

SUSTAINABLE GROWTH – THE VEDIC WAY

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Abstract

The four ‘Vedas’, namely Rig-Veda, Atharva-Veda, Yajur-Veda and Sama-Veda contain the complete knowledge of ‘God’, ‘Soul’ and ‘Physical universe’. Rig-Veda explains the ‘cosmic order’ stating that physical as well as moral laws govern the entire universe and that no transgression of these laws is allowed. Vedic philosophy derives infinite creativity, actions and power from universal laws of Nature. Twentieth century has witnessed increasing focus on growth and accumulation of wealth at the cost of society resulting in many socio-economic, political and environmental problems. It has led to evolution of Quality, Environmental, HSE systems & Business Excellence models etc. and has brought the focus on stakeholders’ satisfaction.

In Vedic philosophy, core function of business is to create wealth for ‘Well being of all stakeholders’. Sustainable growth comes by earning money following ‘Values’. Key to success lies in ‘Yajna’ (Sacrifice for others). Practice of self-ethics and creation of learning environment results in higher performances. The long-term interests of an organisation are best served by adopting an integrated approach to maximise the Global Product. In essence, Vedic way for growth ensures continuous flow of knowledge, finances, physical resources, learning and information like a river for prosperity of ‘Global Society’ – the ultimate of cosmic reality.

Key Words: Sustainable Growth, Vedic Vision, Corporate Social Responsibility, Vedic Economy, Business Excellence

1.0 INTRODUCTION:

About 1.97 billion years ago, when the present cosmos came to existence (Dayananda Saraswati (1872); Atharva Veda 8-2-21; Yajur Veda 30-18; Bhagwad Gita 8-17 to 19), four ancient sages namely Agni, Vayu, Aditya and Angira received the complete knowledge of ‘God’, ‘Soul’ and ‘Physical Universe’ in the form of four ‘Vedas’, namely Rig-Veda, Yajur-Veda, Sama-Veda and Atharva-Veda. This knowledge is pure and stored in the Cosmic Records (Rig Veda 10-130-4 to 7; 8-100-10, 11). Millions of sages have got access to the cosmic knowledge reservoir and shared it for the

benefit of global society. Some of them were Lord Ram, Lord Krishna, Jesus Christ, Peg umber Muhammad, Lord Buddha, Swami Dayananda Saraswati and Swami Vivekananda etc. Most of our scientists got the intuitions for their discoveries from these cosmic records knowingly or unknowingly. Any person may access cosmic knowledge under meditation like we access the information through Internet.

The Rig-Vedic hymns portray the world as a place where human beings are expected to enjoy life. Rig-Veda explains the ‘cosmic order’ stating that physical as well as moral laws govern the entire universe and that no transgression of these laws is allowed. Vedic philosophy derives infinite creativity, actions and power from these universal laws of Nature. Our ancestors have experienced the benefits of these laws for millions of years; however we have forgotten these laws in the present era in our blind race to get more and more money at the cost of others. If an organisation integrates its way of working with the cosmic laws, it is destined to gain more profits and sustainable growth. Toyota, Tata Steel and Aravind Eye Hospitals etc. are a few corporate, who focus on some of these universal principles.

Vedic philosophy provides many clues for sustainable growth of all. For example quoting hymns of Rig-Veda, Dayananda Saraswati (1872) wrote about *an aeroplane having trio-merits of flying into the sky, streaming on water and moving on road*’ thirty years before manufacturing of first air-craft of present era. He explained that I have seen many hymns in Veda to get in-depth knowledge about it; but a glimpse is enough for the wise men. However, little efforts have been made to integrate the search of scientific knowledge with Vedic studies since then. The present paper is an attempt to correlate our business practices with Vedic philosophy to attain the sustainable growth.

