

Rediscovering a Management and Leadership Manual in Ancient Indian Literature

Business has often looked for guiding principles in ancient literature from various lands, including the sixth-century Chinese military treatise The Art of War, by Sun Tsu, or India's Vedas, including the battlefield epic Bhagvad Gita. Now, a new book brings to a global audience the management and leadership insights contained in the Thirukural, a collection of 1,330 aphorisms written some 2,000 years ago by Tamil poet Thiruvalluvar.



According to V. Srinivasan, author of New Age Management Philosophy from Ancient Indian Wisdom, the aphorisms, or "kurals," form a manual for governments and corporations, and they are a favorite of Indian finance minister P. Chidambaram. Srinivasan is CEO of IT services firm 3i Infotech in Edison, N.J., where he has overseen 27 acquisitions in the last seven years. He spoke about his book and the connection between ancient wisdom and modern management in an interview with India Knowledge@Wharton. An edited version of that conversation follows.

India Knowledge@Wharton: Could you tell us a little about the *Thirukural*?

Srinivasan: The *Thirukural* is believed to be about 2,000 years old. It has three parts that deal with wisdom, wealth and affection or love. Several people have analyzed it, and it has been translated into Portuguese and French.

It is considered the "Tamil Veda." (The Vedas are Sanskrit texts of Hindu wisdom.) "Veda" [means] the knowledge, realization and improvement of the self. It comes from the root "vid," meaning "knowledge." With self realization and self introspection, [people] get on a path different from those with just knowledge -- they become leaders like Mahatma Gandhi or Mother Teresa.

While the *Thirukural* talks of the three qualities of wisdom, wealth and love, Tamil literature talks of a fourth aspect of "veedu," which refers to God, or nirvana. One school of thought is that if you follow every "kural" (aphorism), you will automatically reach "veedu."

The *Thirukural* talks about how territories maximize their wealth, and how there were princes, ministers and ambassadors. You [can] equate a prince to a CEO, a minister to a COO and an ambassador to a sales and marketing executive -- the qualities prescribed for each of these functions correspond.

India Knowledge@Wharton: What aspects of the *Thirukural* does your book focus on?

Srinivasan: My book concentrates on the wealth aspect of the *Thirukural* -- how you derive wealth, protect it and improve it. Management and leadership are closely related to wealth creation.

How does the evolution of leadership take place? From our childhood, we learn a lot of things, including mathematics, physics, chemistry and economics. The next stage is the refinement of our personal qualities. When you don't have [refined] personal qualities, you may be a knowledgeable person but you don't become a leader.

What are those qualities? Courage, conviction, determination, self control, control over anger and emotions and a disciplined way of life. To become greater, you may need to give up certain things such as your ego, or "aham bhava" (arrogance) and the cravings of the five senses.

India Knowledge@Wharton: What insights could one draw upon in the present context of the sweeping changes underway in the Indian economy? What are the key takeaways for management? For example, is the *Thirukural* consistent with a corporation's focus on maximizing profits for its stakeholders?

Srinivasan: To maximize profits, you need strategies and implementation. Strategy is about what to do, when to do it, how to do it and where to do it. The *Thirukural* has chapters on each of these.

One chapter is on deliberation before action. Another is on choosing the appropriate time. A third is on choosing the appropriate place. All the ingredients for profit maximization are contained in the *Thirukural*.

Consider these kuralas on decision making and implementation:

"The end of all deliberation is to arrive at a decision; and when a decision is reached, it is wrong to delay its execution."

"Go straight for the goal whenever circumstances permit. When circumstances are against, choose the path of least resistance."

"Five things should be carefully considered in carrying out any action -- the nature of the action, the resources in hand, the instrument, the proper time and the proper place for its execution."

And this one is on goal setting: "Let all your purposes be grand, for even if they fail, your glory will never tarnish."

Even the greatest venture that has the wrong people will not succeed. Take India's IT companies, for example. Some 20 technology companies started operations in India between 1980 and 1985, but Infosys [Technologies] and a few others succeeded; several others vanished. What is the difference? The environment was the same and they were all doing the same kind of IT projects, but leadership made the difference.

Here are two kuralas on this subject:

"Men who cannot drive home their point before a learned assembly, even if they are very knowledgeable, are good for nothing."

"Behold the man who is eloquent of speech and knows neither confusion nor fear; it is impossible for anyone to defeat him."

