18. Evolution of Indian Knowledge (Management) Systems- With reference to Succession Planning of Marwari Community

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ABSTRACT

This article aims to assess the evolution of management though since age old days of India, when scriptures played a major role in shaping every aspect of the society. Where we are today, are we on the path advised by the great Vedas or are we going astray in the modern world of business and management. A broad literature review of, research papers, books, along and various reports were carried out. A detailed review of literature used was carried out for study of evolution and succession planning in one business community. Key findings include need of going back to the roots, sustainability a major concern, ethical practices and change in the methods of training the family successor. The paper outline the theories advocated by experts in the learnings of scriptures and also in succession planning which are universal in nature and hence can be sued for further exploratory research.

Keywords: *Indian Knowledge, Marwari Community*

Introduction

Ancient India- Bharatrich in Traditions and Values

The highly developed stage of civilization is the result of cooperation and super survival instincts of the society. Ancient Indian civilization has seen golden days and also a decline in the usage of the basic norms of the age-old traditions and practices. There was a flow of noble practices in the society which developed good virtues in the human beings.

The *Rishis* or spiritually enlightened people guided the society towards good practices, which led to the wellbeing of the individual self and society. For eg: *Shodhassanskaras* was a perfect method of psychological conditioning for nurturing and development of these practices. As a result, most families' produced spiritually refined personalities in every sphere of knowledge and development from spirituality to the science of matter, agriculture to literature, health and education to religion and culture etc.

Sannyasa *(literally meaning renunciation of worldly attachments for holy purposes)* was easily adopted by common people who had fulfilled their responsibilities towards their family and society Present day India (Bharat of yester years) was recognized as a *Vishwaguru,* a very civilized and enlightened nation. The treasure of knowledge and all round prosperity here had attracted people from all over the globe as knowledge seekers and treasure seekers. It was considered a global centre of excellence for the whole world. Nalanda a fifth century University of Magadh present day Bihar) taught grammar, mathematics, arts, medicine, logic, more than 600 Sanskrit texts. The principle of "*Vasudhaiva Kutumbakam"* treating the whole world as a single large family was adopted in every walk of life.

Ancient Indian civilisation had always given immense importance to knowledge- it had asuperior and huge body of intellectual texts, the world's largest collection of manuscripts, its attested tradition of texts, thinkers, and schools in so many domains of knowledge. In Srimad Bhagavad Gita, 4.33, 37-38, Lord Krishna tells Arjun that knowledge is the great purifier and liberator of the self. India's knowledge tradition is ancient and uninterrupted from the Vedas

(Upanishads) to Sri Aurobindo; knowledge has been at the centre of all inquiry.

Business culture in ancient India

Ancient Indian history is full of stories of efficient, skilled and effective managers or creators of managers. Managers are born or made. Chanakya created a skilled manager- Vikramaditya. If Chanakaya created Vikramaditya, Krishna created managers like Yudhishthira and Arjuna. Krishna and Shakuni were two such strategists of their times, who were working on tactics to defeat the other. Rama was a leader who gave up his own self for his people, such a high level of political and human resource management.

Kautilya or Chanakya created Arthaśāstra, a comprehensive compilation of the art of ruling a kingdom and defeating one's enemies. The Arthaśāstra was very influential in ancient India up to the 12th century CE, after which it faded away. The text, however, was rediscovered in 1904 by Dr R. Shama Shastri and was published in English in 1915. Kautilya's treatise in many ways reflects the complexity of the present world. The problems of his times still continue to exist.

According to Radhakrishnan Pillai: The original Chanakya Neeti was written over two thousand years ago, but its brilliant verses are still applicable today because the basic quests of man remain the same peace, prosperity and happiness.

Heinrich Zimmer describes it aptly, "One feels inclined to bestow new and deep respect on the genius who at that early period recognised and elucidated the basic forces and situations that were to remain perennial in the human political field. The same style of Indian thought that invented the game of chess grasped with profound insight the rules of this larger game of power. And these are rules that cannot be disregarded by anyone seriously preparing to enter the field of political action, whether for motives of rugged individualism or in order to take the world in his hands."

Kautilya wasn't just a strategist, he was a guru, a researcher, and an inspiring thought leader. He is among the leading expert on leadership and good governance the world has known.

In his book Arthshastra, he advocated six basic principles of management from the Vedas:

Vasudhaivakutumbakam: The whole world is a one family. We have to work towards contribution and growth of all. Animosity towards each other leads only to despair and destruction.

