

The Impact of Dharma on Management Philosophy- A Comparative Study of Vishnu Smriti and Contemporary Corporate Thinking

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Abstract

Purpose:

Management philosophy acts as a foundation for business by defining its vision, mission, and purpose and by providing guidelines for its operations. For centuries, Indian ethos has encouraged socially beneficial corporate behavior by invoking the concept of *dharma*. Using a historical analysis research design, this paper attempts to measure the impact of *dharma* on management philosophy of modern companies.

Methodology:

The paper uses a historical analysis research design. The paper specifies the ideal from *Vishnu Smriti*, a *Dharmasastra* text of ancient India. The contemporary management thinking is studied by analyzing the management philosophy statements of the fifty corporations comprising the NIFTY index in India. Several data analytics techniques like correlation analysis, association analysis and path analysis, have been used to measure that the impact of *dharma* on management philosophy.

Findings:

The study reveals that the impact of *dharma* on the management philosophy modern corporations is not so strong. The results of correlation analysis, association analysis and path analysis all showed that impact of *dharma* on the management philosophy of the NIFTY indexed companies is not upto the expected ideal.

Practical implications:

As the impact of *dharma* on the management philosophy of modern corporations is not strong, it is necessary for managers to understand the values guidelines



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provided in *dharmashastra* texts to develop their vision and mission statements. Such guidelines from *Vishnu Smriti* include treating employees and customers with respect and cultivate environmentally sustainable management practices.

Originality:

The originality of the paper arises from its ability to integrate the philosophy of Indian ethos in contemporary management thinking and measuring the same using well known statistical techniques.

Keywords:

Management philosophy; Dharma; Vishnu Smriti; NIFTY; Universal welfare.

1. Introduction

The impact of business corporations on the present-day global economy and society is enormous. Recognizing the ability of a business to positively impact modern society, the United States Chamber of Commerce stated that companies can create a deep impact through corporate citizenship, both locally and globally (DeCoursey, 2015). Through corporate social responsibility and corporate shared value initiatives, companies have shown their ability to be a positive force in the modern world (Safwat, 2015). In this context, companies have consciously designed their management philosophy statements in terms of promoting social welfare to provide a direction for their decisions.

For centuries, Indian ethos has encouraged socially beneficial behavior by invoking the concept of *dharma* (Heuman, 2012). *Dharma* is derived from the Sanskrit root word ‘*dhr*’, which means ‘to hold’, ‘to maintain’, or ‘to preserve’ (yogapedia.com, 2020). This paper attempts to measure the impact of *dharma* on the management philosophy of modern day corporations using a historical analysis research design. This study gains relevance in the context of several studies that have highlighted the harmful impact of business on the present day world, its economy and environment (Leonidou et.al, 2008; Silvanavičiūtė, 2008; Fasterling & Demuijnck, 2013). Apart from measuring the impact of *dharma* on the management philosophy using data analytics techniques, the paper also provides guidelines to increase the impact of *dharma* on management philosophy of corporations.

2. Review of Research Literature

2.1 The Role of Management Philosophy in Business

The management or business philosophy of any company serves as its blueprint for operation. It outlines the overall purpose of the business (upcounsel.com, 2020).



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According to Luenendonk (2017) management philosophy is a “set of beliefs or rules used by managers to help them make decisions”. Being a belief system, it represents how the management thinks a business must be directed on the whole. It is therefore, less concerned with the day-to-day mechanics of running a business. In many cases management philosophy is abstract and based on rational principles rather than carefully outlined business models or daily best practices (reference.com, 2020).

A study of management literature shows three distinct directions in the understanding of the role of management philosophy in business. The first path represents the contributions of management scholars in developing various management theories and constructs which are viewed as the management philosophy. The second approach deals with a macro perspective in analyzing management practices specific to countries or geographical regions as the management philosophy. Finally, management philosophy is viewed from a micro perspective as specific to a corporation.

As early as 1958, it was highlighted that management philosophy supplies the basic theory for creating solutions for business problems (Davis, 1958). Based on this idea, several management theories used for providing business solutions including scientific management, systems theory and others are considered as management philosophy (Luenendonk, 2017). On the occasion of the silver jubilee of the development of the theory of constraints, Watson et.al (2007) stated that the theory has evolved from being a production scheduling theory to an integrated management philosophy spanning numerous operations management sub-disciplines. Soo et. al (2002) regarded the management construct of intellectual capital as a holistic management philosophy.

