ABSTRACT

The search for excellence and all-round happiness has been the important objective of mankind since decades. Happiness can be attained either through self-exploration or through fulfillment of appropriate desires and physical facilities. When someone tries to attain happiness through the latter, creation and distribution of products & services, occupy the central stage which is translated into business. In Vedic Hindu Philosophy, business is seen as a legitimate, integral part and parcel of society. Its core function is to create wealth for society through manufacturing, domestic distribution, international trade, financing and other such related activities to satisfy consumer need & wants. It emphasizes the need to work for an economic structure based on Sarva Bhaum Vyavastha which means "the well being of all human being" and to serve for the society. To enhance the benefits of business as profit, goodwill and other lot many factors, it needs to achieve all round excellence where maintenance of quality becomes important factor. The paper contains a broad discussion on business excellence and quality models of few countries and establishes a relationship of these with the similar inferences as already existing in the Vedic Hindu literature or philosophy. A new outlook to business excellence has been tried by taking clues and instances from Vedic Philosophy, which provides another important platform towards building business excellence models in future for betterment.

Key words: Business, excellence models, hindu vedic philosophy, values.

1. Introduction

“Follow values” (Satyam Vadah, Dharmam Charh) is a important lesson for people since decades. Natural acceptance of values was the main reason behind the prosperous ancient Indian society. On the other hand, people are ready to do anything by hook or by crook if immediate gain of facilities is possible by that. Since a long time, many administrative & management theories have been developed and implemented to attain business 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. Implementation of Business Excellence Models (BEMs) is being considered to be the best way to attain excellence.

The meaning of excellence is "Quality of highest order", As per Hindu Philosophy, "Swa-Dharma" or "Self-Ethics" or "Organization's values System" are nothing but the synonyms to quality. To attain the excellence or best quality everyone in an organization either employee
or management representatives needs to perform his duty or responsibility correctly and completely without any deviation every time.

Rapid growth in transportation, communication, and computerization coupled with the use of Internet led to steep rise in competition across the world. It has forced organizations to redefine their management practices and pattern of functioning and policies to win the race of competition and challenges. National Governments and Industrial Associations came in the front with an objective to assist various industries to enhance competitiveness in their respective nations, and developed Business Excellence Models (BEMs). The Governments & Associations also announced National Quality Awards (NQAs) during 1990s to motivate industries. A report of UNECE (2004) says that there are more or less 90 quality and business excellence awards in at least 75 countries. These models motivate a lot to industries in case of business excellence worldwide.

1.1 The essence of vedic philosophy regarding business

In Vedic philosophy, business has been considered as a legitimate, integral part of the society to live our livelihood. The basic activity of business is to create prosperity for the society to make the people physically & mentally healthy through manufacturing, balanced domestic distribution of products & services, foreign trade, financial transactions and other related activities. It focuses to work for an reason by which we can get some monetary returns and ‘betterment of mankind’ Sustain able growth and excellence in business and social life can be attained through ‘Prosperity for all mankind or ‘Dharmic path’. ‘Speak truth and follow Dharmic way’, meaning right way of living life & earn bread & butter (Teetitriya Upanishada 1.11) is a key ancient teaching. The importance of traditional style of doing business lies in adopting an ethical approach and making it possible to fulfill the expectations of the society at the whole.

It was felt that contemporary Business Excellence Models represent before us the most effective & efficient practices of the present day business world. So that, an attempt has been made to indulge Universal Business Excellence Model through amalgamation of BEMs with Universal laws of Nature to attain multi-disciplinary business development & growth. The most common and particular issues of BEMs were experienced with the help of testing vis-à-vis Universal Values enshrined in Vedic hymns. In addition, certain issues which were not properly identified in the BEMs but emphasized & came into light in Vedic hymns have also been identified and empirically experimented to check its applicability in different business & administrative environments.

