Empirical Study

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Corporate Competitiveness and Sustainable Growth: Exploring Vedic Philosophy as a Guiding Force

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Abstract

'Speak truth and follow values' (Satyam Vadah, Dharmam Charh) is a key teaching for mankind since ages. Value based culture was the main reason behind the prosperous ancient Indian society. On the contrary, we have adopted a path where every action is right if it leads to fulfil our immediate goals. Over the centuries, several management theories have been evolved and practiced to attain excellence and sustainable growth. While these management theories were found most suitable in a given environment, the same theory could not give expected results in a different environment. It led to development of another theory to overcome the shortcomings of previous ones. The present paper examines the current management practices to attain corporate competitiveness and growth. Today, implementation of Business Excellence Models (BEMs) is being considered to be the best way to attain excellence. However, in the comparative study of the BEMs vis-à-vis Vedic philosophy, author observed certain gaps and empirically examined how to fill these gaps. It was found that respondents from across the continents felt that Value driven business practices are the key to enhance competitiveness and attain sustainability. The paper concludes that integration of business practices with universal laws of Nature and evolution of a 'Global Common Vision' by corporate leadership will lead to tremendous growth of the business, immense benefits and prosperity for all stakeholders. It will make the world a happier, healthier and prosperous place to live.

Keywords: competitiveness, excellence, sustainable growth, values, vedic philosophy.

Introduction

Enhancing competitiveness and sustainable growth have remained important objectives of business enterprises since ages. Over the centuries, several management theories have been evolved and practiced to attain excellence and sustainable growth. While these management theories were found most suitable in a given environment, the same theory could not give expected results in a different environment. It led to development of another theory to overcome the shortcomings of previous ones.

After World War II, Japanese economy was virtually ruined. Dr. William Edwards Deming, one of the Quality Gurus of modern era, trained hundreds of Japanese engineers, managers, and scholars in statistical process control (SPC) and concepts of quality during June - August 1950. In 1951, 'Deming Prize', the oldest quality award of present era was established in commemoration of Dr. Deming to promote his teachings. Deming focused on market orientation, people involvement and continuous improvement. A number of Japanese manufacturers widely practiced his teachings and experienced quantum jumps in quality and productivity of their products and services. The improved quality combined with the lowered cost created new international demand for Japanese products in US and Europe by mid 1970s. During 1980s, American organisations too started following the Deming teachings.

It followed by global politico economic turbulence during 1980s and 1990s with dismantling of Soviet Union, economic liberalisation in China and India, democracy in Latin America and rise of regional trading blocks. Subsequently, rapid growth in transportation, communication, and computerisation coupled with the use of Internet led to steep rise in competition across the world. It has compelled organisations to redefine their management systems and policies to get an edge over their competitors. With an objective to help industries to enhance competitiveness in their respective countries, several National Governments and Industry Associations came forward and developed Business Excellence Models (BEMs) and National Quality Awards (NQAs) during 1990s. A report of UNECE (2004) says that there are at least 90 quality and business excellence awards in at least 75 countries. These models are considered as an effective way to pursue excellence by many industries worldwide.

Several researchers have done comparative studies of these models and reported that the three BEMs namely Malcolm Baldrige National Quality Award (MBNQA) of USA; European Excellence Award or EFQM Model and Deming Prize of Japan are being used as global reference models. Tan et. al. (2003) studied the differences in 53 NQAs and reported that most NQA models are based on the MBNQA and EFQM. In a study by SAI Global, Searle (2005) reported that NQAs of 53 countries are based on

MBNQA. Deming Prize, MBNQA and EFQM have been identified as basis of other National Quality Awards by other researches also (Bohoris, 1995; McDonald et. al., 2002 ; Hughes et al.,2002; Zairi et al., 1995 ; Miguel, 2001; and Puay et al.,1998). Koura et. al. (2005) reported that EFQM is being used in 26 countries. However, like any other man made device or system, BEMs/NQAs too have certain limitations.

Limitations of BEMs in Ensuring Sustainable Growth

In Business Excellence Models the ultimate objective of business has been seen as financial performance of the company, whereas Vedic philosophy emphasizes that the purpose of business is the well-being of society. Despite the fact that award-winning companies have shown excellent financial results, their financial performance was not always the best in industry.

In Vedic mythology, business has been seen as a legitimate, integral part of the society. Its core function is to create wealth for the society through manufacturing, domestic distribution, foreign trade, financing and other such related activities.

NIST (2004) had evolved Baldrige Index to keep a track of the impact on the share prices of the Baldrige award winners in US. However, it has been discontinued in 2004 because it no longer accurately reflects results, accomplishments, and diversity of the Baldrige Award recipients and site-visited organizations (Short-listed organisation for the award). In a study, 10-Year Common Stock Comparison of the results of 1994–2003 Baldrige Award Recipients vis-à-vis S&P 500 value as on December 1, 2004 was calculated. NIST (2004) reports that, 17 publicly traded Baldrige Award recipients, as a group under performed the S&P 500, and generated a return of 18.15% as compared to the return of 35.58% for S&P 500. It was felt that financial performance alone is not the final indicator of the excellence and NIST discontinued calculating the 'Index' in 2004.

