

Navigating corporate social responsibility in the realms of Indian knowledge system

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Abstract

Corporate Social Responsibility (CSR) has become a fundamental aspect of current corporate operations, emphasizing the need for businesses to balance economic objectives with ethical and social responsibilities. While CSR frameworks are often grounded in Western ideologies, this paper explores the relevance of ancient Indian philosophical principles to CSR. Drawing on key texts like the Vedas, Upanishads, Bhagavad Gita, and Arthaśāstra, it examines core concepts such as dharma (righteousness), karma (cause and effect), ahimsa (non-violence), seva (service), and sarvalokhitam (welfare of all). These teachings provide a profound foundation for business practices prioritizing societal welfare, environmental sustainability, and ethical governance. The paper argues that by integrating these values into contemporary CSR, businesses can move beyond profit maximization to foster holistic stakeholder engagement, ensuring positive social and environmental impacts. The objective of the research is to integrate ancient Indian values with modern CSR practices, offering insights into how Indian philosophy can enhance contemporary corporate social responsibility. Furthermore, it highlights the potential for Indian philosophies to enrich global CSR practices, particularly in India's growing role in the international arena. Through a comprehensive literature review, this paper presents a framework for aligning CSR with ethical imperatives and sustainable development, offering new perspectives for businesses seeking to navigate the complexities of global corporate responsibility.

Keywords: Corporate Social Responsibility (CSR); Karma; Dharma; Indian Philosophy

1. Introduction

Corporate Social Responsibility (CSR) has gained prominence in recent decades, with businesses recognizing their role in societal welfare. Traditionally framed within Western paradigms, CSR is now influenced by Eastern philosophies, particularly Indian traditions. Ancient Indian scriptures, including the Vedas, Upanishads, Bhagavad Gita, and Arthaśāstra, provide profound insights into ethical governance, societal duty, and the interconnectedness of humanity and nature. These teachings offer valuable perspectives for reshaping CSR, especially in the Indian context, as businesses expand globally and address diverse cultural, environmental, and social issues. Central to Indian philosophy is dharma, which emphasizes righteousness, moral duty, and truth, aligning with CSR's focus on ethical decision-making, social inclusivity, and sustainability. The principle of karma highlights the responsibility businesses have for the societal impacts of their actions. Additionally, values such as ahimsa (non-violence), seva (service), and sarvalokhitam (welfare of all) provide a strong ethical foundation for CSR, emphasizing societal well-being over mere profit maximization. This paper seeks to explore the philosophical underpinnings of CSR through the lens of ancient Indian wisdom, highlighting the relevance of these timeless principles in guiding contemporary corporate behavior. By examining the intersection of ancient Indian philosophy and modern CSR, this study aims to illuminate the potential for ethical, socially responsible, and sustainable business practices rooted in the traditions of Dharma and Karma. It also discusses the challenges businesses face in implementing CSR initiatives in the globalized world, drawing lessons from Indian literature and philosophies that have historically advocated for the harmonious integration of profit with societal welfare.

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The objective of this research is to synthesize these ancient values with current CSR practices, offering a comprehensive understanding of how Indian philosophical doctrines can inform and enrich contemporary corporate approaches to social responsibility. Through a qualitative literature review, this paper explores the evolution of CSR in India. It demonstrates how ancient ethical principles can guide modern enterprises striving to balance profitability with social impact.

