

## **CORPORATE LEADERSHIP CRISIS AND EVOLVING ETHICAL LEADERSHIP** *Lessons from Valmiki Ramayana-*

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### **ABSTRACT**

*Normative values are not factored in corporate leadership theories and models. When economic process emerges from ethical values, it will civilize human passions and promote prosperity of the society. Companies must evolve their own leadership style according to their need. The leadership traits of Sri Rama of Valmiki Ramayana are still relevant to infuse normative values in the present day political and business leadership. Ethical leaders in business promote enlightened self-interest which in turn increase the wealth of their organizations and the society. Conscious capitalism tries to seamlessly integrate normative values into modern corporate practices. It comes closer to the fourfold goals of Hinduism: Dharma, Artha, Kaama, and Moksha. Leaders from all walks of life must cultivate self-restraint, sharing, and compassion to promote ethical leadership.*

**KEYWORDS:** Subprime crisis, Euro crisis, Corporate Fraud, stock market scam, Greed, enlightened-self-interest, Brihadaraanyaka Upanishad, *Bhagavadgita*, *Arthashastra*, *Dharma*, *Artha*, *Kaama*, and *Moksha*, *Brahmacharyam*, *Grahashtam*, *Vanaprastam*, and *Sanyasam*.

### **Introduction**

Corporate leadership theories and models take normative values such as integrity, trustiness, fairness, caring, responsibility and accountability, for granted, though in the ultimate analysis economic rationality, economic behavior, and normative values are inseparable. Hence, economists like Pigou, Hicks, Kaldor, Samuelson, Boulding, Arrow, etc., gave greater focus on normative values for the evaluation of public policies. *Kautilya* in *Arthashastra*, and Adam Smith in *The Wealth of Nations* point out that when economic process is embedded in normative values, it civilizes human passions, and promotes material prosperity. Technology, foreign capital, business strategies, monetary and fiscal incentives can nurture economic growth, but they can never make up for ethical deficiencies. Today, the time lag between new technologies and the development of normative frame work is widening, and eventually ethics which are stable alone can save economies from the brink of collapse. Unethical leadership can spring success for some time, but eventually it breaks up economies, burns down hopes, and sinks one and all into the cycles of misery.

Ethical values are rooted in social norms. Religious, and cultural values, and belief system also influence them. Ethical leadership in business promotes inter-personal relation, non-verbal communication, trust, and self-respect. A comprehensive ethical frame work suggests business leaders, what issues should be sorted out and what are not acceptable. It reduces ambiguity, suspicion, resentment, and insinuation. It provides a congenial environment for external collaboration with other business units. Hence, a blend of ethical standards, emotions, feelings and opinions of the leaders and stakeholders, find expression in all decisions.

This paper in Part-A, highlights the different leadership styles, and examines root and branch, the ethical crisis in political and corporate leadership leading to a troubled socio-economic environment. Part-B of this paper focusses on the leadership traits of Sri Rama of Valmiki Ramayana and his style of functioning under varying situations. Part-C of this paper surveys the traits of unethical, and ethical leadership traits and their impact on the society. It also shows how self-interest hurts even great companies.

### **Part- A**

#### **Leadership styles**

Shartle defines leadership as an act of influencing others in the shared direction<sup>1</sup>. For Haiman, it is a process whereby an individual directs, guides, influences, and controls the head and heart of others in an organization<sup>2</sup>. Different leadership styles work well in business enterprises at different times. Coercive leaders with overbearing nature demotivate and undercut the morale of their employees. Still this military style is effective to bring about a turnaround in a company. It can revive sick units and save business firms from the onslaught of hyper-competition. Authoritative leaders set new vision and goal, and give free hand to their self-

directed team to chalk out strategies to reach there. Affiliative leaders improve employee motivation and morale to promote trust and team harmony. This style enhances the contribution of every one in a team of heterogeneous skill set. But it can't focus on the poor performance of individuals. Democratic style is good when a company is vibrant, and need innovative ideas for new direction. However, it cannot be effective when a company is in dire straits or when quick decision is needed.