In an effort to identify unique approaches towards business, management practices related to different countries have been described as the management philosophy. In this regard, there have been discussions on Japanese management philosophy (Ouchi & Cuchi, 1981; Kono, 1982), American management philosophy (Sloan, 1990; Drucker, 1993), Chinese management philosophy (Lee, 2005) and others. Litzinger & Schaefer (1966) regarded American management philosophy as a representation of American culture indicating its pragmatism in providing ideas for solving management problems. Comparing American and European management philosophy, Nowotny (1964), stated that the most striking difference between the outlooks of European and American approaches lay in their orientation toward time. While the European approach is inclined towards the past and the present, the American management approach preferred seeing the present and future. The European attachment to the past accounted for respect for characteristics such as wisdom, stability, convention, necessity, quality, and diversity in solving management problems. The futuristic orientation of American management philosophy leads to respect for vitality, mobility, informality, abundance, quantity, and organization in resolving business issues. McCann (1964), highlighted the difference between viewing management as a



science and viewing it as an art, an aspect of geographical orientations in management philosophy. Business practitioners and business academicians in the United States felt that management is partly a science and partly an art. On the other hand in Latin America management generally is considered an art. These differing orientations led to different advancements in management to solve business problems. Kono (1982), discussed the applicability of Japanese management philosophy in other countries stating that while some Japanese management practices have their roots in Japanese culture, some are the results of rational judgment, and many were transferred from the U.S. and other countries. It would therefore be a misconception to think that Japanese management philosophy is too indigenous to Japan to be transferred to other countries.

In the current VUCA business environment, management philosophy is considered from a micro business perspective as a foundation of business decisions both within and without. Within the organization management philosophy provided cohesion as it forms the basis for corporate culture (reference.com, 2020). In many corporations the manifestation of management philosophy appears in statements of corporate culture, which frequently assert the primacy of employees as the most valued asset in the business, and that the philosophy of that business is to guide the employees towards fulfilling their potential. Outside the organization, management philosophy can also lead to fair actions towards all stakeholders. Wang (2011) stated management philosophy had become an essential ethical foundation for a number of mission-driven organizations. The management philosophy elucidates the corporate values which form the basis of management action and decision making. Combining the actions within and without the corporation, management philosophy is represented as the corporate vision and mission (Luenendonk, 2017). For example, Epson Corporation states its management philosophy as “Epson aspires to be an indispensable company, trusted throughout the world for our commitment to openness, customer satisfaction, and sustainability. We respect individuality while promoting teamwork, and are committed to delivering unique value through innovative and creative solutions” (epson.com, 2020).

Management philosophy thus acts as a foundation for business by defining its vision, mission, and purpose and providing general guidelines for its operations.

2.2 The Importance of Dharma in Business

There is no appropriate equivalent word for *dharma* in the English language. The great Indian epic *Mahabharata* defines *dharma* as (*dharanadhdharmamithyahuh*) meaning that *dharma* is the principle that sustains or nurtures (hindujaguti.org, 2014). *Dharma* is derived from the Sanskrit root word ‘*dhr*’, which means ‘to hold’, ‘to maintain’, or ‘to preserve’ (yogapedia.com, 2020).). According to Ray (2017), *dharma* is a fascinating term because it integrates several levels of experience.



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Similar to management philosophy, in relation to business, *dharma* too can be viewed using the theoretical, macro and micro lenses. At the theoretical level, *dharma* has been viewed as integral to different academic management constructs. One popular management construct is ‘mindfulness’. Drawing from mindfulness research and management theory, Bahl (2017), had attempted to understand the paradoxes of using mindfulness in business delinking it from *dharma*. Mindfulness programs in business seek to reduce stress at work without changing the work conditions that cause stress. Further, while mindfulness is grounded in ethics, it has been applied in business without ethical considerations. Therefore, mindful inquiry should be viewed as a comprehensive framework to guide the intentions of a business to enhance the well-being of all its stakeholders. Similarly, *dharma* is related to the construct of ‘wholeness’. Based on this construct, management should think using a holistic or systemic perspective instead of a narrow and selfish perspective while making important decisions. (Kaipa, 2016).

From a macro perspective, *dharma* can be viewed as integral to Indian management (Chakraborty, 1991; Sivakumar, 1995). Values-centered management in the Indian context is based on the concept of *dharma*. Comparing the Indian ideal of *dharma* with the western notion of integrity, Hawley (1995), stated that while integrity is based on the human virtues of wholeness, goodness and having the courage and self-discipline to live by the inner truth, *dharma* gives a radically different orientation to any human endeavour by upholding the notions of spirit, rightness, and fearlessness.