Keywords: Corporate Social Responsibility (CSR); Karma; Dharma; Indian philosophy

2. Literature review

2.1. Dharma and Corporate Social Responsibility: Philosophical Foundations

Corporate Social Responsibility (CSR), recognized since 1924, plays a vital role in influencing organizational practices by embedding environmental, social, and economic factors into corporate decision-making. Businesses are therefore perceived as having a dual obligation—maximizing profitability while simultaneously contributing to societal and economic progress in harmony with ecological sustainability [24]. Contemporary enterprises are increasingly compelled to demonstrate heightened accountability to society during their operations. Milton Friedman asserts that “a business’s singular social responsibility is to use its assets and be involved in operations aimed at enhancing its revenue, provided it adheres to the established rules of the game—namely, engaging in open and fair competition devoid of deception or fraud.” [14]. Despite Milton Friedman’s and his adherents’ opinions, corporate responsibility is becoming increasingly recognized in the industry. Corporate Social Responsibility (CSR) serves as a well-defined framework that aligns social, environmental, and economic objectives, enabling businesses to harmonize profit-making with their broader societal obligations. Corporate Social Responsibility (CSR) has transformed into a strategic necessity, embedding environmental, social, and economic factors into corporate practices [24]. Proponents of corporate social responsibility (CSR) believe that since businesses generate enormous profits at the expense of society, they have an ethical obligation to behave more responsibly. According to corporate observers, corporate donations have increased lately, maybe due to public outrage over businesses’ reckless practices. Global supply chains, multinational corporations, and cross-border commerce have raised awareness of corporate social responsibility (CSR) issues on, among other things, environmental preservation, health and safety, and human resource management practices [11]. Business ethics and corporate social responsibility (CSR) have become contemporary concepts that even business executives have come to appreciate. “Employees, consumers, investors, and suppliers have all grown discerning and expect more openness and fairness in all transactions,” says Narayana Moorthy, founder of Infosys Inc. [1]. Corporate Social Responsibility (CSR), which involves corporations enhancing societal welfare, has emerged as a prominent concept globally, including in India. The concept is derived from Kaṭilya’s Arthaśāstra and its teachings, with the context crafted by him for his emperor (Chandragupta Maurya, in the 4th century BCE) to govern the state [17].

In his Arthaśāstra, Kaṭilya argued that an emperor (or CEO in the context of an organization) should not be self-focused, happy, or joyful; rather, his satisfaction should come from the well-being (happiness) of his people; in other words, he should integrate his temperament into the broader personality of his people. The Tyāga (renunciation) cultural mentality serves as the foundation for this [9]. One popular definition of corporate social responsibility (CSR) is “a notion by which corporations consolidate societal and environmental issues in their business operations and their interactions with their concerned parties willingly.” However, in practice, there is often ambiguity about which activities are mandatory and which are discretionary in developing nations [19]. The core principle of corporate social responsibility (CSR) is fidelity to reality, rooted in the Indian philosophical idea of Dharma. All systems of social and moral order are based on dharma. TaittirīyaUpaniṣad states that a person’s first and foremost virtue is to announce the truth (Satyamvada), and the second commandment is to practice virtue (Dharmaṁcara). Thus, dharma is essentially about acting on truth; it is the last word for living a decent life and stabilizing society [4]. Corporate Social Responsibility (CSR) refers to the ongoing obligation of businesses to act ethically and foster the growth of the economy while enhancing the standard of living of employees, their families, and the broader community and society, as defined by the World Business Council for Sustainable Development [17].

2.2. Corporate Social Responsibility Through the Lens of the Bhagavad Gita

‘Corporate social responsibility is an ongoing commitment by businesses to act ethically and support economic growth while enhancing the well-being of employees, their families, the local community, and society as a whole’. The World Business Council widely cites this definition of CSR for eco-conscious advancement. Corporate social responsibility (CSR) is an organization’s duty to behave in a manner that considers the needs of its customers, workers, shareholders, communities, and the environment in everything it does. This duty is seen to go beyond their legal need to follow the law [18].

