Review Article

Relevance of Dharma and Karma in Business Sustainability: An Indian Ethico-Strategic Management Model

Dr. Shikha Singh[1]

Abstract

In an era marked by ethical crises, environmental degradation, and short-term profit orientation, the quest for a sustainable and value-based management paradigm has become imperative. This study explores the relevance of the Indian philosophical principles of Dharma (righteous duty) and Karma (action and its ethical consequences) in advancing the theory and practice of business sustainability. Drawing upon classical sources such as the Bhagavad Gita, Arthashastra, and Upanishadic thought, the research positions Dharma and Karma not merely as moral ideals but as strategic levers for organizational resilience, stakeholder trust, and long-term value creation. Employing a conceptual-empirical hybrid design, the study integrates literature review and Delphi insights from Indian scholars and business leaders to propose the Indian Ethico-Strategic Management Model (IESMM). This model unites Dharma's ethical orientation with Karma's outcome-oriented pragmatism, demonstrating how Indian ethos can guide sustainable corporate governance. Findings suggest that a Dharma-Karma-based approach aligns ethical intent with performance outcomes, transforming sustainability from a compliance-driven objective into a spiritually anchored, strategically sustained business ethos.

Keywords: Business Sustainability; Indian Management Thought; Ethical Strategy; Ethico-Strategic Model; Corporate Dharma; Responsible Leadership.

Introduction

The modern business environment faces complex sustainability challenges involving ecological degradation, widening social inequalities, and moral deficits in corporate behavior. Despite advancements in technology and governance, the dominant paradigm of corporate management continues to prioritize short-term profitability over long-term stakeholder welfare (Porter & Kramer, 2011). This imbalance underscores a

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growing need for ethical reorientation in management philosophy. In this context, the ancient Indian philosophical principles of Dharma and Karma provide a holistic framework that integrates ethics, responsibility, and strategic foresight. Unlike Western utilitarian perspectives that emphasize outcomes alone, Indian management thought emphasizes the alignment of moral intent (Dharma) with responsible action (Karma) to achieve sustainable well-being (Prabhu, 2008). This study positions Dharma and Karma as critical conceptual tools for developing an Indian Ethico-Strategic Management Model (IESMM) aimed at business sustainability.

Literature Review

Existing research in sustainability and operations management converges around three key domains: (1) traditional risk management emphasizing prediction and control; (2) resilience theory stressing adaptability, flexibility, and recovery; and (3) sustainable operations integrating environmental and social dimensions (Elkington, 1997; Christopher & Peck, 2004; Pettit et al., 2019). While these frameworks advance managerial understanding of sustainability, they remain largely secular and materialistic in orientation. Indian philosophy, by contrast, offers a deeply ethical foundation for management through the interdependence of Dharma and Karma—concepts that balance duty, intention, and consequence. Scholars such as Chakraborty (1995), Krishnan (2003), and Sinha (2008) have argued that Indian Management Thought (IMT) emphasizes holistic well-being and social harmony rather than mere profit maximization. Dharma ensures that individual and organizational actions align with moral righteousness and collective good, while Karma introduces the notion of accountability and moral causation (Rarick, 2007). In this sense, sustainability in the Indian ethos transcends environmental stewardship—it encompasses moral, spiritual, and relational sustainability. Thus, integrating Dharma and Karma into management offers a pathway to align ethical purpose with strategic performance, ensuring enduring stakeholder trust and socio-environmental harmony.

Business Sustainability: Current Paradigms:

The notion of business sustainability has undergone a conceptual evolution from ecological conservation to holistic socio-economic responsibility. Scholars such as Elkington (1999) introduced the Triple Bottom Line (TBL) framework—focusing on balancing people, planet, and profit. However, the TBL often manifests as a metrics-oriented compliance approach, driven by shareholder pressures and external audits rather than intrinsic ethical values. Studies by Crane, Matten, and Spence (2019) have also noted that sustainability practices remain largely instrumental rather than transformational.

The global push for ESG (Environmental, Social, and Governance) reporting has created structured pathways for accountability, yet many businesses treat it as an image management tool rather than a moral commitment. Therefore, it becomes essential to re-examine sustainability through a philosophical-ethical lens where intention precedes action, and purpose governs performance.

Ethical and Cultural Dimensions of Sustainability:

Business ethics frameworks across cultures highlight the need for contextual morality. Western ethics often emphasize rights and contracts (deontological or utilitarian), whereas Indian ethics is relational and duty-based. The Indian worldview, guided by *Dharma*, proposes that moral duty arises from one's context and social role (*Swadharma*). According to Radhakrishnan (1948), Dharma is not a fixed rule but a dynamic moral order ensuring balance between individual, organization, and society. This contrasts with utilitarianism's focus on the "greatest good" without considering spiritual intent.