Thus, there exists some gaps in BEMs and the award custodians have not yet evolved any other excellence index to fill these gaps. The following limitations of BEMs/NQAs bring these gaps more clearly to the light:

a. While it is believed that BEMs focus to balance needs and expectations of all stakeholders of the organisation, most of the studies on effectiveness and benefits of BEMs focus only on benefits accrued to stockholders in general and impact on bottom line in particular. Thus, it is difficult to comment on benefits accrued to other stakeholders.

b. While BEMs are being used in many organisations in developed economies, its impact in the developing countries like India and China is very limited. Still, India and China are emerging as global manufacturing hub. On the other hand, developed world is facing economic slow down.

c. Kume (2005) points out that Deming Prize is losing its popularity in Japan due to economic slow down and becoming more popular in the third world countries.

d. There is danger that the organisations focus on winning the award rather than focusing on the opportunities for improvements identified in TQ assessment (Ghobadian and Hong, 1996).

e. Most award criteria are static rather being dynamic. Also the structure of award is too rigid and does not provide much flexibility (Lee, 2002)

Thus we may say that despite many advantages of BEMs they are still not able to meet the aspirations of all stakeholders. It is important to find out what is missing and what needs to be done to overcome these limitations. While explaining the various dimensions of quality, Garvin (1987) suggested that a company can create a niche in the marketplace by focusing only on a few of the quality dimensions that competitors ignore. Very few products excel in all the dimensions. This is true for BEMs too. BEMs have provided this niche to the award winning companies in the past, but as time passes; their competitors have overcome some of their short comings. It has led to reduction in quantum of the benefits that award winning companies had over their competitors. Since awareness of BEMs is still limited in developing world, companies using BEMs are getting competitive advantages over competitors, leading to BEMs becoming more popular there. For developed world, BEM is a norm rather then a competitive advantage. Thus new dimensions of quality are unfurling. BEMs need to keep on improving their criteria to include the new dimensions.

In BEMs/NQAs, the ultimate goal is the "Business Results" for stockholders. It gives rise to the risk of use of unethical means and practices to maximise the short-term gains for the organisation. In an extreme case, an organisation indulging in unsocial activities, having its purpose against the welfare of mankind, but having exceptionally good financial results and systems may become the BEM award winner, e.g. Cigarette and alcohol manufacturing companies. Thus the social aspect of excellence needs to be explored further. Ancient wisdom and historical learning indicate that the pursuit of economic growth does not necessarily lead to social progress. In many cases it actually led to a deteriorating physical environment, an unsafe workplace, pollution, discrimination against certain groups in society, urban decay, and other social problems. Financial scandals at large multinational corporations such as Enron and WorldCom have brought into focus need for 'ethical' management (Saraswat, 2005).

Despite above limitations, BEMs/NQAs assessment procedure seem to be the only comprehensive means available till date by which level of organisational excellence can be thoroughly monitored and assessed. They provide an internal mechanism for making improvements to face the competition. Nevertheless, the fact, that, these awards are not evidence of "Perfect" organisations, is gradually being acknowledged.

Acknowledging the dynamics of excellence, Tom Peters says, "There are no excellent companies. There are only companies striving to attain excellence." On the contrary, Vedic philosophy guides the mankind to attain perfection or 'Moksha'. Since it is believed in Hindu mythology that the revelation of Vedic hymns was made during deep mediation, Vedas are considered as divine creation. The present research is an attempt to understand the gaps between the 'excellence derived from BEMs/NQAs' vis-à-vis the 'excellence described in Vedic philosophy'.

The Essence of Vedic Philosophy

About 1.97 billion years ago, when the present cosmos came to existence *(Atharva Veda 8-2-21; Yajur Veda 30-18; Bhagavad Gita 8-17 to 19)*, four ancient sages namely Agni, Vayu, Aditya and Angira received the complete knowledge of 'God', 'Soul' and 'Physical Universe' in the form of four *'Vedas'*, namely *Rig-Veda, Yajur-Veda, Sama-Veda* and *Atharva-Veda*. This knowledge is pure and stored in the Cosmic Records *(Rig Veda 10-130-4 to 7; 8-100-10, 11)*. *Rig-Vedic* hymns portray the world as a place where human beings are expected to enjoy life. *Rig-Veda* explains the 'cosmic order' stating that physical as well as moral laws govern the entire universe and that no transgression of these laws is allowed. Vedic philosophy derives infinite creativity, actions and power from these universal laws of Nature. Sages over the ages - Lord Rama, Lord Krishna, Lord Buddha, Lord Mahavira, Jesus Christ, Pegumber Muhammad etc. accessed cosmic knowledge & its infinite power by practicing these Values and shared the gains for benefit of humanity. They are role models not only for their sects but for entire humanity. Any human being can access cosmic reservoir of infinite creativity and energy by practicing Values derived from the Universal laws of Nature and followed by the sages. For example, intuitions come in the state of complete harmony and alignment with universal source of energy. Scientists get intuitions for inventions from cosmic knowledge, consciously or sub-consciously.

