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Questions and Themes in Ethics and Leadership

The exchange of ideas between India and Europe about economics and politics dates back centuries. The most important figures in this regard include *John Ruskin*, *Leo Tolstoy*, *Rabindranath Tagore* and *M.K. Gandhi*. However, the modern India-Europe dialogue on the spiritual and ethical basis of management and leadership started in the late 20th century.

S.K. Chakraborty, former professor and founder of the Management Center for Human Values at the Indian Institute of Management in Calcutta, played a pioneering role in this dialogue. His books on the ethos of Indian management (Chakraborty 1991, 1993, 1995, 1999) inspired European management thinkers, including *Peter Pruzan*, professor at the Copenhagen Business School, to explore the differences and similarities in Indian and European approaches to management theory and practice. (Pruzan 1999, 2001, 2009)

In 2001, *Laszlo Zsolnai* organized the first ever European conference on *spirituality in management* in Szeged, Hungary. Both S.K. Chakraborty and Peter Pruzan participated in this conference and joined in debate with other European and Indian scholars and practitioners. (Zsolnai (Ed.) 2004)

The Szeged conference was instrumental in the founding of the *European SPES Forum* in Leuven, Belgium. The mission of the European SPES Forum is to promote spirituality as a vital element of social and economic life. SPES is an acronym for ‘SPirituality in Economics and Society’, but it is also the Latin word for Hope; the virtue that sustains our belief in a better future. The European SPES Forum has a focus on investigating and promoting an experience-based spirituality that succeeds in making a connection between day-to-day activities and the inner, multifaceted quest for meaning. One of its main objectives is to provide a platform for the *India-Europe dialogue* on ethics and spiritual values in business and management. Our Bangalore conference on Ethical Leadership belongs to this stream of European SPES Forum activities.

In the following section, the most important questions and central themes of the papers of this volume are detailed.

Part 1 Spirituality as Inspiration for Leadership

In his paper “Why Do We Need a Spiritual-Based Theory of Leadership?” *Luk Bouckaert* (Catholic University of Leuven, Belgium) starts with the observation that, while in the previous decennia the business ethics discourse emerged and expanded, the increasing, modern interest in spirituality is now expressed through concepts such as spiritual-based

leadership, deep change, spiritual capital, or spirituality in the workplace. Bouckaert notes that enlightened business leaders often speak about their interests in Zen or other meditative practices. Eastern and Western religious traditions are explored as sources of wisdom and ethical discernment.

Why this shift from ‘business ethics’ to ‘business spirituality’? Does it represent a simple change in vocabulary, or does it point to a deeper source of intuition? And how can we integrate this spiritual sensitivity into a theoretical framework that can support sustainable and coherent managerial practice? Bouckaert warns that without a theoretical framework spiritual awareness will remain the deeply personal interest of a minority of business leaders, or will only be contained in the backstories of some exceptional companies. Embedding spirituality into management and decision-making processes requires a spiritual-based theory of leadership. In his paper, Bouckaert explores some basic paradoxes within the current paradigm of economic rationality and elucidates how references to spirituality can help us to manage those paradoxes. Finally, he describes the concept and the practice of spiritual-based leadership.

In his paper “Responsible Leadership and Reasonable Action” *Laszlo Zsolnai* (Corvinus University of Budapest, Hungary) states that mainstream leadership practices often create negative impacts on nature, future generations and society as a whole. The principle of responsibility requires that leaders achieve their objectives in ecological, future-respecting and pro-social ways.

Zsolnai emphasizes that responsible leadership is consistent with the conception of reason advocated by Indian-American economist Amartya Sen. Reason is the discipline

of subjecting one's (choice of) action to reasoned scrutiny. Zsolnai identifies three classes of reason which may be applied to scrutinizing leadership choices. He argues that leadership choices should satisfy the criteria of 'ecological reason', 'reason for future generations', and 'social reason'. The paper presents illustrative cases of responsible leadership from India and Europe and discusses how spirituality can assist organizations in their transformation into ecologically-sustainable, future-respecting and pro-social entities. Zsolnai concludes that spirituality plays a major role in developing responsible leadership. The spiritually enlightened leader goes beyond self-interested calculations and exercises genuine empathy with others while benefitting from an all-encompassing perspective.

In their paper "An Ethics of Care induced from Kautilya's Wisdom" *Sharda Nandram* (Nyenrode Business University, The Netherlands) and *Ankur Joshi* (Management Development Institute, New Delhi, India) state that, according to Kautilya (350-275 BC), a leader can only be successful if he or she considers philosophy to be of equal importance to economics and politics, because a philosophical foundation will infuse into praxis the principles of self-regulation, care, and transcendence. Although Kautilya's teachings originally referred to leaders in the context of politics (heads of state) they are applicable to other forms of leadership.