Certain Leaders preset high standards for themselves and prompt the team to follow them. It works well, when the employees are young, resourceful, enthusiastic, and highly self-motivated. But when they are constantly pushed for exceptional performance, it will undercut their morale and turn the company into a sweatshop. Jack Welch equates a leader to a coach. Coaching empowers and improves the employees' zeal for acquiring new skill for better performance. However, it irks those who resist change. Too much coaching, increases dependency. Companies will have to evolve their own leadership style according to the demands of the situation, the needs of their employees, and the challenges faced by them.

Though leadership styles differ, true leaders are ethical, empathetic, and compassionate. They guide others in new directions. They inspire the team, build trust and lead it with integrity. They take the blame on themselves for failure of the team, and give the credit of success to them. They encourage responsibility with accountability. They admonish their employees privately for their lapses and praise them aloud in public for their achievements. Whatever they do, always dial back to their core values, and to the vision and mission of their organizations. These visionaries stay cool even in hostile situations. *Bhagavad-Gita* defines a visionary as one who neither rejoices on obtaining what is pleasant, nor grieves on experiencing what is unpleasant. He is clear-headed and firm. He is always established in his Self<sup>3</sup>. (*Na prahrasyetpriyampraapya, nodvijet praapyachaapriyam, sthirabuddhir asammudho brahmaidbrahmani sthitah-Ch5V20*). Such visionary leaders are few and far between. Most of the present-day leaders are haunted by greed for power, position, and wealth. Eventually, they make life miserable to all, and become a cause for the collapse of their organizations and even national economies.

### **Turbulent Economic Environment**

The Vietnam war of 1970s, the Watergate of 1980s, and the collapse of Enron in 2001, the subprime crisis of 2004, the Euro debt crisis of 2008, and similar events around the world that are rooted in ethical crisis are responsible for the present day turbulent politico-socio-economic environment.

#### **i) The subprime crisis**

In 2004, a handful of greedy financial managers in the US pioneered the subprime crisis in 2004. They offered loans to a large number of delinquent borrowers for higher interest with almost zero down payments. Though the mortgage mess was caused by a host of immediate causes such as poor risk control, massive leverage, predatory lending, the failure of the homeowners to recycle their loans, the high debt levels of the individuals and business corporations, the defective policies of the government, the extravagant life style of the over-ambitious business captains, and the faulty pricing of the new generation financial derivatives, etc., the root cause was the complete collapse of ethical behavior of the market players<sup>4</sup>. They shook the economic fundamentals of the US, and pushed the global economy into growing deficits, swelling unemployment, and structural imbalances.

#### **ii) The Eurozone crisis**

The Euro debt crisis of 2008 started with the pumping of the massive euro credit into PIIGS without insisting on their infrastructural development. Their inflow prospered them during their boom period, and their exit during their economic downturn ruined them. Portugal instead of building its real economy, invested the euro credit on wholesale and retail trade, and on things that never had a chance of paying off.

Housing bubbles hit hard Ireland and Spain. In Spain, the banking executives cleverly converted the savings of the people into risky preference shares and rendered them penniless. In 2008, they marketed €31 billion worth of preference shares, and about 80% of the buyers were senior citizens who trusted them. The political leaders rubber-stamped most of the bank decisions. The bank executives cornered well-paid positions in subsidiary companies, savored soft loans, and enjoyed free foreign trips. Shortly before the collapse of the banks, they ran away with the rescue funds<sup>5</sup>. Housing-price bubble caused by the unscrupulous lending policies of the banks, the multiple institutional failures, the increasing tax burden, the wage cuts and job losses, and the reduction of public services, plunged Ireland into deep crisis.

In Italy, widespread corruption in public sector, political apathy, misogyny, organized crime by crime syndicates and mafia gangs, black money, kickbacks, etc., generated annual revenue of €25.7 billion. It is

1.7% of its GDP<sup>6</sup>. According to Daniel Gros, corruption costed annually a massive €60 billion or 4% of its GDP<sup>7</sup>. All these stymied business, FDI, and economic growth. In 2008, when the debt crisis hit Greece, its overall GDP dropped by 25% and unemployment rose to 30%<sup>8</sup>. Goldman Sachs masked its true deficit, beating the EU Maastricht deficit rules. Later, it was revised based on Eurostat model, to 15.7% of GDP for 2009 from the previous 6% to 8%<sup>9</sup>. The government-bubble drowned Greece into chronic debt crisis. Thus, in PIIGS the Euro debt crisis engineered by the political and corporate leadership is essentially an ethical crisis.

