

Bridging Traditional Wisdom and Modern Business Management through the Indian Knowledge System

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Abstract

The Indian Knowledge System is generally talked about in terms of the traditional practices that are relevant in today's competitive world. Our ancient texts are evidence of India's intellectual heritage, which is attached to its roots. In the 4th century BC, during the Chandragupta Maurya empire, Chanakya's Arthashastra was used to regulate the whole empire. There is evidence that the current business challenges were handled effectively and efficiently at that time. This research paper highlights India's intellectual wisdom in different business strategies in running the business empire. It also includes the different strategies of business management, useful in the current scenario. This study also identifies the importance of our ancient treatise and strategic applications in modern risk management and human resource management, along with encouraging our leaders to look ahead and contribute to the country's growth and development. This research paper identifies the core principles of business management through the lens of ancient literature and manuscripts. This is qualitative research based on secondary data sources and its primary focus is to understand business management strategies through the lens of the Indian Knowledge System, where Chanakya's ancient written work talks about conserving and preserving our resources and suggests different strategies to promote the principles of business management. It plays an important role in the country's growth and development. The findings suggest that we adapt traditional principles and practices in modern business management strategies as per the needs and demands of the time and situation.

Keywords: Indian Knowledge System (IKS), Arthashastra, Bhagavad Gita, Business Management, Ethical Leadership

Introduction

Business serves as a central point or a key driver of a country's economic growth. It promotes innovation, industrial development, provides employment opportunities, and also contributes to maintaining balanced regional development and improving the quality of life. Business has a large framework; to maintain the proper framework and achieve the operational goals, there is a need to manage the business systematically and effectively. Business management includes planning, organising, leading, staffing, directing, and controlling all departments to improve the company's performance and maintain competitiveness in the dynamic market. Business management improves productivity, ensures coordination, supports decision making and also ensures overall growth and sustainability of the organization. Nowadays, in this competitive world people are trying to find solutions in ancient traditional ways or they are going back in

history such as for health issues, use ayurveda or follow yoga and home remedies. Arthshastra, a traditional book written by Chanakya Sanskrit treatise written about statesmanship, politics, economic policy and business strategy. Arthshastra was practiced during the Chandragupta Mauryan's empire attributed to the 3rd -4th century BCE. This ancient literature mentions the core management principles that are related to modern management practices in an institution or an organization.

1. Arthashastra Management	Principles/	Modern
Saptang theory(Seven Limbs)		
1.Swami(king) /CEO		
2.Amatya(Ministers) /Managers		
3.Janapada(Territory/People)/ Customers		
4.Durga(Fort)/ Infrastructure		
5.Kosha(Treasury) /Finance Management		
6.Danda(Army)/Controls		
7.Mitra(Allies)/ Strategic Partners		

These are the strong seven pillars of a successful organization.

These principles are used in modern business management practices in terms of SWOT analysis where they identify the internal strengths and weaknesses of a business as well as being aware of the external opportunities and threats.

The Indian Knowledge System provides a way to connect to the roots of India, in order to understand the intellectual historians' wisdom and identify the motivational past beliefs and apply them in our present. IKS provides guidelines to deal with the problems of the 21st century. India is a country with diverse culture, languages, traditions and religion. The NEP 2020 also advocates to integrate the IKS in the current education system so that our future generations are aware of India's intellectual people like Aryabhatta (Astronomer and Mathematician), Chanakya(Economist), Charka and Sushruta(in the field of medicine) . There is a need to bring back IKS in our education system through an interdisciplinary and multidisciplinary approach in order to develop critical thinking and problem-solving skills among people and solve the emerging problems of today's world such as sustainability, economic prosperity and corporate Social responsibility. There is a need to shift the focus of our coming generations towards the Bhartiya Paradigm. The Ministry of Education established the IKS division in October 2020. The vision of this division is to preserve and disseminate the Indian Knowledge System through interdisciplinary and transdisciplinary approaches. It is time to be aware of our culture, traditions, resources and focus on preserving and disseminating these to the coming generations.