Kautilya took a holistic view of leadership which can now be equated with stewardship theory. The lack of the application of this concept is a weakness in leadership approaches, but it is being incorporated in the management theory of stewardship. The concept of transcendence in leadership theory is new. Transcendence is the understanding that we are part of a larger universe, have extended responsibility, and

must obey the laws of nature. We can look back at Kautilya's work to better understand how these principles can be applied and explained to leaders.

In their paper "A Multidimensional View of Leadership from an Indian Perspective" V. Adinarayanan, V. Smrithi Rekha and D.G Sooryanarayan (Amrita University, Coimbatore, India) observe that there now exists a significant global movement that supports sustainable practices, green thinking, environmental consciousness, a wider sense of social responsibility and a more inclusive economics. We are also starting to witness a change in the fundamental objectives of business, away from a pure focus on profit to a more inclusive outlook. The authors believe that such a transition calls for a change in the thought processes of leadership. India, with its rich and well-established spiritual traditions, can provide a roadmap for the realization of this transition. In their paper the authors propose that a multidimensional view of leadership that employs an Indian perspective is adopted by considering the *Purusharthas* to be the foundation of ethical leadership, and by absorbing guidance from the Mahabharata and the Bhagavad Gita. They demonstrate the relevance of Indian principles to modern day leadership, and explain how leadership can incorporate ethics by paying homage to Indian scripture.

In their paper "Indian Spiritual Traditions as Inspiration for Ethical Leadership and Management in Europe" Gerrit De Vylder (Catholic University of Leuven, Belgium) and Hendrik Opdebeeck (University of Antwerp, Belgium) explore the influence of Indian Hindu, Buddhist and Sufi traditions on the work of European thinkers and management executives. The authors emphasize that while many management and organizational scholars recognize that cultural differences can significantly influence management and

working practices, the impact of applying wisdom from other cultures on management practices remains largely unexplored.

De Vylder and Opdebeeck analyze the work of *A. Osborne* (who was influenced by Sri Ramana Maharshi, a Tamil guru who advocated Advaita Vedanta), *A. Schweitzer* (influenced by the Bhagavad Gita and karma yoga), *E.F. Schumacher* (influenced by Buddhism and Gandhi) and *H.J. Witteveen* (influenced by Inayat Khan, a North-Indian Sufi). The paper provides the background for introducing ethical principles from Indian spiritual traditions into management, while also demonstrating that such principles do not contradict with so-called ‘Western’ ethical approaches. De Vylder and Opdebeeck conclude through their comparison of Indian and European traditions that religion does not necessarily divide people, but can create common ground for better communication and ethics.

In their paper “Integrating Servant Leadership and Ethical Leadership” *Asi Vasudeva Reddy* and *AVS Kamesh* (KL University, Guntur, India) review two distinguished leadership styles, focusing on the moral development of leaders. Leaders typically display the behavior needed to consistently influence and motivate subordinates, and are equipped with ethical and moral values and a zeal to serve. The paper calls for more ‘servant’ and ‘ethical’ leadership, and investigates the way in which these approaches to management can be productively implemented in organizations. Ethical leadership is transformational leadership coupled with a moral foundation, while servant leadership refers to an attitude of serving followers through the principle of stewardship. The authors critically review servant leadership and ethical leadership models and offer a

blended model of serving that fits into the organizational context. Their model stresses that leaders must be trained in morals to promote the common good.

In his paper “*Spiritual-Based Leadership from the Perspective of the Bhagavad Gita*” C. Suriyaprakash (Jansons School of Business, Coimbatore, India) analyses the Spiritual-based Leadership Research Programme (SLRP) which investigated the nature, activities and results of leading from a spiritual perspective. The outcome of the program was the book *Leading with Wisdom* (Pruzan & Mikkelsen, 2007) in which the profiles of 31 spiritual-based executives from 15 countries, representing six continents, were detailed. These profiles were classified into universal values such as love, compassion, divinity, and the like.

The paper analysis the profiles of the 31 spiritual-based leaders of the SLRP through the lens of the 18 leadership sutras. It explores to what extent the lives of these leaders from diverse global cultures embody the principles and teachings of the Bhagavad Gita. The aim is to empirically verify and establish the cross-cultural relevance of the age-old wisdom contained in the Gita, resulting in a truly Indian model of leadership called Wisdom Leadership.