Germany, throughout the crisis smartly pursued its own national interests, without keeping Europe in mind. German banks lent beyond their means and amassed \$704 billion from PIIGS. Paolo Batista, an IMF official once admitted that IMF loaned to Greece only to save German and French banks<sup>10</sup>. Greece was made to pay €2billion to Germany for the faulty submarines, and another €1billion as part of the deal. It had to accept additional pension cuts to secure the EU aid package. Even during its economic crisis, Germany and France were keen on clinching their defense deals, though it curbed the health benefits of the Greeks<sup>11</sup>. Ferrostaal and Siemens, the German companies, pioneered corruption in Greece<sup>12</sup>. The Eurozone crisis costed Germany €599 million, but it profited from it €41 billion in reduced interest payments<sup>13</sup>.

Germany in 2009 earned €1.3 billion from Greece through its loans and debt buying programs. It can never be justified from moral sense of solidarity<sup>14</sup>. Joseph Stiglitz, a Nobel economist, found that a huge amount loaned to Greece (about 77%) went to pay out private-sector creditors including German and French banks and a trickle to the people. These banks provided huge loans to the corrupt politicians for their shaky schemes just to compete with the UK and the US banks in the global market<sup>15</sup>. Briton did not contribute to the bailouts, but its banks in Ireland and Spain were major beneficiaries<sup>16</sup>. According to Nick Bloom of Stanford, the single European Market system accelerated innovation in British firms through competition and hence, in 2013, it became more prosperous for the first time since 1965. Despite these, the UK government triggered Article 50 in 2017 for leaving the EU<sup>17</sup>.

### **Bossism in the EU**

In the earlier days, the EU made rapid strides, forging unity among the member nations. The introduction of a single market in 2007, and later the digital market ensured frictionless movement of goods and services, and the factors of production among them. In 2012, the EU received the Nobel prize for promoting peace, reconciliation, democracy and human rights in Europe<sup>18</sup>. But, the Euro debt crisis turned the EU symphony into polyphony. In the EU, the lender nations run the show undermining the expectations of the majority of the European citizens. The European Commission plays only supportive role<sup>19</sup>. Hence, there are no significant civil society movements at gross root level for greater European integration<sup>20</sup>.

### **iii) Crisis in Business Organizations**

Not more than a couple of decades ago, pressures from shareholders cut down unnecessary costs, improved profitability, and increased the net cash flow in most of the enterprises around the world. They consistently increased the shareholders earnings, and hence, the latter started focusing on short-term gains, ignoring the long-term growth of the companies. Companies that exceeded the 'lucky-numbers' given by speculators and security analysts enjoyed booming stock prices. The under-performers, in spite of their real progress were treated as outcaste. Many corporate leaders, to win their shareholders compromised with the accounting norms and boosted the stock prices.

These leaders were rewarded with large stocks under stock option for their "performance". They ignored real growth to focus on pushing up the stock prices. Once share prices peaked, they cashed in their holdings for huge gains just before the stocks collapsed. The general public blindly tagged the image of the companies with their leaders, and their wealth with success. The media, projected them as real business heroes. Hence, executives such as Ken Lay, Bernie Ebbers, and Dennis Koslowski, could easily destroy about \$300 billion in shareholder value<sup>21</sup>.

In India Harshad Mehta in 1992 through skillful market manipulation, swindled a staggering Rs.4000 crore from banks. He misappropriated more than 2.8Mi shares of about 90 companies through forged share transfer forms<sup>22</sup>. Ketan Parekh another stock broker in 2001 through market manipulation and circular trading with the connivance of banks, inflicted a loss of Rs.2000 crore (\$4 billion) on investors<sup>23</sup>.

The founder of Satyam Computer Services, Ramalinga Raju committed an accounting fraud of about Rs.71.36 billion (\$1.5 billion) by overstating profits and falsifying assets for years. Shareholders lost about Rs.14000 crore (\$2.2.bi). He was jailed for 7 years and fined Rs.5 crore<sup>24</sup>. These leaders promoted their own

interest without any concern for the long-term growth of their companies, the interest of their shareholders and small investors, and their own employees. That is why, Bhagavad-Gita says, "Craving and wrath, born of irresistible passion are all-devouring. These great sinners should be known as the enemy, here in this world<sup>25</sup>. (*kaamaesha krodhaesha rajoguna samudhbhavaha| mahaashano mahaapaapmaa viddhyenamiha vairinam|| (Ch3.V37)*).