At a micro level, *dharma* can be used to guide business decisions at a corporate level. Athreya (2017) in this regard, stated that, at the corporate level, *dharma* should be non-negotiable. The *dharma* of any business should be to meet the rising expectations and needs of all its stakeholders and thus pave the path to sustainable growth. As an example, Banerjee (2008) highlighted the instance of Piramal group in India where the tenets laid out by the company follow the principle of *dharma* (as stated in the *Bhagavad Gita* – an Indian scripture), ‘*wherever there is a divine, and mighty purpose, peace and happiness are naturally guaranteed*’.

Dharma and management philosophy are both foundational principles. This paper attempts to study the impact of *dharma* on management philosophy. The subsequent sections of this paper explain the methodology and results of the study in detail.

3. Research Methodology

This section explains the methodology used in this research study.

3.1 Hypothesis Development

Dharma is the principle that sustains and nurtures all endeavours including business.



The Indian epic *Mahabharata* states the true purpose of *dharma* as follows: (*yah syatprabhavasamyuktahasadharmaitinischayah*) meaning ‘that principle which ensures the welfare of all beings is surely Dharma’ (veda.wikidot.com, 2020). Scholars have explained the true purpose of dharma as the promotion of universal welfare. In this regard, Rao (1997) stated that the purpose of dharma is to maintain and conserve order in the society and promote the general welfare of all.

Miller and Miller (2002) highlighted that the purpose of business when based on dharma becomes spiritual fulfillment and service to society that is motivated from the ‘Source of creation’. Similarly, Kaipa (2016) stated that when management philosophy is based on *dharma*, it becomes holistic and promotes business to advance social welfare. Therefore, when there is a strong impact of *dharma* on management philosophy, the purpose of business would be stated in terms of promotion of overall welfare,

Management scholars have underlined that the ideal role of a business is to promote social welfare (De Jongh, 2009; studymode.com, 2012). It is interesting to note that the purpose of *dharma* and the purpose of business defined by a management philosophy based on *dharma* have several similarities. Table 1 juxtaposes the purpose of *dharma* and the management philosophy based on *dharma* as explained by both scholars of philosophy and management.

Table-1
Juxtaposing the Purpose of Dharma and Business

Feature	Purpose of <i>Dharma</i>	Management Philosophy based on <i>Dharma</i>
Expansive	The purpose of <i>dharma</i> is universal peace, and transformation of the hearts, <i>Dharma</i> in its essence, is a prayer for universal wellbeing. (Baba, 2010)	Business should oversee the operation of an economic system that fulfils the expectations of the public with a willingness to see that resources are used for broad social ends (Frederick, 1960)
Harmonious	The purpose of <i>dharma</i> is the improvement of one’s psychological well-being or physical health, as a means to experience more harmony in one’s relationships, or as a way to build a more equitable, kind, and peaceful society (Heuman, 2012)	The ideal role of business is to use its capabilities to constructively contribute to the nation’s socio-economic development through reciprocal engagement with all the stakeholders (De Jongh, 2009).



Welfare Based	The purpose of <i>dharma</i> is to maintain and conserve established social order as well as the general welfare of humankind. (Rao, 1997)	The ideal role for business is to give back to the community (etondigital.com, 2016)
Excellence Driven	The purpose of <i>dharma</i> is to maintain discipline in an individual and in society so that the individual can peacefully strive for the higher goals of life (jiva.org, 2016).	The ideal for business is to maximize the value they create for others. Business must also constantly reduce waste and become more efficient in the resources they consume in the process of value creation (Hannan, 2018).
Morality Based	The essential purpose of <i>dharma</i> is to protect the world in which morality and spirituality are the guiding factors (Jayaram, 2019).	The moral view of corporate social responsibility raises business executives' awareness of their responsibilities towards society, beyond making a profit. (Holmes, 1976)

The objective of this study is to understand the level of impact *dharma* has on the management philosophies of modern day corporations. The null hypothesis of this study is stated as follows:

The impact of dharma on the management philosophy of present day corporations is strong. Therefore, the management philosophies of present day corporations emphasize the purpose of the business as the promotion of overall social welfare.

