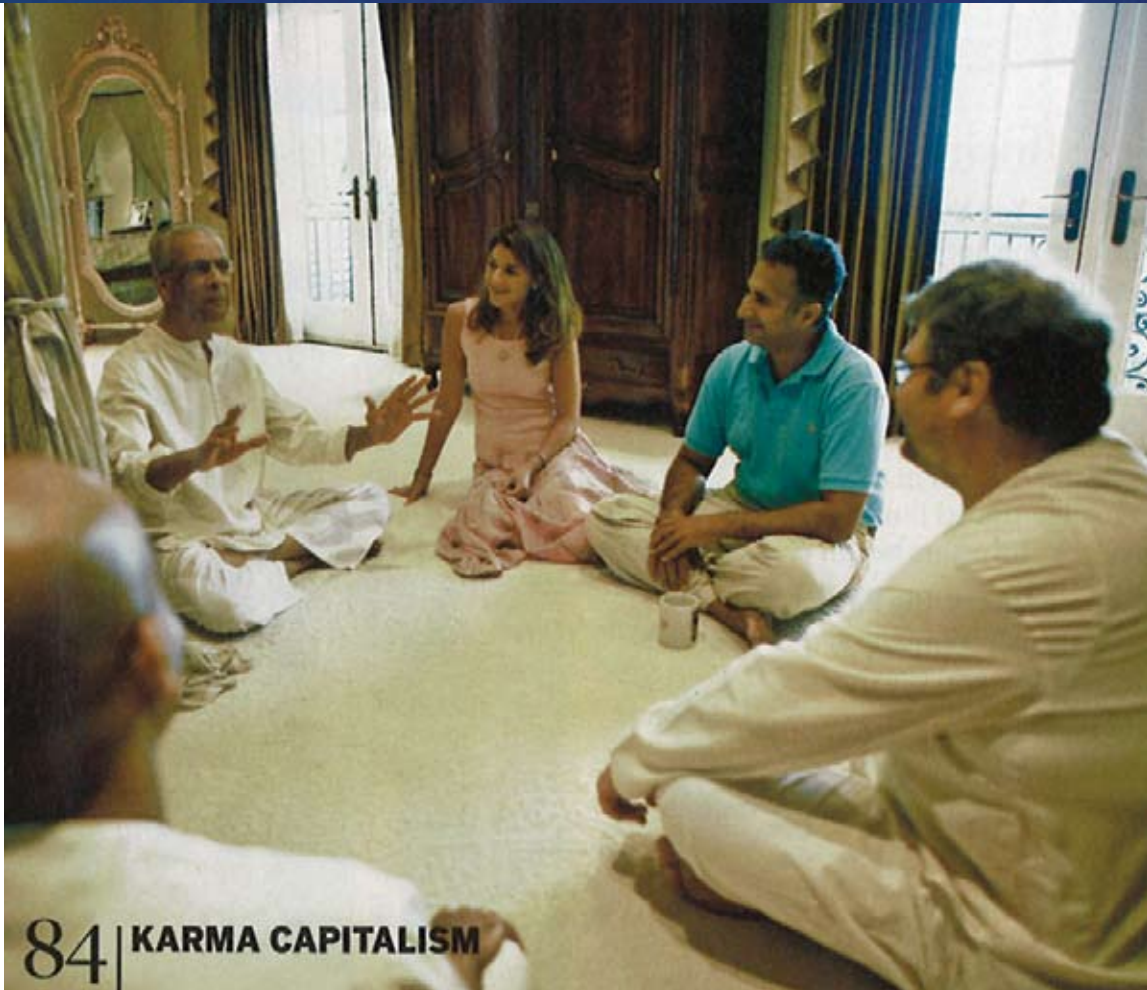


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## Special Report

### 84 Karma Capitalism

Has the *Bhagavad Gita* become the hip new management text?

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# Karma Capitalism

Times have changed since Gordon Gekko quoted Sun Tzu in the 1987 movie *Wall Street*. Has the *Bhagavad Gita* replaced *The Art of War* as the hip new ancient Eastern management text?

By Pete Engardio

**S**IGNS OF WORLDLY SUCCESS abounded as members of the Young Presidents' Organization met at a mansion in a tony New Jersey suburb. BMWs, Lexuses, and Mercedes-Benzes lined the manicured lawn. Waiters in starched shirts and bow ties passed out vegetarian canapés. And about 20 executives—heads of midsize outfits selling everything from custom audiovisual systems to personal grooming products—mingled poolside with their spouses on a late September evening.

After heading inside their host's sprawling hillside house—replete with glittering chandeliers, marble floors, and gilded rococo mirrors—the guests retreated to a basement room, shed their designer loafers and sandals, and sat in a semicircle on the carpet.

The speaker that evening was Swami Parthasarathy, one of India's best-selling authors on Vedanta, an ancient school of Hindu philosophy. With an entourage of disciples at his side, all dressed in flowing white garments known as *kurtas* and *dhotis*, the lanky 80-year-old scribbled the secrets to business success (“concentration, consistency, and cooperation”) on an easel pad. The executives sat rapt. “You can't

succeed in business unless you develop the intellect, which controls the mind and body,” the swami said in his mellow baritone.

At the Wharton School a few days earlier, Parthasarathy talked about managing stress. During the same trip, he counseled hedge fund managers and venture capitalists in Rye, N.Y., about balancing the compulsion to amass wealth with the desire for inner happiness. And during an auditorium lecture at Lehman Brothers Inc.'s Lower Manhattan headquarters, a young investment banker sought advice on dealing with nasty colleagues. Banish them from your mind, advised Parthasarathy. “You are the architect of your misfortune,” he said. “You are the architect of your fortune.”

The swami's whirlwind East Coast tour was just one small manifestation of a significant but sometimes quirky new trend: Big Business is embracing Indian philosophy. Suddenly, phrases from ancient Hindu texts such as the *Bhagavad Gita* are popping up in management tomes and on Web sites of consultants. Top business schools have introduced “self-mastery” classes that use Indian methods to help managers boost their leadership skills and find inner peace in lives dominated by work.

More important, Indian-born strate-

gists also are helping transform corporations. Academics and consultants such as C. K. Prahalad, Ram Charan, and Vijay Govindrajana are among the world's hottest business gurus. About 10% of the professors at places such as Harvard Business School, Northwestern's Kellogg School of Business, and the University of Michigan's Ross School of Business are of Indian descent—a far higher percentage than other ethnic groups. “When senior executives come to Kellogg, Wharton, Harvard, or [Dartmouth's] Tuck, they are exposed to Indian values that are reflected in the way we think and articulate,” says Dipak C. Jain, dean of the Kellogg School.

Indian theorists, of course, have a wide range of backgrounds and philosophies. But many of the most influential acknowledge that common themes pervade their work. One is the conviction that executives should be motivated by a broader purpose than money. Another is the belief that companies should take a more holistic approach to business—one that takes into account the needs of shareholders, employees, customers, society, and the environment. Some can even foresee the development of a management theory that replaces the shareholder-driven agenda with a more stakeholder-focused



The Young Presidents' Organization in New Jersey soaks up the philosophy of Swami Parthasarathy