Though new legislations plugged many of the loopholes, governments can't legislate integrity, stewardship, and good corporate governance. Hence, the unethical corporate leaders, manipulate their corporate finances and turn them into a source of gambling. The shareholders can cry halt this malaise by being ethical and going for corporate leaders of integrity and character. It is an uphill task, but there are no shortcuts. People must cultivate ethical values and inculcate them into the minds of the new generation.

### **The Daunting tasks of a Corporate Leader**

Leading a business organization is like walking on a razor's edge. The pressure to perform increases, when there is a significant fall in the bottom line, when the livelihood of the workforce is in jeopardy, and when the fortunes of the investors are at stake. The leaders will also have to suffer penalties for under-performance. Hence, they exploit the gray areas for loopholes, and once they score success, higher compensation, media exposure, and peer praise force them to keep the show going. But still there are great leaders like DePree, Earl Bakken, Sam Walton, Marilyn Nelson, Ratan Tata, Narayana Murthy, etc., who keep their value system above the corporate pulls and pressures.

### **Nurturing Normative Values**

Studies on corporate leadership show that ethical leaders imbibe moral values from their childhood. Their belief system, their upbringing, their education, and their work experience, make their value system as an integral part of their personality. They consistently stick to their moral compass in all their decisions. Their drive to improve their own competency, their ability to consider both positive and negative feedback, their exercise of power at right time, and the constant reexamination of their own ethical assumptions in the light of new developments, etc., enrich their corporate life and also the lives of their team members and others.

### **Dhaarmic Values**

Indian classics eulogize dhaarmic (ethical) values and ethical leadership. Dharma is a set of normative values whose observance save people from misery and enable them to lead a contented and happy life. The Hindu holy books refer tolerance, forgiveness, honesty, sanctity, control of senses, reasoning, knowledge, truthfulness, absence of anger, and non-violence, as dhaarmic values. They govern individuals and the society as well. They emphasize that people while earning (*Artha*), and enjoying life (*Kaama*) should not sacrifice dharma. Dhaarmic values ultimately lead people to emancipation (*Moksha*). The study of ancient classics such as Ramayana and Mahabharata, from management angle is an interesting way of observing how ethical leadership actually works in practice<sup>26</sup>.

### **Part-B**

A Vedic prayer on Lord Ganesha (great leader) lucidly spells out the traits of a leader. "Lord Ganapathy, the captain of the team of celestial attendants is the wisdom of the wise and the loftiest one in Glory. He is the first among the best. He is well versed, and the personification of knowledge. He always listens to His followers and promptly addresses their issues. Hence, he is always welcomed with honors". (*Om Gannaanaam tvaa Gannapatim havaamahe, kavimkaviinaam upamashra vastamam| Jyessttaraajam brahmanaam brahmannaspata aanah shrnnvan nuutibhihsidaadanam||*)<sup>27</sup>. One can find these leadership traits in Shri.Rama of Valmiki Ramayana. Ethical leaders share these traits.

### **Rama a Visionary Leader<sup>28</sup>**

Sri Rama is a born leader. Great sages of his time nurtured him through education, training, directing, guiding, influencing, and counseling. His executive charisma is unique in the mobilization of resources, planning and execution, networking, and socialization. He motivated, inspired, energized, tutored and empowered his team leaders through strategic focus and effective communication. He was always one among them and praised them aloud at right time for their achievements. He is superb in team building, and in the management of risks.

He visualized an ideal kingdom; *RAMARAJYA*, wherein people will live their life fully, and strive for liberation without sacrificing dhaarmic values. True to his vision, he saved the sages and saints and their rituals from the tyranny of demons. Godly beings such as *Akalya*, *Sabari*, *Vaali*, *Jatayu*, and many more, obtained salvation through him. He crowned *Sugreeva*, as the king of *Kishkinda*, slayed *Ravana*, rescued

*Seetha*, and enthroned *Vibheeshana* as the king of Lanka. *Vashista*, *Viswamitra*, *Agastya*, and many more sages counseled him in his endeavors. His trusted lieutenants, *Lakshmana*, *Sugreeva*, *Hanuman*, *Angada Jaambavaan*, and *Vibheeshana*, shared his vision and walked with him through thick and thin. Though aristocratic, he never discriminated and lived with them as one among them.

