life exhibited by the uneducated people in Maharashtra and neighboring regions—the preservation of morality, ethics and a kind of rustic pragmatic honesty that has become the distinguished characteristics of the Varkari followers in this region—owe its existence unarguably to Saint Tukaram and his teachings through 6000 poems, which still survive (called *Abhanga* or *Tukaramachi Gatha*). Their daily *bhajans*<sup>1</sup> sessions seem to play an important role in relieving the day's stress. They truly embody a living, where one looks beyond materialistic earnings and serves with commitment for a cause. 'Be contented in what you have' is the principle that governs their life. This is particularly surprising because the members earn just about Rs 6000 (\$100 USD approximately) a month.

The individual spirituality and a higher sense of development have led to sustained excellence. The dabbawalas believe in doing their work properly and have been ensuring that the 'zero error' flag is held high and their operations have a six sigma fulfillment rating, which means only one mistake in 6 million chances. While they are vegetarians, they do not discriminate against people of any religion and sect and do not hesitate to carry non-vegetarian food items and do it as any professional would do their job. They continue with their job irrespective of gains or fame, without thinking about any gain. Maybe that's why success and popularity is chasing them.

Contemporary authors suggest that spirituality develops inner peace and forms a foundation for happiness. Meditation and similar practices may help any practitioner cultivate his or her inner life and character. Ellison and Fan (2008) assert that spirituality causes a wide array of positive health outcomes, including 'morale, happiness, and life satisfaction'.<sup>2</sup> The dabbawalas propagate that the correct amount of

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<sup>1</sup> Bhajan is any type of Hindu devotional song. It has no fixed form: it may be a simple or sophisticated rendition of music based on classical notes it is normally lyrical, expressing love for the Divine.

<sup>2</sup> [http://articles.economictimes.indiatimes.com/2013-10-09/news/42864162\\_1\\_dabbawalas-siemens-india-medium](http://articles.economictimes.indiatimes.com/2013-10-09/news/42864162_1_dabbawalas-siemens-india-medium)

human dependence can yield amazing results. Grounded religious faith development is recognized as an important and deeply personal part of growth for many people, one that can help them more easily recognize their vocations.

The dabbawalas are driven by a compelling vision of serving customers at a very affordable cost—catering to all sections of society. The most vital link in this chain of food delivery is human capital. The procedures could have been laid down over a century ago, but it is the *implementation* of the procedures that makes the system work.

“Spirituality is in convergence with all the cutting-edge thinking in management and organizational behavior”, says Hamilton Beazley, a former oil-company executive who now teaches at George Washington University. “It creates a higher-performing organization.”<sup>3</sup> In the case of the dabbawalas, this is recognized as delivering dabbas with a six sigma level of accuracy.

The threads of integrity and honesty hold the dabbas together. Though it is lunchtime for dabbawalas also, the aroma wafting from the dabbas has never tempted them. Overcoming a basic instinct like hunger is possible only because of strong roots in a culture that encourages truthfulness and integrity. The dabbawala system is a democratic system, in which everyone in a group is paid the same amount after deducting expenses like train tickets.

The dabbawalas have a sense of autonomy and accountability. The system itself demands that the dabbawalas’ performance can only be understood if we study the entire system—their culture, management, organization and processes—and how these factors interact with each other; the dabbawalas operate on the *Chanakya* system of *Sama-Dama-Danda-Bheda*<sup>4</sup> for the errant members. This ensures that the errant member stays within the system. They are also extremely particular about time, and realize the value of every second in the value chain. So much so

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<sup>3</sup><http://www.zoominfo.com/p/Hamilton-Beazley/119046274>

<sup>4</sup>Sama dama Danda Bheda is a political methodology to approach a given situation. Start with conciliation or gentle persuasion (Sāma). If that does not help, offer money/material wealth (Dāna). If that still does not change the status quo, use threat or cause dissension (Bheda). Use punishment or violence (Danda) to resolve the situation where the previous three fail.

that when Prince Charles wanted to meet them, they gave him a precise time slot, so that their thousands of customers would not have to skip their lunch.

Spirituality in the group of the dabbawalas goes much beyond an expression of religion or practice of religion. There is a pursuit for a spiritual dimension that not only inspires, but creates harmony within the group, the society and the universe at large. Without getting into the intellectual arguments, these not so educated people forge relationships between themselves and the infinite. Irrespective of physical hardship and daily stress associated with life in metropolitan Mumbai, the dabbawalas search for transcendent meaning, often through music or a set of philosophical beliefs. The bhajans and recitation of the Sant Tukaram provides an unseen halo of positive vibrations around them.

The glow on their faces comes from complete contentment with their lives. Though they have just beads around their neck, they seem to possess all the happiness and riches in life. For them, workplace spirituality is about accepting a specific belief system.

The dabbawalas as a group exemplify that spirituality at work is about practitioners who understand themselves as spiritual beings, and who have a sense of calling that provides meaning and purpose for their lives. It is also about membership, where people experience a sense of belonging and connectedness to one another and their workplace community. Spiritual values they hold about integrity, service to others and respecting others and the planet are the cornerstones of their business.

### 3 Conclusion

Businesses and people like us need to look around and discover many noble souls like the Mumbai Dabbawalas. These souls may not have received the limelight yet, but continue to carry out their work quietly. The Mumbai Dabbawalas exemplify that if one is happy to connect with the almighty and develops a keen eye to notice positives, than s/he can achieve success in every endeavor.

# 15

## Eco-Spirituality and Regenerative Entrepreneurship

Nel Hofstra

Eco-spirituality can become a core competence for successful business performances. This proposition is based on the observation that the debates on sustainable economic ‘growth’ only paid partial attention to the problem that sustainable business strategies, integrating eco-spirituality, can offer new challenges to different types of material and non-material growth. This chapter begins with a critical discussion on sustainable entrepreneurship and continues with a consideration of the place of nature within business and economics and the role of regenerative eco-innovations. It continues with comparing different spiritual as well as economic perspectives on doing business. It suggests that sustainable entrepreneurship must be challenged nowadays by more inspiration and spirituality on the concept of nature. Regenerative business then is the process in which businesses innovate to continue and stimulate the vitality of the eco-system toward and beyond value creation for humans and nature.

## 1 Introduction

The Earth is a complex system of interrelationships among the air, water, soil, animals, plants, and microbes. Prigogine calls it a nonlinear, dynamic system capable of performing in far-from-equilibrium conditions (Nicolis and Prigogine 1989). Historically, Western science paid little interest to the concept of a *sacred* Earth. From the age of Enlightenment to the stage of the industrial revolution, nature was dominantly perceived as a stock, a commodity and a means to achieve economic goals. Western and Eastern science are different in their approaches. Western science is based on the idea that nature is rational and homogeneous and that some universal rules can be found and predicted. Eastern science does not have this parsimony, but stresses variety and specificity.

At one level, the growing predictive ability of Western science produced a strong intellectual life, but on a second level, the determinism of the physical world caused a dualism in which determinism was seen as ‘evil’ and a spiritual world was attributed with positive morals (Olson 1982: 61). This dualism looks as if it is unbridgeable. Yet today more and more Western scientists agree that there are limits to the rational knowledge that scientists can have about nature (Hofstra 2011). John Mohawk described this dualism as follows: “We are reaching a place in which there’s ever-wider agreement that *poetry* gives us as much information about our relationship with the universe as telescopes do, and that those two strains can live together and complement one another harmoniously. Those two things can happen, and that’s actually not dissimilar to my culture, which asserts that on the one hand there are dreams and visions and on the other hand there’s a responsibility to maintain a clear vision of reality. Those two streams of thoughts and reactions have to live cooperatively together” (Mohawk 2008: 49). These converging developments are the beginnings of a new epoch, the beginnings of a regenerative era (Ausubel and Harpignies 2004).

## 2 Central Question

In his book, *A Spiritual Audit of Corporate America* Mitroff examined the role of spirituality in companies and came to the conclusion that spirituality makes them more creative, competitive and profitable. (Mitroff

1999). The mechanical Western business model does not leave much room for spirituality. The power of the model is its potential to measure tangible results. Business life can be approached in a rational way, which suggests an objective way of acting and opens up the possibilities for controlling things. In the meantime, this is also the weakness of the model. Not all actions can be approached rationally. Neither can it be claimed that phenomena outside the model would be non-real. Life as well as business is full of contradictions.

These dichotomies cannot be explained nor solved by the assumed linear patterns of the mechanical model, but need a holistic approach based on contingent processes. Between realism and idealism we can recognize a dialectical process. To be successful in business within the dynamics of economic and ecological life, reciprocal interests are of significance. These interests can be material and non-material, secular and spiritual. The overcoming of these supposed dualisms between Western and Eastern philosophy is a challenge and an opportunity for entrepreneurs who are willing to combine ‘the best of both’ in order to develop regenerative businesses. We consider regenerative business as the process in which business innovates to continue and stimulate the vitality of the eco-system toward and beyond value creation for humans and nature. This brings us to the following question: Can eco-spirituality make secular sustainable businesses more successful?

This paper starts with a critical discussion on sustainable entrepreneurship and continues with a consideration of the role of nature within business and economics and the contested nature of today’s eco-innovations.

### **3 Critical Discussion on Sustainable Entrepreneurship**

There is a growing interest in sustainable entrepreneurship, because of value creation in the long term, increasing responsibilities and accountabilities for ecological destructions and last but not least the commercial opportunities to create new markets. But there are some critics. “We must be very wary of those who offer simplistic solutions to complex problems, especially when their wider agendas are unclear” (Welford 2004). In 2013, Nike’s overall reputation rating moved up because they opened

their sustainability performance (Nike Materials Sustainability Index) to designers and embraced the Sustainable Apparel Coalition.

It happens all too often that business use sustainability images to mislead consumers, promoting themselves as ‘green’. This is called ‘green washing’. Nonetheless, the so-called ‘green’ companies do not challenge the current business models and consumption patterns. They mainly focus on commercial goals and try to introduce environmentally efficient processes via minimizing energy use, pollution and waste but they are not interested in eco-effective measures (Hofstra and Huisingsh 2014). Environmentalists are also confronted with critics to support an ecosystem model for establishing environmental law and policy, assuming that large-scale natural processes can be guarded by an overarching ‘system’ without taking into account the dynamics of the eco-system. Ecosystems are far from being stable and balanced. They are characterized by chaos, constant flux and relative unpredictability (Zimmerman 2001).

Sustainability is a concept that does not automatically give a new paradigm to integrate and revitalize economics and the environment. Its underlying assumptions can be questioned. The conceptual idea of sustainability is mainly anthropocentric. Ecological renewal requires the change of the unethical business attitudes towards nature which are responsible for the destruction of the Earth.

Mainstream articles take as point of depart the economic view on sustainable entrepreneurship. For example, Cohen and Winn (2007) define sustainable entrepreneurship as the examination of “how opportunities to bring into existence ‘future’ goods and services are discovered, created and exploited, by whom, and with what economic, psychological, social and *environmental* consequences”. They suggest that the addition of environmental consequences offers an expanded and significantly modified definition for the field of entrepreneurship (Cohen and Winn 2007: 35).

Kuckertz and Wagner hypothesized that sustainability-oriented entrepreneurs will have a higher propensity to perceive entrepreneurial opportunities resulting from unsustainable economic behavior (Kuckertz and Wagner 2010: 528). This is an important fact about the way we think about sustainability, but still does not say what the concept of sustainability actually encompasses.



Sustainability is not a value-free concept. For example, Pauli (2010) criticizes industries for often finding natural substitutes for toxic products, but continuing to manufacture them in the traditional mode that is responsible for ecological destruction. He asserts that the inspiration from nature is not a simple shift in market standards. “The molecule and the manufacturing system must be inspired by natural processes to create the desired convergence toward sustainability” (Pauli 2010: 74). These types of sustainable solutions go far beyond secular core business practices.

## 4 Role of Nature Within Business and Eco-Innovations

Enterprises are faced with the neoclassical economic idea of the allocation of nature, labor and capital. Nature, traditionally, is seen as a production resource. The economist Ely already showed serious concerns about the simplicity of the idea that the rent of land was the only value created by the production factor of nature. He predicted that one general principle would not solve the land problems arising out of land property and would become one of the gravest economic problems (Ely 1917). Strangely enough, the production function relates the output of the firm solely to capital and labor. Nature became of minor importance. Next to the allocation of resources, economic efficiency and competition requires entrepreneurship and innovation. The question then is, can ecological innovations truly exist based on a dysfunctional, mechanistic approach to nature?

Sustainable entrepreneurship requires strategies based on intergenerational time periods, technological change based on nature solutions and a reunion between man, nature and society. Economic activity is dependent on the biosphere. Neoclassical economics deny the complicated laws of natural eco-systems. Of course, it is hard to find solid links between environmental value and business performance, to combine ecological values and beliefs with hard economic facts and figures, and to change short-term profits into long-term value creation, all in relation to economic efficiency and ecological effectiveness (Hofstra 2007). Nevertheless, using traditional economic models as a blueprint for solutions within the ecological

system is meaningless. Entrepreneurs in eco-innovations are increasingly concerned with building models based on the concept of nature where nature is seen as model, measure and mentor for them. Pauli (2010) discovered that many entrepreneurs based their work on natural principles, moving beyond traditional innovations and even eco-innovations.

## 5 Spiritual Perspectives on Doing Business

Academics are more and more aware of the significance and implications of spirituality for business. Bouckaert and Zsolnai (2011) do not believe that the concept of spirituality can be captured in one standard definition; it is a rich, intercultural and multilayered concept with experience-based notions. But there are many common elements such as reconnection to the inner self, a search for universal values above egocentric ones, deep empathy with all living beings and a desire to keep in touch with the source of life. Spirituality and business is a growing field, theoretically as well as applied.

Richard Branson, a leading business thinker and founder of Virgin Group, emphasized that you can negotiate competitively without aggression and that there are many ways to reach business goals. “Always remember that you love what you do and your role is to persuade others to love your business, too, and therefore, to want to work with you” (Branson 2010). Gandhi found that life persists in the midst of destruction and, therefore, there must be a higher law than that of destruction. He did not deny aggressiveness and violence in society but believed in a world in which the law of love works, just as the law of gravitation. For Gandhi, basic assumptions were: “unity of people in their desire and demand for freedom; appreciation and assimilation of the doctrine in all its implications with consequent control over one’s natural instincts for resort to violence either in revenge or as a measure of self-defense; and (this is the most important of all) implicit belief that the sight of suffering on the part of multitudes of people will melt the heart of the aggressor and induce him to desist from his course of violence” (Ghandi 1963: 539). Non-violence is seen as a remedy. People are not completely united, nor do they have consequent control over their natural instincts, but the application of the remedy will bring special virtues.