India Knowledge@Wharton: Some of the kuralas you cite in your book seem very direct and bold. One advises you against exposing your troubles and weaknesses. They are also ruthless in some places: "Fell down thorn trees when they are young..."

Srinivasan: Leaders of large corporations that become reputable invariably follow these principles. But their people at the second or third level don't know the nuances of these things. Take, for example, premature disclosure. One kural says: "Do not reveal your troubles to men who do not know them. Similarly, do not expose your weakness to your enemies." Or this: "The man of action lets his purpose appear only when the purpose is achieved, for an untimely disclosure may create obstacles that cannot be surmounted."

Even to your board, you need to disclose things only at the appropriate time in significant detail. If you have clearly articulated in your mind the pros and cons of a proposal, you are able to explain it to the board in 15 or 20 minutes and get it passed. If you discuss your proposal prematurely without having thought it out, you risk your board rejecting it.

I have seen CEOs of several midsize companies and even some bigger companies who blame their boards for not getting their proposals passed. It is predominantly because of their inefficient articulation and inability to put forward their ideas in ways [that will] carry their boards with them.

India Knowledge@Wharton: Do you recall an illustration of that?

Srinivasan: Among the people with those qualities I have personally seen are Narayanan Vaghul [chairman of India's largest private bank, ICICI] and K.V. Kamath [CEO of ICICI]. Somehow, even if the board starts out on a negative note, saying that certain proposals are not consistent with the corporation's core competence areas and so forth, they get their proposals approved.

Take, for example, the way ICICI went about its retail banking strategy in the mid-1990s. At that time, it was a predominantly corporate finance institution. Vaghul and Kamath felt the company could not continue to be viable as a project finance institution because the new economic liberalization policies restricted access to inexpensive funds and forced it to tap the public markets like others.

They went about [developing] their retail [services] through a shared vision and ruthless implementation and made it happen, although a lot of people felt ICICI did not possess the implementation capability -- HDFC was strong in housing finance, there was Citibank in auto finance, and so on. That is where Vaghul and Kamath [offered an] articulation of the competition's limitations that ICICI could take advantage of. Without that articulation, it would have been tough to get the board's approval.

India Knowledge@Wharton: What thoughts about leadership does the *Thirukural* offer for Indian industry, especially now that it faces a talent shortage across the board, attrition, wage inflation, etc.?

Srinivasan: A lot of people think you become a leader by throwing your weight around -- that they need to shout at certain people and [punish them] even for small mistakes. This is particularly true of middle-level managers. Even some of the management schools create the impression that a snobbish attitude is actually helpful for leadership.

To become a leader, you have to command respect or force people to have respect for you by creating awe around yourself. The boss who forces respect is not creating a sense of belonging and togetherness, and employees will leave for better salaries. This is one reason why people complain that they cannot get the right talent; it is an indication of weakness in leadership.

Until five years ago, a strategy of forcing people to respect you worked because employment opportunities in India were scarce and people held on to their jobs like a golden cage -- they could not move out even if their leaders harassed them. Today it is an employee market, and leadership styles have to change.

India Knowledge@Wharton: Your book talks about how the *Thirukural* advocates an openness to dissent.

Srinivasan: Generally, a leader believes that certain things are right. He may not come to know the details of how his strategy is being implemented, and the people close to him may not reveal everything. In an open forum, even the adverse aspects will come out. But if you start punishing those who point out the adverse aspects, then nobody will give you the right information, and whatever you do will fail. A kural on this is: "A leader should have the virtue to hear the words that are bitter to his ears."

I have personally experienced this. When the second line of people in my company think what I am doing is wrong, in 75% to 80% of the cases I have been able to articulate that what I am doing is right, and they agree. And in 20% of the cases, I have agreed with what they say and changed my approach.

India Knowledge@Wharton: Thiruvalluvar also talks about how one has to be careful with the second tier of your organization's management. He seems to suggest instant sacking of undesirable people.

Srinivasan: He is advocating two things. One refers to the traitors in the camp. They know your strategy and your secrets, and help your rivals. The moment you come to know that somebody is a traitor, or even if you have a suspicion, you must remove that person or exclude him from your camp. The 10 kural on this subject advocate a zero-tolerance approach.

Secondly, the *Thirukural* talks about an untrustworthy minister, or your second-in-command. It says, "He is more dangerous than even 700 million enemies."

There are many parallels here in politics and companies. People stage coups in countries because they were not removed at the right time. You will find this true also with badly planned corporate succession strategies.