### **The Leadership Traits of Rama**

He employed the celebrated canons of administration without violating the ethical values. *Saama* is the art of persuasion. *Daana* is motivation through praise, awards, and promotion. *Bheda* is selective discrimination, and strategic isolation. *Danda* is punishment, penalty, and demotion. He employed these strategies to identify and retain meritorious members in his team. *Upeksha* is ignoring those who are indifferent to the set objectives, *Maaya* is the use of illusions, and *Indrajala* is jugglery, under-stating weakness, exaggerating strength, etc., to frighten the enemies. These canons were in use in military operations. Rama used *Danda* to punish demons, *Bheda* and *Danda* to slay *Vaali* and save *Sugreeva*, *Daana* to win *Sugreeva* and *Vibheeshana*, and *Saama*, *daana*, *bheda*, and *danda* to win *Ravana*.

Rama converted many threats into opportunities. He befriended *Guha* the chieftain of the *Sarayu* forest, who offered him the facilities to cross *Ganga*, *Yamuna*, and reach *Chitrakutam*. Rama consoled his brothers and offered his *paaduka* (footwear) as his proxy for ruling *Ayodhya*. His conviction was that one must enjoy the fruits of one's own efforts and hence, when the sage *Atri* offered him the fruits of his penance, he respectfully declined it. He thankfully acknowledged the heroic efforts of *Jatayu* to save *Seetha* from *Ravana*, who mortally wounded him. He promptly performed the last rites for the eagle king and offered libations for the departed soul.

### **Action-oriented leader**

He never failed to focus on the task in hand and see its fruition. He forged strategic alliance with *Sugreeva* over an altar of fire for mutual benefit. He chastised *Vaali* for his follies, and counseled him for salvation. Impressed by his noble gesture, *Vaali* advised *Sugreeva* his brother and *Angada* his son to participate in the mission of Rama. *Sugreeva* became the king of *Kishkinda*. Thus, he converted the win-lose situation into a win-win situation. With great foresight, Rama outsourced the army operation and made the best use of the infrastructure of the monkey kingdom to fight down the magical demons.

### **Rama: The Transformational Leader**

Rama's transformational leadership style is marked by delegation of power and empowerment. Tutored by Rama, *Lakshmana* politely remind the complacent *Sugreeva* of his promise of searching the whereabouts of *Seetha*. *Sugreeva* realized his fault and expedited the mission of Rama. *Hanuman* flew off the ocean, created hope and confidence in *Seetha*, and preached *Ravana* of his duties with great diplomacy. When the demons set his tail on fire, he put Lanka on flames to forewarn the king of the impending danger. He organized the army of monkeys and bears under *Angada* to fight down *Ravana* and constantly motivated them to bring out the best in them. The army under the guidance of two engineers, *Nala* and *Neela* constructed a huge bridge measuring 100 *Yojanas* (1Y=8miles) in length, and 10 *Yojanas* in width across the ocean just in five days at the rate of 14 *yojanas* on the first day and then 20, 21, 22, and 23 *yojanas* respectively, in the rest of the four days<sup>29</sup>. But for Rama's constant motivation, encouragement, and appreciation, the army would not have accomplished this formidable task in such a short time.

### **An outstanding synergistic Leader**

Synergistic leaders always invite new ideas. Rama brainstormed all critical issues with his team. While debating over the admission of *Vibheeshana* into his fold, *Sugreeva* and *Jaambavaan* suspected the integrity of *Vibheeshana* because of his relation to *Ravana* by birth. *Angada* was ambivalent. *Sarabha* and *Mainda*, the army generals wanted to spying on him for a few days. *Hanuman* favored him on various counts. He referred *Vibheeshana* as a man of virtue (*dharmaatma*). He recounted at length *Vibheeshana*'s knowledge about *Ravana*'s mind set, his magical prowess, his mystical weapons, his way of thinking, his fortifications, and the chinks in his army.