Samarpan Bhav: Dedication towards attainment of one's goal with patience and perseverance. He saw the vigour in young Chandragupta Maurya who later grew upto become a super ruler, just because of the dedication Chanakya showed in bringing up this boy to become a great emperor of his times.

Loksangraha: All citizens should be righteous in their behaviour, observe self discipline, learn lessons of wisdom, and be ethical. The King- the leader should be an example to his subjects, not hurt the innocent, and never indulges in lust, falsehood, and unjust activities.

Shubhlaabh: The key economic objective was to earn wealth the right way. Not by compensating on one's principles of righteousness.

NishkaamKarma: All have a right to enjoy their desires, earn wealth, name and fame. But all this should be in the framework of righteousness and not harming the economy. Deeds without greed.

Ati-hyaastha-varjayet: Balanced approach to life, avoid extremities whether sorrow or happiness.

The epic book of Bhagwad Gita has proven as a guide to personal lives as well as it has shaped managerial techniques, decision making, leadership skills and much more.

Such is the traditional knowledge management system which has been passed down by supreme beings, creators of Vedas and Upanishads which are deep rooted in the Indian culture.
Management is not a concept of last century which has been advocated by the westerners, but these techniques are age old in Indian scriptures. The creation of world order was prescribed in these scriptures. A path was shown as to how to achieve it. These were the pearls of wisdom given by the wise sages of the past.

- Managing Self, Gyana Path, Developing trust and leadership (ethical practices), Knowledge sharing, Transfer and acquisition and creation of knowledge, Openness to innovation, Sustainability, Global management. The practice of Management starts from managing **“self”** (our desires and senses), via moral values and ethical principles, we can set an example forothers to follow. This is the truespirit of leadership. Through correct leadership one can connect well with the society and start sharing a common goal and purpose which can help for the betterment of the society.

As the Bhagavad Gita says: sattvāsañjāyatejñānamrajasolobhaeva cha pramāda mohautama sobhavato 'jñānameva cha (Ch 14.verse 17, The Bhagavadgītā) from the mode of goodness arises knowledge (sattwa), from the mode of passion arises greed (rajas), and from the mode of ignorance arises negligence, delusion…
The Guna theory states three “gunas” are:
(i) Sattwa - knowledge & Wisdom, Ethical & moral conduct
(ii) Rajas – Passion, action, perseverance
(iii) Tamas – inactivity, ignorance, recklessness
In the context of management, every organization today needs to innovate and at the same time needs to have a proper balance of the three gunas.
An organization which does not promote a culture of innovation, knowledge-sharing, does not have a proper compensation structure, and does not give importance to nurture talents, in that organization people lack passion (Rajas). They get drawn towards corrupt and unethical practices (lack of Sattwa) and find excuses for inactivity.
This leads to an increase in Tamasic tendencies in the culture of the organisation which can put them out-of-business.
Companies who have competent innovation networks based on **open-innovation** followed by proper payment structures and who cultivate an ethical culture in their organizational processes, definitely lead to balance the 'Sattwa' & 'Rajas' guna in their organizations. Such organizations can become great companies.

- Following **management ethics** is like following the vedantic advice.

➢ The ethical treatment of employees, stockholders, owners, and the public by a company while making a profit, is highly essential. Employees should be given their due compensations and a polite treatment.
➢ Always show honest records, it also increases the company’s value in the minds of stockholders, distributors the society as a whole.
➢ It is important to practice ethics in practice. Just writing it down as a mission statement and leaving it in as a framed document, does not serve the purpose. For the businesses to be fair, clean and beneficial to the society, the organizations have to be strictly ethical to the rule of law, involve themselves in fair practices and competition. This will lead to benefit the consumer, the society and organization.

- **Sustainability** of the planet was the focus of ancient business management systems. The business values were developed and delivered to the masses by the religious preachers and became a part of our lifestyle.

Even today, India has an insignificant ecological footprint on the planet- Thanks to our value-based management system driven life style. The amount of waste, western advanced countries produce, developing countries like India can feed a huge percentage of her population from that waste.

Natural Elements were considered 'Sacred'. Today research is proving importance of Banyan, Pipal, Mango trees as generators of life giving oxygen. Medicinal plants of high value Tulsi, Ashwagandha, Giloi etc proved their importance to increase immunity during pandemic times. Atharvaveda (12, 1, 8, and 10) and its famous *Bhoomi Sukta* (verse dedicated to Earth) states that the earth is called mother and imparts "strength and brilliance of energy" to the State. Trees were considered sacred in the Padma Purana (Srishti Khanda 58).