The Gandhian economic system has never been fully articulated. This has been done by later scientists, like Diwan and Gidwani who developed six basic concepts, all interrelated and nonhierarchical: self-reliance, bread labor, non-possession, trusteeship, non-exploitation and equality. (Diwan and Gidwani 1978/1985). Self-reliance or *swadeshi* can be interpreted as self-sufficiency or autarky; bread labor can be considered in its broadest sense by spending time with one person to obtain goods that later can be exchanged for desired necessities themselves. “If all labored for their bread and no more, then there would be enough food and enough leisure for all. Men will no doubt do many other things either through their bodies or through their minds, but all this will be labor of love for the common good. There will then be no rich and no poor, none high and none low, no touchable and no untouchable. If we do so, our wants would be minimize, our food would be simple. We should then eat to live, not live to eat” (Gandhi 1999: 156). Non-possession asserts one should not possess things one does not need, whereas trusteeship means the sharing of individual capabilities, abilities and other natural gifts, being trustees for all others, so that they do not derive these benefits from these personal characteristics for themselves. Non-exploitation follows directly from non-violence. Exploitation is violence. Equality certifies non-exploitation. The Gandhian paradigm of non-violence is emphasizing the mystic beyond of man or “the insatiable inner spirit of adventure with which man is blessed is the most prominent and significant component that contributes to his beyondings” (Chakrabarti 1995: 75).

Bringing the spiritual dimension into the concept of entrepreneurship can bring a revolutionary shifts in existing paradigms. It is not just another way of doing but a change of being. It will touch the deepest levels of beliefs, assumptions and values.

## 6 Eco-Spirituality

“Naess taught that ecology should not be concerned with man’s place in nature but with every part of nature on an equal basis, because the natural order has intrinsic value that transcends human values. Indeed humans could only attain ‘realization of the Self’ as part of an entire

ecosphere". (The Guardian 2009) Naess urged the green movement to "not only protect the planet for the sake of humans, but also, for the sake of the planet itself, to keep ecosystems healthy for their own sake" (The Guardian 2009). Capitalism, even 'green' capitalism, facilitates consumerism, materialism, anthropocentrism and the abuse of other people and nature. Capitalist values reflect individualism at the expense of connectivity with the intrinsic value nature offers. Nature is only a provider of resources. Happily, more and more communities reflect on these values and activities. The more the separation with nature is manifest the more the destructive impact is seen.

To denote the cosmos or the universe as a whole in the Samyutta context of Buddhism, four doctrines are presented: (1) That everything exists (2) That nothing exists (3) That everything is a unity; and (4) That everything is a plurality. These doctrines are presented in two pairs as thesis and antithesis. This dialectical opposition in these so-called eternalist and materialist views were originally a dialogue and later a debate. (Jayatilleke 1963: 50)

In eco-spirituality, the Earth and universe are considered to be sacred. When Chief Seattle of the Dwamish Tribe sent his letter to President Pierce in 1855 (Seattle 1996/1983), he told him that every part of this Earth is sacred, every shining pine needle, every sandy shore, every mist in the dark woods, every clearing and every insect. He realized that the 'white man' did not understand the ways of the 'red man', but pleaded with the president to care for the land as they had cared for it and love it as they had loved it, because the Earth is precious and even the 'white man' cannot escape from the common destiny.

The inherent sacredness of nature is often denied, even within the environmental movement and advanced environmentally friendly businesses, but it can be found in traditional beliefs and cultures. Eco-spirituality is not recognized as a significant concept in sustainable entrepreneurship today. Bergson considered that 'spirituality' and 'materiality' are opposite directions in the discussion of the meaning of life. (Bergson 1998/1911: 201).

The proposition that the spiritual world and the secular, material world can live side by side is gaining attractiveness today. There is an increasing movement of entrepreneurs, recognizing the spiritual dynamics of

sustainability and providing both a significant revitalization of our relationship with nature and an energetic revival of the current sustainable business strategies. These pioneers explore and develop concepts that will argue that the current status quo of governments and business has to be changed.

## 7 Eco-Spirituality as a Challenge for Business

“For millennia Indigenous peoples have acted as guardians of the biological diversity of the planet. They’ve successfully managed complex reciprocal relationships between diverse biological and human cultures, with their eyes on the time horizon of seven generations to come” (Nelson 2008). This so-called ‘high-TEK’ (traditional ecological knowledge) combined with leading edge Western knowledge will guide the way to a constructive role in the web of life, creating circumstances advantageous to life for all beings. The concept of conceiving, developing and launching products based on traditional ecological knowledge is more than a secular business movement. By observing nature as a body of knowledge this connectivity and holism has to be translated into business practices.

A good example is the unique biodegradable material produced from hemp and other plant fibers is being created in Australia. A significant move forward for the hemp and sustainability industry has just taken place. It offers new high strength and high performance, which cares for the environment and the bottom line. Zelfo is a solid wood-like and moldable material made from natural fibers, recycled paper or other cellulose raw materials. Zelfo is a strong, light ‘plastic from plants’.

Greensulate makes roofs and walls efficient and ecological. It is a fire-retardant board made of water, flour, oyster mushroom spores and perlite: a mixture of water, mineral particles, starch and hydrogen peroxide are poured into 7-by-7-inch molds and then injected with living mushroom cells. The hydrogen peroxide is used to prevent the growth of other specimens within the material.

In 2008 a “Zero Emission House” was built at the site of the Hokkaido Toyako G8 Summit in Japan. Incorporating the latest in sustainable

building technology, the 280-square-meter (3000 square feet) Japanese-style home is designed to have a small carbon footprint. A 14.5-kilowatt solar array and a small 1-kilowatt wind generator provide power to the home, which is equipped with next-generation energy-saving appliances, thermal insulation glass, vacuum-insulated panels and a green roof. The interior is illuminated by a system of light ducts and OLED lamps.

There are many other technologies inspired by how natural systems achieve results that provide solid alternative to various industries. These include barberry-based antibiotics, bactericides produced by fungi and specific applications like a repellent for mosquitos carrying yellow fever. “As is often the case with innovation, contrary to common wisdom and contrary to what we expect, species have capabilities that are extremely important” (Pauli 2010: 275).

## 8 Conclusion

Regenerative entrepreneurship has become a vital issue. Business visions on sustainability are merely focused on material success, but should moreover respect the spirit and the land. Regenerative business goes beyond sustainability and needs eco-spirituality. The constricted idea of interconnectedness is still mainly concentrated on consumer-driven needs and other stakeholders, but hardly refers to the interconnectedness of the web of life. Nature is not solely considered to be a stakeholder. Eco-spirituality is based in the wholeness of nature, the earth and the universe.

The intrinsic sacredness of nature can lead to morally and spiritually motivated entrepreneurs who base their sustainable strategies on the understanding of our relationship with the Earth in order to acquire and provide a revitalized and unique position in the universe. In ecological terms, it is the ‘law of seed’ that describes the natural cycles of continuous creation and regeneration, seeds that carry life without end (Nelson 2008). The ‘law of creative destruction’ in economics describes how innovations as new spirits of creation arise out of destruction (Shane 2002: 183). These ecological and economic laws can—paradoxically—reinforce each other. We can find the forces of destruction and creation

simultaneously in the Hindu god Shiva. The mythical figure Dionysus represented destructive creation as well as creative destruction. Shiva and Dionysus are symbolical representations of reinforcing powers.

If we go to the causes of the present ecological crises, we will find a disconnection within the whole system. The challenge is to develop a value-based spiritual economic structure that embraces the rich biodiversity of the Earth, humans included. We are arriving into the decade of regeneration and revitalization. The accomplishment of our communities and economies and eco-system depends on a mutual endeavor to create and realize the wealth of regenerative business and a regenerative world. This can become a dialogue between man and nature, the results of which are unpredictable but hopeful. Only by understanding our interconnectedness with the ecological system we can fully realize our humanity (Naess 1989).

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# 16

## Time for Business Schools to Teach Spirituality

Manesh L. Shrikant and Jagdish R. Rattanani

In recent times, a series of corporate scandals and collapses have brought the conduct of CEOs and senior managers under greater scrutiny. Increasing material consumption has been linked in several studies to deterioration in mental wellbeing. Business schools are also internally groping for answers to the simple question: what has gone wrong? It is now time for some tough questions and bold solutions that can give us real answers and help change the paradigm that has taken root. The quest for this deeper meaning and larger purpose links up to the missing spiritual quotient (SQ) of managers, which gives a wider meaning to profits, growth and success. SQ is the factor that helps us look deep within to see why we do what we do, and learn to work with our deep inner being to serve a goal beyond the immediate transaction. What we need now is a paradigm shift in thinking that will deliver a more balanced view of success, achievement and the drivers of our day-to-day activities, including business.

This paper argues for the introduction of the concept of spirituality as an overarching and comprehensive approach to the management of businesses and people, with a theoretical foundation that is rooted in ancient Indian literature of the Upanishads and the Bhagavad Gita. The paper discusses the approach of a well-known Indian business school

that set out on a different path and for over a decade has successfully offered a course devised and supervised by one of the present authors, Dr. Manesh L. Shrikant, to frame business skills in the context of larger goals for business and for business leaders as individuals. The course is based on the theories of ancient Indian texts of the Vedanta, more popularly recognized through the Bhagavad Gita, and is titled the “Science of Spirituality”. SQ will help deliver the power of fairness, distributive justice and the deeper notions behind the principles of sustainability of the larger world, of which individual organizations are mere components. Vedanta, when introduced through education, will work as a powerful tool to help build the leaders of tomorrow, who are schooled not merely in the rewards that they build for themselves or their corporations, but also in the rewards of building enriching and rewarding lives and careers that impact society for the good.

## 1 Introduction: A Time of Crisis

Studying for an MBA degree at Harvard Business School hardly entailed learning how not to land in jail. Yet that is precisely what Professor Clayton M. Christensen (2010) asks his students on the last day of class: “How can I be sure I’ll stay out of jail?”

“The question may sound light hearted but it’s not,” says Christensen, the Kim B. Clark Professor of Business Administration at Harvard. He tells students the following: “Two of the 32 people in my Rhodes Scholar class spent time in jail. Jeff Skilling of Enron fame was a classmate of mine at HBS. These were good guys—but something in their lives sent them off in the wrong direction.”

In recent times, several business leaders have been caught heading in the wrong direction. A series of corporate scandals and collapses have brought the conduct of CEOs and senior managers under greater scrutiny as society’s level of confidence in these positions falls. This is anything but good management and its roots go back in history.

It was in 2005 that the late Sumantra Ghoshal summed up the situation well in the very title of a piece that has since been widely cited and discussed: “Bad management theories are destroying good management

practices” (Ghoshal 2005: 75). Ghoshal noted: “Combine agency theory with transaction cost economics, add in standard versions of game theory and negotiation analysis, and the picture of the manager that emerges is one that is now very familiar in practice: the ruthlessly hard driving, strictly top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost business leader...This is what Isaiah Berlin implied when he wrote about absurdities in theory leading to dehumanization of practice” (Ghoshal 2005: 85).

Bad theory aside, business schools have mostly stressed the “knowing” and “doing” components of management education and have been lagging on teaching the “being” dimension, the one that is the most critical and challenging to deliver meaningfully. Management education has thus ended up providing the knowledge and execution tools sans the frameworks of values, meaning and purpose in which these skills must be anchored if they are to thrive to the benefit of society.

We are today faced with serious concerns at the micro and the macro levels. At the micro level, individuals are struggling to cope and falling behind, unable to lead fulfilling lives that can contribute to the wellbeing of their selves, their families and society in general. At the macro level, society feeds the mindset of more, fueling a consumption cycle that is unsustainable and in the end self-destructive. The macro structure offers an increasing number of goods and services to make life easier and happier but the process of acquiring and consuming these offerings is actually impacting the micro level by increasing stress and anxiety and leading individuals to a life that is less happy and less fulfilling. The impending environmental disaster caused by the unquenchable thirst for consumption and the deteriorating mental state of the people powering this consumption as a panacea for a happy life are interrelated.

The current problems stem essentially from the fundamental propositions of the Western ideology of free markets that promote an economy marked by Darwinian competition within a democratic superstructure that stresses rights rather than the duties or responsibilities of individuals. The deeply embedded views that more is good, bigger is better and might is right, in a society driven mostly by materialistic acquisition for individual-focused sense and ego gratification,

represent a race for more that will result in less for all. A society marked by extreme self-centeredness with little respect for the well-being of others or a sense of distributive justice negatively impacts the haves and the have-nots.

We see rampant poverty and deprivation in large parts of the globe, which in itself should be a matter of deep concern. But there are also disconcerting signals emerging from those sections of society successfully pursuing the Western model of consumption-based growth that is centered on a material and acquisitive mindset. Increasing material consumption has been linked in several studies to deterioration in mental wellbeing, with the material goods and power flowing from that wealth enjoying no relationship to real success in terms of self-fulfillment. The false satisfaction of acquiring greater material assets and a sense of power from these acquisitions has created a zero-sum game that is being pursued ruthlessly as an end in itself. Those who have made it are as miserable as those who are struggling to make it.

As it is, several studies have predicted a bleak outcome for human civilization. *Scientific American* in 2013 held out a dark view with an article headlined “Apocalypse Soon: Has Civilization Passed the Environmental Point of No Return?” (Mukerjee 2013). It quoted Dennis Meadows, professor emeritus of systems policy at the University of New Hampshire, as saying: “We’re in for a period of sustained chaos whose magnitude we are unable to foresee.” Meadows headed the original M.I.T. team that built the ‘World3’ model of the 1970s, a computer simulation of interactions between population, industrial growth, food production and the limits in the ecosystems of the Earth, and he revisited the model in 1994 and 2004. As the present generation overlooks the catastrophe that its actions may visit on future generations, the human race may be in the situation of the proverbial frog that is roasted alive in a pot of water that is heated ever so slowly.