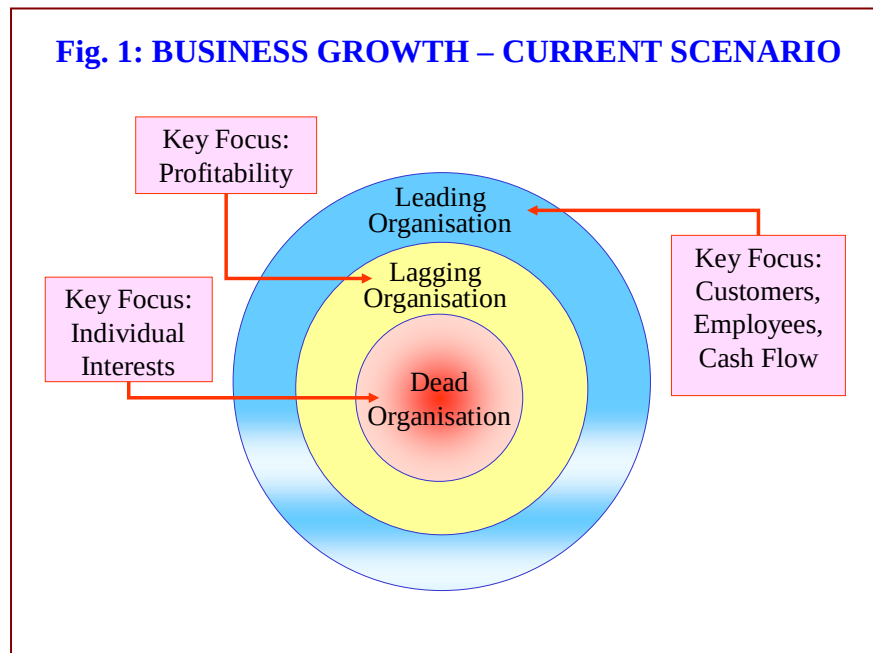
2.0 CURRENT BUSINESS SCENARIO:

Significant growth has been achieved since spread of power driven machinery during Industrial revolution, which followed by evolution of new management practices over the decades. While industrial revolution brought many material benefits, it also created a large number of problems e.g. poor pay, long working hours under unhealthy conditions for factory workers. As a reaction, Karl Marx developed the theory of ‘Communism’. However, Communism could not respond quickly to the changes in customer demand with little motivation for productivity enhancement due to equal wages. Communism and Capitalism shaped much of the history during 20th Century (Talwar B., (2002)). The key reason for the decline of organisations following Communism and Capitalism practises was their focus on the needs and expectations of one or two stake-holders and apathy towards other stakeholders as reflected in the inner most circle of Fig-1.

Industrialists now felt that their job is to produce goods at minimum cost to satisfy the demand and earn profits. Thus, most business enterprises focus on higher profitability and become lagging organisations due to their narrow vision. Leading organisations, on the other hand focus on

the changing customers' expectation to ensure their growth. Thus three stakeholders namely employees, customers and shareholders become the key focal areas, as Jack Welch, (1993) explains:

"The three most important things you need to measure in business are customer satisfaction, employee satisfaction, and cash flow."