Pattal and banana leaves have always been used to serve meals. It is a popular cultural practice in parts of Southern India, West Bengal. Banana leaves have antibacterial properties, hence, are safe to use. Leaf plates are biodegradable and easily decompose in the soil. This generates little to no waste at all. The hassle of waste disposal is completely rid off by such methods. Now a German company buys it in tons from India, Awakening to the environmental hazards of plastic.

Kautilya has said much about forests and forest products. There are references in the Arthasastra to three kinds of forests. Forests conserve tress and plant life. It is the natural home for animals, birds and other type of beings those who love and reside in nature. Hence, nature lays an important role in human life. Kautilya has recorded all this in his Arthasastra and his attitude towards nature is quite significant here. The first kind of forest was used for the purpose of haunting (mrgayd) by the kings. Generally, such kinds of forests were real' 2. A 5. II.18.20 A. S. II. 6, 63.

Jungles which are full of trees and different kinds of country species. The second kind-of forests were developed for of timbers and other forest products. The plants and species form different countries were supposed to be preserved here. It was a kind of national park under state control. The third kinds of forests were especially being prepared for the elephants (with pathways for their convenient movements). Apart from these three kinds of forests, reference is also found in Arthasastra for other types of forests. Brahmans being provided with forests for their soma plantation for religious learning and for the performance of penance. Such types of forests were free form all kinds of disturbances and totally safe for wild animals. Then comes **global management** which is possible bypromotion of free trade both on domestic and international basis. The present trend of globalization is very fast occurring. It results in collaborating of cultures, which will lead to the creation of a common "global"culture, where people of the various countries are exhibiting certain common cultural traitsleading to the formation of a uniform world order with every person being a citizen of thisnew world order. That's why today we often use the term "global citizen" in the context of globalization and international trade.

US ruled the scene as a dominant economy for some decades, but now it is not about who is bigger, better, brighter, or faster; it is about who is empowered to influence the power of culture to optimize an organization's bottom line. Cross-cultural differences which have been thought as obstacles can be transformed into opportunities with a proper structure for tackling them upfront. This in true sense is *Vasudhaivakutumbakam.*

Thus, successful organizations differ from excellent organizations. Success is one dimension, but excellence is multiple dimensional in the company. The philosophy, corporate social responsibility and outlook of the policy makers create an impact on the culture of the organization known as corporate culture.

To name one such Indian organisation it can be the **TATA** group. It has progressed excellently following ethical practices and has laid an example for all its stakeholders to follow. While many of its companies are publicly traded, the Tata Group has evolved from being a family owned business to becoming one of the best run and professionally managed groups in the world. In 1869, Jamset ji converted a bankrupt oil mill to produce cotton. It was a humble start, but he had grand visions of what India could become. *He embraced the Zoroastrian religion's most central tenet: that the mission of the righteous person is not merely to live a good life, but to make life better for others.* Whereas other successful capitalists and captains of industry started companies to create profit and thereby wealth, Jamsetji planted the seeds of philanthropic trusts which now own two thirds of the Tata Group.

Once the sense of trust in the relationship is established, it is the duty and responsibility of an organization to maintain that trust especially with all stakeholders be it customers, or suppliers, distributors, employees, bankers etc. Our responsibility towards the "Planet" the most important part of the business ecosystem constitutes of the natural resources and the larger environment.

Succession planning in traditionally owned businesses.

Businesses run by succession planning came naturally to India. The key practices of traditional business enterprises from India are centuries old. To cite as an example: Marwar is happen to be the business community from India, who are mostly into trade and business for generations. The traditional Marwari entrepreneurs of India used to have typical business practices, which had the basis of age old traditions. These were passed down from one generation to another in the family businesses.

Earlier the entrepreneurs passed on these skills to the next generations. But now they prefer to send their children to world's best business schools to learn management. The lessons taught in these B Schools were naturally passed on from one generation to another.

Many of them repent as they realize that they are not able to pass on their skills in management. These skills are now forgotten. The future generations will curse us for not documenting and protecting these age old management practices.

- Traditional business men used to have excellent practices to ensure that the money every rupee (called *Kaudi* in the yester years) is properly used. If there was excess money with any entrepreneur– that money would be lent out in the market so that there is proper use of money and someone is able to make use in earning more money, by setting up their own business. Marwari business men have had many amazing practices of financial management, which have now been lost.
- For example, they had a system for calculation of charges for postponement of a transaction; they had a system for calculation of brokerage for future transactions etc (like the present form of options and futures). These practices were prevailing in traditional business enterprises.