Keeping in view the above learning from Vedic philosophy and wide gap we witness in present day business practices, it was decided to get the views of business world through an empirical study.

Vedic philosophy identifies four objectives to be sought in human life. These are Value system (धर्म), Money (अर्थ), Urges (काम) and Salvation (मोक्ष). These should be followed in such a way that Value system lead to achievement of money, money lead to achievement of urges and finally urges lead to attainment of salvation. The Values from material to moral are approved by Vedas. Practising Values is superior to fulfilment of urges. Unlike today, our ancient sages and kings role modelled and lived by these guiding principles. The subject followed them and led a happy & prosperous life. For example, Lord Ram is also known as 'Lord of Ethics' (मर्यादापुरुषोत्तम) and king Yudhishter is remembered as 'King of Ethics' (धर्मराज).

In Vedic mythology, business has been seen as a legitimate, integral part of the society. Its core function is to create wealth for the society through manufacturing, domestic distribution, foreign trade, financing and other such related activities. It emphasises to work for an economic structure based on 'Wellbeing of mankind' (सर्व लोक हितम्). Sustainable growth and excellence can be attained only through 'Prosperity for all stakeholders' or '*Dharmic* path'. 'Speak truth and follow *Dharmic* way' सत्यम् वद, धर्मम् चर – Teetitriya Upanishada 1.11*)* is a key ancient teaching. The essence of *Dharmic* way of business lies in adopting an ethical approach and meeting the expectations of the community at large. Every action, which may adversely impact on the interests of others, should be based on Values. Value system constitutes of those actions, which were true in the past, which are true today and which will remain true in the times to come. *Manu Smiriti* says, "Practicing moral Values is ultimate *Dharma*" (आचारः परमो धर्मः Manu Smiriti, 1-108*)*. Thus, if an organisation practices Values driven governance and sacrifices profits for the sake of universal wellbeing, it is destined to be blessed with sustainable growth and bliss. चाणक्य नीति, endorses this concept by stating that even at the cost of loss to the organisation, the larger interest of society should prevail in decision making. It says,

'One should sacrifice the individual for the sake of family interest, family for the sake of village, village for the sake of Nation and abandon everything for defending higher values of life' (Tyajedesham kulsyarthe gramsyarthe kurja tyajet; Gramam jamanadayadhe prithvi tyejam).

Keeping in view the above learning from Vedic philosophy and wide gap we witness in present day business practices, it was decided to get the views of business world through an empirical study. The same has been described in details in the forthcoming part.

Empirical Study on the Applicability of Vedic Philosophy in Current Business Scenario

It was felt that contemporary Business Excellence Models represent the best practices of the present day business world. Thus, an attempt has been made to evolve Universal Business Excellence Model through integration of BEMs with Universal laws of Nature to attain multi-dimensional business growth. The common and unique issues of BEMs were tested vis-à-vis Universal Values enshrined in Vedic hymns. In addition, certain issues not adequately addressed in the BEMs but emphasized in Vedic hymns have also been identified and empirically tested to check their applicability in different business environments.

The identification of the Vedic hymns from the huge reservoir of Vedic knowledge that are relating to business practices and their suitable interpretation was most challenging task. Thus, help of eminent Vedic scholars was sought. The essence of hymns was converted into simple language to develop a questionnaire for empirical study. The focus was given on those issues, which have not been adequately addressed in the BEMs. During pilot testing of the questionnaire before its finalisation, experts remarked, the language of the questionnaire needs to be further simplified for better understanding of the respondents. The final Questionnaire had questions in the following seven sections:

Part A. Best Practices of various Organisations

Part B. Applicability of Ancient Wisdom for Business Excellence

Part C. Values, Work Culture & Long Term Philosophy

Part D. Measuring Multiple Bottom-Lines to enhance Business Growth

Part E. Fulfilling Desires of Stakeholders and Global Society

Part F. Sustainable Growth through Continuous Improvement & Learning

Part G. Vedic Model of Governance

The next important step was to identify senior professionals working primarily in quality management area across the world and contact them to get their valuable inputs. They included the delegates from various countries, who participated in the 'International Conference on Quality' held at Tokyo in Sept.' 2005. Many respondents felt that the questionnaire was challenging and 66 responses were received with a response rate of 11%. Out of the total 66 responses, 74.2% were from India (49 responses). The remaining responses were received from USA, UK, Japan, Sweden, Turkey, Belgium, Trinidad, Russia, Libya and Iran. In the total number of respondents, 10 were academicians, 16 were consultants and 40 were business managers. The experience, maturity and understanding were the serious consideration, while identifying the respondents for the study. A brief profile of the respondents given in Table 1 testifies the concern.

