

Sustainable Business- Lessons from Indian Ethos

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Abstract

Sustainable Business Environment is becoming a new buzz word for this present business environment. This is not just the notion but the philosophy for business success and the holistic growth of the society at large. Most of the contemporary businesses have realized and appreciated this, which is helping them to move forward in practicing sustainable business models, wherein all the stakeholders of the business can enjoy the happy coexistence and the balanced growth. But somewhere the question that arises is if such an environment that results in a win-win for all actors is possible. And if yes, then, how? The present research is a thoughtful attempt to explain the way to ensure sustainable business growth and prosperity.

Keywords: *Sustainable business model, stakeholder's value, CSR, Universal business philosophers, environment*

Article Classification: *Research paper*

Introduction

The term Sustainable Business Environment may have many connotations and defining it may not be simple. However despite those myriad ideas one basic assumption about the concept is that it is the business environment that facilitates businesses that are fair to all the stakeholders. That is, the customers, the sellers, the society and the Government, thus leading to holistic development. The big question that arises is if such an environment that results in a win- win for all actors is possible. And if yes, then, how? It is against this backdrop that the role of Indian values and Ethos has to be examined.

The first question that needs to be answered is 'what is sustainable business? An answer to this question will be rather difficult to find in black and white as some shades of grey will definitely be there. But, may be the following anecdote from the life of Gandhi can provide some insights. Gandhi, because of two reasons. First, he came from the *Bania* Class, the class that was traditionally the business doing class, the Vaishya community according to Indian ethos. Secondly Gandhi can be a very appropriate representative of the Indian Ethos. An epitome of Values and Character.

The story goes that Just after independence K.T. Shah an industrialist who was a great admirer of Gandhi and had contributed magnanimously to the Indian National Movement planned a school at Wardha. Gandhi was requested to come to the place along with several eminent people. Shah wanted Gandhi to give his views on the type of education that was to be provided to the children so that the nation learn the right lessons. In the beginning Gandhi was not willing to say anything but when asked repeatedly he obliged. For Gandhi education had to be different. He said that if he asks the students that suppose he bought an apple for 25 paise and sold it for a rupee what would he get, and if the students say that he should get jail, that was the kind of education to be imparted. He was right. There cannot be any justification to seek an unreasonable profit of 300 percent (Pathak, 2014). This is the root cause of the problem – the greed for Unbridled Profit. Business today is neck deep into greed, almost to the extent of lust. It is this which has led to values crises we are facing these days. When the prices of goods are hiked abnormally, the economy crumbles. Gandhi's ideas on business do not draw a line between

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ethics and business. A business contrary to the principles of morality is untenable and subsequently unsustainable. Gandhi was of the view that consumer appetite was animal appetite that fed on uncontrolled consumption. This essential truth has to be understood. We must realize that economic problems are largely character driven and not policy driven. This in essence sums up the expectations of Indian ethos from business. And it is this business that is sustainable. A business that is consumer centric. A business that does not exploit. A business that is fair and square.

Understanding the Indian Ethos

According to the concise Oxford dictionary ethos is "the characteristic spirit of a culture, era or community as manifested in its attitudes and aspirations". In a globally integrated environment talking about Indian ethos may not be the right approach because cultures, attitudes and value systems have metamorphosed considerably. So recognizing a unique Indian ethos might not be a totally usable proposition. However, we certainly can proclaim that there did exist an ethos that could be thought of as a representative of Indian culture and tradition and built on a principled value organism that may be copy righted as Indian ethos. This was the value system, the ethos that internationally acclaimed indologists and writers like A.L. Basham (2004), Fahien, and Max Muller wrote about. The nation must emphasize the need for resetting the moral compass.