After listening to all, as a high-born leader Rama expressed his conviction, "When one comes to me for refuge, I cannot reject him. This is my dharma. It does not matter if as a result of this I suffer. Even at the cost of life I must do this duty of mine.... Even if *Ravana* himself came to me for sanctuary, I would accept him without hesitation. How then can I reject his brother who has done me no wrong? Go and fetch *Vibheeshana*"<sup>30</sup>. All agreed, and *Sugreeva* brought *Vibheeshana* to Rama. Rama and *Lakshmana* pioneered the war without violating the war-codes. They killed all the prominent rivals. *Hanuman* with least efforts defeated many brave demons. Eventually, a powerful missile from Rama felled *Ravana* on the ground dead.

Rama rescued Seetha, instructed Vibheeshana to perform the last rites to Ravana, and finally enthroned him as the king of Lanka. Thus, the formidable task was successfully accomplished.

### **Leadership in Ramayana and Mahabharata**

The Hindu holy books praise Rama as the embodiment of ethical values. Even Maareecha, the maternal uncle of Ravana applauds him as a paragon of virtue (*Ramo Vighrahan Dharmah*)<sup>31</sup>. His executive charisma, his harmony with the team in thick and thin, his motivation and communication skill, his timely appreciation of their achievements, etc., helped him and his team to realize the set objectives without violating the ethical values. He walked the talk, and they walked with him. *Duryodhana* in Mahabharata is antithesis to Rama. He is greedy, power-hungry, jealous, arrogant, over-ambitious, dominating, manipulative, and morally reprehensible. His grudge against his cousins grew with his age. Blindly supported by his greedy father, he imposed his decisions on others.

When a leader is ethical, the followers imitate their leader and imbibe his values. Following their leader, Sugreeva, Hanuman, Jambavan, Angada, Vibheeshana and their followers never deviated the war code. Even his antagonists turned over a new leaf and followed him. Vaali was initially angry with Rama, but after knowing his genuine concerns for his wife and his son, he instructed his brother and son to participate in Rama's mission. Lord Krishna in Bhagavad-Gita rightly says: Whatsoever a great man does, the others also do the same. Whatever standards he sets by his actions, the world follows. (*Yad yad acarati sresthastattadevetaro janah sa yat pramanam kurute lokastad anuvartate Ch3 V 21*). Unethical leaders, like virus infect even good-natured people. *Bhishma, Drona, Kirupa* and many other great leaders, had to abandon their dharmic values, to fall in line with Duryodhana's decisions. They fought the historic war for 18 days in support of him and became the prime cause for the death and destruction of the entire kingdom. Today the world is over-crowded with Duryodhanas and hence ethical crisis is becoming universal.

### **Part-C**

Most of the corporate leaders share the ethical values, and leadership traits of Rama. Like Rama, Max DePree, the former CEO of Herman Miller, a furniture maker, regards a leader a servant cum debtor to the customers. True leaders shun extravagant life style, and freely mix with their employees without any inhibition. They will never run after fat salaries and perks. The salary of this ethical leader was just 20 times that of an hourly worker<sup>32</sup>. He believed that a meaningful relationship between a CEO's salary and that of his workers will promote trust and team cohesiveness.

Like DePree, Narayana Murthy, the co-founder of Infosys, vouches for democratization of wealth in Indian business corporations. During his chairmanship period, the juniors received attractive compensation. This apostle of compassionate capitalism is against wider pay disparity between juniors and seniors and hence protested tooth and nail, when the Infosys board passed a resolution to raise the salary of the COO, Pravin Rao to 12.5 crore<sup>33</sup>.

Time and again, he has been suggesting that senior executives must show self-restraint in their compensation and perks, so that a fair ratio between the lowest salary and the highest salary can be maintained. Recently, he raised his voice against Vishal Sikka the CEO, who resigned from Infosys for his unilateral decisions in high-level appointments, his own salary revision, payment of huge severance package to an ex CFO, his high-cost acquisitions, his extravagant expenditure, etc. This transformational leader emphasizes that industrial democracy can create a win-win situation for stakeholders, shareholders and customers too<sup>34</sup>.