Essence of dharma lies in living together on the earth like brothers and prosper by using the immense resources of the world.

Table 1: Descriptive Statistics of the Pilot Study Respondents

Description	Numbers	Minimum	Maximum	Mean	Std. Deviation
Age	66	23 years	75 years	49.24 years	11.53
Experience	66	2 years	50 years	25.79 years	11.27

While the research was focused on the evolution of 'Universal Business Excellence Model'; the scope of current paper has been kept limited to the pilot study for Part B to Part F of the questionnaire. The responses were collected on five point Liker scale (Strongly disagree=1, Disagree=2, Neutral=3, Agree=4, and Strongly agree=5). Most of the respondents expressed their agreement to most of the statements (variables) derived from the Vedic philosophy. Some of the respondents, who disagreed, preferred to qualify it with their comments. The following observations are made based on initial analysis:

- The overall mean score for 58 variables (Part B to Part F) is 4.15 and mean score of 37 variables (63.8%) found more then overall mean score. Thus, most survey respondents agreed with the statements of the survey parameters, which were drawn on the essence of Vedic philosophy.
- Overall standard deviation of 0.86 and overall variance of 0.73 was observed.
- Coefficient of variation for these 58 variables ranged from 11.73 to 32.71. All variables are arranged in ascending order and widely accepted variables are identified having least coefficient of variation, till a significant change in coefficient of variation is observed. Thus, 23 widely accepted variables are identified. These variables also had high mean score (Range 4.24 to 4.55) and low standard deviation (Range 0.53 to 0.78) as shown in Table 2.
- These 23 variables are further tested for their wide acceptability through analysis of variance or "F-Test" for null hypothesis, 'there is no significant difference between the mean scores of these variables'. It showed positive results at 5% level of significance indicating they represent a homogeneous group of 23 widely accepted variables.

Factor Analysis of 'Widely Accepted Variables' Derived from Survey

To uncover the latent dimensions of 23 widely accepted variables, derived from the initial analysis of questionnaire responses, factor analysis is used. The following methodology has been used as a guiding principle for factor analysis and its interpretation based on the study of literature (Harman, 1976; Kim & Mueller, 1978; Lawley & Maxwell, 1971):

- Factor analysis is done using SPSS software, using cut-off eigenvalue = or > 1 and cross-validated by Scree plot. Rotated Component Matrix was drawn using Varimax method, to minimise the number of variables that have high loadings on each factor. A factor loading of 0.3 or more was used as significant cut-off value.
- Each factor may consist of minimum three interpretable variables having highest loading followed by a stepwise strategy to add the variables which support the results. Variables having a Factor loading of 0.7 or more were selected.
- Latent variables which had a factor loading of 0.5 or above on one factor and have a factor loading of 0.3 or more on another factor were also selected. These variables are used to interpret the factor, on which these had maximum factor loading.

During factor analysis, variable D3 is dropped because of multi-colinearity observed in Correlation Matrix.

Table 2: 23 Widely Accepted Variables Identified in Coefficient of Variation Analysis