However, several studies and cases have pointed at the business working towards narrow, selfish purposes without any regard to overall welfare (Luo, 2008; Moon et.al, 2011; Zheng, et.al, 2014; Bowie, 2017). Kline (2009) stated that corporations that choose to harm the society to increase more corporate profits can be termed as 'selfish corporations'. This points out the fact that the management philosophies of modern corporations may not necessarily be impacted by *dharma*. The alternate hypothesis of this study is therefore stated as follows:

The impact of dharma on the management philosophy of present day corporations is not strong. Therefore, the management philosophies of present day corporations do not emphasize the purpose of the business as the promotion of overall social welfare.



3.3 Historical Analysis and Research Design

The research design used in the present study is known as historical analysis (Howell & Prevenier, 2001). The purpose of a historical research design is to collect, verify, and synthesize evidence from the past to establish facts that defend or refute a hypothesis (De Vaus, 2001; Trochim & Donnelly, 2001). Historical analysis design has been successfully used in the past in management research (Schumpeter, 1951; Jones & Monieson, 1990).

The current study uses the historical analysis design adapted from Fowler et.al (1990). The three stages of this design as applied in the current study are:

- Ideal specification requirement: This stage involves identifying the ideal situation through an analysis of historical documents.
- Actual practice: This stage involves measuring actual performance through an analysis of current day practices.
- Comparison: This stage involves the comparison of the ideal and actual situation to defend or refute the hypothesis.

3.4 Data Sources

Stage 1 – Analysis of Vishnu Smriti for ideal specification requirement: In the historical research design, it is necessary to analyze historical documents to specify the ideal requirement. In this study, *Vishnu Smriti*, a historical *dharmasastra* text was selected. The *dharmasastras* are a collection of ancient Sanskrit texts which explain *dharma* through an elaboration of different codes of conduct and moral principles. *Dharmasastras* contains the instructions regarding the conduct of livelihood, ceremonies, jurisprudence, governance, commerce, and many more issues. They also offer commentaries on responsibilities, duties and ethics for an individual's behavior toward oneself, one's family and one's community (Rocher, 2008).

The extant *dharmasastra* texts are *Manusmriti*, *Yajnavalkya Smriti*, *Narada Smriti*, and *Vishnu Smriti* (Lingat, 1973). Among these *Manusmriti* (Sivakumar, 2009; Sharma & Tewari 2017). *Yajnavalkya Smriti* (Choudhury, 1983) and *Narada Smriti* (Rajanikanth, 1986; Mannepalli, 2014) have already been studied to identify guidelines for management and business. To add to the existing research, the current study is specifically based on the *Vishnu Smriti*.

Olivelle (2007) states that *Vishnu Smriti* was composed between 700 and 1000CE. The *Vishnu Smriti* is divided into one hundred chapters. It mostly consists of prose



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text and contains one or more verses at the end of each chapter. The premise of the narration of the text is a story dialogue between the god *Vishnu* and the goddess Earth (*Prithvi*) (Jolly, 1880). Like other *dharmasastra* texts, *Vishnu Smriti* gives several guidelines and codes of conduct on a variety of issues including governance, business, and individual and social life.

Stage 2 – Actual practice measurement through analysis of management philosophy statements of companies comprising the NIFTY index: In the second stage, the actual impact of *dharma* was measured through an analysis of the management philosophy statements of current day corporations. For this purpose, all the fifty companies comprising the NIFTY index in India were chosen as the sample. The NIFTY is the index of the National Stock Exchange of India. It is a benchmark of the broad Indian equity market. As of 31 October 2019, the NIFTY is a diversified 50 stock index accounting for 13 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. The NIFTY Index represents about 67% of the free float market capitalization of the stocks listed on the National Stock Exchange and the total traded value of NIFTY index is approximately 53% of the traded value of all stocks on the exchange (nseindia.com, 2020).

3.5 Variables of Study and Measurement

To quantitatively study the ideal relationship between *dharma* and overall welfare, each of the hundred chapters of *Vishnu Smriti* was analyzed in the original Sanskrit language along with the authentic English translation of Jolly (1880), for two key terms *dharma* and *lokahitam* (overall welfare). The frequencies of the two Sanskrit key terms were tabulated chapter wise. *Vishnu Smriti* additionally discusses several other values, which will help one to have a strong basis in *dharma*. The frequencies of other key values terms as explained in Table 2 were also tabulated to study additional associations.

To measure the actual impact of *dharma* on management philosophy in modern corporations, the management philosophy statements of all the fifty companies comprising the NIFTY index were analyzed using equivalents of the same key terms of the *Vishnu Smriti* and tabulated company wise. The key terms and their equivalents are provided in Table 2.



