

Significance of Indian Philosophy, Tradition, Culture and Indian Management Science (भारतीयव्यवस्थापनशास्त्र)

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Cafe Coffee Day founder VG Siddhartha, the coffee tycoon, from India committed suicide, as he had a massive debt pile of over, USD 1540 million, in August, 2019. Indian Corporate have forgotten the principles of financial prudence, of not being too aggressive and entering a debt trap; This is manifestation of overlooking the timeless principles of financial caution, which is in harmony with ecology, economy and all stakeholders. Indian trade, commerce is plagued with greed, market culture, an individualistic perspective of life and human relations and is blindly imitating the west. The purpose of the study is to explore and document management models by revisiting, Ancient Indian text. AICTE Model Curriculum for Management Programme (2018), has reiterated articulating a coherent ideology of Bharatiya business and BharatiyaVyasthapan Shastra (Indian Management Science). The research methodology used is secondary research of Manu Smriti text. The study documents and makes a case for sensitizing management students to Bharatiya Vyavasthapan Shastra for wealth accumulation, trade and commerce from Manu Smriti.

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Introduction

Management has progressed as a science over the course of the twentieth century, and it is still ever evolving, transforming the art and science of doing business and commerce. Management has developed into a dominant and innovative influence on which today's society depends for substantial support and national growth (Cole, 2004).

Olusoji and Ogunkoya (2014), believed that management theories are based on the writings of 20th century, American and European scholars whose disciplinary orientations were heavily grounded in economics and classical sociology. Further, Olusoji and Ogunkoya (2015) cite George, Owoyemi & Okanlawon, (2012), to state that, these thinkers portray people as economic units, being individualistic, utility maximizing, and transaction oriented. Theories of management based on these assumptions frequently lead to mechanistic portrayals of human behavior that largely ignore cultural influences and social differences. But the reality is that, people are more than that; they are influenced by society, community and culture and are won over by emotions than logic.

One also makes a comparison between American, Japanese Management and India Ethos in Management. American paradigm's vision of life is rooted in the struggle for existence and survival of the fittest. The Japanese paradigm's vision of life is rooted in the struggle for quality improvements in a factory setup and the Indian paradigm's vision of life is rooted in a "struggle for co-existence." (Sharma S, 2013). The purpose of the paper is to introduce the study of Dharmashastra, which would which would

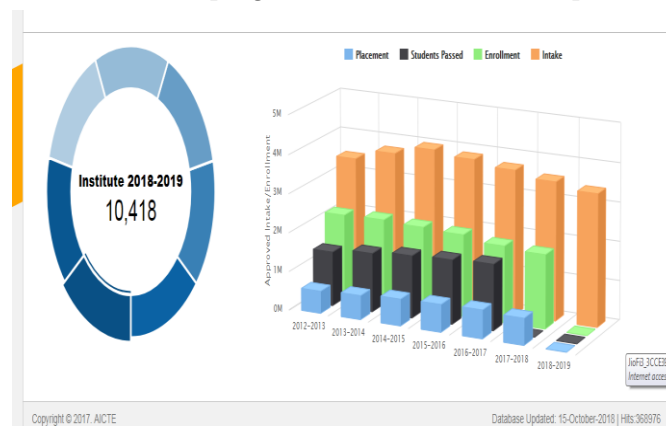
sensitize the students of Management in India to the concept of wealth, trade and commerce in Manu Smriti, thereby giving them an insight into the importance of community living, social norms of wealth creation and the importance of “Dharma” in Indian culture.