Sl. No	Vari-able	Variable Description	Mean Score	S.D.	CoV
1	E2	To achieve growth organisations should 'Respect, Challenge & Grow' its employees and Partners.	4.55	0.53	11.73
2	D3	Money should be earned through legitimate means & own efforts and not fetched from the efforts of others.	4.53	0.53	11.80
3	F9	When every member of the organisation is able to correlate his personal goals with that of the organisation, he intends to put-in his best efforts and voluntarily shares his creativity and learning.	4.48	0.57	12.60
4	C2	Values based governance best serves the long-term interest of organisation, its people and enhances profitability.	4.53	0.59	13.08
5	C6	Employees, Suppliers & Partners play a vital role in the success of business. Transparency in dealings and timely compliance of commitments made to them will lead to a win-win situation.	4.44	0.59	13.30
6	F4	Creating a learning environment, where every member of organisation is devoted to enhance his knowledge to facilitate improvement process enhances growth.	4.55	0.62	13.60
7	C3	Mere intention to practice Values in business without its actual practice is like the doctor's prescription without actual use of medicines by patient to cure disease.	4.52	0.62	13.74
8	D4	Earning process should not be an impediment to learning process.	4.39	0.61	13.91
9	F3	Ignorance must be dispelled and continuous improvement and acquisition of knowledge should be promoted to create a learning environment.	4.45	0.64	14.48
10	D9	Senior Executives should focus for enhancing the use of education, values, principles and wisdom.	4.44	0.64	14.50
11	B2	Ancient wisdom defines the Values to be followed by every one. These are simple, ethical and focused on well-being of the mankind.	4.47	0.67	15.01
12	D7	Eliminating impediments in the flow management leads to increased production and reduced costs.	4.34	0.65	15.01
13	D8	Organisations should focus on measuring multiple bottom-lines viz. Physical, Financial, Mental, Spiritual and Societal bottom-lines in order to understand their real level of excellence and attain sustainable growth	4.24	0.65	15.20
14	E10	Sacrificing the short term gains for the sake of larger interest of global society leads to long term gains for the organisation.	4.35	0.68	15.61
15	C1	Business is a legitimate, integral part of the society. Its core function is to create wealth for the society. Ethical practices even at financial cost enhance the business growth.	4.32	0.70	16.10
16	B4	Ethical way of governance is to behave in a friendly manner with everyone and work for welfare of all stake-holders through organisational culture, policies, systems and actions.	4.34	0.70	16.13
17	E7	Joining hands with customers, suppliers, institutions and society etc. to ensure the steady flow of information, knowledge, money and material for global society provides sustainable growth & prosperity.	4.39	0.71	16.17
18	E9	Integrating business goals with laws of Nature help in materialising 'Global Vision' and provide sustainable growth and success for the organisation.	4.27	0.71	16.50
19	C9	Proactively taking care of needs and expectations of all stakeholders and culture of giving due credit to the individuals / teams of stakeholders enhances growth.	4.37	0.73	16.69
20	D2	Earning money should not cause any physical harm to employees or other stakeholders.	4.39	0.73	16.69
21	C10	Positioning of the people as per their competency level and layout for machines, tooling, fittings, office equipment etc. as per their use enhances profitability.	4.27	0.73	17.04
22	F5	Real success of the organisation lies in creating an environment where every member of the organisation is not content with his own welfare alone, but every one looks after the welfare of others also.	4.35	0.75	17.19
23	B3	Values define our way of life, business ethics, behavioural pattern, emotional control and are universally applicable for all organisations irrespective of their products, services & geographical boundaries.	4.53	0.78	17.28

NOTE: S.D. Standard Deviation; CoV- Coefficient of Variation

Correlation Matrix of remaining 22 variables showed determinant as $1.02x10^{-5}$, which is greater then 0.00001 and acceptable to carryout KMO and Bartlett's Test of Sphericity, as a pre-requisite before performing factor analysis. KMO value was 0.741, which is greater than 0.5 and acceptable. In Bartlett's test the significance value was 0.000, which is below 0.05 and hence acceptable to conduct Principle Component Factor Analysis. The number of factors was determined by using the cut-off eigenvalue = or > 1 and also cross-validated by Scree plot as shown in Figure 1.

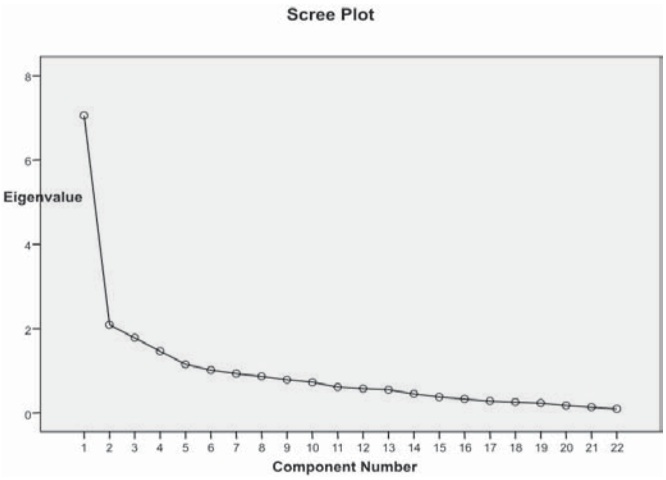

Figure 1: Scree Plot for Factor Analysis of 22 Widely Accepted Variables

Rotated Component Matrix with a factor loading of 0.3 or more has 5 components as shown in Table 3. The variables of the 5 components are arranged in descending order of factor loading and shown in Table 4. To corroborate the results, Cronbach's alpha (α) value for these variables was calculated as 0.892 through reliability analysis,

Table 3: Rotated Component Matrix for 22 Widely Accepted Variables

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
f4	.846				
c1	.706				
f5	.690			.371	
f9	.650	.321			
f3	.594				.386
d4		.793			
d7		.718			
c3		.653		.349	
b4		.621		.309	
e7			.791		
e10			.752		
e9			.717		
e2		.368	.510		
c10				.784	
c9		.343	.342	.661	
c6		.408	.307	.566	
c2	.308			.538	
b3					.694
d9	.316				.611
b2				.406	.607
d2					.513
d8					.425

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 8 iterations.

