

# Applied Vedanta Philosophy: Improving Stakeholder Relations Through Inner Transformation

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Revised Short Paper, Ancient Philosophies and Management Track

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## 1. Introduction

Today, individuals and societies face massive disruptive change, an uncertain future and unprecedented levels of complexity. The world seems to be heading towards ecological disaster. Despite intervention, poverty persists and inequality is steadily growing. Individuals and societies are responding with fear and protectionism. The next disruptive technological transformation is yet another potential threat to global social peace. Business as usual is not an option. Greater care towards all living beings, future generations and nature is needed. How can the ancient Vedanta philosophy from India guide managers to act in a more caring manner in the face of these challenges?

The stakeholder theory canvas is proposed here as a useful framework to bring spirituality or religion into the business ethics discussion. Stakeholder theory has broadened the view from exclusive focus on profit of shareholders to questions such as “why does a firm exist” and “for whom is the firm creating value”. Stakeholder theory considers all groups and individuals which influence business decisions or who are influenced by it, including the shareholders. All stakeholders are interconnected and reinforce each other in fundamental

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<sup>1</sup>  
(Wicks 2014)

<sup>2</sup>  
(Freeman et al. 2011)

ways. Recent debate has elucidated the wider variety of value creation for stakeholders beyond just products, services, and financial returns. For instance, fairness, sense of meaning, and opportunity costs can be valuable to stakeholders as well.<sup>3</sup>

Stakeholder theory assumes that most actors more often than not “...want to and do accept responsibility for the effects of their actions on others.”<sup>4</sup> So in theory, if all managers treat their stakeholders with adequate care and fairness, global social and environmental problems should significantly decrease. However, despite many positive exceptions, in the real business world there is still a significant gap between theory and practice.

In the paper, a Vedantic approach towards management is presented as a possible solution to this problem. Vedanta offers a unique model of understanding individual behavior. Human beings are inherently diverse. Uncaring behavior is explained by selfishness, caring behavior with unselfishness and selflessness. Additionally, caring behavior is not only a question of pure emotions such as compassion, but also of rational decision-making and embodied wisdom. Therefore, individual development of the personality from selfishness to unselfishness to selflessness is seen as the prerequisite in order to overcome challenges and for a more caring attitude towards stakeholders. The individual’s professional life is an integral part of this transformation. Vedanta offers concepts and practices for turning objective knowledge into subjective wisdom. Gaining wisdom means that the manager will act according to their higher values. In this process, the level of care towards all beings moves towards to the perfect state of Self-realization. The Self-realized person is described as displaying the highest possible level of care.<sup>5</sup>

## **2. The Ancient Vedanta Philosophy and Its Link With Business**

India has a rich tradition of trade and business as well as a diverse and pluralistic philosophical tradition.<sup>6</sup> The Vedanta school is a central philosophical tradition around which other traditions evolved. India’s philosophies comprise orthodox (*astika*) systems (Nyaya,

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<sup>3</sup>  
(Harrison & Wicks 2013)

<sup>4</sup>  
(Freeman et al. 2011, p.54)

<sup>5</sup>  
(Parthasarathy 2011a, pp.647–648; Parthasarathy 2011d, pp.1382–1384, 1860–1868)

<sup>6</sup>  
(Matilal 1998; Mohanty 1992; Ramanujan 1989; Sen 2005; Sanyal 2008; Kanagasabapathi 2008; Jayapalan 2008)

Vaisheshika, Samkhya, Yoga, Purva-Mimamsa and Vedanta schools of philosophy), and unorthodox (*nastika*) systems (e.g., Charvaka, Buddhism, Jainism, etc.).<sup>7</sup>

The Sanskrit word Vedanta is a compound of two words, *veda* and *anta*. *Veda* means knowledge and *anta*, end. Thus, Vedanta may be translated as “culmination of knowledge”.<sup>8</sup> Its philosophical import is contained in the Upanishads, the last section of the Vedas, ancient scriptures of India, where the philosophy is presented in the aphoristic style. Vedanta is a creative living tradition, maintained, unbroken, through preceptor-disciple lineage (*guru-shisya-parampara*) since Vedic times. In acknowledgment thereof, a Vedanta philosopher refers to a tradition that started with the Upanishads and continued through Adi Shankara (8<sup>th</sup> century) up to his own personal teacher (*guru pranam mantra*). A modern revival of Vedanta in the second half of the 19<sup>th</sup> century was sparked by such philosophers as Ramakrishna Paramahansa (1836-1886), Vivekananda (1863-1902), Rama Tirtha (1873-1906), and Ramana Maharishi (1879-1950). Sri Ramakrishna emphasized that the truths of the Upanishads must be experienced through day-to-day human interaction. His disciple Swami Vivekanda gave a concrete shape to this insight: Selfless service in any field became the core spiritual practice. Swami Rama Tirtha’s mantra of “work is worship” went along the same lines. This paper highlights the contemporary development of Vedanta as presented by A. Parthasarathy (1927), who belongs to the succeeding generation of philosophers.