Review of Related Literature

Dubey, M. (2025). INDIAN KNOWLEDGE SYSTEM. This research paper focuses on maintaining a balance between dharma (ethics) and Artha (profit) and ensuring that business decisions are not only related to economics but focuses on morally responsible practices. Indian Knowledge System not only focuses on a value -based approach but also a holistic and sustainable approach and views the organization as a human- centric system not just an economic unit. **Sengar, L., & Dhoke, H. (2025).** This study strongly supports empirical evidence that there is a strong relationship between the adoption of ancient trade principles in achieving sustainable growth and competitive advantage. Practices such as fairness, loyalty, ethical conduct and long-term relationship management enhance customer loyalty towards your product and improve overall business performance. **Tripathi, A., & Patel, R. (2024).** This study concludes that the inclusion of dharmashastra principles in business improves stakeholder relationships, increases trust and supports sustainable growth. Dharmashastra gives a strong ethical foundation that can be applied in modern business practices. Indian texts also talk about transparency, accountability, fair trade and social responsibility. **S, A., & M, A. (2025).** The study highlights that Kautilya's Arthashastra can be applied to corporate dividend policy such as wealth distribution and resource allocation and considers multiple stakeholders' involvement in business. In this study the Arthashastra's common foundations are also given, which are discussed as holistic, structured, dynamic and balanced in terms of multiple stakeholders. **Gosar, P., & Purohit, H. (2022).** This study also talked about how Kautilya's Arthashastra promotes the idea of a welfare state which is currently related to the social responsibilities of business. The leadership qualities are related to moral, accountability, and guardianship of people which is also related to ethical leadership and ethical governance. The taxation policy mentioned in the traditional script is like "Bee collecting nectar"- not harming the source. These kinds of practices are related to sustainable economic policies. **Sajla, D., & Naman. (2025).** The study suggests that the Indian Knowledge System is not merely a spiritual ancient text, but it is a comprehensive approach encompassing economics, ethical governance, taxation, wealth management and sustainability. This research also challenges the colonial era that undermined India's intellectual and wisdom and also concludes that IKS is a timeless, interdisciplinary and innovative approach that can be used in today's business to get a higher rate of return along with mental peace and harmony.

Mishra, S. (2012). This research paper studied Kautilya's Mandala theory which is related to the geopolitics of a country. In the seventh book of Kautilya's Arthashastra, it is written *Your neighbor is your natural enemy and the neighbor's neighbor is your friend*". He advocated the six -fold policy to interact with the neighbours which includes: co-existence, neutrality, alliance, double policy, march and war. This theory emphasizes that no one is friend , friendship is always based on self-interest. **Muniapan, B. (2008).** This paper explains that Kautilya's Mandala theory can be used in modern management and organizations. Better management starts from self-management and a leader must control anger, greed, ego and desires. The result shows that happiness comes from doing the right thing, so use ethics and values in an organization's management. **Shukla, A. (2023).** This research paper explains that Kautilya's Arthashastra is not just about money or economics but also about running a state (government), politics, law and administration. The king is the most important part of the state and a leader must control their anger, greed, ego and desires. In simple words the king is good or bad that depends on people's happiness. **Sabil, Djakasaputra, A., Bangkara, B. M. A. S. A., Manullang, S. O., & Hendriarto, P. (2022).** This research paper also helps to understand the different strategies to make SMEs' business profitable with sustainability. SMEs are an important part of an economy. It helps in economic growth and provides employment opportunities to rural as well as urban areas. MSMEs also play an important role in reducing

poverty and improving the standards of people through their products and providing employment opportunities.

The analysis of different research papers and traditional manuscripts highlights that the Arthashastra is empirically a rich source of principles for modern management. There is empirical support in areas like retail performance and governance. There is also support for modern business practices and talks about the development of ethical and moral practices. Sustainability is an important aspect of business and it is necessary to save our resources for future generations.

Objective of the study

This research paper aims to explore the relationship between traditional business management practices and modern business management practices. Also examine how indigenous business ethics and values and time-based entrepreneurial approaches can contribute to contemporary business management and in an organizational development.

Significance of the study

The Indian Knowledge System contributes effectively to promote the holistic approach of business management principles. The ancient text Arthashastra plays a significant role in business strategies and provides insightful thoughts to apply in ethical leadership, sustainable practices and economic policies. Kautilya was identified as an economist whose ancient insights will help in providing practical guidance on acquiring, managing and protecting wealth for future opportunities. His economic strategies still uphold the importance of maintaining relations at the global level. This research paper will help to see the fusion between the traditional and modern business practices involved in establishing business management principles. The principles of the Bhagavat Gita also motivate our leaders to choose ethical leadership, self-management and result - oriented action, i.e., Karma-yoga. This study will help identify the culturally rooted values and use of financial literacy in maintaining economic responsibilities. There is a need to relate the traditional practices with today's challenges and shift our strengths and focus towards sustainability in business.