- They used to appoint Munims– who used to be with them for life. These munims were given very high respect and treated as a family member. These Munims were like the modern day CEOs of the business firms. They would be of same community, some distant or close family member too. Business training was given in the firm itself about principles of management.
- Lifelong job– they started very young in learning the business and stayed lifelong with the business firm. They were one of the very trusted employees in the firm. The Munims too gave their best suggestions on improvement, expansion ideas..
- Spiritual base: Focus on Satsang/Spiritual talks– every Marwari entrepreneur would organize many such occasions during the year to ensure employees are filled with positive thoughts and ideas. Through such discourses importance of truthfulness, righteousness, good deeds etc were propagated.
- Joint Pilgrimage/Tirthyatra: Marwari entrepreneurs would visit some important religious place at least once a year and would also take his employees like Munims and many more, to ensure that good thoughts in mind and positive energy prevail.
- Thus Team building happened naturally, a sense of belonging toward the workplace was cultivated.
- Philanthrophy/ Charity: These business people involved themselves in some or other charity work. They would contribute in building Dharamshalas (place to stay) in religious places, water arrangements, sponsor the food arrangements for devotees (Annadan).They would contribute to medical facilities. Till date this business community hugely contributes to such endeavours. The employees would look into the arrangements of these charities too.
- Children from these families started learning business skills at a young age. Thus learning from observations, and the tactics from their fathers, uncles and many more. Time management, Customer is the king, importance of politeness which helped develop lasting business relationships etc.
- Negotiation an important aspect of any successful business comes naturally to these species. They believe in creating long term relationships which go on to next generation too. Negotiation is a skill- correct and balanced communication skills are required. These were acquired by the children by observing their family members while doing business.

Modern day businesses also lay a lot of stress on perfect communication skills. Modern learners learn it in training centres. All these processes which were learnt inhouse without visiting any B-School resulted in good marketing skills, long lasting customers, and good profits.

Thus traditional knowledge helped shape the careers of so many youngsters into successful businessmen. Righteousness, virtuousness, ethical practices, philanthropic attitude, cares for nature was the basis of business knowledge that came down from the scriptures.

Present day statistics too indicate that almost 85% of India Inc companies were Family businesses. They are the main essenceof the Indian economy. Without family businesses, Indian businesses will fail because it not only contributes to the GDP, it is also the biggest creator of employment generation. Hence more success of such businesses in India will convert to more success for the Indian economy. India has got a solid footing in family businesses and if such businesses run on Indian traditions and practices, the Indian economy will go a long way in the days to come.

Modern day Management Scenario:

Overseas Business schools are teaching techniques of management, which were automatically passed down from one generation to another in family owned businesses. Succession planning came naturally to them. Values and dedication were at basis of any relation be it personal or business. People trusted each other's word. Exchange of business deals were based on promises given to each other. People abided by their words. Such was truth and trust in those times.

All this gradually changed with change in rulers in this country. Industrialisation did bring about development propagated by the westerners, but at the cost of grave mistakes on the part of the environment- the ecology. Age old Sages practiced and advocated sustainability as a particularly important feature in the growth of economy.

Today organisations have to strive to be not only successful but excellently successful, which means something beyond profit maximisation and customer satisfaction and that is sustainable development. Going back to the age-old knowledge of our roots. To meet the challenge posed by corporate life and to achieve long lasting success, spiritual outlook should form an essential part of day-to-day life.

Ethos of Vedanta is based on supreme truth & supreme soul. *"Do well- gets good in return".*

In the current scenario corporate challenges can be broadly classified as value based issues like honesty, respect, and sense of belonging and ethical issues like tax evasion, wrong accounting and negligence of eco-system. All nations worldwide have and are witnessing banks, companies collapsing, going bankrupt. Thousands of employees for no fault of theirs have lost their jobs. Just because few at the top indulged in malpractices, earned more than required at the cost of the organisations. The court and legal battle go on for long years, the stakeholders waiting to receive their invested amounts, the customers of banks waiting in long queues with the hope to receive their money which they had kept in these banks or financial institutions with full faith and trust.

The Reserve Bank of India (RBI) recently imposed monetary penalties ranging between ₹ 50 lakh to ₹ 2 crore, on 14 banks including the State Bank of India (SBI), Punjab and Sind Bank, and Bandhan Bank, among others, for contravention of various regulatory norms, including on lending to non-banking financial companies or NBFCs. These 14 banks include private banks, public sector banks, co-operative banks, foreign banks, and also a small finance bank. A penalty of ₹ 1 crore has been imposed each on Bank of Maharashtra, Bandhan Bank, Credit Suisse AG, Central Bank of India, IndusInd Bank, Indian Bank, Karur Vysya Bank, Karnataka Bank, Punjab and Sind Bank, The Jammu & Kashmir Bank, South Indian Bank, and the Utkarsh Small Finance Bank.