1.2 Evolution of business excellence models

Different innovative models for business excellence came in different parts of the world on which quality awards for their performances were instituted in their respective countries. These awards are given to organizations those who have played a excellent role in delivering quality in actual terms and are role models for others. Some of these awards are:

1. Malcolm Baldrige National Quality Award established in 1987 in USA
2. Australian Business Excellence Award introduced in 1988 in Australia
3. European Quality Award introduced by EFQM in 1992 in Europe
4. CII-EXIM Bank Business Excellence Award introduced in 1994 in India.
Apart from the above excellence awards few other important awards like 'industry specific' and 'family group specific' quality awards also emerged into this programme. For instance in India, the Tata Group introduced the JRD Tata Quality Award and MAIT Award introduced by Manufacturing Association of IT industries. Prime Minister's Trophy, which is the biggest motivational factor for any industry, was also introduced for the steel industry in India.

To motivate the industry to come forward and take necessary improvement initiatives to bring all-round business excellence in business operations is the key focus of these awards. In this context, ISO 9000 and ISO 14000 became the worldwide global model for quality management system and environmental system. By the late 90s, Total Quality Management (TQM) became the globally or internationally accepted slogan for corporate excellence so that they can gain competitive advantage and thereby ensuring long-term success by meeting the expectations & requirements of the customers who is the king of market in recent scenario, employees who are the assets to any industry, and last but not the least other stake holders.

There are three important quality models. The objective is to emphasize the fact that more or less, these models come with the similar philosophy which already existed and explained in the Vedic Hindu literature. After the explanation of these models, we try to establish a relationship between these modern excellence models and the idea of business models given in ancient Vedic philosophy.

2. EFQM excellence model

The EFQM Excellence Model is driven by eight fundamental concepts or principles. Every year, European Quality Prizes and European Quality Awards are presented to various organizations that focus on excellence in the quality management. The EFQM Excellence Model in business management is widely acceptable across the countries. In 1994, the Confederation of Indian Industries (CII) along with Export-import Bank of India found EFQM model most suitable for Indian business conditions and adopted it for the sake of improvement in business. EFQM not only gives an insight into their strength, & weaknesses for self appraisal or assessment, but also to look forward to reframe their business excellence strategy. It is felt & implemented by lot many European & Indian industrial organizations.

A year later in 1999, the EFQM Model and the CII-EXIM Model for Business Excellence, went through a major change with the introduction of RADAR (Results, Approach, Deployment, Assessment and Review). It was introduced for measurement and 39 % change was in the areas to address bringing more emphasis on the performance and organizational excellence. The model is based on the principle factor that, “Excellent resulting with respect to performance, customers, people and society are achieved through leadership driving policy and strategy, people, partnerships and resources, and processes.”

2.1 Malcolm Baldrige national quality award

In the United States, organizational business excellence is analyzed on the basis of Baldrige Criteria for Performance Excellence. Singapore Quality Award is launched in 1994, with the Prime Minister as its patron. The Singapore Quality Award (SQA) is the most prestigious award conferred on organizations that emphasis on the highest standards of business excellence in Singapore. The SQA business excellence model is based on universally
accepted standards that are found in the US Malcolm Baldrige National Quality Award, the European Quality Award and the Australian Business Excellence Award. The SAQ promotes organizations to strengthen their management systems as a symbol of global business excellence, and capabilities to enhance their competitive skills and qualities.

2.2 Essence of business excellence models vis-a-vis vedic vision

Business excellence models, which is adopted & used by various nations, are dynamic in nature and periodically taken into consideration for review for further improvements based on the changing needs of business environment. They reflect shifts in business practices and new & dynamic management approaches and creative ideas. They can be effectively used by any organization across the globe, size, sector or maturity in excellence. The 14 points of Deming have been addressed in the eight fundamental concepts of excellence of EFQM Excellence model and also in the other excellence models. These concepts have very deep linkage & relationship with the Vedic concept of business excellence.

Constancy of objective, Deming's first point focuses on creation of the aim and purpose of the organization. The other excellence models also focus upon policy and strategy of the company to understand the basic aim of its existence.

Rig-Veda explains the "Rta", or “cosmic order" saying physical as well as moral laws govern the entire universe and that no transgression of these laws is allowed. Thus, to attain the excellence we need to have Common Vision, Universal Brotherhood, and Equitable Prosperity for all, so that everybody can be happy & prosper.