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Table-2

Key Term Meanings and Equivalents

Key Term	Meaning	Equivalent Term for NIFTY Index Companies
<i>Dharma</i>	the sustaining principle	value creation
<i>Lokahitam</i>	overall welfare and happiness	national/social/ stakeholder welfare
<i>Nigraha</i>	self-control/satisfaction/ philanthropy	Sustainability/conservation
<i>Satya</i>	truth/integrity	integrity
<i>Nirdosha</i>	honesty/purity	honesty
<i>Narottama</i>	ideal leadership	ideal leadership / world class status
<i>Daya</i>	Compassion	compassion / environmental friendliness
<i>Sadachara</i>	good conduct	standards adherence, good corporate governance and compliance
<i>Priyam</i>	friendliness/ being pleasant/cheerful	Customer satisfaction/ employee friendliness
<i>Vichakshana</i>	intelligence/being thoughtful and attentive/ being competent	Excellence/ research, technology and quality competence/being profitable

3.6 Data Analysis Techniques used in Stage 3 – Comparison of Ideal and Actual

The measurement of key term frequencies led to two data sets – an ideal data set containing the key term frequencies of each chapter of *Vishnu Smriti* and an actual data set containing the key term frequencies of each company comprising the NIFTY index. In the final stage the ideal specified from *Vishnu Smriti* and the actual practice from the companies comprising the NIFTY index were compared using statistical and data analytics tools. These include:

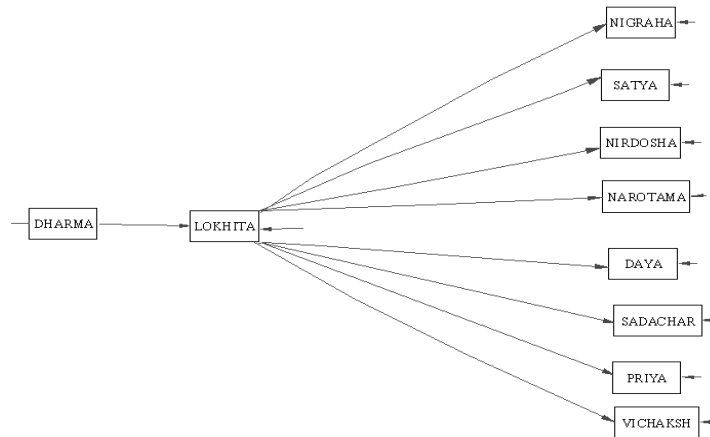
- Correlation analysis: This analysis compared the correlation coefficients between the frequencies of key terms *dharma* and *lokahitam* in the ideal and the actual data sets. Further, the Fisher’s r scores were transformed in the Fisher’s z score to enable comparison.
- Association analysis: *Dharma* should ideally drive *lokahitam*. Using association/market basket analysis (Hsu, 2017) algorithms, the support and confidence scores between *dharma* and *lokahitam* were calculated using their



occurrences. These scores were then used to calculate the lift score. This was done separately for the *Vishnu Smriti* and NIFTY data sets to facilitate comparison.

- Structural equation modeling (SEM): SEM or path analysis is a multivariate statistical analysis technique that is used to analyze structural relationships. This technique is a combination of factor analysis and multiple regression analysis and is used to analyze the structural relationship between measured variables and latent constructs (Anderson & Gerbing, 1988). Based on the hypothesis of this study, for SEM, the construct *lokahitam* was considered to be dependent on *dharma*. Additionally, using the ‘trampoline effect’ described by Cahyadi et. al (2018), in which creating welfare was found to have an impact on promoting other social values, other key value constructs of this study, were considered to be dependent on *lokahitam*. The dependencies SEM path diagram is shown in figure 1.

Figure-1
Dependencies Path Diagram



3.7 Comparison Rules for Hypothesis Testing

Table 3 gives the comparison rules used in this study for testing the hypothesis.



Table-3

Ideal vs Actual Data Comparison Rules

Test	Measure	Rule	Implication for NIFTY Companies	Null hypothesis Acceptance
Correlation Analysis	Correlation coefficient between <i>dharma</i> and <i>lokahitam</i>	Coefficient of actual NIFTY data is positive and \geq Ideal <i>Vishnu Smriti</i> data	Impact of <i>dharma</i> on management philosophy is strong	Yes
		Coefficient of actual NIFTY data $<$ Ideal <i>Vishnu Smriti</i> data	Impact of <i>dharma</i> on management philosophy is not strong	No
Association Analysis	Lift score of <i>dharma</i> drives <i>lokahitam</i>	Lift score of actual NIFTY data > 1 and \geq Ideal <i>Vishnu Smriti</i> data	Impact of <i>dharma</i> on management philosophy is strong	Yes
		Lift score of actual NIFTY data ≤ 1 or $<$ Ideal <i>Vishnu Smriti</i> data	Impact of <i>dharma</i> on management philosophy is not strong	No