The kurals talk about the desired qualities in a minister or an ambassador and advocate that the person you select must have the organization's larger objectives in mind.

India Knowledge@Wharton: What can one learn from the *Thirukural* about financial management?

Srinivasan: This kural is useful in financial management: "It does not matter if the feeder channel is narrow, so long as the draining channel is not wider."

You may also apply the following kural to managing your company's debt: "If you put too many of them, even the peacock's feathers would break the wagon's axle."

India Knowledge@Wharton: M&As are now a popular route for many Indian companies. But many firms are new to the game, and there are concerns about whether they have the relevant experience -- whether they might overpay and so forth.

Srinivasan: A lot of M&As are driven today by concerns that a company may not be able to grow and gain market share unless it acquires or gets acquired. Also, there is a fear among promoters that the value of their stock may fall. One kural says: "Take into consideration the inputs, the wastage, the output and the profit that an undertaking will yield; these are the yardsticks for any new venture."

The *Thirukural* also says: "There are enterprises that tempt with a great profit but which perish even the capital itself. Wise men will not undertake them." Also: "Before taking up any enterprise, determine first the exertion necessary, the obstacles on the way and the expected profit at the end."

In addition, the kurals encourage you to be pragmatic. For example: "When the territory of the king (market share of a company) declines, leading to a fear in the mind of the king (CEO) that he will not be able to survive the opponent (competition), it is better for him to submit to an alliance with a stronger king (acquiring company)."

Also, consider these kurals on the right time to [acquire]: "Bend down before your adversaries when they are more powerful than yourselves. They can be easily overthrown when you attack them at the moment when their power is on the decline." And: "When the tide is against you, feign inaction like the stork. When the tide is on, strike with swiftness and sure aim."

India Knowledge@Wharton: What does the *Thirukural* say about corporate governance and social entrepreneurship?

Srinivasan: Basically, corporate governance is openness, transparency and not doing things for private benefit. If you follow the virtues prescribed in the kural, you will automatically be on the path of good governance. One kural says: "Let the thing you decide to do be above reproach, for the world looks down upon the man who stoops to a thing that is beneath himself."

Another kural could be related to nepotism and playing favorites: "If you choose an unfit person for your job just because you love and you like him, he will lead you to endless follies."

And there are others that could apply to social entrepreneurship, such as: "The prince (CEO) shall know how to develop the resources of his kingdom, how to enrich his treasury, how to preserve his wealth and how to spend it worthily."

India Knowledge@Wharton: You say in your book that 3i Infotech faced many challenges as it grew with acquisitions. How did you use the *Thirukural* to deal with them?

Srinivasan: At 3i Infotech, I relied on the *Thirukural* mainly in the selection and removal of a lot of people. For example, the kural [I mentioned earlier] was helpful to me: "The minister that sits in the council and plots the ruin of his prince is more dangerous than 700 million enemies." At the time, I was in India, and a senior company executive started cutting off communication with employees and became unapproachable to them. He began making it appear as if I had authorized some decisions, basing them on half-conversations with me and extracting a "yes" from me on some things.

One day, after I returned to the U.S., I realized he was dangerous to the organization. He had stepped out for lunch and when he returned I dismissed him on the spot.

I had also hired some people without proper checks and had to remove them. Another kural says: "Never trust men without testing them, and after testing them give each one of them the work for which they are fit." These days, I first place [hires] in some relatively less sensitive positions before elevating them.

India Knowledge@Wharton: Are there kural that seem to go against popular wisdom but are, in fact, worth following?

Srinivasan: Regarding the retention of your good second-level people, one kural says that if a certain person is very good at his work, don't mind the small liberties he takes. It says: "If the king (CEO) is harsh of word and unforgiving, his prosperity, even if it is great, will end quickly." If somebody is good and you pep him up, his ego gets boosted and he may take some small advantages. If you become too tight with the rules, it may hurt him and you may lose some bigger things. That is an unconventional thought.

Another kural encourages you to make friends with your enemy's enemy. If a CEO or a minister converts an enemy's enemy into a friend, half your battle is won because your enemy is weakened -- you become two and he becomes one.

different faiths must also have lessons for management and leadership. How is the *Thirukural* different?

Srinivasan: Compared to the *Bhagvad Gita* and the Vedas, the *Thirukural* goes into more detail and nuances rather than the broad philosophy. The *Thirukural* is more like a manual and has 10 kuralas on every aspect; it lays out the procedures and processes. The other works don't talk about the right time and strategy for an enterprise, people management, and so forth.

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