Table 4: Interpretation of Factors Identified from Analysis of Widely Accepted Variables

Sl. No	Description	Factor Loading
Factor 1: Values driven Learning Environment and Growth		
F4	Creating a learning environment, where every member of organisation is devoted to enhance his knowledge to facilitate improvement process enhancing growth.	0.846
C1	Business is a legitimate, integral part of the society. Its core function is to create wealth for the society. Ethical practices even at financial cost enhance the business growth.	0.706
F5	Real success of the organisation lies in creating an environment where every member of the organisation is not content with his own welfare alone, but every one looks after the welfare of others also.	0.690
F9	When every member of the organisation is able to correlate his personal goals with that of the organisation, he intends to put-in his best efforts and voluntarily shares his creativity and learning.	0.650
F3	Ignorance must be dispelled and continuous improvement and acquisition of knowledge should be promoted to create a learning environment.	0.594
Factor 2: Values driven Business Processes		
D4	Earning process should not be an impediment to learning process.	0.793
D7	Eliminating impediments in the flow management leads to increased production and reduced costs.	0.718
C3	Mere intention to practice Values in business without its actual practice is like the doctor's prescription without actual use of medicines by patient to cure disease.	0.653
B4	Ethical way of governance is to behave in a friendly manner with everyone and work for welfare of all stake-holders through organisational culture, policies, systems and actions.	0.621
Factor 3: Universal Wellbeing with a Shared Vision		
E7	Joining hands with customers, suppliers, institutions and society etc. to ensure the steady flow of information, knowledge, money and material for global society provides sustainable growth & prosperity.	0.791
E10	Sacrificing the short term gains for the sake of larger interest of global society leads to long term gains for the organisation.	0.752
E9	Integrating business goals with laws of Nature help in materialising 'Global Vision' and provide sustainable growth and success for the organisation.	0.717
E2	To achieve growth organisations should 'Respect, Challenge & Grow' its employees and Partners.	0.510
Factor 4: Ethical Governance to optimise Stakeholders' Value		
C10	Positioning of the people as per their competency level and layout for machines, tooling, fittings, office equipment etc. as per their use enhances profitability.	0.784
C9	Proactively taking care of needs and expectations of all stakeholders and culture of giving due credit to the individuals / teams of stakeholders enhances growth.	0.661
C6	Employees, Suppliers & Partners play a vital role in the success of business. Transparency in dealings and timely compliance of commitments made to them lead to a win-win situation.	0.566
C2	Values based governance best serves the long-term interest of organisation, its people and enhances profitability.	0.528
Factor 5: Values driven Leadership		
B3	Values define our way of life, business ethics, behavioural pattern, emotional control etc. and are universally applicable for all organisations irrespective of their products, services & geographical boundaries.	0.694
D9	To achieve growth organisations should 'Respect, Challenge & Grow' its employees and Partners.	0.611
B2	Ancient wisdom defines the Values to be followed by every one. These are simple, ethical and focused on well-being of the mankind.	0.607

which is greater then 0.7, hence, found acceptable.

Values driven leadership and organisational practices are the key to achieving long-term competitiveness and sustainable success for any organisation.

Thus, five factors identified through analysis of widely accepted variables are:

Factor 1. Values driven Learning Environment and Growth

Factor 2. Values driven Business Processes

Factor 3. Universal Wellbeing with a Shared Vision

Factor 4. Ethical Governance to optimise Stakeholders' Value

Factor 5. Values driven Leadership

The group of these factors focuses on "Values" driven organisational culture and is shown pictorially in the Figure 2. Thus, uniform practice of Values in every action of an organisation enables it to attain excellence or bliss for multi-fold business growth.

Besides quantitative data, qualitative data was also collected in this study through open ended questions in the questionnaire. The impact of high mean score in quantitative data was visible in the comments of respondents also. The detailed comments of respondents were consolidated under five major headings namely: 1) Focus on Values driven leadership; 2) Practicing Values leads to long term success; 3) Practicing Values builds trust and facilitates decision making; 4) Build consensus on organisational Values; and

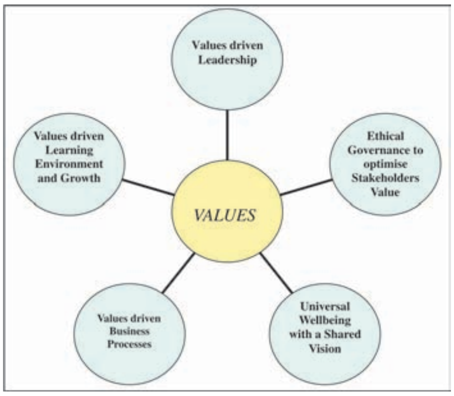

Figure 2: Pictorial View of the Factors Derived from Widely Accepted Variables

5) Difficulties in practicing Values. Most of the respondents strongly advocated practising Values. They felt that key to implementation of values in an organisation is 'values driven leadership'. Most of them commented that practicing values enhances trust of all stakeholders, builds a positive work culture, ensures long term success and leads to faster decision making. A few respondents were cautious and wanted adoption of consensus Values in the organisation. A few respondents described the problems in practicing Values in current business environment. Since 74% of the respondents were from India, it was felt to verify the above findings through literature review and opinion of intellectuals and practitioners especially from western world to confirm the universal applicability in the forthcoming part.