It need not be that way. Enlightened self-focus can correct the imbalance by building support and systems for those who remain out of the consumption cycle, and by adding joy and happiness to those who power the consumption story. In essence, those who do not have the means to buy material conveniences will benefit just as much as those who today live by material acquisitions alone.

## 2 Spirituality in Management

This paper argues that the current structure of business education and business, which in itself is based largely on Western experiences and restricted theories of human behavior, cannot meet the challenges of our times. The paper discusses the approach of a well-known Indian business school, the S. P. Jain Institute of Management & Research, which set out on a different path and for over a decade has successfully offered a course devised and supervised by one of the present authors, Dr. Manesh L Shrikant, to frame business skills in the context of larger goals for businesses and for business leaders as individuals. The course is based on the theories of ancient Indian texts of the Vedanta, more popularly recognized through the Bhagavad Gita, and is titled the “Science of Spirituality”. The course uses the word “science” because its hypotheses mirror the rigor expected of a scientific treatise, namely clear causalities with explanations thereof, a comprehensive structure connecting the variables, universal verifiability, clear logical prescriptions and the possibilities of systematic experimentation.

A fundamental proposition put forth through the course is that all human beings concurrently live through two worlds and all actions flow as a result of the pulls and pressures emanating from these two. There is the external, visible, public persona that is played out through various roles in society, and the internal, private psychic persona of thinking, feeling and perceiving—two distinct worlds that are nonetheless interconnected and go on to influence, shape and mold one another. Purposeful leadership and living demands first an awareness of the two worlds and then a harmonizing of the two, which is often not the case in today’s environment. Understanding why this is not so and addressing this gap is the core utility value of the course.

The course helps us appreciate that what we seek through our endeavors is individual happiness, and that is precisely what we do not have in a society driven by the quest for material success. In spite of a manifold increase in material consumption, human happiness has not gone up. The reason for this remains unexplored by modern-day teaching. Individual happiness is a matter of personalized subjectivity and a specific “psychic” state. Vedanta addresses this and how its theory can help students become effective managers at the workplace and in their personal lives.

### 3 The Overwhelming Role and Reach of Business

The role of business in modern day society transcends its traditional function of delivering goods and services. Businesses not only meet everyday needs but also shape those needs, build aspirations and mold our consumption patterns and lifestyles, a collective influence that travels well beyond the limited inventory of individual corporations. With globalization, the power of corporations has only grown. In 2012, of the world's 100 largest economic entities, either nations or corporations, 40 were corporations. Among the top 150 economic entities, the proportion of corporations rises to 58 % (Keys et al. 2013: 2). The largest corporation in that study was Wal-Mart, with revenues exceeding the respective GDPs of 174 countries including Sweden, Saudi Arabia and Venezuela; it employed over two million people, more than the entire population of Qatar.

Large corporations draw their might as much from this influence as they might from their revenues or reach, particularly in today's environment of globalized supply chains, cross-border capital flows and seamless connectivity. Practices seen as successful are replicated across continents, stretching the influence over vast distances. This was seen as a force for good when businesses enjoyed trust and delivered efficiencies to distant corners. Absent that trust, society sees this as undue influence that must be reined in. Businesses must then be stopped from becoming "too big to fail", a term heard most during the financial meltdown of 2008. The world is still adjusting to that crisis and the rush of corporate scandals that became intertwined with it. With business practices in disrepute, and millions out of jobs and homes, business is being viewed with suspicion and anger.

Business has played a central role in giving us this structure as the producer and promoter of goods and services, and as the platform for the ballooning volumes we see in the financial markets, with their morphed derivative products and the attendant artificial creation of wealth.

The fall was not sudden. Tremors from the financial crisis of 2008 travelled faster and wider and impacted millions across the globe this time, giving the impression of a sudden eruption or contagion that came

without warning. It led to unprecedented public anger against businesses and brought business failures to the front pages, making it appear as if a new low had been reached. While trust in big business appeared to have evaporated overnight, in reality trust in business and its methods has been eroding for years. The global financial crisis merely served to tear down an image that was already defaced and in decline.

The underlying philosophy of modern-day business is based on promoting greed, with an ethic of “every man for himself” and a herd mentality that encourages blindly following and collecting till it collapses. Business has institutionalized and legitimized these values, and business schools must take their share of the blame for giving us leaders who have been trained in this very mold.

Correcting such structural flaws calls for a review of the very idea of business and business leadership. But short-term fads or a limited effort to change or fix the poor perception of business in the public mind cannot help. None of the responses seen so far, either in isolation or taken together, are commensurate with the nature of the challenge at hand. They work more like symptom-focused treatments, patchwork solutions that will at best plug one hole temporarily while the ship is leaking in multiple other places. We must look to the system that shaped and built the practices that exist today. We must revisit the subject of management itself.

## **4 Disquiet in Business Schools**

Business schools already face stiff criticism and are themselves under no less scrutiny. As the nurturing grounds for all the people and practices that go on to power the business world, business schools are also internally groping for answers to the simple question: what has gone wrong? There is disquiet, second-guessing and debate on everything that business schools teach and on what they should do next. Schools have become part of a vicious cycle that reinforces the dominant civilization’s ideology rather than molding it or lending it new dynamism for our times. It is this dominant ideology that gave us the standard mores of a life defined by “more”, and that have given us the corporations of today and their



business logic of producing more. That in turn has given us the standard theories of management science, leading to MBA education and MBA schools which go on to reinforce the ideology that is the source of many ills today.

Today, we have a cozy interlock between colleges as talent builders and businesses as talent consumers, each feeding and shaping the other as a model that completely excludes individual intent and motivations, churning out not human managers but “manageroids” who are equipped solely to deliver “here and now” results and quarterly balance-sheet targets. The result is a vicious cycle that leads schools to align their methods and pedagogy to industry needs, and so produce graduates who might seamlessly fill the available slots outside campus, and they often get chosen for these slots on the campus itself.

George Anders of the Wall Street Journal explained Rakesh Khurana’s view in these words: “M.B.A. training has deteriorated into a race to steer students into high-paying finance and consulting jobs without caring about the graduates’ broader roles in society... Panoramic, long-term thinking has given way to an almost grotesque obsession with maximizing shareholder value over increasingly brief spans.” (Anders 2007). And Richard Shreve, an adjunct Professor of Business Ethics at the Tuck School of Business at Dartmouth College, noted: “The image in the popular press is that the business schools are taking very bright, ambitious young men and women, teaching them sophisticated techniques, and turning them loose, armed and dangerous. But it occurred to me, if we aren’t careful, we could be doing that” (Shreve 2010).

There is some change on the ground. Businesses which are likely to be driven by a mindset of numbers or targets are talking of a triple bottom-line covering people, profits and the planet. Many corporations now publish sustainability reports and managers are being made aware of their responsibility to a wide base of stakeholders. Students at the Harvard Business School wrote out a pledge, now commonly known as the MBA Oath (Forswearing Greed 2009: 66), to “serve the greater good” and guard against “decisions and behavior that advance my own narrow ambitions, but harm the enterprise and the societies it serves”. The MBA Oath notes its mission is “...to create a community of MBAs with a high standard for ethical and professional behavior”. The campaign was encouraged by

Harvard Business School Professors Rakesh Khurana and Nitin Nohria, who in October 2008 wrote that “Managers have lost legitimacy over the past decade in the face of a widespread institutional breakdown of trust and self-policing in business” (Khurana and Nohria 2008: 70).

In today’s structures, marked by the absence of a larger panoramic view, achievement has been reduced to the narrow outlook of a number reached or a target exceeded. The race to excel is reduced to a race to grow numbers or stretch a target as ends in themselves, whereas the true markers of success lie elsewhere. There are countless studies to illustrate the fact that lasting success flows from qualities that are very different from external, visible, measurable, objective phenomena.

When it comes to individuals, studies have shown that, beyond money-making, qualities like trust, integrity, authenticity, resilience account for 93 % of the reasons that people attribute to success (Cooper and Sawaf 1996). And in a survey of millionaires, the reason most quoted for success in personal wealth creation was “being honest with people” (Stanley 2011: 52). Bill Gates did not set out to become the richest man in the world. He loved computers and went on to build software, something he enjoyed, and became hugely successful. Having become successful, he left Microsoft to work full-time on the non-profit he built to give away most of his wealth. It is clearly the activity he finds the most fulfilling.

Similarly, companies that are not particularly profit-seeking tend to be more profitable and stand out as lasting examples of success. A study by James Collins and Jerry Porras, which led to the book “Built to Last”, noted that visionary companies place a lower priority on maximizing shareholder returns and instead “display a powerful drive for progress that enables them to change and adapt without compromising their cherished core ideals” (Collins and Porras 2002: 9). Collins wrote that, “In 17 of the 18 pairs of companies in our research, we found the visionary company was guided more by a core ideology—core values and a sense of purpose beyond just making money—than the comparison company was... We chose the word ideology because we found an almost religious fervor in the visionary companies as they grew up that we did not see to the same degree in the comparison companies. 3M’s dedication to innovation, P&G’s commitment to product excellence, Nordstrom’s ideal of heroic customer service, HP’s belief in respect for the individual—those

were sacred tenets, to be pursued zealously and preserved as a guiding force for generations” (Collins 1995).

## 5 Spiritual Quotient as the Searchlight Within

How and why do deeper values and core ideals serve the cause of a business and society? Why is it that companies that do not focus solely on profits end up being more profitable than others? And at an individual level, why is it that people with a generous, charitable disposition enjoy a happy life? Indeed, what is happiness and how do we achieve a state of happiness on a sustained basis, a state of being that everybody seeks but very few, if any, manage to attain? These questions inevitably lead us to the world of the internal interplay in the body-mind-sense complex.

Understanding the power, might and reach of the unseen mind and the soul leads to some fundamental questions on our ultimate aims, needs and desires, and onto the world of spirituality. For many, this is a prohibited terrain and has remained certainly so in the world of management and management education. Meeting this challenge head-on and boldly presenting a theory for spirituality in the context of modern day business can help provide lasting answers to troubling questions and the wayward direction in which business is headed.

Further, since business draws from management education and fuels the way we live and work, we can see a connection between education, management science and business, along with deep linkages to the very future of human society. An understanding of spirituality therefore becomes central to our civilization.

This paper thus argues for the introduction of the concept of spirituality, which is erroneously equated in some quarters of the Western world with religiosity, as an overarching and comprehensive approach to the management of businesses and people, with theory that is rooted in the ancient Indian literature of the Upanishads and the Bhagavad Gita and provides descriptive, explanatory and prescriptive value propositions which can be applied universally and verified in living experience.

This is being presented as a theory that can provide tremendous value and solutions to the concerns facing us today at the societal as well as at the individual level. These are areas untouched by modern management education, which as a discipline is of recent origin, since it grew only in the twentieth century and was developed in the Western world, mainly in the United States. It used theoretical propositions from other disciplines, including the social sciences, and evolved in a free-market culture. Based on a Newtonian mindset, the theory was built in parts as business and the study of it evolved. This gave us business practices for a dog-eat-dog world, sharpened with the unidirectional goal of maximizing returns without much concern for the means to that end. The discipline of management played along, developing and delivering prescriptions to support this dominant view without asking too many questions.

It is now time for some tough questions and bold solutions that can give us real answers to help change the paradigm that has taken root. Education is the only means through which such a shift can be brought about. Regulatory prescriptions, tighter laws and increased supervision provide only external controls, which will fail again and again, as they have in the past, in the absence of a fundamental change in the manner in which businesses operate and society conducts its affairs. Management education carries the capacity to deliver lasting change and it must rise to the occasion now.

If a solution is to be found also in the context of a spiritual quotient (SQ) for our businesses, then education will face and must meet the questions that inevitably come with the subject of spirituality, even though the topic is prone to be misconstrued by most, notably sceptic academics and students with a scientific temperament and mathematical knowledge base. It must be stressed here that teaching spirituality is not teaching religion, meditation, super-consciousness or any such thing. If IQ is required for growth and efficiency, and EQ for building the power of teams and leadership through harmonious work relationships, then SQ will help deliver the power of fairness, distributive justice, and the deeper notions behind the principles of sustainability in the larger world of which individual organizations are mere components.

SQ turns the searchlight inwards, asking the student-manager to look within in a quest to understand the spiritual dimension of one's personality

and the thoughts that spring from studying various aspects of human behavior. The very idea of non-self-centeredness, service, sacrifice and suffering for no personal cause brings up qualities that inevitably resonate with people, making a person with such qualities a natural leader.

There is evidence of the need for all the three—IQ, EQ and SQ—in corporate behavior. The three together will deliver leaders of the kind who are known to make the biggest difference. This has already been observed, studied and recorded. In fact, Collins describes this highest level of leadership in the celebrated book “Good to Great” in not-so-dissimilar terms. In an interview, he explained it thus: “The central dimension for Level 5 is a leader who is ambitious first and foremost for the cause, for the company, for the work, not for himself or herself; and has an absolutely terrifying iron will to make good on that ambition. It is that combination, the fact that it is not about them, it’s not first and foremost for them, and it is for the company and its long-term interests, of which they are just a part. But it is not meekness; it is not a weakness; it is not a wallflower type. It’s the other side of the coin” (Dearlove and Crainer 2006).

The CEO of Hindustan Unilever Limited, Nitin Paranjpe, put it this way in a speech: “It is impossible to resist the calling of an individual whose mission is for the cause, and not for the person. An individual who is committed to the cause can fire up all others, overcome resistance and march ahead with an army that is ever growing because of the sheer logic and power that flows from working for the collective good” (Paranjpe 2013). This was the tradition and spirit in which the greatest of our leaders have walked. The saints and sages of ancient times, and the story of the Buddha and the experiences of Mahatma Gandhi in our times are nothing but a celebration of sacrifice and selfless service for the larger cause of society. Each one of us has a bit of Gandhi inside, at least in the potential state. Similarly, the motherly feeling is nothing but a manifestation of a form of spirituality.

Evoking these inner feelings and turning them from long forgotten principles in an individualistic society into the methods and theories of success for the wider good is a role that education can and should perform. All human beings are born with potentialities for nobler, selfless responses, given the appropriate extrinsic context. The aim of education is to introduce the intrinsic motivation to drive such responses. It was

Arnold J. Toynbee who had famously noted, “Civilizations die from suicide, not murder” (Toynbee 1947), with their fate determined by their response to the challenges facing them. The question to ask is whether we are at one such turning point. We may be already there, and it is time we build a response that is appropriate to the nature of the challenges facing us today. The call is all the more important since most other institutional structures have failed to drive change. No political structure appears to be capable of a response to meet the issues that we face today. Conventional politics even in a democratic framework have failed in many ways, usurped by special interests and pandering to them rather than reforming and changing.