Notable management academics who have looked to Vedanta for potential insights into contemporary business challenges include S.K. Chakraborty and Peter Pruzan.<sup>9</sup> Other Indian spiritual, religious and/or philosophical traditions have been discussed in relation to management and leadership, reflecting the diversity of Indian philosophical schools.<sup>10</sup>

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<sup>7</sup>  
(Mohanty 2011)

<sup>8</sup>  
(Parthasarathy 2011d)

<sup>9</sup>  
(Chakraborty 1998; Chakraborty 2003; Chakraborty & Chakraborty 2008; Chakraborty 2007; Pruzan & Pruzan Mikkelsen 2007; Pruzan 2015). Other selected authors include (Muniapan 2017; Satyarupananda 2004; Sharma 2004).

<sup>10</sup>  
(Chatterji & Zsolnai 2016; Gupta 2017; Corner 2009)

### 3. Selected Vedantic Concepts for Improved Stakeholder Relations

A fundamental philosophical concept of Vedanta can be found in *Chandogya Upanishad* in the *Sama Veda*: *Tat tvam asi*, translated as That Thou Art. *Tat* (That) represents the supreme Reality, *Brahman*, the one homogeneous Reality that pervades everywhere. *Tvam* (Thou) refers to the supreme Self in all beings, *Atman*. *Asi* (Art) establishes the oneness of the all-pervading Reality and the Self within. Hence, the aphorism makes a bold declaration of humanity's essential divinity.<sup>11</sup> It follows that Divinity is an integral part of every activity emanating from the human personality, and thus from the Vedantic perspective is a critical facet of management.

However, humans are ignorant of their Divine inner core. This ignorance creates the tendency to seek happiness for oneself in the world. This quest in turn fosters attachment and worldly desire, which Vedanta declares as the ultimate barrier between humanity and recognition of one's essential nature. Conflict and misery in the world are explained by ignorant and therefore selfish, egocentric, desire-ridden human behavior. Vedanta elucidates uncaring behavior as arising from the individual's blind selfish habits, a lack of experience of oneness with the world. A spiritually ignorant individual "...lacks the sense of oneness, camaraderie, friendliness with beings. The world is full of rivalry and competition."<sup>12</sup>

How can this ignorance of the divine nature within be removed? Ignorance *per se* can be removed with knowledge (*jnanam*). However, Vedanta points out that knowledge of the Divine is qualitatively different from knowledge of the phenomenal world. The Infinite is not an object of perception, emotion and thought. Therefore, according to Vedanta, the only way to know one's divine Self is to become That (*Tat*), to realize one's true Self, to experience "I am That".

The path to Self-realization is a gradual, constant process of improving one's personality.<sup>13</sup> The more a person is transformed, the more they show the behavior and character traits of a Self-realized person. In chapter 16 of the Bhagavad Gita, a divine person is described as being knowledgeable and compassionate for all beings (*daya bhutesu*). The more a person

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<sup>11</sup>  
(Parthasarathy 2011d, p.746)

<sup>12</sup>  
(Parthasarathy 2011c, p.2158)

<sup>13</sup>  
(Parthasarathy 2011d, pp.446–447)

experiences oneness with others, the less otherness-related fear they experience (fearlessness/*abhayam*). They will never act based on fears. A divine person acts charitably out of gratefulness for the benevolence of nature (charity/*danam*). In Vedanta, charity is understood as a general awareness of the needs of others.<sup>14</sup>

However, merely entertaining caring thoughts is not sufficient, a caring attitude and subsequent caring interactions with stakeholders needs to be embodied into the personality.

How can a gap between good intentions and actually executed actions be overcome? According to Parthasarathy, it is not theoretical knowledge but wisdom that flows naturally into practice. Knowledge (*jnanam*) is understood here as scholastic, theoretical knowledge. The knowledge that cheap clothes are usually the results of inhuman conditions in sweatshops is one example. The lack of wisdom (*vijnanam*) is observed in the inability of persons to act upon the knowledge they have gained. For example, consumers are enraged about the working conditions in textile sweatshops but still many buy the low priced clothes from companies that source from these factories. Vedanta provides a concrete methodology of bridging the gap between theory and practice through individual reflection (*manana*). Theoretical knowledge is reflected upon by the individual until it is assimilated into the personality and then results in action.<sup>15</sup> To achieve this, daily exercises are recommended for the practitioner such as early morning study of scriptural texts and introspection.<sup>16</sup>

The transformation of the individual personality can be looked at from four interconnected perspectives: (1) Development of the intellect (*buddhi*), (2) circle of identification, (3) pyramid of desires, and (4) theory of *gunas*, which will be explained further in the full paper.

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<sup>14</sup>  
(Parthasarathy 2011b, pp.1860–1868)

<sup>15</sup>  
(Parthasarathy 2011d, p.451)

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(Parthasarathy 2011d, p.573ff)

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