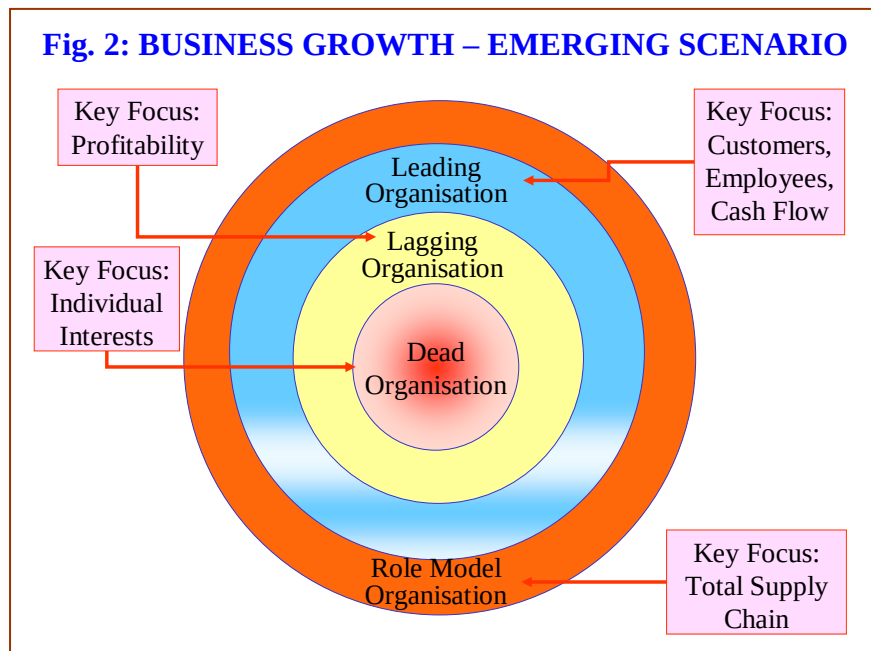


3.0 EMERGING BUSINESS SCENARIO:

With increasing globalisation, rapid transportation, computerisation and communication, the competitiveness has grown several times. Information technology boom and surge for sustained growth, has further reduced the gap between developed and developing world leading to severe international competition for survival. Now key concern of leading organisations is not mere customer satisfaction but the customer retention. Though most corporate are making profits, they are not able to retain over 50% of their customers. A Harvard Business Review study found that ***"companies could improve profits by at least 25% just by reducing customer defections by 5%."*** (Frederick F. Reichheld, (1990)). In white paper on customer loyalty, Siebel Systems (2001) says ***"Customer loyalty comes from satisfying not just customers themselves, but also the employees and partners that interact with them"***. A study conducted by Northern Illinois University (2004) concludes that when companies put employees and customers first, their employees are satisfied, their customers are loyal, their profits increase and their continued success is sustained. More committed employees have a better understanding of organisation's processes, products & customers and thus increases the likelihood of customer satisfaction and loyalty.

An organisation has five stakeholders namely customers, share-holders, employees, suppliers and society. To attain excellence all stakeholders need to work together as a team. With globalisation of world market and the reform process underway through WTO, the competition is becoming tougher and new opportunities for growth are also opening up. Thus to provide good quality products

and services at competitive price, Role Model organisations are now focusing on ‘Total Supply Chain’ (Refer Fig. 2). For example auto industries in India, led by Maruti become globally competitive following this concept. As a result, leading auto players of the world are now focusing towards India for outsourcing and set up their manufacturing units. Thus focus on fourth stakeholder i.e. Supplier is coming, to survive and thrive in the changed economic scenario.



Focus to a limited extent has also come to fifth stake-holder i.e. Society with development of system standards like ISO 14001, OHSAS 18001 and SA 8000 etc. Evolution of Business Excellence models e.g. Baldrige award in USA, European Quality Award, Deming Award, Singapore Quality Award, CII-EXIM Bank Award in India etc. provide focus on satisfaction of all stakeholders for continual growth. However, society focus in these systems and excellence models is limited to statutory compliance and building harmonious relations with local authorities/ community. Never the less, excellence award winning organisations around the world have always displayed a grater commitment to society needs then requisite in the model. e.g. Tata Steel, CII-EXIM Bank Business Excellence Award Winner of 2002 has introduced Social Audits and contributes about 10–12% of its profits for welfare of society every year (Sharma A.K. and Talwar B., (2005))

The focal issues of enhancing competitiveness and business growth is forcing us to re-look into our systems and way of working and go back to Vedic philosophy to identify the innovative ways for sustainable growth.