We have to understand that the foundation of Indian ethos rested on the strengths of righteousness (*dharma*) and truth (*satya*). Right from the Vedic ages these two basic tenets of our Indian ethos have been emphasized. The *Taittiriya Upanishad* mentions these in its section that deals with the *gurukuls* and education (Sarvanananda, 1921). It tells us that when a pupil finished his education in the *gurukul* he was given the final message, 'the *Diksha*' that was something like the modern day convocation which in Hindi is called '*Dikshanta Samaroh*'. The final message was *Satyam Vada, Dharmam Char'* or to tell the truth and follow the path of Dharma. Dharma, of course, was not religion as we understand it but it signified righteousness. The Indian ethos can be

summed it's in these two words of *Satya* and *Dharma* or truth and righteousness. The question of role of Indian Values and Ethos in Sustainable Business Environment has to be addressed in this context. While talking about Indian ethos in totality may not be possible within the scope of this paper yet some basic tenets (Barman, 2009) are given below -
"Atmano Mokshartham, Jagat hitaya cha": All work gives an opportunity to do good to the world and thereby gain materially and spiritually in our lives.

"Archet dana manabhyam": Respect people not only with material things but also have respect for the divinity that lies within them.

"Atmana Vindyate Viryam": Strength and inspiration for best performance in work comes from the God within.

"Yogah karmashu Kaushalam, Samatvam yoga uchyate": Working with calm and equanimous mind achieves the most.

"Yadishi bhavana yasya siddhi bhavati tadrishi": As we think so we achieve and so we become. Paying attention to the means leads to the end.

"Parasparam bhavayantah shreyah param bhavapsyathah": Mutual cooperation, respect and camaraderie helps us enjoy the highest material and spiritual good.

"Tesham sukham tesham shanti shaswati": Endless happiness and endless peace come to those who see Divine in every being.

"Paraspar Devo Bhav": Treat the other person as divine as we all have the same consciousness though our bodies may be different.

Indian ethos recommends a *subjective* management system which calls for the under mentioned approaches-

(a) Management Attitude – The management at the top must believe in values-driven managerial practices. Profit is only worth if it is gained through service and satisfaction of all, i.e., employees, customers, shareholders and citizens. Fulfilling social responsibility must be the top most priority.

(b) Humanizing the Organization – The three aspects, that is, inter-personal relations, man-machine system and an inner management core through mental and spiritual growth of individuals must be taken care of.

The very basis of Indian ethos lies in being conscientious and applying to business, this becomes conscience driven business. While the Western ideas of business are today proclaiming that the customer is the king, the view about the customer in the Indian Ethos can be very neatly summed up in the following words of Gandhi which was a part of his speech given in South Africa in 1890:

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”

Sustainable business as Social Responsibility

Corporate Social Responsibility is being a much touted idea these days in the business lingo. But the idea is deeply rooted in Indian ethos and ancient Indian literature and scriptural texts have several references to the practices that can be considered as similar to actions companies take under CSR.

In India we can trace the roots of CSR to the ancient period. Historically speaking, when Prince Siddhartha attained nirvana to become the Buddha over 2000 years ago, among the first of his followers were two merchants. One converted into a monk while the other remained a simple follower continuing to run his business as before. But the way of his doing business had changed. He would now follow the moral guidelines of Buddha's philosophy in his conduct of business. So, perhaps, world famous author and spiritual writer Robin Sharma was not new in his idea about 'The Monk who Sold His Ferrari' (Pathak, N 2010). Of course, we can find monks today who own and ride Ferraris. But they are more business persons than monks. Social responsibility of business has been talked about and practiced since long, although charity was the driving force. But these philanthropic acts were a positive step towards inclusive growth. .

In fact, all religions around the world mention about charity or philanthropy in some form or the other. Tithing-the practice of giving away one-tenth of the income for charitable

activities especially for the upkeep of the poor, including orphans and widows, has been recommended in most religious texts. *Dashmamsha* was the traditional Hindu practice of Tithing that is giving one-tenth of income to a religious institution. This practice was widespread in India in the ancient times. (The Times of India 2010)

In the ancient Hindu scripture i.e Rig-Veda, emphasizes that “there is the need for the wealthy to plant trees and build tanks for the community which would bring glory to them in life and beyond” (Debroy and Debroy 1994). The Vedas emphasize it is more important that money flows to the People who need it instead of depositing it. Wealth is an important responsibility of the business community for the welfare of society. In the Atharva Veda, it is said that “wealth should be procured with one hundred hands and distributed with one thousand hands”. The success of an organization depends on the extent and quality of goods and services that it delivers to its stakeholders. It says that a King should be concerned about the welfare and growth of its entire people as by doing this he will grow like the Sun and shine at dawn and after its rise. Just like the Sun takes water from the Earth to distribute it to the people business also should perform its act in the same way (Sharma and Talwar, 2005).