Table 2. Some of the modern business strategies that are also related to the ancient period:-

Arthshastra	Bhagavad Gita	Modern Business Practices
Dharma/Nyaya	Karma/Dharma/Nishkama Karma	Business Ethics
Mandala Theory(alliances and enemies/ Upaya(Sama,Dana, Bheda,Danda)	Dharma yuddha(righteous competition)	Market strategy
Yogakshema/Public welfare and security	Lokasangraha(welfare of society)	Sustainability
Niti/Yukti/Tantra	Dharma -Based Decision/Viveka	Strategy/Planning/Roadmap

Raja Dharma/King	Karmayogi/Shitaprajana leader	Leadership/Governance
Apada(crisi)/Raksha(prot ection)	Detachment/Equanimity(Samat ava)	Risk Management/Contingency Planning

Methodology and Results of the Study

The approach of this study is qualitative and the methodology is based on secondary data sources which helps to identify the importance of ancient texts and manuscripts to understand modern business strategies. The insight of this paper is to understand and compare the traditional literature work with the current challenges of modern business practices. The ancient literary work “Arthashastra” is written in the Sanskrit language and it was later translated into the English language in 1905 by R.Shamashastry. Later there were multiple versions in Indian languages after the English language translation. This paper is mainly focused on understanding Kautilya’s perspective, which belongs to the classical period (600 BCE- 200 CE) with respect to solving modern business organizations' challenges. There are also other traditional texts such as the vedas the Upanishads, and the Mahabharata (Bhagavad Gita) are involved in explaining the different perspectives toward managing the state or an empire. Business management is not related to the current scenario: it is related to our roots from the Vedic period(1500-600 BCE) to the Modern and Global Era(Present). This study is based on understanding or reading the secondary sources which may be biased because as it is qualitative research but through empirical evidence of some research paper it is analysed that today’s business challenges should be dealt through traditional ancient literature. The result of this study shows that whatever was written in traditional text belongs to that Era ,according to the situation and challenges of that time. Today there is a need to adapt those principles according to our situations, time and needs and implement them to solve today’s challenges. Adaptation is very important because we should understand that traditional wisdom is situational. We ought to take pride in the profound wisdom inherited from our ancestors. By repurposing this knowledge to suit modern contexts, we can mitigate and overcome our current hurdles and project ourselves as a global power.

Discussion

Modern business management practices involve different challenges and decision-making ability which is based on the intellectual wisdom of a leader. There is also a need to manage the resources effectively whether it is human resources (man-made workforce) or natural resources (water, wind power etc.). Leaders must do strategic planning for their business. There are several business strategies that will help increase the profitability of the business and focus on sustainability to attract customers. The involvement of the Indian Knowledge system is important as it is the wealth of our ancestors and their scriptures are a treasure and a guide for us, through which we can face future business challenges and conquer them. This is always an important question that remains whether we should adopt the traditional business management principles or adapt them as per the needs and demands of society, and the strategy of business operations. Involvement of IKS gives our leaders a broad perspective to think and apply the traditional practices in our modern business management strategies.

Sustainability has always been in our ancient literature. There is a need to identify the core concepts and apply them in the real-life scenario on how sustainability is dependent on interdependent relations: economic prosperity, social welfare and ecological conservation. To develop a strong relationship in

foreign trade there is a strong relationship shown in Arthashastra's geopolitics. In simple words, there is a need to find solutions in our traditional or ancient manuscripts.

Conclusion

The Indian Knowledge System is a vast and ancient intellectual wisdom that is available in written or literary form. This includes the Vedas, Upanishads, and the Puranas. The ancient Indian literature talked about philosophy, Ethics, Economics, health, Business Management, Science and Technology, Agriculture and Environment, Art and Culture. From the Vedic period to the classical period to medieval India to the colonial period to Post-Independence India to Modern India, there is always a change in time and situation as per the need and demand of the market. There is a need to identify the needs and demands of the current market requirement in different terms and adapt the ancient literature principles to solve the modern challenges. India is a country where many scholars and great people were born and guided us with their thoughts and ideas. By following their path, we can make India a better world leader (Vishwa Guru). Therefore, it is necessary to adopt their thoughts and principles according to our time and situations and overcome the challenges and bring glory to the nation of the world.

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