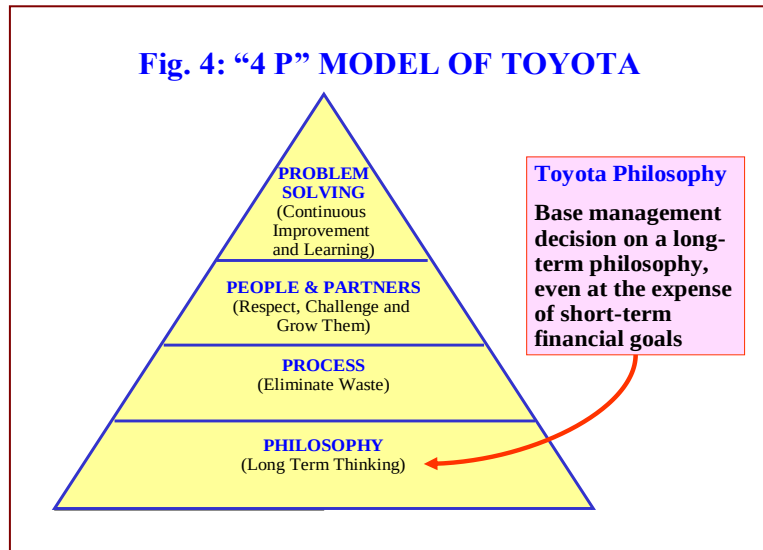
4.0 VEDIC BUSINESS SCENARIO:

Vedic philosophy identifies four objectives to be sought in human life namely, Value system, Money, Desires and Salvation (Fig. 3). These should be followed in such a way that Value system leads to attainment of money, money leads to fulfilment of desires and finally desires leading to

Fig. 3: FOUR OBJECTIVES OF HUMAN LIFE

1. **Value System (Dharma)**
2. **Money (Artha)**
3. **Desires (Kama)**
4. **Salvation (Moksha)**

attainment of salvation. The Values from material to moral are approved by Vedas. Values focus on long-term results, even at the cost of short-term profits. It is also guiding principle of the Toyota way of working as shown in the Fig. 4 (Liker J.F., (2004)). Toyota has empowered its workmen to stop the production line as soon as they observe a defect even when huge financial costs are involved.



Vedic philosophy emphasizes that Values are the basis of entire universe (Mahanam Upnishada 17.6; Manu Smiriti, 1-108). Values constitute those actions, which were upright in the past, upright today and will remain upright in the future. Following hymn from ancient book, ‘Mahabharata’ explains essence of Value system (Dharma) stating:

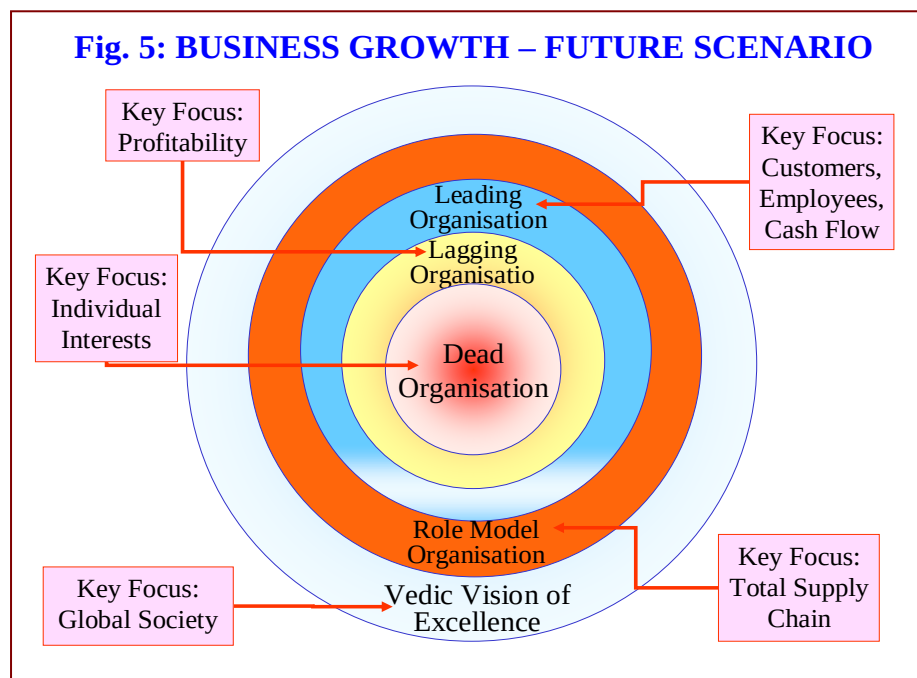
“O men! Essence of Ethics (Dharma) lies in living together on the earth like brothers and prosper by using the immense resources of the world. It will eliminate all the ills & sorrows and lead to attainment of cosmic peace for all.”

