



Management by Objectives and Ancient Indian Ethos

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Abstract

This paper attempts to establish the relevance of ancient wisdom for innovative solutions to the mounting problems of business ethics. Much of modern management principles existing today can be derived from the body of knowledge of the ancient Indian scriptures which has a heritage of being more than 3500 years old and which teaches something more “eternal” and timeless and could be a guiding light for bringing more certainty and sustainability in business practices. In pursuit to find more sustainable management paradigms, there is need to integrate the existing management model with ethical values in the ancient times through spirituality wisdoms of the Vedas, Upanishads (Vedanta), Bhagavad Gita, Pat Anjali, Yoga aphorisms and Arthashashtra etc. to promote a more ethical and responsible leadership on an individual or institutional level. It is the time that modern management thinkers should emphasize the importance of ancient Indian ethos and fills the gaps that exist in the existing paradigms of leadership and management.

Keywords: Business ethics; corporate social responsibility; global financial crisis; moral philosophy; Vedas, Upanishads (Vedanta); aphorisms; inspirational wisdom; ethical behaviour; India; Indian culture; business management.



Introduction

“Business ethics are rules of business conduct by which propriety of business activities may be judged.”

Biswanath Ghosh in Ethics in Management and Indian Ethos.

Business ethical issues are the interaction of economic behaviour with non-economic concerns. Idea of business ethics has attracted the attention of media, academics and business institutions. Wealth which is acquired with knowledge of the proper means and without any foul practices will lead to virtue and happiness, as <http://tamils.tamilpower.com> informs. To supplement that lesson in ethics, the next verse says, “Wealth gained by loss of love and grace, let man cast off from his embrace”

Present business scenario

Today the economies across the globe witness a massive shakeout due to the financial turmoil in US economy. In spite of new up comings of innovative business models and best practices, there are incidents of corporate scams, bankruptcy etc. There is a long list of failed corporate giants as they do not consider the ethical issues while making business transactions and completely disregard the well beings of their employees and common shareholders.

Empirical research on the subject suggests the answer is unclear. Business ethics professors Trevino and Weaver performed a SCIP-sponsored literature review and study of ethical practices in CI. They found that while some organizations addressed CI ethics ...quite seriously, most CI practitioners felt left on their own, relying on personal background and intuition to make tough ethical decisions” (Trevino and Weaver, 1997). They further concluded that current ethical guidance was too vague to be truly helpful.



The fundamental reason for such negative consequences could be their ego which leads to false vanity. It is only by anchoring to one's Self that the negative effects of ego can be overcome. The modern management thinkers who are not aware of such issues are still wondering as to

1. What could have gone wrong in those companies which failed miserably in the recent past,
2. What could be the reason that successful company gets embroiled in a corporate scam.

Now there arises a question:

How India can survive and contribute towards making the existing modern management paradigms more sustainable in the environment of business uncertainty?

The answers of these questions lie within the organization. Vedic philosophy of business excellence answers the above questions. It gives extensive focus on broadening ethical boundaries. There is need to bridge the gap between public accountability and private morality. Efforts are required to integrate the insights drawn from ancient Indian traditions with modern management practices to promote dynamic leadership management and enlightened corporate decisions. Our rich and traditional Indian ethos have stood the test of time and these are 3500 years old. Most of the wisdom from Indian ethos is derived from the ancient scriptures Vedas, Upanishads, Bhagavada Gita, Arthshastra etc. These ancient Indian texts guide modern business practices and principles to develop sustainability and fill the existing gaps in the present framework of modern management practices.

Managing Self & Management-by-Objectives (MBO) vis a vis Vedanta

Peter Drucker said that modern management is primarily based on the workers, their knowledge of self and inner strength. The strengths are then transformed into their core competencies which will help them in performing their tasks more efficiently and thus attain the overall organizational success.

It relates back to the Vedanta periods. In the Upanishads, it is said:



“Atmaivedam agra asit purusavidhah, so'nuviksya nanyad atmano'pasyat, so'ham asmitygre vyaharat; tato'ham namabhavat, tasmad apy etarhy amantritah; aham ayam ity evagrauktva, athanyan nama prabrute yad asya bhavati. Sa yat purvo'smat sarvasmat sarvanpapmana ausat, tasmat purusah; osati ha vai sa tam, yo'smat purvo bubhusati, ya evamveda...”

- (1.4.1, Brhad-aranyaka Upanisad, Radhakrishnan, 1953)

This means that:

“In the beginning, this world was only self in the form of a person or individual. When he looked around himself he saw nothing else than the self. So he said, 'I am'. Therefore arose the name 'I'. Even to this day when one is addressed he says 'This is I' and then speaks whatever other name he may have...”