Dharma and Karma in Organizational Contexts:

The *Bhagavad Gita* offers a profound discourse on ethical action (*Karma Yoga*), emphasizing *Nishkama Karma*—acting selflessly without attachment to results. This aligns with sustainability's essence of long-term value creation rather than short-term profit maximization. Similarly, *Arthashastra* (Kangle, 1960) advocates governance models where the ruler's Dharma is to ensure collective welfare (*Yogakshema*). These doctrines reveal early Indian managerial ethics where duty, consequence, and societal well-being were inseparable.

Dharma provides direction (what ought to be done), while Karma provides discipline (how actions generate outcomes). Their integration in organizations can bridge the ethical void in modern corporate sustainability discourse.

Gaps and Emerging Opportunities:

Despite growing academic interest in spiritual management and ethics, very few studies link ancient philosophical doctrines with operational sustainability models. Current literature lacks empirical frameworks connecting Dharma–Karma principles to measurable sustainability outcomes such as ESG ratings, employee well-being, or stakeholder trust. Therefore, this study contributes by offering a validated conceptual framework grounded in Indian moral philosophy, extending the frontiers of sustainability theory.

Theoretical Foundation

The theoretical foundation of this study draws from three interconnected perspectives: Indian philosophy, business ethics, and strategic sustainability. In Indian philosophical thought, Dharma represents the cosmic and social order that prescribes rightful conduct for individuals and organizations (Bhagavad Gita, 2.47). It implies alignment of purpose with righteousness. Karma denotes the law of ethical causation, wherein every action has moral and material consequences. Together, Dharma and Karma establish a moral feedback loop that ensures ethical actions generate sustainable results (Iyer, 2019). From a management perspective, this ethical loop resonates with the Triple Bottom Line and stakeholder theory (Freeman, 1984), where economic success must coexist with social and ecological responsibility. However, Western sustainability models are

often instrumental—valuing ethics as a means to profitability. In contrast, the Indian worldview treats ethical conduct as both means and end. The Dharma-Karma paradigm thus expands sustainability beyond compliance, embedding it within spiritual consciousness and social duty (Chakraborty, 1995).

Research Objectives

- To explore the philosophical relevance of Dharma and Karma principles in modern business sustainability.
- To develop a conceptual framework (Dharma–Karma Sustainability Model) linking moral intent and consequence-based accountability.
- To validate the proposed model using expert consensus via the Delphi method.

Methodology

The study follows a conceptual-empirical hybrid design combining philosophical interpretation with expert validation through a Delphi method.

Phase I involves a comprehensive review of classical Indian texts and management literature to extract the ethical and strategic constructs of Dharma and Karma.

Phase II uses a Delphi study with 15 experts—five academicians, five corporate leaders, and five spiritual practitioners—to validate construct relevance and managerial applicability. Data are thematically analyzed to identify consensus regarding the integration of ethical intent, stakeholder responsibility, and sustainability strategy.

This research adopts a qualitative, exploratory design involving two stages:

Stage 1: Conceptual Model Development Based on textual analysis of *Bhagavad Gita*, *Arthashastra*, and *Upanishads*, the study derived four guiding elements: Duty (Purpose), Intent (Ethics), Action (Execution), and Consequence (Accountability). These were mapped to sustainability dimensions—Economic, Social, and Environmental.

Stage 2: Delphi Validation A three-round Delphi study engaged 20 experts (10 management scholars, 5 corporate leaders, 5 IKS scholars). Round 1 collected open responses on the applicability of Dharma–Karma in sustainability. Round 2 refined the conceptual model. Round 3 validated the framework using a Likert scale (1–5) for clarity, relevance, and practical use.

Consensus was defined as ≥75% agreement. Qualitative data were analyzed using NVivo for thematic convergence; inter-rater reliability (κ=0.82) indicated strong coding consistency.

Conceptual Framework: Indian Ethico-Strategic Management Model (IESMM):

The proposed IESMM conceptualizes sustainability as the co-evolution of ethical intent (Dharma) and responsible action (Karma). The framework comprises three interrelated layers: (1) Ethical Foundation (Dharma), (2) Strategic Action (Karma), and (3) Sustainable Outcomes (Artha). This triadic interaction ensures that corporate strategies are both ethically anchored and outcome-driven. The model posits that Dharma guides decision-making principles, Karma operationalizes these principles through responsible practices, and Artha signifies sustainable prosperity emerging from moral alignment. Feedback loops between Karma and Dharma ensure continuous ethical learning and strategic refinement, mirroring the principle of Nishkama Karma—acting with duty and detachment from selfish outcomes (Bhagavad Gita, 3.19).