1.1 Evolution of Management Education in India

Formal Master of Business Administration was first offered by Harvard Business School since 1908, whereas management education in India is barely 58 years old. The two IIMs in Calcutta and Ahmedabad appeared in 1961 and 62, respectively. With the establishment of Indian Institute of management in 1961 at Ahmedabad and Kolkata and subsequently at Bangalore in 1973; the focus was on application of the time-tested western management concepts in the Indian Corporate World. It was more “transfer of technology paradigm” wherein tools and techniques developed in other countries were implemented in India as they were considered “value neutral” and “culture neutral” in their application. This was the First Phase of Management Education in India. The second Phase made a case for cultural context and value orientation of the Indians or the local people which was a critical aspect for the success of the Management Application. Rajan Gupta (1992) stressed the need for moving beyond the concepts of western and Japanese Management. It was during this phase that the term, Indian Ethos in Management was first coined by Prof. S K Chakraborty IIM Kolkata for his pioneering work in this area. Many scholars have contributed towards making this subject get universal acceptance. This include the work of S K Chakraborty (1997,98,2001); Virmani and Gupta (1991); Subash Sharma (1995,96,98 and 2001) and Prof. Athreya (2002). All these scholars suggested a need for integrative Indianization, of Management by studying the ancient text from “Artha Shastra” of Chanakya to the works of Swami Vivekananda. During the phase the focus was on developing new stream of knowledge through understanding of Ancient Indian scriptures, the Indian culture and suggest management solutions which are indigenous.

1.2 Growth of Management Education in India

As we have traced the evolution of Management Education in India, we also document its growth, which happened after the economic liberalization in India, after 1961. As of 15th October, 2018, there were 10400 Institutes offering MBA/PGDBM programmes approved by AICTE and had a total intake of 3552483 students studying MBA / PGDBM programme across India, as depicted below.



Graph II: AICTE MBA/PGDBM Course – Intake, Enrollment, and Placement Data

Source :<https://www.facilities.aicte-india.org/dashboard/pages/angulardashboard.php#!/graphs>

As can be seen from the above tables, even though more than 3.5 million students took admissions in over 10,400 approved Institutes for MBA/PGDBM programme, just 25% of them were placed. This leads us to examine the reasons for them not being placed. One of the reasons which can be cited is that,

students lack an exposure to their national culture, tradition and philosophy and the भारतीय वानिज्य और व्यवसाय (Indian Commerce and Management). This suggests a need for indigenous models of business management which would give pragmatic, concrete solutions to the business challenges in India, based on national culture, tradition and business practices.

2. Research Questions

- Will the study of Manu Smriti, sensitize the Business Management Students to the principles of wealth creation and Financial Management?
- Will the study of Manu Smriti, make the Business Management students conscious of their dharma, in their corporate life?

3. Literature Review

In the curriculum of Management Education in India, a new subject, "Indian Ethos in Management" is offered by some Universities in India. The syllabus of Indian Ethos in Management covers topics like comparison between American, Japanese and Indian Work Culture. Personal and Professional Values taught in many religious books including Bible, Kuran and Bhagwat Geeta. Topics like concept of Karma, Guna Theory of Personality and Raj Rishi Model of Leadership. (UoM, Syllabus,2016). In addition to this, the paper makes a case for the study of Dharmashastra to be added to the syllabus and formulation of indigenous theories of भारतीय व्यवस्थापनशास्त्र (Indian Management Science). Dharma as a concept is very central to the Indian Philosophy. Dharma does not mean religion. According to Annie Besant, "Dharma is the word, given by India, to the world". Dharma is derived from the word 'Dharana' which means to hold, absorb and assimilate in such a way that it becomes one's nature. Raju P. T. (1954), in a glossary of Indian philosophical terms, gives the following list: 'Dharma-law, nature, rule, ideal, norm, quality, entity, truth, element and category'. Dharma also is interpreted as a path of righteousness. There is a dire need for the students of Business Management to understand the "Righteous Path of conducting Trade, Commerce", in short, the Dharma of Business.

4 Research Methodology

The research design of this paper is exploratory in nature. A sensible view is that exploratory research, saves time and money and should not be slighted because, it covers areas that may be new or so vague that a researcher needs to do an exploration, just to learn something about the dilemma facing the manager" (Cooper and Schindler, 1998:134). One of the texts of Dharmashastra namely, Manu Smriti has been studied to understand its relevance to wealth creation and financial management.

5 Findings and Discussion

Dharma is the greatest and the most valuable contribution of India to humanity. It is one of the key concepts in Indian thought and it has great relevance in the present age. Hence the paper explores the one of the oldest Law of Sage Manu with specific implications for Modern Trade, Commerce and Wealth creation. However, to understand the importance of Manu's view, we must place it in the specific historical context and examine it in the light of the then existing social reality. Sage Manu prescribed a regulation for social conduct, for the social structure which was prevalent in those times. The context is 5000 B.C. in Indian subcontinents. Manu Smriti assumed the four-fold division of the social class defined as "Varna" like Bramhin, Kshatriya Vaisya and Sudra.