Mahatma Gandhi, the great Indian leader who is called Father of the Nation, was a firm believer of the Vedic philosophy. He took a leaf out of the Vedas to advocate his trusteeship idea. His view was that the rich should be the trustees of the poor. This trusteeship doctrine is similar to the modern idea of CSR. Even Islamic religion says that it is the duty of every citizen to set aside a certain amount of his earnings for the poor and the needy. Koran says “woe to those who pray but are heedless in their prayer; who make a show of piety and give no alms to the destitute” (Dawood, 1974). This in fact is the principle which Islamic banking still follows. Islamic bank operates with the purpose of implementing the economic and financial principles of Islam in banking. Ali and Sarkar (1995) define an Islamic bank as a financial institution whose statutes, rules and procedures expressly state its commitment to the principle of *Syariah* and to the banning of the receipt

and payment of interest on any of its operations (Khir et al., 2008). One of the main objectives of Islamic banking is to ensure allocation of scarce resources by means of investment of finances into projects which are profitable, religiously tenable and helpful to the economy. This is quite close to the modern idea of the triple P bottom line, i.e, People, Profit and Planet. The essential feature in Islamic economics is the aim to establish socio-economic justice which includes the principle of social balance. It is believed in Islam that everything belongs to Allah and human beings are just trustees and therefore accountable to Him for utilization of these resources (Khir et al., 2008).

This is what the western management thinkers are also advocating in present times in so many words. Peter Drucker (1954), one of the foremost management thinkers was of the view that an enterprise exists in the society and is an organ of the society. It must impact the society positively. The idea is that a corporation or a business enterprise must consider the fallout of its business policy and business actions on the society. Its acts must promote the public good and contribute to social upliftment has to be considered. As users of resources of the society, nature and environment, a business enterprise has to play an important role in the protection of the ecological and social milieu and facilitate achievement of social objectives. Many leading business tycoons like Narayan Murthy are of the view that business is to create shareholder value in such a way that it is fair to all its stakeholders (Sharma and Talwar, 2005)

The concept of modern CSR has originated from the need for ethical and fair treatment of all customers and all business relations – not because it was legally binding but because it was the right thing to do. Philanthropy was another idea which led to sharing of some of their wealth with the community by the rich for the love of humanity. This idea is enshrined in the ancient Indian thinking of *bahujan hitaya, bahujan sukhaya* that advocated the maximum good to the maximum number. The principal role of money is to serve the benefits of the society and business must be carried according to principles of *dharma*. Business must lead to

the well-being of the society (Sharma and Talwar, 2005)²⁶. This can also be compared with the ancient Greek philosophical idea of *summum bonnum*. It was this idea that further evolved into the welfare approach that was not much different from the notion of paternalism. It is based on the premise that those who were fortunate or wealthy need to make decisions for the well-being of the less fortunate or less powerful also and take care of the good of such people.

Creating a sustainable paradigm

Despite centuries of advancement of science and technology humanity has not been able to rid itself of the myriad of problems. Economic prosperity and growth of businesses, astronomical rise in GDPs have certainly been commendable but overflowing coffers have not resulted in rise in happiness of humanity at large. As fear and insecurity continue to bog down the society there is need to look back to identify the factors that play the spoil sport amidst the plethora of statistics that claim growth and development. The indices of prosperity do not seem to meet the ‘satisficing’ objective of growth for large majority even though we continue to claim sincerity about inclusive growth. The huge data jungle that quote growth figures are more ‘satisfying’ (statistics driven) rather than satisfying (real happiness).