Earl Bakken an American business leader, and Sam Walton of Walmart, achieved great success by engaging the minds of their employees instead of merely treating them as tools for output optimization. Soon, it became their core competency<sup>35</sup>. Marilyn Nelson, the CEO of the Carlson Companies bestowed her focused attention on sales, and interacted almost on daily basis with her employees and the customers. She was considerate to their demands. Her synergistic cum compassionate approach ended the sweatshop-culture of the company. Her customer-centric strategy boosted growth, and strengthened the financial muscles of the company<sup>36</sup>. She promoted her own interest through enlightened self-interest.

### **Self-Interest Vs Enlightened Self-Interest**

Great corporate leaders recognize the ethical dilemmas in business and engage them at all levels without much loss of time. Once it is done, they will start promoting trust and group cohesiveness through four types of alignments. Personal-alignment promotes authenticity through the synchronization of individuals' beliefs and values with their actions. When the values of the individuals fall in line with those of the group, this values-alignment promotes integrity. Structural alignment is achieved when there is harmony

between values-alignment and the rules of the corporate governance. And finally, mission alignment emerges with the integration of individual sense of purpose with the group's mission. When all these alignments move in the same direction, businesses will find internal stability and external equilibrium at a higher ethical level, where enlightened self-interest will promote the self-interests of the individuals.

When enlightened self-interest is sacrificed, self-interest can't sustain business for long. Since 1992, the failure of Firestone tires caused at least 88 deaths while driving the Ford Explorer. But Firestone and Ford Motor played the blame game rather than focusing on the loss of life. Finally, to pacify its dissatisfied customers, Firestone replaced 23 million tires, shutdown the Decatur, Illinois factory and sacked several executives. The Tread act passed by the congress ended a century old business relationship between Ford and Firestone<sup>37</sup>. Firestone sacrificed the enlightened self-interest and hence its own interest.

Likewise, when the Exxon Valdez ran aground off the coast of Alaska, the hull of the ship tore opened and released 11 million gallons of oil into the environment. Initially Exxon and the Alyeska Pipeline ignored it and a storm spread the oil and fouled more than 1,000 miles of coastline. Millions of sea-lives perished, and hundreds of fishermen lost their livelihood. Eventually, Exxon had to pay billions of dollars towards cleanup costs and fines. The captain of the ship, Joseph Hazel wood, was fined \$50,000, and sentenced to 1,000 hours of community service<sup>38</sup>. When there was a flaw in the Pentium chip, the stingy response of Intel Corp irked the customers, and it swiftly started fixing the flaw. Its enlightened self-interest saved its brand image<sup>39</sup>.

### **Ratan Tata the Visionary Leader**

When terrorists ransacked, The Hotel Taj at Mumbai (26-29, the Nov 2008), killing 164 people including his employees and causing a huge loss of Rs 400 crore, putting aside his self-interest, Ratan Tata the leader of the Tata group of companies swung into action to mitigate the sufferings of his employees. He paid glowing tributes to those who laid their life while performing their duties with dedication. Following the dicta of Bhagavad-Gita (*Mukta sangah Karma samaachara-Ch3V9*, and *Karmanyeva adhiikaraste maaphalesu kadaachana -Ch2 V47*), these karma yogis performed their duties admirably and selflessly, with head and heart. Instead of running for life, they stayed there and saved lot of guests from the jaws of death. Their focus was on their right to action alone, and never, to its fruits.

Even the victims, who were not Tata employees were given a subsistence allowance of Rs. 10,000 per month for 6 months. New hand carts were rolled out to several vendors who lost them. All the hotel employees were given full salaries for 21 months, during the hotel was shutdown. The Employee Outreach Centers provided first aid, food, water, sanitation, and counseling to 1600 employees. The noble industrialist personally visited and consoled the families of all the 80 employees. They were accommodated in Hotel President for 3 weeks to ensure mental assurance and peace. The settlement for the deceased members ranged between Rs.36 and 85 lacs. In addition to this, they were given full salary and medical benefits for life, and free education to their children and dependents anywhere in the world. Their loans and advances were waived off<sup>40</sup>. Thanks to the untiring efforts of the employees, after 21 months of reconstruction and renovation, the hotel came back to life afresh to cater to the needs of the guests.