## 6 Vedanta and the Promise of Change

For large societies caught in the current self-centered paradigm of growth, in which each works for him or herself, change through education stands out as an alternative to top-down politically driven change or a bloody revolution. Education can work as a change agent by influencing the youth and helping build a generation that appreciates globalization in its fuller sense—not merely as an opportunity for businesses but also as responsibility towards wide sections of society across the globe.

In the context of the challenges we face today, the idea of Vedanta as an approach to modern-day business and indeed the way humanity builds on its goals and aspirations and manages society from now onward is relevant and significant. Vedanta when introduced through education will work as a powerful tool to help build leaders of tomorrow who are instructed not merely in the rewards that they build for themselves or their corporations, but also in working to build enriching and rewarding lives and careers that impact society for the good. To build such leaders requires deeper understanding of the self, the relation of the self with the universe and an approach of non-self-centeredness.

All of these are the core propositions of Vedanta, which is the treatise that flows through the ancient Indian texts of the Upanishads and the Bhagavad Gita. It provides a comprehensive and universal theory covering the psychic and the social aspects of the human personality,

connecting the dots and the myriad experiences in everyday life, and teaching from these very experiences to lead us into a process of development of the self. Vedanta helps underline the differences between the approaches signified by “bhoga” and “yoga”—the former is concerned with self-centered sensuality and ego gratification, while the latter deals with a sense of non-self-centeredness and merging into the environment rather than forcefully changing the environment to suit individualistic needs. If bhoga describes the cup of desires that is never satiated, yoga revolves around sacrificial tendencies, unselfish giving and love. One is marked by competitive superiority, acquisitive legitimacy and status enabled by a power over the external world flowing from possessions or “what you have”, while the other is led by ideas about “what you are”. The difference can be described as the one between a cell that is focused on itself and an organism, which is a collective and must work in unison and harmony, bringing forth the idea of us and ours rather than the notion of I, me and mine.

The theory that forms the Vedanta as we know it today is the product of collaborative works built over generations. It comprises the cumulative efforts of saints, seers and philosophers, worked on for thousands of years with the singular objective of seeking the ultimate truth behind the very purpose of human existence and the relationship between the human being and the phenomenal world, of which all of us are a part. Its prescriptions suit all varieties of human beings at any stage of life and it offers appropriate paths to self-development. What is unique about Vedanta is its universality and eternal validity for all human beings regardless of race, class or religion.

But beyond all this, for managers working busy lives and balancing a wide variety of pulls and pressures, the study of Vedanta in the context of modern-day management helps deliver self-fulfillment. Vedanta is not a call to asceticism. It does not ask practicing managers and business leaders to give up their involvement in the physical world or to eschew consumption or acquisition. It merely adds another dimension to their lives by making them much happier and fulfilling, so that it becomes a path for deeper inner riches without giving up anything that the manager may treasure today. It will add a new worldview that happens to be much better, not only in our professional but also in our personal lives.

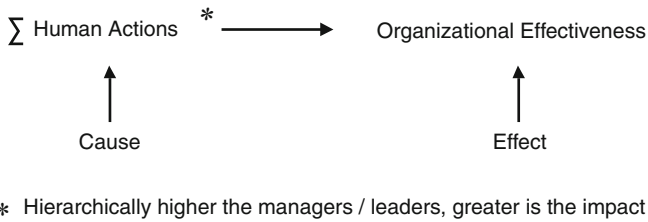
The power and force of the current prescriptive value of these ancient treatises lies in the fact that they remain eternal guides in circumstances far removed from those in which they were written. This is a testimony to the universality and timelessness of these texts. The major propositions of Vedanta, summarized only to give a glimpse into the depth of its offerings are: (a) we have created through our subjective perception a non-real world, based on a false understanding of the self as the body-mind-sense complex rather than identifying ourselves solely with the soul, (b) within every human being rests divinity, which can be gradually brought to bear in our lives as a part of our spiritual journey and progress, (c) this spiritual progress comes as an automatic psychic state of non-self-centeredness and a sense of sacrifice, which is another way of saying that the teaching helps build a harmonious existence of different elements, which are perceived to be stand-alone or independent parts of the phenomenal world. It helps us appreciate, understand and build the larger connectedness that binds us all in this universe and shows us all as one. These are the very qualities that make for what is otherwise known as servant leadership or the Gandhian approach to life.

This is the first of a two-stage process that leads to attaining “moksha” or salvation. Here, we are not concerned with the second stage. The first stage that we are concerned with is about the unlocking of the psychic state by a reduction and even elimination of the two gravitational poles around which all human activity is conditioned: attachments and aversions. This is self-management at its best. The “self” part is important and indeed the key to all management.

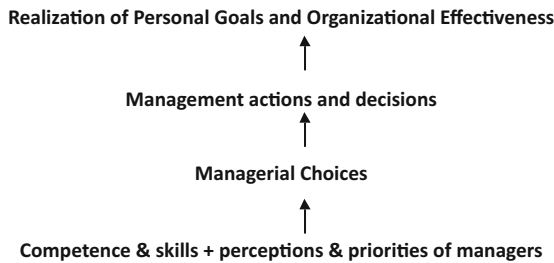
## **7 The Manager as the Target Variable**

Organizations are inert; it is people who give them life and make them operational. It is true that organizations can outlive individual people but the path ahead is still paved by people. New leaders influence the organizational journey by changing the purposes and processes through which organizations function. This is what change management is all about. We could conclude that human actions are the true causes of the performance and hence effectiveness of organizations as illustrated in Fig.16.1.





**Fig. 16.1** Human actions and organizations effectiveness



**Fig. 16.2** Human actions for better organizational effectiveness

Since organizations are largely structured hierarchically, the impact of leaders increases as we move up the organizational ladder. Leaders and managers occupying higher positions have a larger influence on organizational functioning. To the extent leaders lead, they leave an imprint. In fact, higher-level managers are expected to conceive of and leave behind such imprints. They also influence how the organizational members at other rungs think and act.

Here we wish to understand the cause (the actions and decisions of human beings) in determining the effect (the working of an organization). Organizational effectiveness, as illustrated below, is hence a function of personal or leadership effectiveness. It is a function of the contribution of managers and leaders. Our focus will be to understand these human actions and their consequent influences and the motives behind them. Our aim is to be able to influence the cause, or the human actions, for better organizational results—the effect (Fig.16.2).

Managerial effectiveness is a function of the manager’s personality and the situations they are in. The situations posed to an individual vary

as the environment may be of varying complexity. Also, individuals are unique in terms of their competencies, perspectives and priorities. Each one of us has our own likes and dislikes, varying levels of subjectivity, and blueprints of impressions carried from the past.

As Ghoshal (2005) has pointed out, for a vast range of issues relevant to the study of management, human intentions matter. And intentions are mental states. So individuals and their frames of thought and intentions matter. With the person as the key, the study of management becomes quite unlike the notion of a disinterested and unbiased observer in the world of scientific experimentation. So just as the eminent historian, E. H. Carr, explains that to study history you must first study the historian because that explains the lens through which the history was written, in management we ask for the study of the manager and the inner being to understand the profession (Carr 1961).

Under such an approach, the starting point should be the person entrusted with the task of management. And the key question to ask is this: What does it take to know oneself?

We know that all decisions flow from the following four factors:

- The complexity of the problem being addressed,
- The competency and experience of the manager,
- The holistic and objective wisdom of the manager, and
- The state of mind of the manager while making a decision.

Competence and experience in resolving complex tasks are helped by a good IQ and a high EQ. But the third and fourth requirements of a manager's profile demand something fundamentally different—an SQ that must be nurtured and explored outside the environment of our formal learning processes as they are obtained today. Like the heart and our guts, a holistic view or state of mind is untouched by business school learning methods. Business schools today are not equipped to address these concerns. The idea of a larger purpose to business and an inner voice that might guide managers in their key decisions carries deep implications for modern-day management, particularly at a time when society is losing faith in current models and decrying the idea of talent as understood within the conventional sense.

Behavior which delivers long-term success and builds a visionary corporation flows from qualities related to the SQ of the leaders, whether it is understood and acknowledged as such or not. SQ concerns the inner self, the deeper desire and the eternal quest for a model for lasting success, as well as how this might be built and shared with society. It does so first and foremost by redefining the very notion and idea of success, lending it a new direction and a wider meaning for the long haul.

As discussed, every person lives simultaneously in two worlds which are distinctly different yet related—the private psychic world and the public social world, or this can be loosely described as the world of the inner person, comprising thoughts, ideas, contemplation, which influences external actions as much as they are influenced by the interactions and experiences of the external world.

Management actions also flow from this dual interplay. For effective decisions, a manager must therefore learn and hone the skills of the external world but must equally learn to work with the processes at work in the internal world of the mind that is at the root of all action.

## 8 Western and Eastern Knowledge

The current stage of management as a discipline anchored in an external, material context is a reflection of the divergent paths along which knowledge was developed in recent times in the West and in ancient times in the East. This has given us two distinct streams of knowledge. While the West concerned itself with the Darwinian concept of survival of the fittest and the Newtonian concept of the summation of parts to build a theory of the whole, the East built upon the ideas of the right to survival of the weakest and a holistic process, which is not easily broken down to be studied in parts. Western ideas, which were focused around matter and the material world, encouraged and even celebrated a surplus being generated by the strongest, while Eastern ideas were informed by a spiritualism that celebrated distributive justice.

In the West, theory grew out of individual, author-centered, non-cumulative and not necessarily connected mini-theories, which were often tentative or anecdotal, based entirely on observable behaviors and

studied through controlled experiments that would establish or validate cause-effect relationships of behavior. The current status of Western thought and theory flows largely from this base.

The East on the other hand built knowledge on the non-matter part of the human being at length. This came some 4000 years ago from sages and saints, who in a quest for the eternal truth about human existence built what essentially is the science of spirituality. This stream of knowledge explored the complexities of life and the riddles of death, and was accumulated over the years by cumulative efforts that sought to build an overarching theory to help unravel the deeper mysteries and our relationship with the universe. The theory and its proposals are verifiable and can be confirmed through the living experiences of any individual human being.

This historic divergence of knowledge streams explains why a field like management, which was developed entirely with Western knowledge, concerns itself primarily with Western concepts of success revolving around the social world, with markers that are external and so instantly visible and measurable.

Any attempt at understanding the real concerns of human life and of our existence itself takes us into inner psychic life as it attempts to understand and unravel deeper aspects of our being and searches for inner meaning in our day-to-day activities. Indian tradition and knowledge places these aspects on a footing higher than the aspects of external social life that were the exclusive study in the West.

## **9 The Special Significance of the Indian Context**

Indian managers can help script a model fitted into the Indian context only when they are schooled to look beyond the immediate profit and loss account and to the larger purpose of growth, which is to serve, share and build to uplift the millions still untouched by our growth story. The quest for this deeper meaning and larger purpose links up to the missing SQ of managers, which gives a wider meaning to profits, growth and success. SQ is the skill that helps us look deep within to see why we do what we do, and learn to work with our deep inner being to serve a goal beyond the immediate transaction.

The issue in management is the complete submission to success rooted in the external world when the real problems and the lasting solutions lie elsewhere—in our inner beings. What value can a modern day manager derive from looking beyond this submission to the limited notion of success?

At a surface level, the simple recognition of the larger argument that the inner world of the manager is critical to management can set the tone for a much needed change in the way we work and lead. It sets managers free to work beyond narrow self-interests and for the larger good so that businesses are in service of the widest base of stakeholders and deliver lasting success. Such a business model will be embraced by society and will pave a new path for rapid growth and progress. The trouble is not with the criticism and outright hostility that businesses face; it is with the actions that have opened the doors to such an attack from citizens. As Swami Vivekananda noted, “We cannot see outside what we are not inside. The universe is to us what the huge engine is to the miniature engine; and indication of any error in the tiny engine leads us to imagine trouble in the huge one” (Vivekananda 2002: 28).

The idea of an SQ for managers will help deliver success on a very different plane. A higher SQ can bring equanimity of mind, and greater objectivity in perception, analysis and decision making, and it helps make for leaders who can be truly called transformational. Managers trained in this manner can handle not only success but also failure, and can have an agenda for self-growth through their living experiences.

## 10 Conclusion

We started the paper by pointing to the non-sustainability of the dominant socio-economic model. The model has been stretched and is at a breaking point. What we need now is a paradigm shift in our thinking, one that will deliver a more balanced view of success, achievement and the drivers of our day-to-day activities, including business. We need a balance between two apparently contradictory dimensions of life. There is a crying need to balance out individualism with collectivism, exclusivity with inclusivity, competition with cooperation, rights with duties,

self-centeredness with sacrifice, consumption with contribution, and a clear view that the means are just as important as the ends.

The qualities distilled from corporations successful in these molds, and the theories of such important concepts as servant leadership and transformational leadership, can be inducted through education, for which practical pedagogy that can easily be introduced in the MBA curriculum is available and must be widely adopted. The entire approach will help make for a harmonious work environment, and bring a sense of peace to the mind and the body and new insights to handling crises. The results will be healthier and more productive interpersonal relationships, higher self-esteem and lower levels of anxiety. It makes for a clearer identity of the self, lends a positive outlook to life, and breeds within us and in society a sense of concern, love, service and a sense of connectedness to the whole.

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# 17

## Alternative Learning: A Voyage for Future Leadership

Sanjoy Mukherjee

The alarming proportions of turbulence and complexity in our present global scenario compel us to take fresh look at our dominant models of management and leadership in search of holism, sustainability and inspiration. The issues are more complex and critical in a country like India with its diversity bordering around gaping disparities. This paper is an attempt to explore alternative sources and methods of learning for future leadership with insights from classical Indian wisdom literature (The Upanishads, Srimad Bhagavad Gita) and messages from great modern Indian leaders like Tagore and Swami Vivekananda. Are we willing to challenge ourselves? If so, then how?