Values based system empowers every member of the organisation to take decisions as long as it doesn’t harm others. However, every action which may adversely impact others should be based on Values. This principle is to be followed by everyone including CEO. Role modelling of Organisation’s Values (‘Self-Ethics’ or ‘Swa-Dharma’) in day to day life by CEO is foundation stone of Vedic business scenario. Employees will practice Values only if CEO sets an example. Chief Executive should observe three types of Self-discipline namely, Self-Guilt (Atma-Glani), Fear of God (Ishwar-Bhaya) and Fear of Society (Lok-Lajja) (Sharma A.K. and Talwar B., (2004)).

While Peter Drucker describes leader as a ‘knowledge worker’ who focuses on training, skills, policies, knowledge; Bhagawad Gita calls him ‘wisdom worker’ who focuses on education, values, principles and wisdom (Arun Kumar, (2000)). Unlike today, ancient kings and sages (CEO and his advisors in organisational perspective) always lived by these guiding principles. As a result, all people in the kingdom followed Value based life style and lead a happy and prosperous life. That

is why, that Lord Ram is known as ‘Lord of Ethics’ (‘Maryadapurushottam’) and great Pandava king Yudhishtera is remembered as ‘King of Ethics’ (‘Dharma Raj’) even today.

In *Vedic* philosophy, business has been seen as a legitimate, integral part of the society. Its core function is to create wealth for society through manufacturing, domestic distribution, foreign trade, financing and other such related activities. It emphasises to work for an economic structure based on ‘Well being of all Stakeholders’ (*Sarva loka hitam*). Adopting Value based governance and meeting expectations of the community at large; best serve the long-term interest of the organisation and its people. If an organisation sacrifices its profits for the sake of larger interests of the society, it is destined to gain more profits in the long run.



Vedic vision of excellence focuses on well being of global society (Refer Fig. 5) by taking care of all stakeholders. It focuses on ‘Value based governance’ to attain longevity and sustainable growth. It enhances the profitability, employees’ pride in the enterprise, customers’ confidence and leads to prosperity for all as the hymn says:

“Organisations which behave in a friendly manner with everyone and work for welfare of all stake-holders through its culture, organisational policies, systems and actions; follow the ethical way of governance. Those, which move against it, are following unethical practices.”

The higher level of performance can be attained through practice of self-ethics by leaders and creation of learning environment. Long-term interests of the organisation and its people are best served by adopting an integrated approach to maximise the Global Product and moving towards the prosperity of ‘Global Society’ (Talwar, B. and Sharma, A.K. (2005)). ‘Chankya Niti’ emphasizes that even at the financial cost to the organisation; the larger interest of society should prevail in decision

making. This practice by the corporate world will lead to total transformation of business practices and provide a better quality of life to evolve a new world order based on Vedic economic thoughts.

5.0 VEDIC ECONOMIC PHILOSOPHY:

Vedic economic philosophy emphasizes that money should flow from one person to another. It should remain floating and not stored at a place like floating water of the river is clean and useful for all while pond water becomes dirty and unusable. The real money is floating money and non-floating money becomes non-usable or ‘black money’ as the hymn from Atharva Veda (1/15/3) says,

“Rivers continuously flows, without any stop for welfare of others. Similarly money should continuously flow for welfare of others. Continuous flow of money gives new earnings every day while stoppage of flow blocks money and leads to many troubles and social problems”.

Interruption in flow at any stage leads to non-value addition and wastage as shown in Fig. 6 (Liker J.F., (2004)).

Fig. 6 FLOW MANAGEMENT

VEDIC HYMN

*“The excellence lies in continuous flow or
Change for improvements”*

(Shane Shane Yantravatamupaiti tadeva rupam ramaniyatayah)

TOYOTA: SINGLE PIECE FLOW MGMT.