Ratan Tata always counts himself as one among his employees. He is their friend philosopher and guide. They find in him a father's warmth and a mother's love. He recently pledged Rs.1,000 crore and other resources to the central government to develop cancer-care facilities in five states<sup>41</sup>. This visionary leader is a telling example for the next generation to emulate.

Like, Ratan Tata, James Burke, the former CEO of Johnson & Johnson, at once responded positively to the deaths of several people due to the lacing of its Tylenol tablet with arsenic by terrorists. Though J&J is not responsible for the incident, he at once pulled out all the product from the market and stopped its sale until a new packaging design was completed. It enhanced the brand image of J&J as a responsible business enterprise<sup>42</sup>. Companies with human-face cherish higher values, and hence stay long in the minds of their customers. They lay the foundation for Conscious Capitalism.

### **Conscious Capitalism: A Holistic Approach to Happiness**

A Rig Vedic Prayer echoes the basic features of conscious capitalism, which is associated with John Mackey and Raj Sisodia: "*May peace and well-being be towards the whole human race. May the healing herbs flourish and grow up in abundance. May prosperity come to us from the bipeds, and also from the quadrupeds*"<sup>43</sup>. (*Svastirmaanushebhayah | oordhvam jigaatubheshajam | sham no astu dvipade | sham chatushpade* ).

Conscious capitalism views business as an interdependent and interconnected living system. Since all the stakeholders and shareholders are wedded to higher purpose here, they will follow a strategy that will benefit all. Once normative values are ingrained into corporate culture and its operations, conscious consumerism, socially responsible investing, and Eco-friendly development will emerge. When business recognizes that it is grounded in the all-pervading Consciousness (*Sat Chit Ananda*), all the apparent contradictions vanish and the web of intricate interconnections among shareholders and funders, employees, suppliers of inputs, customers, government, and the life-sustaining ecosystem, that are rooted in the Divine Consciousness, elevate humanity to higher level of happiness.

Nielsen's global survey on CSR states that 55% of global online consumers across 60 countries are willing to pay more for Eco-friendly products and services of green companies that are committed to creating positive social and environmental impact<sup>44</sup>. Anna Lappe says that every time when money is spent on goods and services, the shoppers choose the kind of the world they want<sup>45</sup>. A growing number of investment funds in the UK and other countries avoid investing in those companies that cause greater harm to the society and the environment. They encourage ethical practices in consumer protection, environmental stewardship, and diversity. This Neo-capitalism comes closer to the fourfold goals of Hinduism: *Dharma, Artha, Kaama, and Moksha*.

Moksha is not a product or effect of any action. It is living consciously recognizing all the nuances life and finally transcending it to revel in the Self. The Self is self-evident and eternal. It is the essence of an individual beyond phenomena. It is compatible with science. Erwin Schrodinger, the quantum physicist once pointed out that, in Indian thought, the recognition of the unity of the personal Self (Atman) with everlasting bliss (Brahman), represent the quintessence of deepest insight into the happenings of the world<sup>46</sup>.

### Conclusion

After serving *Prajapathy*, the Creator, for some period with dedication, the celestials, the humans, and the demons approached Him for instruction. The creator taught them all, a word "da". The pleasure-loving celestials inferred from it that they must exercise self-restraint (*damyata*), the greedy humans reasoned that they must practice sharing (*Datta*), and the cruel demons inferred that they must show compassion (*Dayadhvam*) to others. Thus, they realized their own weaknesses, and turned to a new leaf<sup>47</sup>. To save humanity from the growing moral degeneracy, the leaders from all walks of life must practice all the three values. When the corporate leaders exercise self-restraint in their pay and perks, and when the stakeholders and shareholders, exercise sympathy and sharing towards customers, the entire corporate administration becomes a CORPORATE YAGNAM (an elaborate ritual for the upliftment of the people). By fostering each other's interests, it will bring prosperity to all. Bhagavad Gita suggests; *Parasparambhaavayantah shreyah param avaapsyatha*<sup>48</sup> (Ch 3.V 11).

Efforts must be put in place to bring about a meaningful relationship between growing technologies and the development of normative frame. Through a well-structured course in ethics, the younger generation must be given more opportunities to shape their core values through field work, empirical studies, and peer interactions. This is indeed a formidable task, but there is no other way to evolve ethical leadership in all walks of life.

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