SEM/path Analysis	Path coefficients of: a. <i>Dharma and lokahitam</i>	a. Path coefficient between <i>dharma and lokahitam</i> of actual NIFTY data is positive and \geq Ideal <i>Vishnu Smriti</i> data b. All path coefficients between <i>lokahitam</i> and other value constructs of actual NIFTY data are positive	Impact of <i>dharma</i> on management philosophy is strong	Yes
		a. Path coefficient between <i>dharma and lokahitam</i> of actual NIFTY data is \leq Ideal <i>Vishnu Smriti</i> data b. All path coefficients between <i>lokahitam</i> and other value constructs of actual NIFTY data are not positive	Impact of <i>dharma</i> on management philosophy is not strong	No

3.8 Summary of Results - Hypothesis Testing

The detailed results of the study are presented in Appendix 1. The null hypothesis of this study was stated as follows: ‘*the impact of dharma on the management philosophy of present day corporations is strong*’. To understand whether the results of the study led to the acceptance of this hypothesis, the summary of all tests conducted are presented in Table 4.



Table-4

Summary of Results

Test	Result	Implication for NIFTY Companies	Null Hypothesis
Correlation Analysis	Correlation coefficient between <i>dharma</i> and <i>lokahitam</i> of actual NIFTY data < ideal <i>Vishnu Smriti</i> data	Impact of <i>dharma</i> on management philosophy is not strong	Not accepted
Association Analysis	Lift score of <i>dharma</i> drives <i>lokahitam</i> for actual NIFTY data =1 and < ideal <i>Vishnu Smriti</i> data		
SEM/path Analysis	a. Path coefficient between <i>dharma</i> and <i>lokahitam</i> for actual NIFTY data < ideal <i>Vishnu Smriti</i> data b. All path coefficients between <i>lokahitam</i> and other value constructs are not positive		

Based on the summary of results presented in Table 4, it can be found that the impact of *dharma* on the management philosophy of modern corporations is not as strong as the ideal represented through historical analysis. Therefore, it would not be possible to accept the null hypothesis of the study. As all the test results pointed out to the non-acceptance of the null hypothesis, as a final test, Multivariate analysis of variance (MANOVA) was performed to study whether the two sets of data that were studied were similar. The results of this analysis, presented in Table 7 in Appendix 1 shows that the two sets of data are dissimilar. This reinforces the weak impact of *dharma* on the management philosophy of modern corporations.

4. Discussion – Guidelines from *Vishnu Smriti*

As the impact of *dharma* on the management philosophy of present day corporations is not strong, it would be useful to know the guidelines provided by *Vishnu Smriti* to have a strong foundation in *dharma*. These are paraphrased from Jolly (1880) below:

Guidelines on the principles of dharma

- A person of virtue (*muni*) is one who has the welfare of the world under constant consideration. (1.20 - meaning chapter 1, verse 20 of *Vishnu Smriti*)
- The people who perform the duties allotted to them and thus practice *dharma* sustain the welfare of the earth (1.47)



- It is necessary to learn the principles of *dharma* to lead a virtuous life (1.61)
- To observe *dharma*, it is necessary to cultivate forbearance, veracity, restraint, purity, liberality, self-control, non-violence, empathy, straightforwardness, freedom from covetousness, reverence, and freedom from anger (2.16-17)
- One who deviates from *dharma* will not be left unpunished (3.94).

Guidelines on governance

Governance based on *dharma* involves

- Having the welfare of all as the primary purpose (3.2).
- Employing people of virtue in positions of strategic importance (3.17-18, 71-74).
- Having strict codes of conduct to promote virtuous behavior and prevent dishonesty (3.36-37).
- Having regard to the laws of the land (3.42).
- Selecting leaders based on their conduct rather than just competence (3.48-49)

Guidelines on creating virtuous business

- Commerce must be based on morality and codes of conduct to promote ethical business must be put in place (4.124-126).
- Customers must be treated with respect (4.127)
- Employees need to be treated with fairness (4.153-157)
- All financial dealings must be based on the principles of *dharma* (5.40)
- Satisfaction of the conscience must be considered as the most important criterion in decision making (48.1)
- The legal process must be fair and virtuous (8.8; 10.12)

Guidelines on environmental responsibility

- Any destruction of nature should be regarded as a punishable offence (4.55-59)
- The person, who does not harm nature, will enjoy everlasting happiness from benevolence towards nature (51.69).