Within the American framework, [23] connect the implementation of CSR to the philanthropic endeavors of affluent entrepreneurs John D. Rockefeller and Andrew Carnegie, who contributed vast sums to various social initiatives. Nonetheless, corporate social responsibility transcends conventional philanthropy or charitable endeavors, as it necessitates that organizations thoroughly consider their effects on all stakeholders and the environment in their decision-making processes. In summary, corporate social responsibility necessitates that organizations harmonize the interests of all stakeholders with their imperative to generate profit and sufficiently compensate shareholders [17]. The principle of 'karma' (cause and effect) is significantly pertinent to corporate social responsibility, as it is anticipated to inspire corporate leaders to fulfill their obligations and commitments to contribute to society. This ancient Hindu philosophy suggests that the current state of an individual's life or organization is shaped by their prior actions. Positive contributions must be cultivated by enterprises to ensure enduring advantages. In the realm of corporate social responsibility, organizations ought to extend their focus beyond mere self-interest to encompass the well-being of all stakeholders and the broader society. The notion of 'Karma' embodies a system of reward or punishment contingent upon the decisions made by individuals or corporations.

Thus, the principle of karma underscores the importance of dharma as a fundamental element for personal enlightenment and for the organization to achieve its full capability. It has been posited that all virtues contribute to spiritual growth and are deemed spiritual when executed with an awareness of their connection to the inner essence [6]. This Hindu theory of 'karma' has established a system for organizational actions aimed at fostering positive business 'karma' via the elevation of CSR [17]. The Bhagavad Gita advocates for the principle of nishkama karma, which emphasizes undertaking actions without attachment to their outcomes, with both the actions and their results being dedicated to the divine. In the context of corporate social responsibility, societal contributions should be made without any expectations of return; rather, they should be viewed as a duty to society [18].

In the Bhagavad Gita (3–13), Sri Krishna asserts that all public afflictions would be eradicated if socially aware persons within society get satisfaction by partaking in the remnants of their labor performed in the spirit of Yajña (selfless service to others) [18]. The context and aim of the term "Idam-na-mama" are for the general well-being, not for oneself. When doing Yajña, it is used. Giving up one's ego, selfishness, and financial possessions in favor of moral reasoning, empathy, and a dedication to the welfare of others is a fundamental tenet of the Yajña way of life. A person who lives by these principal benefits much, both personally and for society as a whole. This concept has been adhered to by all saints and sages [21].

2.3. Lessons from Ancient India on Business Ethics and Corporate Social Responsibility

Scholars of business history have observed that India has played a significant role as a center of international trade since ancient times [5]. Business excellence is attainable when practices are grounded in ethical principles and a commitment to social responsibility. This will yield enduring viability for the enterprise. The fundamental reason behind the success of Indian entrepreneurs lies in their adherence to ethical conduct and the application of sound business principles. The enforcement mechanism of the ancient religion rooted in 'Hinduism' underscored the significance of integrating ethical principles across all dimensions of existence [12]. The interplay between religion and culture significantly shapes ethical conduct within the realm of business. The intricate connections between religion, business ethics, and economic activities in India have been profound and persistently influential. As India ascends to the status of a significant economic partner, it becomes increasingly crucial to comprehend its distinctive business ethics and infrastructure. The principles of business ethics serve as the cornerstone of the corporate culture in India [2]. In ancient India, commerce was carried out following a robust personal value system that established a solid framework of business ethics, contributing to the prosperity of the Indian economy until the dawn of the nineteenth century [7]. The principles of business ethics have emerged as a crucial necessity for engaging in the global marketplace, as noted by Christie, and are regarded as an essential foundation for achieving business success [10]. "Business ethics" is not seen by many Indian companies or their boards of directors as an integral aspect of the problem of economic development as a whole [3]. Recognizing the impact of Eastern traditions on corporate ethics and global business practices is a major focus area in the field of business ethics study. Among these Eastern traditions, the Hindu faith stands out for the impact it has on corporate ethics. Business studies have, however, paid little attention to this impact until quite recently [13]. The cultural foundations of the nation in which business management is done must be solid. Accounting, financial management, corporate governance, and Corporate Social Responsibility (CSR) are all aspects of management that many communities and nations are now attempting to define and investigate [22].