The following mantra from Rig-Veda clearly explains this concept:

"O ye mankind! Let your vision and thinking of life be one and common, Let your hearts be transpired with feeling of equality, Let your minds be united together, Resulting in equal prosperity and common excellence in the life for all”.

Excellence is dependent upon making a balance and satisfying the needs of all relevant stakeholders including employees, customers, suppliers, shareholders and society in general on the whole. Development and implementation of the improvement plans by the organizations is a part & parcel of Total Quality Management implementation under various models. It is in line with the following Vedic hymn:

"Effort is the hallmark of a human being”.

2.3 Continuous improvement focus

Vedic philosophical thought reaches its summit in the "Upanishads". The Upanishads deal with the central philosophical questions:

What is the nature of ultimate reality? What is the essence of humanity?

Putting together these two ideas, the essence of humanity and the essence of the world, the ancient philosophers produced the greatest insight of the Upanishads. Upanishads also present the doctrine of Karma. According to this teaching, each human soul lives countless lives. It is born and reborn again and again until it reaches liberation and is born no more. In life, the individual suffers and enjoys the results of immoral or moral deeds done in existing and previous lives. In turn, the individual performs deeds whose fruits he will reap in existing
and succeeding lives. Every moral act must lead to its appropriate reward: if not in this life, then in a future one.

In an organization, perceptions of customers, employees, shareholders, suppliers and society about the organization are formed based on its past performance and current deeds. Also, every positive initiative taken by the organization will fetch good results now or in the future. Thus, an organization should continuously focus on the improvements as per Deming’ PCDA (Plan-Do-Check-Act) Circle or the RADAR (Results, Approach, Deployment, Assessment and Review).

The concept of continuous learning, innovation and improvement of excellence models emphasize the same thing. The emphasis on continuous efforts for improvements to attain excellence is supported by Vedic hymn: "The Gods like hard-working persons. They dislike easy-going and idle people. Ever-wakeful persons attain great happiness and prosperity".

Another Vedic hymn focuses on continuous improvements: "O man! You grow very high".

### 2.3.1 Customer focus

The customer is the final arbiter of the quality of any product or service. Customer loyalty, retention, and market share gain are best optimized through clear focus on the needs of current and potential customers. Customer results have been given 20 per cent weightage in the EFQM Model. In his second point, Deming stresses that management must learn their responsibilities and give first priority to customer satisfaction as he is the king of market concept given by Philip Kotler. He stresses in the third point to eliminate the need for inspection by building quality into the product in the first place. This is endorsement to the teaching of Lord Krishna in Bhagvad Geeta:

"Yoga is excellence in Karma (action)".

Thus customer satisfaction or 'quality of highest order' can be attained only through voluntarily following "Swa-Dharma" or "Self-Ethics" or "Self-Inspection" or "Organization’s Values System", which will lead to achievement of excellence (Yoga) of product or service ultimately passed on to the customers.

### 2.3.2 Leadership

The behaviour of an organization’s leaders creates a clarity and unity of purpose within the organization and an environment in which the organization and its people can excel. All business excellence models put leadership as the first step towards excellence. Manu Smiriti has many mantras, which guides how the Good governance can be achieved. In the past hundred years we have seen growth and fall of national economies and the companies. Role model ethics by the chief executive plays a major role in the development of organizational culture.

Employees will follow the "Swa-Dharma" or Organization’s Values System only if the chief executive and his top team set an example before them as Vedic philosophy explains:

"As the chief executive (King) is, so are the people".
The above principle has also been endorsed by eminent international quality experts like Deming, Juran, Claus Moller, and Harry Roberts who deliberately identify the personal quality of the chief executive as the very basic point for the organizational excellence. Deming has given special focus on various aspects of leadership. The search of personal quality starts from self-analysis or self-assessment. Vedic shastras strongly stress on the need of three types of self-discipline to be strictly observed by the Shreshtha Purusha (man with high moral ethics) or the chief executive of an organization. These are:

1. Atma-Glani or Self-Guilt,
2. Ishwar-Bhaya or Fear of punishment by God, and
3. Lok-Lajja or Fear of Society.

2.3.3 People focus

The full potential of an organization’s people is best released through shared values and a culture of trust and empowerment, which encourages the participation of everyone. Deming has stressed on people development. He emphasizes that each employee must be devoted to the organization’s philosophy of commitment to never-ending improvement through education, training and self-improvement. Management should drive out fear and create an environment of trust and innovation so that everyone may effectively contribute. The hymn of Atharva Veda endorses the above concept:

"O King! Take care of the welfare and growth of all your people. Then you will grow as the sun grows and shines at dawn and after its rise".

The sun makes consistent and continuous efforts to grow without fear. Similarly, the chief executive should make consistent and continuous efforts for the growth of his employees and the organization. The quality of a person's life is directly proportional to his commitment to excellence regardless of his chosen field of Endeavour.

2.4 Partnership focus

An organization works more effectively when it has mutually beneficially relationships built on trust, sharing of knowledge, and integration with its Partners. Various excellence models emphasize to end the practice of awarding business on the basis of the price tag. Instead to minimize total cost, move toward a single supplier for any one item and build the long-term relationship of loyalty and trust. The enhancement of organizational performance, practices, and capabilities is possible only through teamwork, sharing of best practice information among organizations. Benchmarking offers the possibility to exchange experiences with peers from other companies in a very open and friendly atmosphere. Participation in benchmarking clubs by a variety of industries makes it easy to find companies that have different strengths. Thus, the team spirit between the organizations play a vital important role in high growth, as the hymn in 'Atharva Veda' says:

"People with same divine thoughts grow together”.

Benchmarking requires visioning "out of the box", a willingness to look for solutions not only within your own environment, but anywhere in the globe. Focus on enablers (actions) to achieve results is truly in line the hymn from Bhagwad Geeta:

"Don't be associated with inaction".
2.5 Process focus

Organizations perform more effectively when inter-related activities are understood and systematically managed. The decisions concerning current operations and planned improvements are made using reliable information that includes stakeholder perceptions. ISO 9000 system mainly stresses on the process focus. In excellence models too, process focus has been given the centre stage as the backbone for excellence.

The scriptures moved a step further and stresses on continuous efforts or process focus with detachment. A hymn from 'Yajur-Veda' says that one should continue to put in his best efforts for 100 years (whole lifetime) with detachment from its results. The selfless actions will lead one to the highest level of happiness (Moksha):

"One should like to live in this world doing hard work for 100 years. There is no other way for one's salvation. A selfless and detached action keeps the doer away from harm”.

3. Business excellence and vedic philosophy: A new outlook

Though the business excellence models have provided a new direction and guidelines to the corporate management for growth, their focus is still limited. Vedic philosophy takes us much ahead on the road of excellence to become a dream society, where every member is prepared to sacrifice his profits for the larger interests of society. In Vedic mythology, business is seen as a legitimate, integral part of society. Its core function is to create wealth for society through manufacturing, domestic distribution, foreign trade, financing and other related activities. It encourages one to work for an economic structure based on "Sarva loka hitam" which means "the well-being of all stakeholders". The long-term interest of the organization and its people is best served by adopting an ethical approach and exceeding the expectations and regulations of the community at large. Though the EFQM model gives society 6 per cent weightage, other excellence models have ignored this aspect. The corporate world has forgotten to take care of this aspect in the past; leading to the industrial recessions, trade union struggles, and other problems today.

4. Conclusion

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 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 maximize the short-term gains for the organization. In an extreme case, an organization 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.

In essence Veda is answers to many questions. This can be achieved through integrating and directing efforts to maximize the global product and its equitable distribution among members of society. Organizational excellence can be attained by developing proactive, self-responsible people concerned with achieving the ultimate goals of the organization and inculcating values for appreciating the purpose of achieving goals. To bring excellence, the integration of the Vedic studies with modern science and technological research is necessary.

5. References


4. Atharva Veda pp 8-2-21, Bhagavad Gita pp 8-17 to 19.