At third level of maturity, organisations focus on innovations and partnerships to enhance their business growth.

Impact of Practicing Values on Competitiveness & Sustainable Growth

Values or d*harma* refers to the religious ethics as propounded by Hindu gurus in ancient Indian scriptures. Tulsidas, author of Ramcharitmanas, has defined the root of *dharma* as compassion. Atharva Veda describes dharma symbolically: "this world is upheld by dharma" (Prithivim dharmana dhritam). In the epic Mahabharata, the Pandavas represent dharma in life (or practicing Values) and the Kauravas represent adharma (or not practicing Values). The epic concludes victory of Pandavas, symbolising that practicing Values leads to sustainable growth. Veda Vyasa, author of Mahabharata, explains essence of dharma by stating:

> *"O men! Essence of dharma lies in living together on the earth like brothers and prosper by using the immense resources of the world. It will eliminate all the ills & sorrows and lead to attainment of cosmic peace for all."(Shruyatam Dharmasvarsvam Shrutva Cheevavdhayertam, Prithva Bhratarbhavena Bhujyatam Vijvaro Bhava)*

The term 'ethics' is derived from Greek word ethika meaning 'character' or 'custom'. It deals with customary ways of acting and universal and relative judgment as to the rightness or wrongness of human conduct; hence its association with moral philosophy. As a branch of philosophy, ethics embodies "the analysis, evaluation and development of normative moral criteria for dealing with moral problems" (Gewirth, 1978).

Gerald (1998) says the ethical organisation (company, central or local government department, voluntary body etc.) is the only viable form of organisation in the long run. An organisation having negative ethical impact may benefit in the short term, but will find the withdrawal of public approval and of the market for its product or services in the long run.

Modern quality gurus Crosby, Deming and Juran too consider 'ethics' as the foundation of quality. Crosby (1984) stated that, "the company will prosper only when all employees feel the same way and when neither customers nor employees will be hassled." Deming's (1986) 14 points highlighted the "driving out of fear". Juran et. al. (1993) spoke of a system of values, beliefs and behaviours for individual and team to be created within organisations for success.

Practicing values is an important aspect for building success strategy and corporate culture. Oketch (2004) argues a successful business strategy for social cohesion is to foster integrity in internal governance while promoting positive engagement in communities in which company operates. Andrews (1987) of Harvard, founder of corporate strategy identifies 'personal values and aspirations' and 'acknowledged obligations to people in society other than shareholders' as its two important components.

McAdam & Leonard (2003) observes that although some organizations consider CSR to be a peripheral and sector specific issue, it is coming in the mainstream with support of legislations. Organizations, which take their stakeholders for granted and abuse their wider responsibilities, including environment, may find that their continued viability is in doubt. Describing an Indian view of CSR, Sharma et. al. (2005), highlight that CSR encompasses a wide variety of concerns such as ethical values in business, welfare of society, awareness, respect and protection of the natural and built environment.

Thus, we may conclude that values driven leadership and organisational practices are the key to achieving long-term competitiveness and sustainable success for any organisation. Comments of the survey respondents and opinion of the experts discussed above clearly indicate that new dimensions of 'Customers Expectation Hierarchy' are emerging as shown in Figure 3.

Customers' Expectation Hierarchy

Initially, a customer accepts or rejects a product/service based on its capability to fulfil his basic needs namely – quality, delivery, price and response time. In a competitive environment these are taken as *"Givens"*. Without fulfilling these basic needs any product or service can't survive even in the sellers' market. At this level, organisations focus to improve the product quality for their survival. Most of the Governments (National, State, Local) often struggle at this level of maturity and find it difficult to face the election as ruling party.

A company, which is practicing values as well as universal well-being, virtually attains the sustainable success for all its stakeholders as described in the forthcoming part.

At second level of

Figure 3: Emerging Dimensions of Customers' Expectation Hierarchy

maturity, organisations focus on problem solving, accountability and building relationships with their customers. It can be witnessed in most of the business organisations across the world. They try to increase customer satisfaction through add-on features and improvements in their products and services. At this level of maturity they try to fulfil what customer *"Wants"*.

At third level of maturity, organisations focus on innovations and partnerships to enhance their business growth. They adopt a strategy to ensure customer success with increased R&D focus leading to development of new products with a better quality and reduced price. The spread of transcountry mergers and acquisitions to enhance strategic capability indicate this focus of leading today's business world. This level of maturity may be named as *"Business Impactors"*.