भगवन्सर्ववर्णानां यथावदनुपूर्वशः।
अन्तरप्रभवानां च धर्मान्त्रो वक्तुमर्हसि ॥२॥

In the beginning of the code, the divine sages request the great *Svayambhuva* to deliver 'the code of conduct for the four *Varnas* (Manu Smriti 1.2).

The regulation as laid down in Laws of Manu is thus a result of the social structure that existed at that point in time. Let us look at the contribution of the trading community, called "Vaishyas". The word "Vaishyas" was first used once in Rigveda in the Purushasukta and "Vis" in many places which means people who followed animal breeding. The Bramhin, Kshatriyas, Vaisyas and Sudras are said to have sprung from the face, arms, thighs and legs of the Supreme Purusha. However, the word "Varna" is used which denoted "colour" of the person.

"Sa naivavyabhavat, saviiamaityanyetani devajatani ganash akhyiyante".

The above quote means, the word Ganash were the people who worked in a group, made collective efforts and distributed their wealth creation as per the contribution of each member of the group.

Thus, Vaishyas were called ganasah. The above quote refers to a fairly developed form of corporate activity in economic life as early as the later Vedic period. It was believed that Unity is Strength, thus the traders were united under "Gana" or "Sreni" which gave them protection in times of difficulty. Often travelling long distances and insecure roads, they could individually be no match for robbers or hostile tribes, but they could, when united, where a force to reckon.

Vaisyas were also the agricultural traders who constitute the third eminent *Dviija class*, privileged to be borne twice. It was believed that, the Bramhin and the Vaisyas had the privilege of a thread ceremony, after which they could go to a GuruKul or a residential school of a teacher and stay there for 12 years. As they had thread ceremony, they were called twice born. Vaisyas or the Trading Community, were usually wealthy with rights on land and property. The King and the state took care to protect their property and trade from internal disturbances and external invasions. They were the law abiding, tax-paying community. The prosperity and stability of the state mainly depended on agricultural production and trade. So, *Vaisyas* were very prominent class in wealth creation; Manu Smriti lays down seven forms of wealth creation which is ethical. First is "agama" inherited property. Second is *Vitta* meaning self-acquired wealth. Third is *Daya* means wealth creation through donation. Fourth is *Labha* meaning to seize some wealth or resources. Fifth is *Kraya* meaning wealth acquired through purchase. Sixth is *Jaya* meaning accumulating wealth through conquest or gambling. Seventh is *prayoga* or wealth acquired through *lending* at interest or return to any investment. Finally, *satpratigraha* means wealth bestowed through gifts from good people. (Manu10.115).

In Ancient India, during the Vedic times, we find this spirit of Co-operation and Community Living pervades the entire economic, social and religious life. Jaimini of *PurvaMimamsa* said: "The earth belongs to all beings. All Men should consider it as their extension and hence should be cared for and protected and shared by all mankind and other sentient beings." (6.7.3). Further in the *NaradaSmriti*, it is stated, "A householder's house and his field are central to his existence. The King should always protect this, epicenter of the householders" (11.42). Indeed, if the king and his government did not ensure the safety of the householder's access to land for habitation and work, he would be failing in his primary duty. Further regarding Wealth Creation and Accumulation, he says,

कुसूलधान्यकोवास्याकुम्भीधान्यकएववा।
त्रहेहिकोवाऽपिभवेदश्वस्तनिकएववा॥७॥

He shall be either one possessing a granary full of grains, or one possessing a jar full of grains; he may be one possessing what is wanted for three days, or one who does not possess enough for the morrow. (4:7)

चतुर्णामपिचैतेषां द्विजानां गृहमेधिनाम्।
ज्यायान्परः परो ज्ञेयो धर्मतो लोकाजित्तमः ॥८॥