**{Benefits from Single Piece Flow accrued through
elimination of Muda (Waste)}**

1. **Build in Quality**
2. **Real Flexibility**
3. **Higher Productivity**
4. **Free up Floor Space**
5. **Improves Safety**
6. **Improves Morale**
7. **Reduce Inventory Cost**

Vedic economic philosophy ensures continuous flow of ideas, knowledge, finances, physical resources, learning and information for success of all stakeholders as indicated in the Vedic Economic Supply and Demand Matrix (Refer Fig. 7).

Fig. 7: Vedic Economic Supply & Demand Matrix

Supply	High	Developed Economy ▪ Prosperity for Higher and Middle Classes ▪ Intermittent flow of new ideas, knowledge, products, materials and money	Vedic Economy ▪ Prosperity for All Stakeholders ▪ Free and uninterrupted flow of new ideas, knowledge, products, materials and money
		Under-developed Economy ▪ Prosperity for very few ▪ Little flow of new ideas, knowledge, products, materials and money	Developing Economy ▪ Prosperity for Higher Class ▪ Limited flow of new ideas, knowledge, products, materials and money
	Low		
		Low	High
		Demand	

It leads towards physical, mental and spiritual involvement of all stakeholders for organisation's success and growth. The matrix integrates modern as well as Vedic economic concepts and exhibits the state of affairs at different levels of economic growth. Looking at the matrix, one would conclude that highest rate of sustainable growth can be achieved only through Vedic economic approach, where welfare of all happens to be the prime concern of every one. (Sharma A.K. and Talwar B., (2005)).

Vedic economy emphasizes on integrating and directing efforts to enhance global product and maximise its global distribution. Success depends greatly on honest involvement of people in the organisations, willing to bring a change in tune with global environment. Business practices needs to be changed and aligned with the growing needs & expectations of all Stakeholders. It requires development of a common Vision by all stakeholders and taking Joint Improvement Initiatives with the Customers, Suppliers, Educational Institutions, Social Organisations and Society at large. For example implementation of a common vision through Cluster Approach for a limited period amongst auto sector ancillaries has brought the turn-around in auto industry in India as indicated in Fig. 8. (Nagpal Sarita, (2004)). Cluster approach was begun by Maruti for its vendors for First time in India. Now CII is planning to get 200 Clusters made consisting of Small & Medium Industries in India by year 2006.

Fig. 8: CLUSTER APPROACH

Common Vision in Cluster Approach:

Cluster is team of 8 to 12 companies, which mutually shares their learning based on common training inputs given by experts.

Benefits to Cluster Members (in 2 years):

- **Productivity up by 1.5 to 2 times**
- **Quality down to ppm levels**
- **Cost reduction by 20%**
- **Accident free factory**
- **Absenteeism down**
- **Employee Involvement 100%**

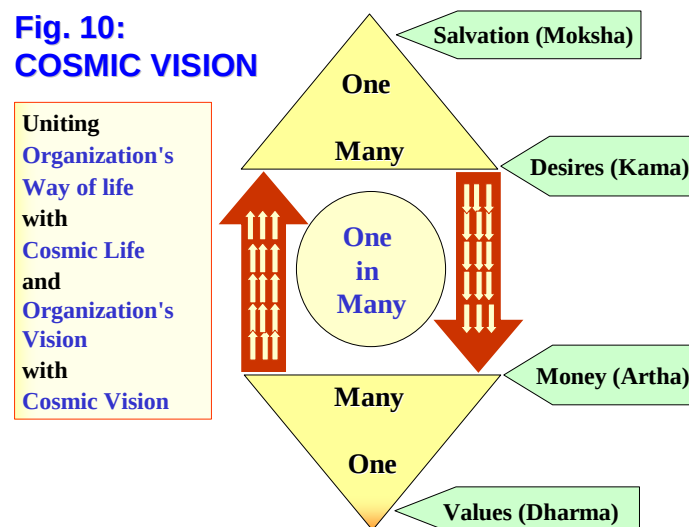
6.0 INTEGRATION OF BUSINESS VISION WITH COSMIC VISION:

From 'Rig Veda' to 'Bhagawad Gita', the Indian concept of 'sacrifice for the Bliss' (Yajna) has been praised as best action. It goes from ritualistic external sacrifices for the sake of mundane goals to that of intrinsic inner psychological offerings of one's being to God. Lord Krishna insists upon the purity of motive even in the sacrifice. The sacrifice performed as duty, with no desire for its fruits (Nishkama Karma) is highest sacrifice and is Yajna. Yajna leads to attainment of happiness in worldly affairs and salvation after death through practice of Selflessness. It leads to prosperity, sustainable growth & happiness of all stakeholders through implementation of universal brotherhood and evolving common vision of all stakeholders in the organisational life. Aravind Eye Hospitals has practically demonstrated it as indicated in Fig. 9 (Shah J. and Murty L.S., (2004))

Fig. 9: ARAVIND EYE HOSPITALS, TAMILNADU, INDIA
Compassionate, High Quality, Health Care at Low Cost

- ✓ **Surgeon Productivity** **2000 Cataract Surgeries per Ophthalmologist per year**
(500 % of an Indian Doctor)
 - ✓ **High Quality** **Infection Rate 0.04%**
(UK - 0.06% Due to High Volume doctors are getting more exposure)
 - ✓ **Sustainable Growth** **Growth in No. of Surgeries 1000% from 1985 to 2004**
 - ✓ **Total Surgeries (Jan' to July' 2004)** **Free Surgeries 70359 No.**
Paid Surgeries 42910 No.
- (Cost per Surgery is going down due to high volume)**

The integration of business vision with cosmic vision is the only way to realise the Vedic Vision of excellence. The foundation stone of Cosmic Vision is practice of Values (Dharma) in the organisational work culture as described in Fig. 10. These Values are unique and are to be practiced by every member of the organisation. Organisation should focus on earning money (Artha) in as many ways as possible practising these values.



However, the continuous flow of money from one hand to another should be maintained to maximise the growth rate as explained in the Vedic economic philosophy and also endorsed by the following hymn from Atharva Veda (3-24-5):

"O man! Procure wealth with one hundred hands and distribute it with one thousand hands. Thus you attain perfection of the work done and to be done"

As a result, organisations should continuously search for new avenues of business and capital investment with an objective of growth for all members of the society. Thus, new organisations and areas of business sprout up with distribution of wealth and are decentralized to provide new opportunities of growth. This leads to fulfilment of desires (Kama) in many ways and satisfaction of all stakeholders.

The journey from desires (Kama) to salvation (Moksha) is like unification of river Ganges with sea at Bay of Bengal signifies the ultimate purpose of business to bring prosperity for society at large. It can be attained by evolution of a common vision for all stakeholders as the hymn from Rig-Veda (10-191-4) explains that excellence lies in the unification of vision and thought process:

“O ye mankind! Let your vision and thinking of life be one and common, let your hearts be transpired with feeling of equality, let your minds be united together, resulting in equal prosperity and common excellence in the life for all”

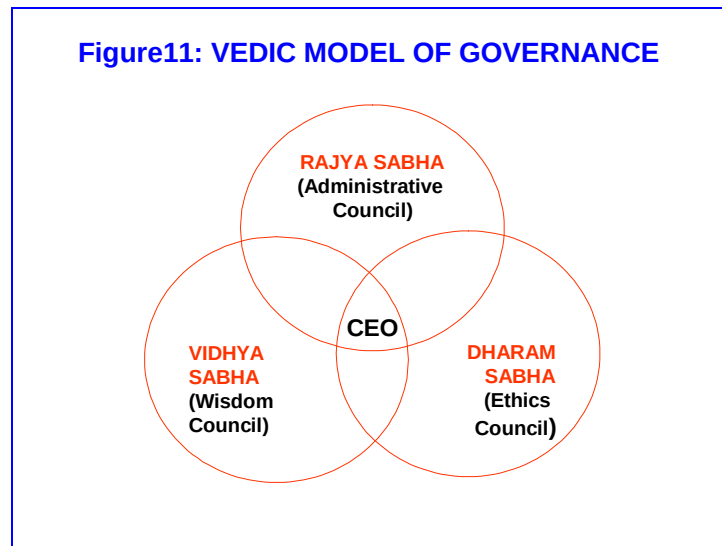
It clearly indicates that the strategic alliances between organisations work more effectively when these are built on mutually beneficial relationships, common vision & trust, sharing of knowledge and integrated approach for prosperity of all. The dual focus from ‘Values to Money’ (one to many) enabling continuous flow of money to enhance prosperity & growth and from ‘Desires to Salvation’ (many to one) through formation of a common vision by all stakeholders leads to generation of positive currents. These positive currents get united with the cosmic electro magnetic field and build ‘One in many’. As a result, organisation’s business grows several times leading to higher productivity, prosperity and profitability as practically demonstrated by Aravind Eye Hospitals (Refer Fig. 9).