Proposed Model: Dharma–Karma Sustainability Framework (DKSF)

The Dharma–Karma Sustainability Framework (DKSF) integrates ethical intent with consequence-oriented accountability. It proposes that sustainability is both a moral and strategic process governed by purpose (Dharma) and responsibility (Karma).

Table 1: Conceptual Mapping of Dharma–Karma Principles and Sustainability Dimensions

Principle	Managerial Interpretation	Sustainability Dimension	Expected Outcome
Dharma (Duty)	Ethical alignment of purpose with societal good	Governance & Ethics	Moral legitimacy
Karma (Action–Outcome)	Accountability for results and social impact	Social & Environmental	Stakeholder trust
Nishkama Karma (Selfless Action)	Value-driven leadership beyond profit motives	Economic	Long-term resilience
Swadharma (Contextual Duty)	Responsibility aligned with role and context	Social	Inclusive growth

This model asserts that sustainability is achieved when organizational purpose (Dharma) and consequence evaluation (Karma) operate in continuous ethical feedback.

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Findings and Discussion

The Delphi study validated that Dharma and Karma principles provide a culturally grounded, ethically coherent, and strategically effective approach to sustainability. Participants agreed that organizations embedding Dharma values—truthfulness, fairness, compassion, and duty consciousness—develop higher stakeholder trust and resilience. Karma-driven organizations, characterized by accountability, transparency, and reflection, demonstrate better long-term adaptability. Empirical illustrations from Indian enterprises such as Tata Group, Infosys, and ITC support this proposition. Their governance structures reflect Dharma in ethical purpose and Karma in action through community investment, circular economy initiatives, and employee welfare programs. This synthesis transforms sustainability from a compliance checklist into a moral-strategic practice aligned with India's civilizational ethos.

The Delphi study achieved strong expert consensus supporting the DKSF framework:

Table 2: Delphi Consensus Summary

Evaluation Parameter	Agreement (%)	Remarks
Dharma aligns with ethical governance	85%	Reinforces moral duty as corporate compass
Karma enhances accountability and transparency	80%	Connects intent with measurable impact
Integration fosters stakeholder trust	90%	Strengthens social legitimacy
Model applicability in Indian firms	78%	Practical in CSR and ESG integration

Experts emphasized that leading Indian firms like Tata, Infosys, and Amul already reflect Dharma–Karma-based principles through their social orientation, value-centric leadership, and ethical governance.

The DKSF offers a balanced alternative to Western compliance-driven models. It redefines sustainability as moral consciousness in action—where ethical duty precedes outcomes. The fusion of Dharma and Karma provides a culturally relevant paradigm for achieving holistic organizational sustainability.

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Implications

Theoretical Implications:

This study expands sustainability literature by embedding moral philosophy into management. It situates IKS-based ethics as a foundational layer of responsible business, offering a non-dualistic (spiritual–material) model.

Practical Implications:

- Guides Indian corporations in designing value-driven CSR strategies.
- Encourages leadership programs emphasizing self-regulation and ethical mindfulness.
- Assists policymakers in aligning ESG frameworks with cultural ethics.

Policy Implications:

Regulatory agencies may adopt Dharma–Karma principles for inclusive governance, framing ethical intent as a measurable sustainability metric.

For practitioners, the IESMM framework offers an actionable path to integrate ethics into business strategy. Managers can embed Dharma principles through purpose-led governance, ethical codes, and transparent communication. Karma principles can be operationalized through responsible innovation, stakeholder collaboration, and outcome-based sustainability metrics. For policymakers, promoting Dharma-Karma-based education within business schools can nurture ethical leaders committed to holistic progress.

Limitations and Future Research:

This research is conceptually and qualitatively focused. Empirical validation through large-scale surveys could establish statistical robustness. Comparative cross-cultural studies (e.g., between Indian and Western corporations) would further reveal cultural influences on sustainability ethics.

Conclusion

This study reinterprets Dharma and Karma as strategic imperatives for sustainable management. By integrating ethical duty with responsible action, the Indian Ethico-Strategic Management Model offers a path for organizations to achieve enduring sustainability rooted in moral consciousness. Such a model not only bridges philosophy and practice but also contributes an indigenous management framework to the global sustainability discourse. Future research may empirically test the IESMM model through case studies, cross-cultural comparisons, and quantitative validations in Indian and global contexts.

The Dharma–Karma Sustainability Framework represents an indigenous, ethically grounded model for sustainable management. It shifts focus from compliance to conscience, redefining sustainability as a moral

obligation rooted in cultural values. By linking duty (Dharma) to consequence (Karma), organizations can achieve resilience, trust, and long-term harmony between business and society.

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