Businesses can shape the economy of any nation and they have done so in our country also. However, we still have one of the world’s largest number of destitutes and illiterates in absolute terms. Obviously, there is need to find the missing link. And that link is ‘creating a sustainable business paradigm’ replacing the seemingly right models with the right paradigms.

In a mad rush to increase productivity enterprises are denying opportunity to human enterprise. A case in point is the Foxcon Company of China that has replaced 60,000 workers with robots. Certainly the productivity of the company has gone up (BBC News, 2016). Same is the case in many of those countries where humans are being replaced indiscriminately with technologies. But the point to ponder is that robots don’t consume products. On the other hand, people who will be consuming products lose their purchasing

power due to loss of their jobs. Thus, demand falls creating glut in the market. Problem is not with wealth creation. Problem is with wealth distribution that has created an uneven consumption pattern in the world and skewed growth which is proving unsustainable. A cover story of the Time Magazine (Foroohar R, 2016), based on the plight of the American society reveals this fact rather succinctly. To quote a relevant portion - "*America's economic problem go far beyond rich bankers, too-big-to-fail financial institutions, hedge funds billionaires, offshore tax avoidance, or any particular outrage of the moment. In fact, each of these is symptomatic of a more nefarious condition that threatens, in equal measure, the very well off and the very poor. The red and the blue. The US system of market capitalism itself is broken*". This rather sums it all.

The Indian ethos has always been critical of uneven consumption and unbridled greed. It is precisely for this reason that the *Charvak* school of Indian philosophy has never found favour in India. This philosophy is mentioned in the epics and even early Buddhist literature (Pathak, P 2016). Though the origin of this philosophy can be attributed to many reasons, its practice rests on one concept - Vulgar Consumption. "Eat, drink and be merry" is thus, the philosophy. This purely materialist doctrine to life did not find acceptance as a metaphysic in Indian ethos.

Legendary mystic Indian poet Saint Kabir has brought this aspect of Indian ethos beautifully in the following Hindi couplet, "*Sai itna dijiye, ja me kutoomb samaye, main bhi bhooka na rahin, sadhu na bhooka jay*" which means that O God! Give me that much only that is sufficient for the needs of my family and any other needy who comes to me.

Against this backdrop we need to rethink business paradigm so that we create businesses that aim not just profit maximization of shareholders but also think of developing all other stakeholders that may include a broad canvas ranging from the employee to the man on the street in the society. It is responsive business organizations that will be sustainable. To quote one of the most admired US President John F Kennedy, "If a free society cannot help the many who

are poor, it cannot save the few who are rich" (Pathak et al, 2009). The society needs manager – leaders who are mindful of the society at large and strive for holistic development rather than organizational development.

The silver lining is that there are such organizations as well as manager leaders who know the Indian ethos and practice according to the tenets of this Indian ethos.

The house of Tata is a case in point. The company is not just doing business. It also rules the Heart of the People, literally.

Within the Tata Motors premises at Jamshedpur a blood bank is there. If an employee donates blood, he is given off for that day. Moreover, he can also avail an extra leave within 7 days of donating the blood. Employees use it for extending their holidays. Obviously, Tata loses several man-hours through this policy.

On one occasion in the course of a conversation with the company employees, a senior official pointed out to Ratan Tata, "People take undue advantage of the policy. We lose several man-hours due to this. The blood is replenished within 24 hours, you know. Why to give that extra holiday within 7 days of donating blood."

As usual Ratan Tata smiled. He then replied calmly. "Encouragement is something I don't need to teach you. Only a few people donate because they want to. (Talking about man-hours) We may be losing some man-hours doing that but have you ever thought the number of man-hours that gets added to the person's life who receives that blood in necessity? I am ready to sacrifice 16 man-hours for the better good."

This is not just a stray case. Not surprising why Tata Steel (then TISCO) once had a very famous punch line "We also make steel".