### 1 Prolog

“*Ha re re re re re re amay chere de re de re!*” “Hey! You! There you are! Leave me alone! Will you please?” On the birth centenary of Rabindranath Tagore, Satyajit Ray, the Oscar-winning film maker for Lifetime Achievement from India, made a masterpiece of a documentary on the great poet and philosopher. The young poet was sent to six schools but



hated all of them. The documentary shows the sordid and morbid predicament of the young free bird with a full-throated voice in a stifling nest. The scene is that of a classroom with a faceless teacher speaking in a mechanized voice to nameless students.

“Can you see a box?” (The unseen teacher asks.)

“Yes, I can see a box.” (A mindless student rots it out.)

Robi (Tagore) looks out of the window—the young boy who was groping for the horizons beyond formal education—structured and fossilized! He does not join his voice.

Later in life, at 40, Tagore went on to undertake an unexplored voyage to seek alternative modes of education—in the heart of *Santiniketan* (Abode of Peace)—in communion with nature, in a tryst with silence. It is time we, educators pay heed to the wisdom of our own beloved Nobel Laureate poet. Shall we?

## 2 Introduction

At a time when the global business scenario is characterized by uncertainty, complexity and turbulence, we are compelled to take a fresh look at our dominant notions and models of management and leadership worldwide from the considerations of authenticity, effectiveness and sustainability. It is time we raise and debate some uneasy questions to restore a semblance of sanity in our mental space and salvage humans and organizations from the mad rush for ‘progress’ defined and pursued in material and monetary terms at the expense of the qualitative aspects of human life and our higher aspirations. The title theme of the annual meeting of the Academy of Management in 2008 was ‘The Questions We Ask’. Urgently enough, we need to suspend our propensity for finding smart and quick solutions to the complex problems of modern organizations and focus more on asking the deeper questions on life and the world concerning ourselves, our organizations and our planet at large including all our fellow beings. This paper is a journey, a search (rather than a research) for an alternative, humanistic and holistic management

paradigm beyond the conventional methodology of mainstream in a mode of exploration of the Self, of the Leader and dialogue with the Self—with inspiration from the Upanishads and the Gita, and Tagore and Vivekananda.

The key question that we need to confront as management educators and practitioners is “Are we ready to challenge ourselves and the dominant models of management theories and practices?” Unless this first adventure of self-examination is attempted, new ways of thinking ‘out of the box’ or problem solving will ever remain a far cry or at best lip service. Engagement in experimenting with alternative sources and methods of learning is the need of the hour. This paper is a humble attempt in this direction, towards the exploration of alternative learning for the leadership of future India. While it will frame the critical questions around our dominant management thinking and practice, it will also unfold the gaps and contradictions in our traditional ways of looking at management and leadership along the Western models and the inadequacies in conventional management education that can at best shape up a techno-economic entity without much concern for meaning and purpose of life or work and forget about essentially being a socio-technical system.

### **3 Looking East for Wisdom**

In this paper, we shall try to share a few quintessentially Indian ways of looking at and acting in the world—by management or otherwise. An attempt will be made to reveal certain pertinent insights on leadership and management from sources ancient as well as modern beyond traditional literature on leadership and management. Relevant references will be made to classical texts like the Upanishads and Srimad Bhagavad Gita as well as the lives and messages of modern Indian thought leaders like Rabindranath Tagore and Swami Vivekananda who were also institution builders with an indelible and enduring impact not only in India, but worldwide. Learning from dialogues and conversations, nature and silence, arts and poetry will be among the alternative learning paths that we shall try to explore in this voyage. Enlightened thought leaders from the West like Leonardo da Vinci will also be highlighted in this regard.

All this will aim at creating an enduring ecosystem in society, business, economy and governance with an ever-widening inclusive approach covering all possible aspects of life and work. Our aspiration will be to build a possible ‘business ecosystem’ that creates space and conditions for harmonious coexistence of diverse constituencies under the guidance of inspirational leaders with holistic and long-term perspectives and enduring humanistic values.

“Unless men increase wisdom as much as knowledge, increase in knowledge will be increase in sorrow.” These words of caution from Bertrand Russell portray the current reality, painfully enough. We need to question and challenge ourselves and our existing beliefs and models, explore fresh perspectives and values and evolve actionable practices for a better and ethically enlightened future. Otherwise we may be condemned to reach a predicament succinctly depicted by Socrates in his cardinal message: “For man, an unexamined life is not worth living.”

Let us begin this voyage to the East with the 5000-year-old Indian tradition and wisdom as enshrined in the Upanishads.

## 4 Wisdom of the Upanishads for Future Leaders

Thousands of occasions for joy,  
 Thousands of occasions for sadness—  
 The ignorant are their victims,  
 The wise remain unperturbed.  
 —*Vyasa* in the last verse of *The Mahabharata*. (Lal 2006: 431)

The Upanishads constitute the quintessential wisdom of India in the form of a conversation or dialogue between the Teacher and the Student/s. These texts date back thousands of years. The conversations were initiated by the teachers of ancient India to help the students evolve into great leaders in the future with a comprehensive view of the world, a holistic approach to life. In this context we shall delve into a few pertinent insights from some of the Upanishads for a deeper understanding of life

and work through questions that are critical and often uneasy without any quick-fix solutions.

## Isha Upanishad: Learning to Set the Priorities

In times of turmoil, what should we uphold—matter or spirit? What should we strive for—profits or ethics? Such questions often haunt the leader's mind. There are certain common misplaced apprehensions around Indian spiritual wisdom that it propounds an esoteric, other-worldly pursuit divorced from reality. The quintessential wisdom of the Upanishads and many other original Sanskrit texts never advocated such an illusory view that unfortunately fosters a world-negating attitude and lures us to delve into a domain of magic as if defying all logic. This also portends the danger and fallacy of shunning material progress as irrelevant to and incompatible (often, as if, in conflict) with 'real' spiritual aspirations. On the contrary, the Upanishads boldly present to the world an all-embracing view of spirituality and advocate a harmonious pursuit of both the material and spiritual dimensions of our existence for a richer experience of work and life in fullness. *Isha Upanishad*, the oldest available Upanishad complete in 18 verses, deals with this problem upfront, dispels the myth of a 'non-material' notion of spirituality and offers a feasible and practical resolution in two of its verses in close succession.

In the ninth verse of this text, it has been clearly pronounced that if we pursue material knowledge (*avidya*) to the exclusion of spirit, our life will enter into darkness. The next line of this verse is even more sharply articulate and challenging. It spells out with no trace of ambiguity that if we pursue spiritual wisdom (*vidya*) to the exclusion of matter, our life will enter into deeper darkness (Swami Gambhirananda 1957: 19–21). This may come as a shocking revelation to the proponents of an 'other-worldly' spiritual pursuit. The same Upanishad also offers us a comprehensive resolution of this apparent conflict in verse number 11. Here, the seer of the Upanishad asserts that if we pursue material knowledge and spiritual wisdom simultaneously in a balanced manner, then material knowledge will help us to overcome the barrier of death while spiritual wisdom will transport us to the land of immortality. Thus, a harmonious

blend of these two pursuits is a necessary precondition for the experience of fulfillment in life.

## Prashna Upanishad: The Art of Questioning for Learning and Development

Reveal to me  
the wisdom of the *shruti*!  
The wisdom of the *shruti*  
never forsake me!

—Invocation from the *Prashna Upanishad*. (Lal 1999: 8)

A common experience in courses, conferences and workshops is the recurrence of the same questions after years of discourse and deliberation. One would naturally ask, ‘Has there been no evolution in our mind at all during this period?’ *Prashna Upanishad* creates a space for a dialogue that dispels this myth of a stereotypical way of raising questions and seeking answers without any impact on human consciousness over time.

In this Upanishad, we find six seekers of truth going out to the hermitage of a seer to find the answers to their queries. Even before any dialogue begins, the Upanishad spells out the parental and family background of the six young men. However archaic it may sound in our ‘modern times’, this elaboration offers a pertinent message. There is a trajectory of evolution of human mind that has a direct relationship to the background from where we come. Hence the nature and contents of the questions we ask differ from one another. There is no single universally applicable answer. Each one of us will find our own answer.

The second lesson that we derive here is that there is no quick and easy answer to these questions as it is not a display of intellectual acrobatics. This is a serious engagement with life that demands time and patience. Hence, we find that the seer in this Upanishad asks the six seekers to stay in his hermitage for a year. This will be a period of mutual observation of the master and the seekers in daily life. The diverse backgrounds of the six young men will then reach a stage of unity amidst differences before the beginning of the dialogue. Life in the *ashram* will be of cardinal impor-

tance to achieve this unity, ‘setting the tone’ and spirit prior to asking questions. Moreover, the students have a direct life experience of being in intimate contact with the teacher through a process of observation of his lifestyle and disposition. This marks the setting before the actual discourse.

Once the background is set the voyage begins. It is interesting to note that one question is asked by each seeker. The question asked has a relevance to the background from where the student has emerged. It deals with a particular domain of life and our level of consciousness. What is interesting is the way the teacher is transporting the collective consciousness of the students through this journey of discourse. So once the answer is provided the second student asks a question from a different vista of life-world at a next, higher level of consciousness and thus the voyage gradually unfolds towards newer vistas of learning. The other significant lesson is that the same question does not come back in the next level of the dialogue. Gradually the teacher takes care to evolve the consciousness of the students, step by step, from the level of the material to spiritual culmination.

One finds a cord of resonance when Philip Mirvis of the Boston College Center for Corporate Citizenship, records his using of ‘consciousness-raising’ experiences in his executive development programmes (Mirvis 2008: 173–188). The path of learning becomes engaging and enjoyable when one knows the art of asking questions.

## **Insights from the Bhagavad Gita—Learning from the Battlefield of Life**

A truly effective leader must often place the team members in a critical situation—not to manipulate, but to get the best out of them by awakening their latent power and harnessing their untapped potential. This helps develop a balanced mindset and better equips people to handle success and failure with equal stead. Life is a great drama of pleasure and pain, hope and fear, happiness and sorrow, success and failure. A great leader must evolve as the master of the art of learning from failure, to evolve towards perfection in the battlefield of life.

Srimad Bhagavad Gita (commonly known as the Gita) is the crystallization of Upanishadic thoughts in the background of a battlefield, Kurukshetra, the field of action, (*Kuru* implying action from the root word *kri* and *kshetra* meaning field), where a fierce battle was about to begin. This was the inevitable culmination of the great Indian epic, the Mahabharata, where India saw the emergence of one of the greatest leaders, Sri Krishna in human history.

Here the leader chose voluntarily not to participate actively in the war and instead became the charioteer of the protagonist Arjuna. Entering the battlefield, Arjuna asked his charioteer to position his chariot in between the two columns of war so that he could have a full view of his contestants in the enemy camp. The Blessed Lord, Sri Krishna, mentioned as Sri Bhagavan in the original text, never uttered a word. Like an obedient driver, he placed the chariot in front of the two senior-most veterans in the enemy line. These were Bhishma, the grandfather and Drona, the guru of both the camps in the art of war and weaponry. Arjuna then faced a moment of crisis.

What really was the crisis in the Gita? In our journey through life, personal as well professional, we often face situations, which present to us alternative courses of action. This results in the experience of conflict in our mind-space whereby we find it difficult to arrive at a decision. The crisis in the Gita as described in its first chapter is a crisis of decision making. Hardly did Arjuna know that this exuberance of confidence would invite him so much trouble. The Blessed Lord used his discretion to place the chariot in front of two stalwarts of the enemy camp—Bhishma, the great grandfather and Drona, the revered teacher (of the art of arms and war) for all the brothers in the two opposite camps. Moreover, Arjuna was the dearest to both of them among all the others though at this juncture of the Kuru- Pandava family feud they belonged to the opposing teams and faced each other as enemies in the battlefield. The fire and vigour of Arjuna began to dim at the very sight of these venerable and beloved veterans. This led to his physical as well as psychological collapse to such an extent that he laid down his arms and declared to his charioteer that he would not fight. The crisis of Arjuna is commonly experienced by most of us in the battlefield of life.

It is a conflict of values arising from directions and guidelines from two sets of human faculties—the rational and the emotional. For our

understanding of the world and relating to it, the exercise of both these faculties becomes necessary. However, under the influence of the dominant thrust on cognitive methods of learning, we often score rather low on emotional competence in our modern times. To add to this, there is a misconception that emotional problems can be adequately overcome by sharpening our intellectual acumen. Unfortunately this is far from the truth. The crisis of the Gita serves well to dispel this myth at the very outset. When our emotional disposition is in conflict with the dictates of our reason, neither of these two sets of faculties is of help to resolve the dilemma.

The Gita provides us with a unique and profound principle of resolution in this regard. The root of the problem, according to the Gita, is not to be found in the battlefield of Kurukshetra, but within the inner world of Arjuna. We are all Arjunas in the arena of life. Here the conflict is actually between 'my reason', which directs me to fight and 'my emotion', which dissuades me from taking up arms against the near and dear ones. The cue to the resolution of this conflict, according to the Gita, lies in the common denominator 'my' or more specifically and deeply in the realm of the 'I'. The 'I' or the Real Self of Arjuna, which got trapped and constricted in the spatial and temporal domain of Kurukshetra, must be liberated and experienced in its fullness and glory in order to come to terms with this dilemma. The purpose of this discourse was to bring back Arjuna's consciousness to the centre of his 'I' or Self and experience the full knowledge and potential of the 'I' prior to engagement in action.

The Gita offers a three-tier sequential methodology for the resolution of this conflict (Mukherjee 2007: 111–113). Each stage actually implies a progressive evolution of human consciousness into a superior level of knowledge. The ascent to enlightenment as shown in the Gita is essentially an adventure of human consciousness from the grossest to the subtlest planes of existence.

## **Search for the Self: The Key Questions**

The most important element of leadership learning is how the leader in the Bhagavad Gita, the Lord Sri Bhagavan helps Arjuna come out of this fiasco. The Lord makes entry into the conversation in the second chapter



of the Gita with a thundering question: 'From where did this problem arise in you, O Arjuna and enveloped your consciousness in alarming proportions?' (Swami Gambhirananda 1957) The Lord does not give a quick answer to Arjuna's problem but prevails upon him with a rebuke to go to the root of the problem. The problem lay deep within the self-consciousness of Arjuna that got constricted in that limited context of Kurukshetra war with two respected and beloved stalwarts in from him. Then, for the next 20 verses, we find the Lord unfolding the glory of the Self as Eternal and Immortal to awaken Arjuna to his real nature. Unless this living connection is re-established between Arjuna's present state of consciousness and his infinite potential within, how will he derive the power and energy to fight the battle? The rest of the text is a voyage into exploring different paths of awakening of the real Self through knowledge, action, devotion and spiritual practices. When we come to the last chapter of the Gita, we find the Lord is concluding his conversation with two final questions to Arjuna: 'Have you heard me with single pointed attention? Has it removed from your mind the doubt that enveloped it in the beginning?'