- Those people who promote afforestation benefit the entire world (91.4-7)

Guidelines on personal discipline

- Everyone must have the firm faith that *dharma* alone will follow them, wherever they may go. Therefore, they should do their duty unflinchingly (20.40).
- The secret of time management is ‘tomorrow’s business should be done today and the afternoon’s business in the forenoon’ (20.41).
- Purity of speech is ensured by veracity. One must regard truth as a fundamental virtue (83.12; 8.36).
- A person must smile before speaking to anyone (3.89).
- Excessive desire (*kama*), uncontrolled anger (*krodha*), and extreme greed (*lobha*) are the most dangerous enemies of everyone (33.1).

Guidelines on spiritual fulfilment

- Self-control is a very important virtue (72.1-9)
- It is essential to realize that the ultimate purpose of life is spiritual fulfillment attained through sincere devotion (95.16; 97.14).

5. **Managerial implications**

This study has several managerial implications which include:

- It is important for the leadership of corporations to have a deep reflection on their management philosophy and reorient them towards promoting overall social welfare as the corporation’s primary purpose.
- The leadership of the corporation must show commitment towards the management philosophy and lead through their example.
- A corporate culture in which the promotion of social welfare is the primary guiding principle for all employees should be developed. All organizational values, rules, and regulations must be based on the primary guiding principle.
- The corporation must create policies that will promote the welfare of all stakeholders.
- Decision making in the corporation must be based on the guiding principle of promotion of social welfare.



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6. Limitations and Directions for Further Study

To understand the results of this study in totality, it would be useful to appreciate the limitations of the study. The ideal specification in the study is based on the guidelines from *Vishnu Smriti*. A study of another text could lead to another ideal. The actual data was based on the practices of the companies comprising the NIFTY index in India. The results could be different with a different sample. The results of the study could therefore be more used as a generalization rather than a final conclusion of the overall state of affairs.

Additional work in this area can be in terms of analyzing other *dharmasastra* texts and using a different sample of the management philosophy statements of global corporations. The analytics tools used can be increased. Work can also be done to measure the impact of *dharma* on the management philosophy of specific corporations using other sources of data. Such additional studies can enrich the understanding of the impact of *dharma* on management philosophy.

7. Conclusion

This study identified that the impact of *dharma* on the management philosophy of modern corporations is not strong. The guidelines from *Vishnu Smirti* were elaborated to increase this impact. The results of this study can be used by corporations to choose an appropriate direction they can take in the future to positively contribute towards overall social welfare. Such direction will resonate properly with the ancient Indian aphorism – ‘*samasta lokah sukhino bhavantu*’ (let everyone everywhere be in a state of welfare and happiness).

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APPENDIX 1

Detailed Presentation of the Results of the Study

Table-5

Correlation Analysis Results

Correlation between	Ideal	Actual
<i>Dharma</i> and <i>Lokahitam</i>	0.68*	0.20
Fisher's z score for comparing the correlation coefficients	3.21*	

Note: * represents that the values are significant at 99% significance level.

An analysis of table 5 shows that while there is a significant correlation between *dharma* and *lokahitam* in the ideal data represented by *Vishnu Smriti*, the same is not found in the actual practice as represented by the NIFTY data. The Fisher's Z score used for comparing the correlation coefficients is significant, indicating that the two correlation coefficients are indeed different.

Table- 6

Results of Association Analysis

<i>Dharma</i> drives <i>lokahitam</i>	Association Scores		
	Support	Confidence	Lift
Ideal from <i>Vishnu Smriti</i>	0.09		1.58
	0.22		
Actual from NIFTY companies	0.22	0.69	1.02

As per association rules, when lift score is close to 1, it means that the variables are independent. When the lift score is greater than 1 it suggests that the presence of the antecedent variable increases the chances that the consequent variable will occur in a given transaction (Tan, et.al, 2016). An analysis of table 6 shows that the chances of occurrence of *lokahitam* are much higher with the antecedent of *dharma* in the ideal data set compared to the actual data set.