There are many more organizations like Wipro, Infosys and several others who realize that they owe a lot to the society. And the list is not limited to the big players only there are smaller companies also and in small places who have done their bit. In a small city like Dhanbad an erstwhile coal mine owner

had earmarked the earnings of one of his collieries for a trust that was dedicated to societal development and philanthropy. One can see a large number of institutions running in the name and style of Laxmi Narayan Trust in Dhanbad that ran on the income of Kumardubi colliery of K Worah and Company during the pre-nationalization era.

Conclusion

In the Indian ethos, business was not just for profit, it was for the service of society. Hindu philosophers have attached great significance to the idea of *Sewa*, the selfless and loving service of the society. *Sewa* occupies a high position in India's spiritual thought. One should not only seek to relieve the misery of his fellow men but also identify himself with them. The *Rigveda* says, "He alone lives who lives for the sake of helping others".

While the world is waiting for the first trillionaire a simple question can be asked- can we sustain all this affluence? The reason for a completely valid post is that wealth and development have not diminished, and grief and poverty are still major challenges. When corporate greed and materialistic desires are under intense pressure along with capitalism. The knowledgeable sources have prophesied that capitalism is going to collapse under its own contradictions. A decade ago, there was an interesting article in Wall street journal titled, "will American children be better off than you?" The clear conclusion is that unemployment growth in the first decade of the 21st century, wage stagnation, rising poverty, domestic debt, and 90% of income will not go above 10%. The protest at Wall Street was certainly indicative of growing hostility towards the clandestine nexus among the government and the corporates. If the economies of the world are at cross roads and greed of the corporations are rising, there is something wrong with the global financial architecture and it needs to be revisited. We have to think of the integral humanism as advocated and practiced by our ancient seers as a means to reducing the gulf between private affluence and public poverty. Only this can provide the impetus to the much needed corporate responsibility for common good. However, this responsibility is not the same as

the much touted Corporate Social Responsibility (CSR) that is in vogue today. Against this backdrop there is a need to look at a framework of sustainable business. With debates on benefits of globalisation not appearing to be convincing, there has to be the search for a new paradigm.

Why the corporation exists has to be answered in a broader sense. The conventional approach that talked about creation of value for the shareholders and maximizing their profits as the purpose of corporate existence may not be prudent. The Indian Vedic wisdom which emphasized that wealth must be earned through fair means only and by using ethical and moral practices has to be the credo. In other words wealth needs to be acquired only through righteous means.

In the famous treatise *Artha Shastra* of Kautilya (Rao, Pandey 2013) The state is seen as an institutional need for human development He described a number of issues that need to be addressed in order to ensure the well-being of the people. " Artha Shastri suggests the following ideals for the king-

"Prajasukhe sukham rajnah, prajanam ca hite hitam

Nattmapriyam hitm rajnah, Prajanam tu priyam hitam"

This maintains that the King might have the pleasure of his subjects and his happiness is in their wellbeing his prosperity which he has not received, but it satisfies the citizens. Ancient Indian literature did not support the abandonment of wealth. Increasing profits only through religious means (religion) and it was emphasised using it generously for a social cause. There is a verse in the Taittiriya Upanishad "*Annam bahu Kurveta!Tad vratam*" that proposes that prosperity must be maximised so that we can take care of those reliant on us. Further it also says "*Bhutyai Nappramidavyam!* *Kusalanna pramaditavyam*" which means there is needed to take care of our wealth as well as welfare of others. The wisdom in the Upanishads inspires us not only to hold prosperity but also relish the same. *Rig Veda Samhita* says that the rich have to satisfy the poor (Rao & Pandey, 2013). "A sustainable business environment can only be created if businesses become conscience driven".

To cap it all, the businesses need to think about the Gandhi Talian (Kent, 2010) "Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man [woman] whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him [her]. Will he [she] gain anything by it? Will it restore him [her] to a control over his [her] own life and destiny? In other words, will it lead to swaraj [freedom] for the hungry and spiritually starving millions? Then you will find your doubts and yourself melt away." The models and paradigms may be many but the essence has to be just one – Good of the society.

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