Strategic flexibility based on mutual trust is a valuable asset. Firms that have the flexibility to respond to changing competitive behaviours are at a definite advantage; they can easily redeploy critical resources and use the diversity of strategic options available to them to compete effectively. For this, leaders have to break their long standing behaviour on their own. The solution to adaptive challenge resides not in the executive suite but in the collective intelligence of employees at all levels (Heifetz and Laurie, (1997)). Toyota demonstrated this through its actions in global automobile industry in the 1980s and 1990s. Today Toyota is producing several models of vehicles simultaneously on a single assembly line. Toyota’s focus on elimination of all types of wastes through Muda (eight types of wastes namely – Over production, Waiting, Unnecessary transportation, Over processing, Excess inventory, Unnecessary movement, Defects and Unused employees creativity), Mura (Unevenness in production) and Muri (Over burdening of people or equipment) provides a critical edge to the company over its competitors. In Toyota, every employee is committed for never-ending improvement process through education, training and self-improvement. Vedic Model of Governance explains the essence of this success.

7.0 VEDIC MODEL OF GOVERNANCE:

‘Vedic Model of Governance’ (Dayananda Saraswati, (1872)) consists of three bodies namely, Administrative Council (Rajya Sabha), Wisdom Council (Vidhya Sabha) and Ethics Council (Dharma Sabha). Administrative Council, headed by CEO, manages day-to-day operations. Wisdom Council focuses on enhancing skills and competency levels of all stakeholders. Ethics Council focuses

on enhancing implementation of the value system. These three councils should be independent and administer the control over one another as shown in figure 11, so that the decisions are taken collectively without any individual bias of CEO. The model has been adapted from hymns of Rig-Veda and Yajur-Veda. The model effectively curbs the strategy of lobbying at any level for narrow gains at the cost of others. It eliminates the possibility of mutual distrust amongst stakeholders. It emphasizes that management should drive out the fear and create an environment of trust, innovation and learning; so that everyone may effectively contribute for the company.



8.0 CONCLUSION:

Enhancement of organisational performance and capabilities is possible only through teamwork and common vision for all stake holders. When every member of the organisation is able to correlate his personal goals with that of the organisation, he intends to put-in his best efforts and voluntarily shares his creativity and learning. Creation of learning environment based on mutual trust opens the possibilities to exchange best practices and benchmark with peers in a very open and friendly atmosphere. It requires visioning "out of the box", and willingness to look for solutions not only within own environment, but anywhere in the world to achieve the excellence. This leads to building a cosmic consciousness and benefit for every member of society. It requires the transformation in the role of top management to address the needs of all stakeholders to provide a win-win situation for everyone in the competitive environment. To facilitate leaders in this process, a Universal Business Excellence Model needs to be evolved with integration of all contemporary management practices and Cosmic Vision. The model should come out with the multiple bottom-lines viz. Physical, Financial, Mental, Spiritual and Societal bottom-lines so that organisations around the world may be able to measure their real level of excellence and attain sustainable growth.

It will lead to total transformation of Corporate World and provide a better quality of life for the global society. Joining hands with the customers, suppliers, educational institutions, social

organisations etc. will reduce the global cost of products & services. Continuous and steady flow of information, knowledge, money and material for every member of society will materialise Vedic economic philosophy and make the world a happier place to live.

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