In her paper “Literature as a Mirror for Leadership” Rita Ghesquière (Catholic University of Leuven, Belgium) refers to contemporary philosophers and pedagogues such as Martha Nussbaum, Richard Rorty and Jill Kerr Conway who believe in narrative ethics. They consider that the spiritual self can be approached through literature. While philosophy argues and teaches, literature demonstrates. Narratives hold up a mirror and confront the reader with an ‘otherness’ that questions otherwise self-evident norms and

values. The paper focuses on examining three literary models that could help entrepreneurs and leaders to reflect on their positions and to make more conscious choices.

Ghesquière reminds us that the fable has its roots in popular tradition. Fables from different cultures often have similar messages, and they are by nature didactic. The story, often told through an animal protagonist, demonstrates a proof, while a saying recapitulates a message in a nutshell. The fable promotes practical wisdom by associating concrete activities with general rules.

A novel, however, is far more complex – emphasizes Ghesquière. Novels can provide a broad panoramic view of society, politics and economics, and enhance our awareness of life's opportunities. By reading novels, a reader develops the capacity to see the world through another person's eyes. An autobiography is situated at the border of fiction. Reading about other people's lives holds a specific attraction; it involves a process of continuous reflection about our own existence.

Part 2 Ethical Leadership in Practice

In their paper “Mindfulness and Non-Violence in Doing Business” *Gabor Kovacs* and *Andras Ocsai* (Corvinus University of Budapest, Hungary) start with the observation that both mindfulness and non-harming are traditional Indian virtues. In modern times, more emphasis has been placed on mindfulness than non-harming. Mindfulness has become an important practice of many successful entrepreneurs, CEOs and other leaders.

Mindful leadership is based on mindfulness, which is defined as intentionally paying attention to the present moment in a non-judgmental way. Mindfulness can be a key competence of leaders through which they can gain courage, enthusiasm and awareness. Leaders, now more than ever, cultivate mindfulness for the purpose of bringing their mind's capabilities to bear on the practice of leadership.

Kovacs and Ocsai recall that the most influential leader to integrate the principle of non-harming into daily practice was Mahatma Gandhi, who practiced non-harming as a fundamental governing principle for activity. Kovacs and Ocsai believe that non-harming is more important than **ever** before, especially now that humanity has the power and technology to influence and change the vital functioning of the planet. The authors describe business models whose goal is to practically implement the principle of non-harming: Community Supported Agriculture, Ethical Banking and The Slow Food Movement. They also present cases of entrepreneurial initiatives that are based on the goals of non-harming: Windhorse Evolution, the Apopo Foundation, Interface and the Social Venture Network. The authors argue that non-harming is indispensable for the creation of a sustainable world. The balance between mindfulness and non-harming should be re-established.

In her paper "Connectedness and Spirituality: Hindu and Christian Examples of Spiritual-Based Entrepreneurship" *Katalin Illes* (University of Westminster, London, UK) reminds readers that interest in spirituality is growing in Western countries, where ego-driven, materialistic behavior permeates organizations and society as a whole.

Illes believes that spiritual traditions can help by putting human existence into a broader context, and support the integration into daily life of moral values and behaviors that can create a happier and more meaningful existence. Her paper includes two insightful cases. One involves a Hindu social entrepreneur, while the other concerns a Christian social entrepreneur. The basic principles of Hinduism and Christianity are described in the search for purpose, meaning and correlations between the cases. Illes concludes that by tapping into the timeless wisdom of our human heritage we can connect with others in meaningful ways, overcome cultural, political and religious barriers, and find new ways of working together.

In their paper “Going Beyond Profit: A Case Study of the CSR Initiative of Titan, Tata Group” *Madhumita Chatterji* (IFIM Business School, Bangalore, India) and *Nitha Palakshappa* (Massey University, New Zealand) give an introduction to the Tata group which spans its chronology, strategy and values. They then describe Tata’s precision engineering division, Titan, making reference to the strategy, business ventures and social responsibility that are ingrained in the company. They argue that the foundation of the value of the Tata Group appears to be an outcome of the application of the spiritual principle of proactively giving back to society. The authors analyze the branding strategy, product categories and CSR initiatives of Tanishq, the jewelry division of Titan, through a focus on Mr Perfect and Karigar Park, two of Tanishq’s innovative CSR initiatives.

Tanishq seeks to support social welfare activities without exception as it strives to follow the Tata tradition of going beyond the financial bottom line. Company leaders appear to have realized that having a profitable company which is neither ethical nor sustainable is

not supportable by society at large. ‘Exemplifiers’ and ‘self-promoters’ both want to be admired, but the former are more concerned with projecting integrity than projecting their success. Stakeholder commitment (i.e., ensuring the business is held in high esteem) and trust (i.e., expecting the organization to act with integrity) are typically considered to be two important components of corporate reputation. The authors conclude that Tanishq is a self-exemplifier, trusted for its commitment to stakeholders’ wellbeing and the common good.