Further, the concept of self was well elaborated in the Karma Yoga of Bhagavad Gita where Lord Krishna said:

*“indriyāni parāny āhur indriyebhyah param manah
manasas tu para buddhir yo buddheh paratas tu sah”*

(3.42, The Bhagavadgītā)

This means that -

“The senses are said to be superior to the body, the mind is superior to the senses, and intellect is superior to the mind and that which is superior to the intellect is He (Self, Atman).”

People who don't realize their Self are controlled by their senses instead of their mind or intellect. And hence, their decisions are based on temptations and they invariably make mistakes. The great Indian mystic sage Ramakrishna (who was the 'guru' or master of Swami Vivekananda) said:

“The world is water and the mind milk. If you pour milk into water they become one; you cannot find the pure milk any more. But turn the milk into curd and churn it into butter. Then, when that butter is placed



in water, it will float. So, practice spiritual discipline in solitude and obtains the butter of knowledge and love. Even if you keep that butter in the water of the world the two will not mix. The butter will float."

(Swami Nikhilananda, 1977)

Here the world actually signifies the material world. And it is only through spiritual discipline which includes self-restraint from all material temptations that we can really attain the higher Self or Brahman. Swami Parthasarathy, the modern Vedanta guru who is well known for his corporate workshops on Vedanta says: *'Do not lose the treasure of your Self for the pleasure of the senses'*

(www.vedantainstitute.co.in)

Finally, every person has his own dream and personal goals. Sometimes they try to undermine the broader organizational goals in front of their personal goals and this leads to conflict. To remove such conflicts, modern management (Peter Drucker) advocates the concept of "Management by Objectives" (in short, MBO). However, his concept of MBO is misunderstood in practice as managers tend to take a narrow view of this "objective" where it only covers achievement on individual level instead of achieving the broader organizational goals. To really make MBO instrumental in any organization, it is important that managers understand their "Karma" in its entirety. The concept of Karma comes from the "Karma-Yoga" of Bhagavad Gita in which Lord Krishna says to Arjuna:

"Karmanye Vadhikaraste Ma Phaleshu Kadachana

Ma Karma Phala Hetur Bhurma tey Sangostva Akarmani"

(2.47, The Bhagavadgītā)

It means that "we have only the right to work, right on our actions but not on the consequences or fruits of that action. So we should be not be attached to either fruits of the action or inaction. And then Lord Krishna subsequently said:

"Doorena hy Avaram karma, Buddhi-Yogaad Dhananjaya



Buddhau Saranam anviccha, Kripanaah phala-hetavah

(3.49, The Bhagavadgītā)

This means that we shouldn't work for the results rather we should work with an ideal (Buddhi-Yoga) or a vision because if we work for results, then our work will culminate once we achieve the result. However, when we work with an ideal or vision and we keep on striving to reach it so that in the process of delivering our Karma we grow. Hence, work with an ideal, a vision is far more superior to work for results. So in the context of modern management, every manager should focus on his work and at the same time be “in-sync” with the organization's vision. When every worker and manager will focus the Organization's Vision and mission, then it ultimately leads to excellence. This is the true essence of management by objectives as preached by Drucker. Finally, in the words of Drucker:

“Workmanship is essential—an organization de-moralizes if it does not demand of its members the highest workmanship they are capable of. But there is always a danger that the true workman, the true professional, will believe that he is accomplishing something when, in effect, he is just polishing stones or collecting footnotes. Workmanship must be courage in the business enterprise. But it must always be related to the needs of the whole.”

(Drucker, 1974)

Drucker's “workmanship” actually refers to the “Karma” in the verse 47 and 49 of Bhagavada Gita. When Drucker said that “it must always be related to the needs of the whole” he actually meant work with ideals and work which is in-sync with the organization's mission. His notion of workmanship is also consistent with the Gita's teaching that the result of work should not be an end in itself.

Need to revisit the Drucker's management principles.

Drucker maintains a simultaneous emphasis on Profit as well as welfare. He said –



“It is not enough to do well; it must also do good. But in order to 'do good,' a business must first 'do well.’”
- (Pearce et al., 2010)

Clearly, the concept of Management by Objectives is consistent with the teachings of Bhagavad Gita and ancient Indian wisdoms. However, MBO, Managing Self or workmanship is not possible without worker's consistent pursuits for knowledge creation and acquisition that gradually aligns his individual goals with the broader mission and vision of the enterprise. And that really is instrumental in achieving the goal of MBO as well as managing self. It is through jnana srsti and jnana prapti that the individual achieves the motive of attaching his Atman to Brahman in an organizational framework which provides him/her the motivation to constantly strive for excellence on the path of Karma.

The journey from the level of Self-Management to Creation of a Uniform World order is through creation of knowledge, exchange and transfer of knowledge at various levels. It is this knowledge which relates the individual to the universal order. This concept really goes with the Vedanta school of thought where the ultimate aim of any person is to connect his “Atman” Individual Self” with the “Brahman” (Universal Self).

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