Figure 2

Path Analysis Results based on *Vishnu Smriti* Data

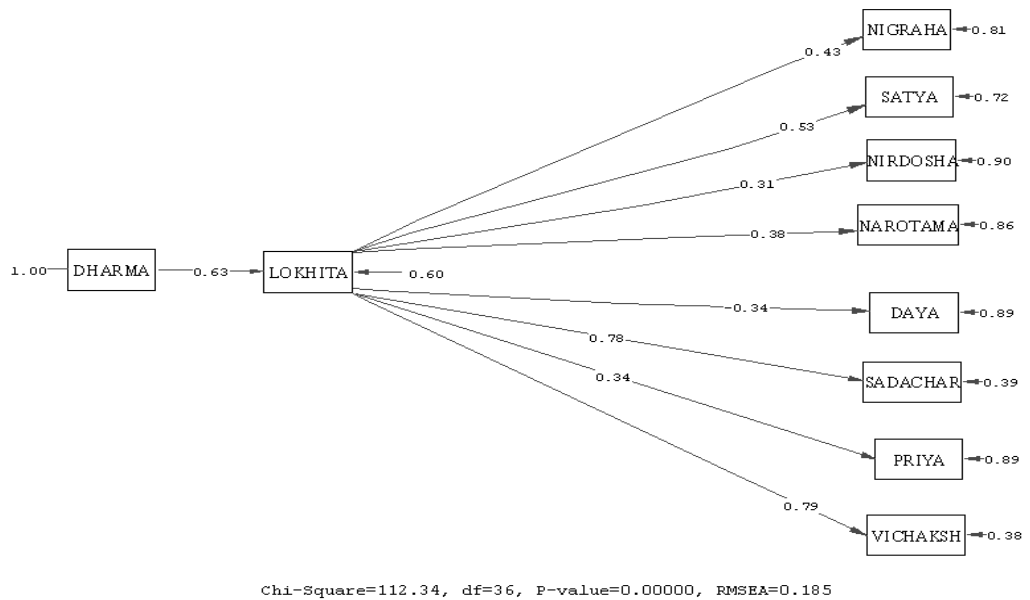
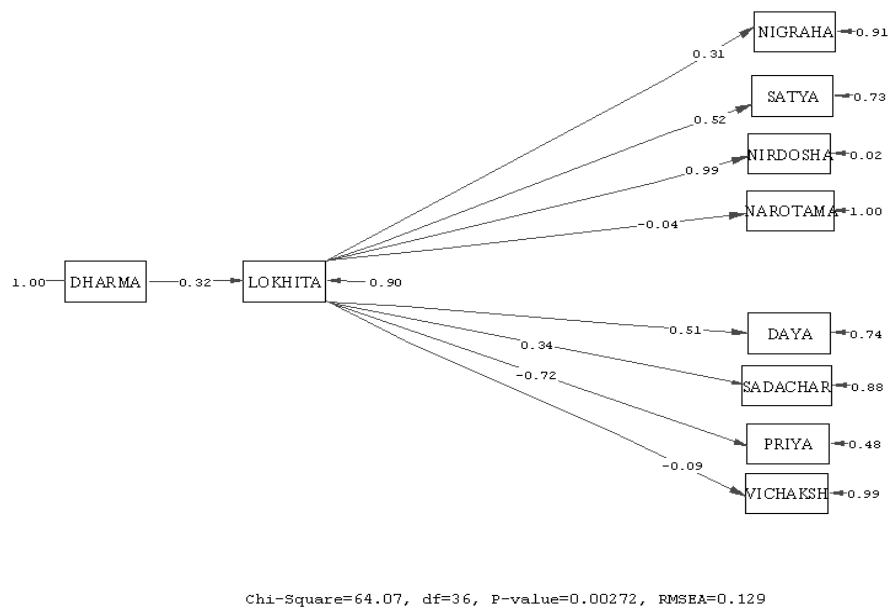


Figure 3

Path Analysis Results based on Nifty Data



An observation of figures 2 and 3 show the path coefficient between *dharma* and *lokahitam* is higher in ideal *Vishnu Smriti* data compared to the actual NIFTY data. It is also important to note that the path coefficients between *lokahitam* and other value constructs are positive in the ideal data. The same cannot be observed with the actual NIFTY data. In both the ideal and actual cases, the path coefficients are statistically significant.

Table 7
MANOVA Results

MANOVA test	Value	F	Hypothesis df	Error df	Sig.
Pillai's Trace	1.17	14.52	20	206	0.00*
Wilks' Lambda	0.15	16.57	20	204	0.00*
Hotelling's Trace	3.72	18.78	20	202	0.00*
Roy's Largest Root	2.99	30.84	10	103	0.00*

Note: * represents that the values are significant at 99% significance level.

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