In the paper “Spirituality and Effectiveness in Today’s Workplace” *Lakshminarasimha* (IBS Bangalore, India) observes that modern digital workplaces are strongly goal-oriented and are therefore dehumanizing. Stress, combined with poor interpersonal relationships, create psychological distress for employees that leads to the formation of a negative atmosphere in the workplace and reduces productivity. This negativity also often gets carried home by the individual as a form of spillover. The consequences for the body and the mind may be severe.

Lakshminarasimha seeks to explain how one overcomes the deleterious effects of stress through using spiritual edicts. The topic is investigated through a study of the Vedas, the Upanishads and the Bhagavad Gita, as well as through the thoughts of India’s greatest minds such as Swami Vivekananda, Sri Aurobindo and Sri Rabindranath Tagore, along with Western management thinkers such as Peter Senge, Peter Drucker and others. The paper interprets and adopts the spiritual messages of these thought leaders and describes their practical application to the modern knowledge worker.

In his paper “Spirituality at the Bottom of the Pyramid” *Arun Raste* (IDFC Limited, Mumbai) starts with the observation that modern employees seek a sense of purpose in their work and wish to align their personal values, belief system and ethics with the organizational values, culture and business ethos of their workplaces. While much has been said about the sense of purpose and the contribution to community of mainstream business sector workplaces, not much thought has been given to situation at the bottom of the pyramid.

Raste offers us the case of Mumbai Dabbawala. This business is run by the masses for the masses. Uneducated people, whose opportunities in life are limited, are given a purpose and a vocation that offers them self-respect and pride. By offering healthy, home-cooked type lunches at affordable prices, the business service is invaluable to workers who cannot afford to eat out. The entire operation is carried out sustainably, with minimal consumption of natural resources. The dabbawalas are imbued with a sense of autonomy and accountability. The most vital link in this food delivery chain is spiritual human capital.

In her paper “Eco-Spirituality and Regenerative Entrepreneurship” *Nel Hofstra* (Erasmus University Rotterdam, The Netherlands) investigates whether eco-spirituality has the potential to become a core competence for successful business management. Hofstra’s paper opens with a critical discussion of sustainable entrepreneurship and continues by describing the role of regenerative eco-innovation. The paper compares different spiritual and economic perspectives about doing business. Hofstra concludes that the innovations of regenerative businesses help restore ecosystem health, and go beyond typical business activities for value creation .

In their paper “Time for Business Schools to Lead in Teaching Spiritual Intelligence” *M. L. Shrikant* and *Jagdish R. Rattanani* (S.P Jain Institute of Management & Research, Mumbai, India) argue for the introduction of the concept of spirituality as an overarching and comprehensive approach to the management of businesses and people, using theory that is rooted in the ancient Indian literature of the Upanishads and the Bhagavad Gita. The paper discusses the approach of a well-known Indian business school which set out on a different path by successfully offering a course which frames business skills in the context of wider goals for businesses and for business leaders as individuals. Vedanta’s approach to education is a powerful tool for creating leaders of tomorrow who are schooled not merely to generate rewards for themselves or their corporations, but who work to build enriching and rewarding lives and careers that impact society for the better.

In the paper “Alternative Learning: A Voyage for Future Leadership” *Sanjoy Mukherjee* (Indian Institute of Management Shillong, India) explores alternative sources and methods of learning for use in future leadership. In doing so, he employs insight from traditional Indian wisdom literature (the Upanishads, the Bhagavad Gita) and messages from great modern Indian leaders, such as Tagore and Swami Vivekananda.

Mukherjee asks whether we are really willing to challenge ourselves. If so, then how? What can business leaders of tomorrow learn from the death and destruction of old models that they can use to create breakthroughs in leadership roles? When will the passion to transform and to infuse new life into our organizations and the planet at large be great enough to shake the very foundations of our outdated models and lead to the

overthrow of worn out concepts, tunnel vision and fossilized values? For this to happen, we must maintain both the courage *and* the desire to change.

As organizers of the Bangalore conference on Ethical Leadership and the editors of this volume we firmly believe that, without deep spiritual reflection, business leaders will not be able to contribute to restoring the endangered ecosystems of the Earth, or to providing decent livelihoods for present and future generations. The good news is that there are vast resources of long-accumulated, Indian and European spiritual wealth and wisdom which are available for immediate use in this urgent task of transformation.

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