At fourth and highest level of maturity, organisations focus on increased global presence and universal wellbeing to enhance stakeholder value. Social culture of various places in different continents makes a significant impact on the operations as well as work culture of MNCs and is critical for ensuring success. Since these organisations operate in multi-national environment, they are required to follow a common value system across the organisation in different continents. This common value system, can't be different then 'values' defined in Vedas or Bhagavad Gita or epics or other religious teachings. It leads to emergence of highest level of maturity known as *"Social Impactors"*. The current research points towards this emerging dimension. At this highest level of competitiveness, business world is required to practice a uniform and transparent Value system with focus on wellbeing of mankind to ensure sustainable success and multi-fold growth. Bhagavad-Gita (VI-36) explains it beautifully by stating,

"Excellence is hard to be attained by one who is uncontrolled; but the self controlled, striving by right means, can obtain it."

For an organization, 'self controlled' is 'practicing values'. Right means is 'universal wellbeing' or following the universal laws (both physical and moral laws) of Nature discussed earlier in this paper. The union of these two leads to excellence or 'Sustainable Success' as shown in Figure 4. A company, which is practicing values as well as universal well-being, virtually attains the sustainable success for all its stakeholders as described in the forthcoming part.

Implications for Key Stakeholders

Hinduism considers dharma the very foundation of life and describes it as 'universal laws of Nature'. Observance of these laws enables humans to be contented and happy, and to save themselves from degradation and suffering. It is equally applicable to business organisations and its stakeholders. Thus, practicing of values enables an organisation and its stakeholders to attain mental peace, healthy working environment and happiness as shown in Figure 4.

Dharma is the "law of being" without which one cannot exist. Thus, an organisation can't survive in long run without practicing values. Thus, the root cause of why certain organisations failed, even when they were performing very well in stocks, is non-practicing of moral laws of Nature or values in these organisations.

We may find many small organisations around us which are practicing values, their stakeholders are happy, but still they are not growing. The main reason for their limited growth is their narrow vision. To attain financial success, one needs to take risks and focus globally for new opportunities for business as shown in the Figure 4. Large and Multi National companies fall under this category. However, their unsustainable growth and work pressure amongst employees and other stakeholders is due to lack of practicing high moral values. Sustainable success comes only when an organisation focuses on both high in practicing values and global focus with universal wellbeing.

Practicing Values	High	**Limited Success** Mental and Spiritual Wellbeing	**Sustainable Success** Physical, Financial, Mental, Spiritual and Societal Wellbeing
	Low	**Struggle for Survival**	**Unsustainable Growth** Physical and Financial Wellbeing
		Low	**High**
		Universal Wellbeing – Global Focus	

Figure 4: Sustainable Success – Focus on Values and Universal Wellbeing

Sustainable success may be defined as "Productivity with peace and growth with harmony". Sustainable success comes through unification of the organisational goals with that of the society. It brings physical, financial, mental, spiritual and societal wellbeing for all stakeholders of an organisation. It is the ultimate success for any organisation.

Conclusion

Corporate competitiveness and sustainable growth is the emerging requirement of every business organisation in this era of globalisation. Sustainability is the need for survival not only for the business or industry but any profession, institution or individual. Suggesting the ways to attain sustainability, world renowned proponent of corporate strategy, C.K. Prahalad in his best seller, "Bottom of the Pyramid" says,

> *"If we stop thinking of the poor as victims or as burden and start recognizing them as resilient and creative entrepreneurs and value conscious consumers, a whole new world of opportunities will open up."*

Vedic philosophy also emphasizes on the sacrifice for the sake of larger interest of the society. Adoption of this practice in the organisational culture will lead to the total transformation of Corporate World and provide prosperity and better quality of life for the society at large. It will lead to a New World order and growth for all. This can be achieved through integrating and directing efforts to maximise the Global Product and its equitable distribution amongst all members of society through development of a 'Global Common Vision' to meet the expectations of Global Society (Talwar & Sharma, 2005). Corporate world needs to join hands with their customers, suppliers, educational institutions, social organisations etc. to reduce the global cost of their products & services by minimizing the wastes and continuous and steady flow of information, knowledge, money and material for every member of society. It will enhance global prosperity and make the world a happier place to live. The observance of values driven global vision as the way of business will in-turn lead to materialization of our dream "Rama Rajya" and ensure happiness and prosperity for every one. We may conclude that the organisations, which follow 'Values' in letter and spirit, are more competitive, successful and are able to sustain their growth. The integration of business practices with universal laws of Nature and evolution of a 'Global Common Vision' by corporate leadership will lead to exponential growth in business and prosperity for all stakeholders. It will make the world a happier, healthier and prosperous place to live.

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