Among these four Brāhmaṇa-householders, each later should be regarded as superior, and a superior winner of worlds by virtue of his merit. – (4: 8)

Thus, according to Manu, the Wealthy householder is the one who is Ashwasthanik who has food for only one day. According to Manu Smriti, A householder has four ways of Amassing Wealth – Kusul – One who has a granary which will feed his family for three years; Kumbhi – One who has food grains which will suffice for his family for one year Trihik – One who stores food grain for his family for three days only and lastly Ashwasthanik who has food for only one day. Further Manu mentions that amongst all these the last one is the wealthiest! – Manu Smriti (4: 8 and 4:9). Manu, considered the householder who had food for one day as the wealthiest as he believed that, the society, community was so strong that, if he did not have food the next day, his fellow beings would do anything and everything possible to feed him and also find a good and noble way of making a living, with “Dharma”. Further, the need to uphold dharma with unfailing conscientiousness is then a collective duty of the community and its failure associated with the persistence of injustice weakens the good society and threatens its existence. Community living which is in harmony with ecology, environment and esprit living is the need of the hour today.

Further According to Manu, The Trading Community, called the Vaishashave the "duty" -- towards their businesses as well as themselves. As the "Laws of Manu" state, "Commerce (varrta) is the religious work (tapas) of a Vaishya (trader)." Manu also stated that, business and commerce is not only a way to make and increase wealth but also a religious duty, which came as a set of laws that gave religious significance to secular business dealings. Wealth is necessary to take care of material comforts. A *Grhastha* (Householder) should acquire wealth in a morally acceptable way to pursue *Kama* and *Dharma*. Among the four *Purusarthas*, *Dharma* and *Artha* are means whereas *Kama* and *Moksa* are ends in themselves. *Arthais* needed for *Kama* and *Dharma* is essential for *Moksa*. As Davis explains in his book “The Dharma of Business”, “The whole point of Dharmashastras was to convert ordinary activities into sacred duties by prescribing particular ways of doing them. If you followed the rule for making loans, for paying employees, for securing partnerships, and so on, you were not just conducting fair business but also building religious merit, good karma.” Wealth should be acquired in a way that does not contradict one's *Dharma*. Further, Manu gives believes that righteousness is the highest embodiment of dharma. Further Manu, states,

धर्म एव हतो हन्ति धर्मो रक्षति रक्षितः।
तस्माद् धर्मो न हन्तव्यो मानो धर्मो हतो ऽवधीत् ॥१५॥

Dharma, preserved, preserves; hence Dharma should not be destroyed, lest shattered dharma destroy us. – (8: 15)

If Dharma is destroyed, it destroys us. If Dharma is protected it protects us. Therefore, do not destroy dharma, lest dharma may destroy us. And He further states that Dharma is so intrinsic to our character that it will transcend and remain when the physical body will perish (MS 8.15). Further, Sage Manu recommends ten fundamental guidelines for the recognition of Dharma: Patience (dhriti), pardoning (kshama), devotion or discretion (dama), genuineness (asteya), sacredness (shauch), control of faculties (indriya-nigraha), reason (dhi), information or learning (vidya), honesty (satya) and nonattendance of outrage (krodha). Manu additionally states, "Peacefulness, truth, non-wanting, virtue of body and brain, control of faculties are the substance of Dharma".

6 Limitation of the Study

The study is based on Manu Smriti. We need to document and create Models of Financial Management which are applicable in the modern world of trade and commerce and test its effectiveness.

Further Research: According to Manu. Of the 2685 verses of the Manusmriti There are 50 verses that are concerned with "Occupational Purity". One can prepare a questionnaire and study the means of wealth creation by ordinary citizen today and suggest ways for "Occupational Purity".

7 Conclusion

As can be seen, Indian Management Science is not based on self-interest, individualistic and transaction oriented like the west. Indian tradition believed in co-operation, harmony and living a holistic life. The objective of study of Dharmashastras for Management Education, is to bring about a holistic perspective, which is aligned and integrated with Indian culture and ethos. Since time immemorial, India has advocated "Yoga" instead of "Bhoga" and "Vayragya as a Sanskriti" and "Sanchaya as a Vikruti".

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