In the spiritual literature on conversations between the master and the disciple, the leader and the follower, we usually find the disciple is asking questions that are answered by the master. But this is the uniqueness of the Gita! Here the great leader not only begins but also concludes his dialogue with questions. This is indeed a rare phenomenon! This is because the real the journey for Arjuna is only about to begin once the battle starts in Kurukshetra, where he will have to find his own answers. Great leaders do not spell out the answers to followers. Like true teachers, they help us ask the right questions so that we can find our own answers.

## **5 New Horizons in Management Thinking and Learning**

Access to these insights from classical Indian wisdom may not necessarily emerge from our conventional learning prevalent in modern management education that enhances our acquisition of scientific and technological knowledge through quantitative tools and techniques. Hence, we find strong and serious critique of our existing methods of learning coming

from stalwarts in the management academia (Ghoshal 2005; Bennis and O'Toole 2005). The search has also begun to find ways that connect “our heart and head [that] does not split knowledge into dualities of thought and being, mind and body, emotion and intellect, but resonates with a wholeness and fullness that engages every part of one's being” (Kind et al. 2005: 33–38). Unless we open ourselves to receive insights from other sources of learning beyond the corridors of business schools, we may continue making the mistake of ‘solving the wrong problem precisely’ using the scientific/technical perspectives, while the systemic perspectives will keep eluding our domain of vision and concern. The resulting pseudo-solutions for our economy and life-world have been poignantly portrayed by Ims and Zsolnai (2006) in the opening chapter ‘Shallow Success and Deep Failure’ of their edited volume *Business Within Limits*, in which they have advocated a radical shift in our world-view, based on deep ecology and Buddhist economics. A somewhat similar paradigm shift has been outlined by Michael Ray (1992), who proposed that vision must replace profit as the key aim of business. The main pillars of a wholesome business transformation process, founded on human values for a sustainable future, have also been presented by Chakraborty (1995) in his concept of the ‘Business Ashram’. Stephen Covey (1992) had also envisaged a shift in the ruling management metaphor from stomach to spirit, with emphasis on leadership character beyond techno-managerial competence towards learning to develop a ‘quality mind’ (Chakraborty 1995) or ‘quality consciousness’ (Chatterjee 1998). Michael Gelb (1998) has drawn our attention to the principles of learning and creativity laid down by Leonardo da Vinci, the multi-faceted genius of European enlightenment for living a life of fulfillment in harmony with the environment. Weick (2006) has advocated a completely new approach to learning through ‘heedful relating’ by cultivating the art of mindfulness. Growing interest in spirituality at work is becoming evident from the steady rise in publication of articles on spirituality and holistic management by scholars in leading business journals (Biberman et al. 1999; Tischler 1999; Bell and Taylor 2004; Cash and Grey 2000; Mitroff and Denton 1999; Pruzan et al. 2007). The concepts of ‘synchronicity’ (Jaworski 1998) and ‘spiritual quotient (SQ)’ (Zohar and Marshall 2000) are significant developments in this direction.

All of this points towards the need to delve into certain non-conventional sources and methods of learning (Mukherjee 2007) for igniting the fire and spirit of passion and inspiration in individuals and organizations by way of expansion of human consciousness beyond the here and now along the lines of the messages of the Upanishads.

## 6 Epilogue

It was a freezing night in the hills of the Himalayas—the abode of snow. The volcanic monk of India, Swami Vivekananda, was on pilgrimage with a few chosen disciples. His health was failing yet his passion to inspire was aflame. He went into a trance in intense meditation that led him to a vision of the Mother Kali, the Black Goddess—the mighty destroyer and Time Eternal, lurking behind the veil of life. During one evening in a state of high fever, he wrote a famous poem ‘Kali The Mother’ that concludes thus:

Who dares misery love,  
And hug the form of Death,  
Dance in destruction’s dance,  
To him the Mother comes. (Sister Nivedita 2006: 108)

He said to her chosen disciple Nivedita (an Irish lady of noble origin): “Meditate on death. Only by the worship of The Terrible can The Terrible itself be overcome ... There could be bliss in torture too ... The heart must be a cremation ground—pride, selfishness, desire, all burnt to ashes. Then and then alone, will the Mother come!” (Rolland 2010: 117).

Could it be that he was under a spell of ‘negative thinking’ when he wrote the above verse? Or did he want to convey a pertinent message in a different mood that might be useful for all in moments of turbulence and uncertainty?

Business leaders of tomorrow, when shall we learn from death and destruction of old orders and replace them with creative breakthroughs in our leadership roles? When will we shake the very foundation of our outdated models and worn out concepts, our tunnel vision and fossilized

values? We do this by keeping alive and aflame just one precious element within our hearts—the passion to transform and infuse a new lease on life in our organizations and the planet at large.

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# Part IV

## Conclusions

# 18

## Lessons for the Future for India and Europe

László Zsolnai and Madhumita Chatterji

In this concluding chapter, we summarize the most important messages from this book, with a view to stimulate further dialogue and fruitful exchanges between Europe and India on the theory and practice of ethics, leadership and sustainable development.

Peter Pruzan, an eminent scholar who has taught in Europe and India for decades, emphasizes that Western approaches to ethics are very different from Eastern approaches. In Western approaches, individuals usually evaluate their own behavior and that of others with respect to understanding the possible positive or negative effects it may have on other sentient beings and on nature. The Eastern approaches provide “an alternative perspective with greater focus on what it means to be human than on either the motivations for our actions or the consequences. There is an emphasis on our inherent capacity for self-reflective choice and our propensity as human beings to behave ethically and not on rational reflection or on tradition-based norms” (Pruzan 2015: 268).

The unavoidable differences and also complementarity of the European, Judeo-Christian and the Indian, Hindu-Buddhist approaches to ethics and leadership are one of the main themes of this book.

The distinction between transactional and transformative leadership is well-known in the management literature. The aim of *transactional leadership* is to motivate and direct people through employing rewards and punishment. In contrast, *transformational leadership* has a focus on transforming people by creating a new vision and a shared set of values in an organization.

Luk Bouckaert suggests that we can understand the different types of leadership by using a two-dimensional grid structure. The vertical axis represents the tension between the market-driven and the spirit-centered idea of leadership, while the horizontal axis represents the tension between the 'aristocratic' and the 'democratic' vision of leadership. Each quadrant thus refers to a specific type of leadership. Using this model we can identify market leadership (a combination of aristocracy and market, in which leaders strive to create shareholder value), corporate social responsibility (CSR) leadership (a combination of democracy and the market, whereby leaders aim to create stakeholder value), aristocratic leadership (a combination of aristocracy and spirit, where leaders lead through inspiring from the top) and spiritual-based leadership (a combination of democracy and spirit, where leaders are engaged in the process of the co-creation of meaning).

Real-world leaders often display a mix of these ideal types of leadership, but there is always one dominant mode. A key assumption of spiritual-based leadership is that every person has the potential to lead and to follow. Co-creativity and co-responsibility are the hallmarks of spiritual-based leadership which empowers people and fosters social relations of trust, reciprocity and interconnectedness.

Bouckaert thinks that spiritual-based leadership can be defined as the art of managing spiritual capital of an organization, which is the capacity to think and act as a co-creative and co-responsible community. In today's competitive markets, instrumental and utilitarian rationality is the dominant perspective, while spirituality is anchored in a non-instrumental, non-utilitarian experience of life. For this reason, India is a challenging case. On the one hand, the Indian economy is one of the fastest growing economies in the world, although India is also characterized by the growing gap between rich and poor. On the other hand, India has a rich variety of spiritual traditions and a natural interest in religion. The challenge—Bouckaert warns—is to create a generation of managers that



are able to combine rational management capabilities with the human quest for meaning.

László Zsolnai observes that responsible leadership is today a scarce resource. Trust in leaders across the world is dramatically decreasing as they are not seen to be serving the common good. Mainstream leadership models of business should be renewed to re-establish the trust of the public and to ensure that business succeeds in tandem with its stakeholders.

The most comprehensive theory of moral responsibility in the West was offered by the German-American philosopher Hans Jonas. According to Jonas, the imperative of responsibility can be summed up as this: “Act so that the effects of your action are compatible with the permanence of genuine human life” Or, expressed in a negative format: “Act so that the effects of your action are not destructive of the future possibility of such life” (Jonas 1984: 11).

Zsolnai suggests that responsible leadership should be described as defining directions for actions and policies which help to achieve the goals of the organization, while also contributing to the restoration of nature, enhancing the freedom of future generations and developing the well-being of society.

The conventional notion of economic rationality conflicts with that of responsible leadership. But responsible leadership is in fact consistent with the conception of reason as it is advocated by Indian-American economist Amartya Sen. Reason is the discipline of subjecting one’s choice—of action as well as objectives, values and priorities—to reasoned scrutiny (Sen 2002). According to this perspective, responsibility and reason can support one another in good leadership practices.

While Aristotle is considered the father of economics in the West, Kautilya (350–275 BC) can be considered the father of economics in India. Sharda Nandram and Ankur Joshi argue that Kautilya’s teaching contributes to management theory about stewardship with an ethics of care by stressing the importance of offering motivational support to the follower, and promoting the concept of self-regulation for the leader. An ethics of care implies integrating into our strategic thinking and behaviors the principle of connectivity, along with a focus on promoting welfare, ethical behavior, a paternalistic attitude, responsibility, dedication and control of the senses, and the desire to transcend differences in order to achieve unity or oneness.

V. Adinarayanan, V. Smrithi Rekha and D. G. Sooryanarayan offer a multidimensional view of leadership from an Indian perspective. They refer to the Purusharthas, which have been a roadmap for life in India since ancient times. The elements of the Purusharthas are Dharma, Artha, Kama and Moksha. Dharma refers to duty, responsibility, ethics and law. Artha means wealth, profit and material well-being. Kama means desire, ambition and pleasure, while Moksha designates freedom from all limitations. According to the ancient Indian system, Moksha was considered to be the highest form of human aspiration. In order to be free from suffering, one should have the right desires and perform the right action (as described by the concept of Dharma). While Moksha provides a vision for life, Dharma is a guideline for thoughts and actions.

Moksha and Dharma are important principles for leadership. The desire (Kama) to attain wealth and material well-being (Artha) is best pursued through the framework of Dharma and Moksha. A proper balance among Purusharthas is required for successful and ethical leadership. Ethical leadership does not just involve adhering to moral values but also to developing a sense of inclusivity towards society and the environment. While Dharma brings 'objectivity' to leadership, Moksha brings in the missing subjective components such as happiness, contentment, agreeableness and inclusivity, which are vital to ethical leadership.

In practical organizational settings, the way to take this forward may be realized through the iterative process of *Sravana* (listening), *Manana* (contemplation) and *Nidhidhyasana* (integration and practice). *Sravana* can be fostered by education and training through which an individual is systematically exposed to the literature which expounds the relevant Indian principles. *Manana* occurs when leaders think, discuss with peers and superiors and refine their understanding of the principles. *Nidhidhyasana* is the application of the principles in real-life settings, and their fine-tuning based on experiences.

Asi Vasudeva Reddy and A.V.S. Kamesh argue for the integration of servant leadership and ethical leadership. They believe that models of servant leadership and ethical leadership can be blended in the organizational context by combining the concept of serving with the moral training of leaders in identifying and promoting the common good.

The servant-leader style of leadership creates opportunities for followers to grow. Compared to other leadership styles—in which the ultimate goal is the well-being of the organization—a servant leader is genuinely concerned with serving others. As Greenleaf says “It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. (...) The best test, and most difficult to administer is this: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, and more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit, or at least not further be harmed?” (Greenleaf 1977: 7)

Numerous pieces of research in psychology show that servant leadership and ethical leadership may be integrated through behavior of the leader. The cultural perspective of ethical leadership focuses on role modeling and the ethical context, whereas servant leadership focuses on power distance and human orientation. These can be synergized through the cultural perspectives of ethical leadership, because unless a leader is strongly determined to be a role model, they cannot display ethically conscientious behavior and demonstrate power distance from followers. Such displays project the openness, agreeableness and fairness of leaders for the purposes of uplifting the morale of followers. Being agreeable is associated with generosity and a greater willingness to help others.

C. Suriyaprakash studied the extent to which the lives of leaders examined through a Spiritual-Based Leadership Research Program (SLRP) reflect the principles and teachings of the Bhagavad Gita. The Gita’s teaching can be categorized into three components: (1) Universal oneness of human spirit; (2) Performing action without attachment to its outcomes; and (3) Actions governed by one’s Dharma. Suriyaprakash found that even though the participants of the SLRP may not have been aware of the Bhagavad Gita, and that their spiritual orientation may have been influenced by their respective religions, their spiritual beliefs and practices were aligned with the teachings of the Bhagavad Gita. Moreover, the participants tended to follow the basic tenets of timeless leadership described in the Gita—they sought to explore the ultimate meaning of life and the multidimensionality of human existence, they looked beyond

the individual self for the sake of the greater self, they recognized that the real goal of life was life itself and not material pursuit, and in their work they strived to create meaning through a synthesis of reflection and action.

Gabor Kovacs and Andras Ocsai focus on the traditional Indian virtues of mindfulness and non-violence and investigate the relevance of these virtues to today's businesses. They believe that mindfulness—so popular in business circles in the West—is not enough for addressing the ecological and social problems generated by business. To tackle the problems of social well-being and ecological sustainability, the principle of non-violence should be awarded more importance.

Mindfulness appears to be a decisive leadership competency through which leaders can gain poise, courage, enthusiasm and awareness. Leaders now more than ever cultivate a sense of presence so as to be able to apply all of their mind's capabilities to their jobs. They should also lead and coach others to be mindful, and create work environments in which employees and colleagues are nurtured and energized, organizations innovate and flourish and communities are respected and supported. It is widely believed that mindful leadership can boost productivity, flexibility, innovation and job satisfaction in the workplace. However, in mindful leadership models reference to non-harming is largely absent, or is only present through minor demonstrations of caring or compassion.