Formal Codes of Ethics

The challenging business environment is making it very difficult for present day managers to face the governance issues. Companies are adopting legal compliance mechanisms which address ethics or conduct issues in formal documents.

RBI Ethics@work

The Reserve Bank of India, with the assistance of Professor Dipankar Gupta, who is also a Director on the RBI Central Board, has formulated a Code of Conduct for itself, which is termed as ethics@work.

- An ethics manual promotes:
- Solidarity among colleagues;
- Pride and commitment to working for the organisation;

- Personal aspirations that are aligned with organisational goals.

The ethics manual is expected

- To define and clearly set out what will be deemed to be acceptable behaviour.
- We hope that this will promote and ensure high standards of practice
- And also establish a benchmark for self-evaluation
- Lay down the mainframe for professional behaviour and responsibilities
- Enable a sense of occupational identity Ideals to which we can clearly ascribe to.

Some organisations have ethics officers but, the foundations of ethical behaviour go well beyond corporate culture and policies. These are rooted in one's moral training, lessons by parents and school teachers which have been taught and demonstrated from early childhood which affects not just individual behaviour but the competitive business environment and indeed society as a whole.Thus it has to come from the roots!!!

Ancient Indian wisdom and scriptures like Bhagavad Gita & Ramayana; ancient Indian sages like Yajnavalkya or Buddha; and writings of scholars like Kautilya (Chanakya) canteach a lot on ethical and responsible leadership. These can be included in the present day existingmanagement to create more sustainable, ethical and responsible leadership models. In Manusmritti, chapter 7, Manu (who is considered to be the first Brahmin ruler on thisearth in Hindu traditions) said: "Fire burns one man only, if he carelessly approaches it, the fire of a king's (anger) consumes the (whole) family, together with its cattle and its hoard of property." (This points out towards necessity of responsible leadership)

The case of Infosys all have witnessed, the shareholders consistently gained from thedecisions of its Chief Mentor, Narayana Murthy. And, in the case of Satyam, in was thatone mistake of the Chairman Ramalinga Raju tarnished the image and equity of the whole company and the shareholders lost almost their entire investment in that companywithin a year. The qualities a leader must possess was well laid down by Chanakya, the revered scholar inpolitical science who gave this world, the first management text in the form of "Arthashastra"

An important theory in Hinduism is *Purushartha,* which refers to as the 'object of human pursuit.' It refers to the four main goals in life- *Dharma*, *Artha, Kama,* and *Moksha.*

- *Artha* means prosperity and wealth, *Kama* means pleasure and
- *Dharma* refers to virtue, righteousness, moral duty, and responsibility. The above three are called 'trivarga' or three categories.
- *Moksha,* of all four, is the ultimate goal. It means spiritual liberation.

Artha and *Kama* can be destructive, if nurtured onto too much; they can lead one to ruinone's life. It includes excess of indulgence and obsession with material well-being, and tendency to assimilation of wealth. Therefore, these two elements are not as important as *Dharma* or *Moksha.*

In the present times the greed toward excessive consumerism of human beings is leading to wastage and over exploitation of resources. Hence one must strike a balance between the four theories of *Purushartha.* As advised in thescriptures:

- Spiritual tendencies should always be the priority over material pursuits.
- Consume but only up to your need is satisfied.
- Curb yourdesires, it will automatically move you to a path of better understanding.

Conclusion

From the above discussions we conclude that firstly, much of modern management principles existing today can be derived from the knowledge of the ancient Indian scriptures. The change though slow has to start, and it has gradually begun as many B schools are adding Teachings from Bhagwad Gita, Kautilya Arthashastra to the curriculum.

Inclination towards learning Sanskrit, our ancient language in which all scriptures are written, is increasing. Youngsters are showing interest in spiritual practices. The developed western world is practicing Indian rituals, learning the Gita. Many different Academies run by foundations like Swami Rama, Vedanta Academy, the ISKON movement, Ramkrishna Math, Art of living, Ishayog etc are spreading the light of age-old Indian teachings and traditions and preaching the right way of life. Such institutions and many more are attracting seekers from all over the globe.

The modern-day spiritual leaders are going all out using different forms of digital media to reach out to the world population. It may be soon that India becomes the Vishwaguru in near future and again teaches the world the correct way of live and let live principle propagated by our scholars.

Importance of family structures, Joint family system which is losing its sheen due to the impact of western culture too can be revived on following the lessons from the scriptures. Strong united families can create a strong society with confident youngsters who can take up the reins of family businesses successfully in their hands.

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