Businesses are considered normal and necessary in Vedic thought. By following the correct procedures, it ought to generate profit. According to Sarva Lok Hitam, wealth is a means to an end—the well-being of all—and the Atharva Vedas state that to attain this goal, wealth must perpetually flow into society [8] highlighted the necessity of effectively communicating CSR to stakeholders to garner their appreciation and support. The business advantages derived from

CSR practices will enhance the organization's credibility, mitigate risk, and improve stakeholder relationships, ultimately leading to increased efficiency within the firm. There are several arguments both supporting and opposing the practices of CSR in contemporary corporate management. However, discussions on CSR frequently focus on operational aspects of the business, neglecting the philosophical context. Corporate Social Responsibility practices in Indian philosophy are fundamentally grounded in Dharma, which emphasizes the affirmation of truth. Dharma serves as the foundation for both social and moral order. According to the Taittiriya Upanishad, the 'Satyam Vaddharmam Char' principle represents an individual's fundamental virtue, signifying the importance of speaking the truth and acting following Dharma. This provides a comprehensive guide to optimal living and the stability of society and humanity [15].

2.4. CSR Challenges and Learnings from Ancient Indian Literature

In the era of globalization, the whole globe faces many issues in terms of CSR. Ancient literature offers valuable insights and solutions for CSR. Some of them are listed below:

- Hunger: The devotee, the meal, and even hunger are all manifestations of Brahm (God). Therefore, the worshipper is bringing God's food to God's hunger. In a nutshell, we are eternally grateful to God for his grace.

"Eat to live, not live to live".

When we approach things with this mindset, we are unselfish. When we use just what we need, the ecosystem and planet will naturally take care of itself. Developing a mindset of being a part of the system, rather than standing out, may benefit both our spiritual and physical growth. Eating while full is wasteful.

2.4.1. Education

Education was seen as essential to human existence in ancient India. Those parents who failed to educate their kids were referred to be foes. iii True/complete knowledge leads to discipline and humility, which in turn leads to worthiness and capacity. From worthiness, one obtains money, which leads to good acts, which in turn leads to pleasure and contentment in life, according to the Upanishads. Knowledge was thus seen as the primary source of pleasure.

2.4.2. Women's Empowerment

During the Vedic time, women were respected in society. According to the Upanishads, "the divine are extremely happy, where women are respected, where they are not, all actions (projects) are fruitless." During the Vedic time, women participated in the intellectual life of society. Girls had equal access to education in the 300th century B.C. From an early age, they received instruction in the arts such as music, dance, and painting. They were known for their feminine talents [20].

2.4.3. Resilient Natural Resources

According to the Rig Veda, only the King is a true "Bhupati" if he is responsible for protecting the land and the natural world. This philosophy's main goals were to protect the livelihood of future generations, rehabilitate the environment, and increase natural, social, and economic capital to leave something behind. An excellent illustration of how to preserve an ecosystem may be found in the Ramayana. For three days, Rama begs the God of the Sea to allow his army to cross. Rama's petition is ignored by the God of the Sea, however. The God of Sea then emerges and apologizes after Rama discharges arrows into the sea's belly. After accepting his repentance, Rama gives the order to build a bridge. As a result, the goal is achieved without endangering the ecosystem. The Ram Rajya period's robust infrastructure and abundant natural resources are well shown by the ideology of cohabitation and respect for the natural world.

2.4.4. Employment and Social Justice

Shukra Niti outlines effective human management practices. Chapters 1 (shlokas 314,315) and 2 (shlokas 113-115 and 384-410) provide clear examples of a King's position and obligations. According to Shukra Niti, popular opinion has more power than a king. Workers who get fair compensation, good treatment, and gentle reassurance are unlikely to abandon the king. The King should uphold servants' merits, provide suitable incentives, and encourage them with smiles, lovely glances, and soothing words to better serve the people. During the Ram Rajya, people had wealthy lives. Everyone was healthy, affluent, and smart. People followed their faith or duty. There was steady growth and improvement. The following key factors of sustainable growth and development were considered:

- People: To guarantee healthy lifestyles, knowledge, and inclusion for women and children
- Planet: To conserve the environment for all societies and children

- Partnership: To catalase solidarity for sustainable development
- Justice: To foster a secure and peaceful society and strong institutions
- Prosperity: To develop a strong inclusive and transformational economy
- Dignity: To eradicate poverty and combat injustice

3. Methodology

The methodology for this conceptual paper involved a systematic and comprehensive review of extant literature from peer-reviewed journals, scholarly articles, and credible academic sources. The research adopted a grounded theory approach to synthesize theoretical insights, historical context, and contemporary applications of Corporate Social Responsibility (CSR) in the Indian context. A purposive selection of literature was undertaken, emphasizing texts that explored the interplay of ancient Indian philosophies with modern CSR practices. The research focuses on analyzing classical Indian concepts such as dharma (duty), ahimsa (non-violence), and seva (service) and their relevance to contemporary CSR frameworks. Sources were selected based on their relevance, scholarly credibility, and contextual significance, ensuring the inclusion of diverse perspectives. Through critical analysis and synthesis, the research identifies conceptual parallels between traditional Indian values and modern CSR principles, highlighting themes of ethical governance, sustainability, and stakeholder inclusivity. This approach enables a comprehensive understanding of how historical ideologies can inform and enrich contemporary corporate practices. However, like similar studies, this research has limitations, including its qualitative nature, lack of hypothesis testing, and exclusion of other significant factors. Future research should address these gaps by incorporating these additional aspects into their analyses.

4. Results

The literature review identified several potential findings and it can provide a basis for subsequent research and discourse.

- Corporate Social Responsibility (CSR) in India is deeply entrenched in the philosophical doctrines of Dharma and Karma, advocating for moral rectitude and stakeholder inclusivity.
- Ancient Indian scriptures underscore the primacy of societal welfare over profit-centric paradigms.
- The concept of Sarva Lok Hitam elucidates the symbiotic nexus between enterprises, stakeholders, and ecological equilibrium.
- Ethical praxis in CSR resonates with the principle of nishkama karma, endorsing altruistic endeavors devoid of self-serving motives.
- Indigenous wisdom delineates paradigmatic frameworks for addressing global exigencies such as food insecurity, educational disparity, and gender inequities.
- The perpetuation of ethical integrity and fiduciary accountability is indispensable for fostering sustainable economic trajectories and societal concord.

5. Conclusion

Ancient Indian philosophical principles such as dharma (duty), karma (action and its consequences), ahimsa (non-violence), and sarvalokhitam (welfare of all) offer a profound and timeless framework for shaping Corporate Social Responsibility (CSR). These teachings emphasize the ethical duty of businesses to contribute positively to society, extending their focus beyond mere profit-making to embrace sustainability, social equity, and holistic well-being. The concept of nishkama karma (selfless action) inspires organizations to engage in CSR initiatives with genuine intent, rather than as a mere compliance requirement or a marketing tool. By prioritizing ethical governance, social justice, environmental stewardship, and employee well-being, businesses can cultivate trust, goodwill, and long-term value for all stakeholders. Furthermore, adopting the Sarva Lok Hitam approach fosters inclusivity, encouraging corporations to act not only in the interest of shareholders but also for employees, consumers, communities, and the environment at large.

In an era where consumers and investors increasingly favor ethical and responsible corporate conduct, integrating these ancient Indian values into modern CSR strategies can offer companies a distinct competitive advantage. Businesses that align with these principles are better positioned to navigate global challenges such as climate change, economic disparities, and social inequalities while contributing to a more sustainable and harmonious global economy. Ultimately, by embedding these time-honored ethical foundations into their core strategies, organizations can not only achieve financial success but also leave a lasting positive impact on society and the planet.

Compliance with ethical standards

Statement of conflict of interest

No conflict of interest to be disclosed.

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