The most famous practitioner of non-violence is undoubtedly Mahatma Gandhi, who said: "Non-violence is the first article of my faith. It is also the last article of my faith" (Gandhi 1925/1928). Gandhi applied the notion of non-violence to economics. His basic tenets were the following: economic self-sufficiency with regard to the basic necessities of life; building the foundation for a more equitable social order through economic activity; ensuring decent working opportunities for people; fighting against the economic exploitation of villages and the misuse of capital; and maintaining wealth within moderate limits by reducing superfluous desire. He rejected industrialism and the 'wrong' use of capital wherein non-economic costs outweigh economic benefits and emphasized the need to satisfy basic human needs (food, housing, clothing, health care and education) at the local village level. Gandhi was not against economic progress, the creation of capital, machinery and the

market. He stood up against profit-making enterprises and the allocation of productive resources on the basis of their value as financial capital.

In an age when humanity has the power and the technology to modify the vital processes of the planet through economic activity, adhering to the principle of non-violence is more important than ever. A non-violence of compassion, rooted in Buddhism, should precede mindfulness, as was always the case in the Jain tradition. A shift in focus from mindfulness to non-violence is desirable in business and economics.

Indian spiritual traditions inspired ethical leadership in Europe for many decades. Two important proponents are the German medical doctor and theologian Albert Schweitzer (influenced by the Bhagavad Gita and karma yoga) and the British economist E. F. Schumacher (influenced by Buddhism and Gandhism).

Albert Schweitzer (1875–1965) wrote *Indian Thought and Its Development on Hinduism and the Bhagavad Gita* with a focus on both business and political ethics and leadership. Gerrit De Vylder and Hendrik Opdebeeck note that Schweitzer used Krishna's advice from the Bhagavad Gita to re-energize his own Christian traditions, saying: "man should be active not because of the expected results, but solely because of a pure, absolute sense of duty with no empirical foundation" (Schweitzer 1936: 188).

While Christianity simply demands that mankind be obedient to God, Hinduism requires union with Him ('Bhakti', or *piety*). An enlightened person should not withdraw from life, including business and political life. Schweitzer's preoccupation was with affirming life. His famous maxim "*Reverence for Life*" has served as a firm foundation for the environmental ethics, bioethics and social ethics that have emerged in Europe, North America and Africa.

E. F. Schumacher (1911–1977) was Chief Economic Advisor to the UK National Coal Board. During the 1950s, he visited India, Nepal and Burma and was deeply influenced by Buddhism and Mahatma Gandhi which resulted in the classic book on alternative economics *Small is Beautiful* (Schumacher 1974).

Schumacher argued that economics suffers from "a kind of metaphysical blindness". Consumption is said to be the sole purpose of all economic activity, and labor is simply a means to that end. Schumacher suggested

that we let go of our ego and greediness and called for *Buddhist economics*. “Bigness” is the origin of socio-economic decline, regardless of the economic system, and companies need “oxygen to breathe”. Consequently, they need to be small, as De Vylder and Opdebeeck conclude.

Katalin Illes uses examples of Hindu and Christian social entrepreneurship to show that although the language, the frame of reference and the religious practices are different, both religions encourage people to follow spiritual principles, to seek a connection with the transcendent and with other people, themselves and the environment. Spirituality requires self-discipline and the courage to reflect on one’s action and behavior honestly, to acknowledge mistakes and shortcomings and to aim to continuously improve.

Research in developmental psychology concludes that equal importance must be given to an individual’s external and internal development, and suggests that a fully developed individual (someone who has a well-developed capacity to reflect and explore their inner world as well as their external world) will lead a life that is respectfully connected to others and to the universe through wisdom. To satisfy our need to connect requires commitment and self-discipline, the daily practice of meditation, prayer and reflection. Whilst this involves making a personal choice, and primarily rewards the individual, its potential impact on business and the social environment should not be underestimated.

The traditional view is that business has an economic and a legal obligation towards society. However, businesses operating within a fixed legal framework may nonetheless be devoid of moral rectitude. This has given rise to the promotion of ethical obligations, according to which businesses are expected to conduct activities which go beyond compliance and which are beneficial to society. Madhumita Chatterji, Nitha Palakshappa and Abhishek Narasimha underline the fact that ethically obligated businesses are practicing a form of spirituality, because spiritually motivated business people automatically behave in a benevolent way through arriving at decisions after examining their inner conscience and striving to adhere to economic, legal and ethical standards, showing sensitivity towards society and moving beyond being exclusively concerned with financial capital to valuing human and environmental capital. High purpose, high mission

companies serve society at their own behest, but not directly because of short- or long-term financial gain.

Work stress is a major problem across the world, so alleviating stress is a task of vital importance. Lakshminarasimha suggests that both the Western scientific approach and the Eastern spiritual approach might be useful for this purpose. The Western quantitative approach with its focus on individual and organizational initiatives is readily implementable, but by ignoring the root causes of problems results in short-term benefits. However, this approach can be implemented over the short term. In the long term, the more difficult spiritual approach would create more benefits. Integrating a spiritual approach takes time, depending on the inbuilt/acquired tendencies of the individual. While adopting a spiritual perspective may permanently decrease stress, it demands of the individual a great amount of self-observation and critique.

Bottom of the Pyramid (BoP) models promote the development of innovative businesses to serve the largest groups of socio-economically poor individuals in the world. Across the world, about 4 billion people live on less than \$2.50 USD per day. The usual BoP models do not transcend the logic of the mainstream, materialistic business paradigm. Arun Raste analyses an alternative model, the Mumbai Dabbawalas, in which spirituality is ingrained as a core value. Spirituality in the dabbawalas goes far beyond the expression or practice of religion. The pursuit of a spiritual dimension not only inspires but creates harmony within the group, the society and the universe at large. Without using academic terminology, we may claim that these poorly educated people are able to forge a relationship between themselves and the infinite. Irrespective of physical hardships and the daily stress associated with life in metropolitan Mumbai, the dabbawalas search for transcendent meaning, often through music or a set of philosophical beliefs. Their bhajans and recitation of the works of Sant Tukaram create an invisible halo of positive vibrations around them.

The glow on their faces comes from complete contentment with life. Though they only wear simple clothes and beads around their necks, they seem to possess all the happiness and riches of the world. For them, workplace spirituality is about the acceptance of one specific belief system.

The dabbawalas as a group exemplify the idea that spirituality at work involves the activities and beliefs of practitioners who understand themselves to be spiritual beings, and who have a sense of calling that provides meaning and purpose in their lives. It also involves membership, a sense of belonging and connectedness to one another and a workplace community. The spiritual values that the dabbawalas have are the cornerstones of their business model, and include integrity, service to others and respect for others and the planet.

Norwegian philosopher Arne Naess taught us that ecology should be concerned with every part of nature on an equal basis because the natural order has an intrinsic value that transcends human ideals. Indeed humans may only attain ‘realization of the Self’ as components of an entire ecosphere. He urged the green movement to not only protect the planet for the sake of humans, but also for the sake of the planet itself; i.e., to work to promote ecosystem health for its own sake (Naess 1989). Nel Hofstra warns that capitalism, even ‘green’ capitalism, facilitates consumerism, materialism, anthropocentrism and the abuse of other people and nature. Capitalist values encapsulate individualism at the expense of connectivity with the intrinsic value of Nature.

So-called “high-TEK” (Traditional Ecological Knowledge combined with leading-edge Western knowledge) guides the way to creating circumstances advantageous to life for all beings. The process of conceiving, developing and launching products that are based on traditional ecological knowledge involves more than participation in a secular business movement. Observing nature as a complete body of knowledge comes first. This has then to be translated into best business practices. The need for regenerative entrepreneurship has become vital. Deep understanding of the sanctity of nature leads to the emergence of morally and spiritually motivated entrepreneurs who base their sustainable strategies on an understanding of the relationship of humans to the Earth. Only by understanding our interconnectedness with the ecological system can we fully realize our humanity (Naess 1989).

In his landmark essay “Bad management theories are destroying good management practices” Indian-British management scholar Sumatra Ghoshal (2005) summarized the basic problems with management education in a compelling way. He wrote, “Combine agency theory with



transaction cost economics, add in standard versions of game theory and negotiation analysis, and the picture of the manager that emerges is one that is now very familiar in practice: the ruthlessly hard driving, strictly top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost business leader” (Ghoshal 2005: 85).

Manesh L. Shrikant and Jagdish R. Rattanani stress that our current problems stem from the fundamental propositions embedded in the Western ideology of free markets that promote an economy marked by competition and a politics that stresses the rights rather than the duties or responsibilities of individuals. The deeply embedded view that more is good, bigger is better and might is right in a society driven mostly by the materialistic desire to make individual acquisitions and gratify the ego involves a race for more that will result in less for all. A society marked by extreme self-centeredness with little respect for the well-being of others or a sense of distributive justice negatively impacts both the haves and the have-nots.

Indian managers can help script a model that fits into the Indian context only when they are schooled to look beyond short-term profit making and loss appraisal to the larger meaning of ‘growth’, which means to serve, share and build to raise the living standards of the millions who remain thus far untouched by Western-centric conceptions of growth—warn Manesh L. Shrikant and Jagdish R. Rattanani. The quest for this deeper meaning and greater purpose is linked to the lack of ‘spiritual quotient’ (SQ) of managers which can be used to give a broader meaning to the terms profits, growth and success. SQ is the ability to look deep within to see why we do what we do, and helps us to learn to work with our deep inner being to serve goals that go beyond satisficing through making short-term transactions. Promoting managers’ SQ can help deliver successes on a very different plane. A higher SQ helps create equanimity of mind, greater objectivity in perception, analysis and decision making and helps shape leaders into truly transformational individuals. Managers who have been trained to develop their SQ can handle not only successes but also failures, and can create an agenda for personal growth through their day-today experiences.

Many philosophers and pedagogues believe that literature can open the gates to the spiritual self. Narratives hold up a mirror and confront

the reader with an otherness that may question pre-existing, self-evident norms, conceptions and values. Rita Ghesquière argues that literature can be a source of inspiration for true leadership (in addition to scientific analyses of market situations and managerial strategies), because literature brings with it the often-neglected human element. Literature teaches its readers in a very comprehensible way about the self, the emotions and the complexity of the world.

Literature is not a homogenous mass but a colorful field of texts that can serve in different contexts—notes Ghesquière. The clear-cut lesson of the fable recapitulates natural wisdom in a nutshell, while the novel guides us through the labyrinth of hidden forces, conflicting interests or contexts and ambivalent feelings. Reading about other people's lives helps us to better understand why they act and react as they do. The reader reconstructs the inner journey of the characters and learns from their flaws and mistakes. Finally, the autobiography compels the reader to look in the mirror and to reflect upon their own life. The claim to truth of the autobiography makes this demand compulsory, especially if a memoir confronts the reader with desperate situations that test the human capacity to endure.

The great Indian sage Swami Vivekananda once said to his chosen disciple Nivedita: "Meditate on death. Only by the worship of The Terrible can The Terrible itself be overcome ... There could be bliss in torture too ... The heart must be a cremation ground—pride, selfishness, desire, all burnt to ashes. Then and then alone, will the Mother come!" (Rolland 2010: 117). Reflecting on this story, Sanjoy Mukharjee asks: Business leaders of tomorrow, when shall we learn from the death and destruction of the old order so that creative breakthroughs in our leadership roles may occur that shake the very foundation of our outdated models and worn out concepts, our tunnel vision and fossilized values? How can we keep alive and aflame just one precious element within our hearts—the passion to transform and infuse a new lease of life into our organizations and the planet at large?

Comparing Western and Eastern approaches to ethics and leadership, Peter Pruzan (2015) concludes that the Indian/Vedantic perspective does not refer to an external source, to a philosophical first principle, or to a social constructivist perspective whereby historical, social and economic forces determine what we find to be good or bad, right or wrong. Instead "it has its roots primarily in existential ontological perspectives on the

very nature of reality whereby ethical competence is and always has been embodied in all sentient beings; we are all physical manifestations and agents of a divine source” (Pruzan 2015: 169).

We hope that this book has gone some way to convincing the reader that spirituality is not incompatible with rationality or real-world economic, social and environmental analysis. Ethical leaders can employ the best available scientific knowledge to execute their own spiritual-based plans and policies. India and Europe should embrace their own spiritual traditions and seek to cross-fertilize one another to foster a state of sustainability, peace and well-being. The key is to overcome the pre-existing dominantly materialistic value orientation of our societies and the ego-centeredness of individuals and thereby come closer to a state of transcendence and oneness. Gandhi and Albert Schweitzer have shown the way.

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# Correction to: An Ethics of Care Induced from Kautilya's Wisdom

Sharda Nandram and Ankur Joshi

## Correction to:

Chapter 4 in: M. Chatterji, L. Zsolnai (eds.), *Ethical Leadership*, DOI 10.1057/978-1-137-60194-0\_4

The online version of the original chapter was inadvertently published with incorrect affiliation of one of the authors 'Ankur Joshi'. The affiliation has been corrected in the chapter as below:

Ankur Joshi  
Management Development Institute, New Delhi, India

Changed to:

Ankur Joshi  
Faculty of Management Studies – WISDOM, Banasthali Vidyapith,  
Rajasthan, India

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The updated online version of this chapter can be found at  
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# Hindu Terms and Concepts

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## Arjavam

Sanskrit: *ārjava*, straightness, honesty; from the adjective 'rju' straight, upright. In Bhagavad Gita 13.7–17. Krishna explains 'the what to be known' (*jñeya*) which is the Absolute, the Brahman. The means of reaching Brahman is 'knowledge' (*jñāna*), explained by a list of 20 terms (*daivi sampat*), one of them is *ārjava* (cf. 'amanitvam' and 'sthairyam').

## Advaita Vedānta

Sanskrit: *advaita vedānta*. The most important sub-school of Vedānta (q.v.). Based on mainly Adi Shankara's (8th century CE) commentaries on principal Upanishads, the Brahma Sutras and the Bhagavad Gita. According to it Brahman/Atman is the only reality, and the world, as it

appears, is illusory. This interpretation is somehow connected with the buddhist Yogacara (*yogācāra*) philosophy. 'Advaita' means the *non-duality* of Atman and Brahman, and liberation takes places when one acquires and realises this knowledge.

## ahimsa

Sanskrit: *ahimsā*, not injury, harmlessness, non-violence. One of the most important ethical tenet of Jainism, Hinduism and Buddhism. It is a broad concept that encompasses the prohibition of killing humans, animals or any kind of life forms. Vegetarianism, not hurting others mentally or verbally, peacefulness in the political sense, etc. these can also considered as forms of ahimsa.

## Amanitvam

Sanskrit: *amānitva*, modesty, humility; from noun 'māna' self-conceit, pride. See 'arjavam'.

## Arthashastra

Sanskrit: *arthasāstra*. It is an Indian tradition of political statecraft, but as a text it is a treatise on rulership, economic policy and military strategy written by Kautilya and Viṣṇugupta, who are identified with Cāṅkya (c. 350–283 BCE), the minister of the Mauryan Empire. The book based on earlier material but probably written at a later time (second through fourth centuries CE).

## ashram

Sanskrit: *āśrama* a hermitage, probably from the noun 'śrama' exertion, religious austerity. It is a hermitage or later a monastery of brahmin ascetics, mainly located far from human habitation, in forests or

mountainous regions. Many kind of religious activities are organized in or around ashrams also in modern times such as sacrifices, pilgrimages, yoga, schools of gurus, meditation practices, etc.

Other use of this word is the four *āśrama*, i.e. the four life stages of a brahmin, viz. *brahmacarya* (student), *gṛhastha* (householder), *vānaprastha* (retired) and *saṁnyāsa* (renunciation). (See 'Purushartas'.)

## Atman

Sanskrit: *ātman*, self (used as reflexive pronoun as well); the soul. This is a central idea of Indian thought. In Hinduism it is the core of spiritual and individual essence in all creatures; eternal and not-changing. Upanishads consider it being the same as Brahman, the Absolute. In Advaita Vedanta there is only one reality, i.e. the Universal Self, the Atman. Buddhism denies the existing of *ātman*.

## Arjuna

Sanskrit: *arjuna*. The third of the Pāṇḍava princess in the Mahabharata epic. One of the five sons of Kunti. His father is Indra, the king of the gods. He shares Draupadi as wife with his four brother. As a main character of the epic he fought with the Pashupata weapon received from Shiva. His charioteer was Krishna in the battle in Kurukshetra. Bhagavad Gita is narrated as a conversation between Arjuna and Krishna.

## Ayurveda

Sanskrit: *āyurveda*, lit. 'life-knowledge'; the science of health or medicine. It is traditionally considered as the ancient Hindu medical system and a supplement of the Atharva Veda. The most important ayurvedic texts are the *Caraka-saṁhitā* and the *Suśruta-saṁhitā*. Ayurvedic treatments try to restore the balance of the bodily humors or to eliminate toxic elements of the body by using herbals, oils and physical therapies. Surgery was also used. Today Ayurveda has been spread in the Western world as an alternative medicine.

## Bhagavad Gita

Sanskrit: *Bhagavad-gītā*, ‘The Song of the Holy One’. A widely celebrated Hindu mystical poem interpolated in the Mahabharata epic. It has 18 chapters in approximately 700 verses. The framework story is the legendary battle in Kurukshetra. Arjuna stops his charioteer, Krishna and reveals him not wanting to fight, then Krishna scolds him and insists to fight explaining many kind of religious-philosophical tenets, i.e. *bhakti*, *yoga*, *karma*, ideas of *Vedānta* and *Sāṅkhya*, etc.

## Brahmanas

Sanskrit: *brāhmaṇa*, a brahmin, belonging to the first of the three twice-born classes, according to the ancient Indian *varṇa*-system. In Vedic times he is one of the main priests at the sacrifice. Brahmanas claim to divine origin and superiority to the other classes. They can be considered as the intellectuals of the ancient (and partly the modern) Indian society, sometimes with great political influence. They usually serve as priests, but can also take up secular occupations, e.g. teacher, trader, even peasant.

## Daivi Sampat

Sanskrit: *daivī sampad*, divine perfection or fate. In the Bhagavad Gita 16.1–3. Krishna explains the qualities one born to divine nature (*daivī sampad*), which is a list of 26 terms, one of them is *ārjava* (cf. ‘arjavam’), others are charity, self-restraint, etc. The following verse enumerates the demonic qualities (*āsuri sampad*) such as pride, arrogance, etc.

## gunas

Sanskrit: *guṇa*, bow-string; quality. As a philosophical term refers to the three *gunas* in Sāṅkhya, the fundamental aspects of materiality (*prakṛti*). *Tamas* (lit. ‘darkness’) is inertness and stability; *rajas*



(lit. 'mist, atmosphere') is energy and mobility; *sattva* (lit. 'being, existence') is information, structure and cohesion.

## Kshatriyas

Sanskrit: *kṣatriya*, a warrior, a member of the military class, i.e. the second of the three twice-born classes, according to the ancient Indian *varṇa*-system. The word is from the noun '*kṣatra*': royal house. Originally kshatriyas can be regarded as nobles, and their families capable of bearing arms and weapons. Brahmanas and kshatriyas were closely related, but they struggled for the superiority in the society, ending with the overthrow of the latter according to some legends.

## Krishna

Sanskrit: *Kṛṣṇa*, (lit. black, dark). One of the ten *avatāras* of the god *Viṣṇu*; son of *Devakī*. His birth and history is narrated in the *Purānas*, especially in the Bhagavata Purana. He plays an important role in the Mahabharata epic as the charioteer of Arjuna. Krishna is one of the most popular of all Hindu deities, revered in different figures: child, lover, hero and Supreme Being.

## Mahabharata

Sanskrit: *mahābhārata*, the great epic of the legendary war of the *Bharatas*. Traditionally ascribed to *Vyāsa* as the author. Composed probably between the 2nd century BC and the 2nd century CE. The core of this poem is a struggle between families (*Pāṇḍavas* and *Kauravas*) for the possession of the kingdom, ending with the victory of the *Pāṇḍavas*, but rather with the total destruction of both sides. The vast miscellany contains myths, folk tales, legends of gods, divinities and heroes, moreover philosophical treatises on *sāṃkhya*, *yoga*, and different brahmanic ideas. Bhagavad Gita is considered the most famous part of this epic.

## Manana

Sanskrit: *manana*, thinking, reflecting. In Vedanta *śravaṇa*, *manana* and *nididhyāsana* are stages of spiritual quest for understanding the real meaning of the *mahāvākyas* (e.g. *tat tvam asi*) and preliminaries for attaining liberation (*mokṣa*). *Śravaṇa* is *hearing* of what the teacher said, *manana* is logical *reasoning* on what is heard from the teacher, *nididhyāsana* is the profound meditation on the meaning of the teaching. In the Brihadaranyaka Upanishad (II.4.5) Yajnavalkya explains the way of realising the Self (Atman) by these three.

## Moksha

Sanskrit: *mokṣa* (as *mukti*), liberation, release from worldly existence or transmigration (*saṁsāra*). As the central tenet of almost all Indian religious-philosophical tradition, this idea appears under different names according to the different traditions: *kaivalya* (in *sāṁkhya* and *yogā*), *niḥśreyasa*, *apavarga* (in *Nyāya*), *nirvāṇa* (in Buddhism).

## Nidhidhyasana

Sanskrit: *nididhyāsana*, profound and repeated meditation. See ‘manana’.

## Prasnopanishad

Sanskrit: *Praśnopaniṣad*; *praśna* means ‘question’. This classical *upaniṣad*, traditionally ascribed to the *Atharvaveda*, contains six questions and the answers explained in six chapters. The questions are on the origin of creatures; superiority of lifebreath (*prāṇa*); motions of lifebreath in the body; dream or dreamless sleep; meditation on the syllable OM; and the sixteen parts of the *puruṣa*.

## Purusharthas

Sanskrit: *puruṣārtha*, lit. in plural ‘man’s goals’. This important tenet in Hinduism means the four aims of the human life, especially that of a brahmin male. *Dharma* includes religious duties, right and virtuous conduct in social and personal perspective. *Artha* is the proper pursuit for wealth. *Kāma* means desire and love, the proper pursuit for pleasures. The fourth is *mokṣa*, the spiritual quest for liberation (from the *saṁsāra*). The Purusharthas relate closely to the four *āśramas* (see ‘ashram’).

## Raja Dharma

Sanskrit: *rāja-dharma*, king’s duty. Great obligations of a king toward his subjects, to their peace and prosperity, and toward the political administration including religious duties. In Buddhism there are ten (ethical) *rājadharmas*, e.g. charity (*dāna*), honesty (*ārjava*), non-violence (*avihiṁsā*). For Hindus Arthasastra (q.v.) is considered as an important source of this issue. In the Mahabharata epic (q.v.) the 12<sup>th</sup> book (the *Śānti-parva*) deals with many aspects of *rājadharma* in more than 100 chapters.

## Raja-rishi

Sanskrit: *rājarṣi* (*rāja-rṣi*), royal saint. Kings or *kṣatriyas* (q.v.) who due to their great austerities became holy personages (*rṣi* ‘sage’) possessing some divine powers.

## Samatwa

Sanskrit: *samatva*, sameness, equanimity; from the adjective ‘*sama*’ (same, equal). In the second chapter of the Bhagavad Gita Krishna consoles Arjuna and insists him to give up his desires and attachments for the

fruits of deeds. In verse 2.48 he explains that *yoga* is to be done, which means equanimity (*samatva*) for success (*siddhi*) and failure (*asiddhi*).

## Santiniketan

Sanskrit: *Śānti-niketana*, lit. 'abode of peace'. A small town established as an ashram (*āśrama*) by Rabindranath Tagore, the famous Indian artist and writer (1861–1941). It is near Calcutta (West Bengal), and famous as a center of culture and education (Visva-Bharati University).

## sati

Pali: *sati*, sanskrit: *smṛti*, memory; conscience, mindfulness. *Sati* is one of the Buddhist key terms in meditation practice. The literal meaning 'memory' is subordinate in this context. In the most important *suttas* on meditation, the *Ānāpānasati* and the *Satipaṭṭhāna*, *sati* means calm awareness and deep attention to breathing, body, feeling and mind.

## sattva

See 'gunas'.

## Sravaṇa

Sanskrit: *śravaṇa*, the act of hearing; acquiring knowledge by hearing. See 'manana'.

## Sthairyam

Sanskrit: *sthairya*, firmness, hardness; steadfastness; from the adjective 'sthira', fixed, firm. See more at 'arjavam'.

## Sudras

Sanskrit: *śūdra*, a man of the fourth of the four classes, according to the ancient Indian *varṇa*-system. This is the lowest caste called to serve the other three classes (see '*brahmanas*', '*kshatriyas*' and '*vaishyas*') The word '*śūdra*' may refer to Indian aboriginal, non-aryan tribes. They were excluded from the Vedic and Brahmanic rituals, but later have become the part of the Hindu society. Today pariahs suffer from total social exclusion.

## svadharna

Sanskrit: *sva-dharma*, one's own rights or duty; the inherent duty of the Hindus, and their role in the Hindu society and the cosmic order. Because individual *karmas* collected in previous births determine the present life of the Hindus, their social status is believed unchangeable and accompanied with certain religious and ethical duties. But *svadharna* often conflicts with the eternal *dharna* as it is seen in the Bhagavad Gita, when Arjuna is compelled to fight his relatives.

## Thirukkural

Thirukkural or Tirukkural is a classic Tamil sangam literature comprising of 1330 couplets (two-lined verses) or *Kurals* in 133 chapters. Known also as the Tamil Veda. It was authored by Thiruvalluvar, a poet who is said to live anytime between 2nd century BCE and 5th century CE. Each couplet contains a single ethical idea on good and right, evil and wrong. The work is divided into three sections: *virtue*, on the ideal family life, wealth on matters pertaining to government and politics, *love* on marriage and love.

## Upanishads

Sanskrit: *upaniṣad*, from the root *upa-niṣad*, lit. 'sitting down near' (according to the tradition 'near the teacher'). Upanishads are a collection of approximately 250 texts by anonymous authors, handed orally. The oldest ones (*Chāndogya*, *Bṛihadāraṇyaka*) may be placed in the 5th century BCE. and considered as concluding parts of late Vedic texts, i.e. Brahmanas and Aranyakas. Classical Upanishads are 18–20 in number, the latest one is probably from the beginning of the common era. The so-called 'sectarian' upanishads are much later composed. They contain different cosmological, religious, mystical and magical ideas, and the beginnings of Indian philosophy. Main topics are the Brahman and Atman, and their mystical identification (*upanyāsa*).

## Vaishyas

Sanskrit: *vaiśya*, a peasant; a member of the agricultural and trading class, i.e. the third of the three twice-born classes, according to the ancient Indian *varṇa*-system. The word is from the noun '*viś*': settlement, tribe. As a designation of a person '*vaiśya*' is rarely mentioned, the term is generally used in the stock phrase of the four *varṇa* (caste). See '*Brahmanas*' and '*Kshatriyas*'.

## Vedanta

Sanskrit: *vedānta* (also called *uttara-mīmāṃsā*). One of the six orthodox Indian religious-philosophical schools. It is the Hindu philosophy par excellence for most of the Hindus. However the term originally referred to only the Upanishads, traditionally the Brahma Sutras and the Bhagavad Gita are also considered its main textual sources. Mostly concerned with the question of Atman (soul), Brahman (Absolute) and their mystical identification. It has many sub-schools, 'advaita vedanta' is the most important one (q.v.).

## vidya

Sanskrit: *vidyā*, knowledge, science, learning. One of the most common terms in Hindu religious philosophy. It is a kind of higher or spiritual knowledge of e.g. the Vedas, the Brahman and the soul (*ātman*), or the final questions of philosophy. The negation of the word is '*avidyā*' 'ignorance', which is also a key concept.

## yogakshema

Sanskrit: *yoga-kṣema*, acquisition and preservation of property. An old Rigvedic expression of prosperity and livelihood. In Manusmṛiti 9.219 translated as 'property destined for pious uses or sacrifices', in 7.127 as 'charges of securing the goods'. In Bhagavad Gita 2.45 the negation of the term (*niryogakṣema*) refers to a person with no worldly attachment.

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