Rethinking organisational goals in the context of Indian ethos

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Abstract: The present organisational goals are examined and evaluated from the perspective of Indian ethos to distinguish organisational goals into causal goals and outcome goals. If organisational strategy focuses on consequences rather than on causes the true potential of an organisation may not be actualised hence, rethinking organisational goals makes an attempt to uncover organisational causal goals so as to focus organisational energy at the strategic points. The strategic points of organisational causal goals are also identified as the intersection points of individual goals and societal goals and that provides the conceptualisation of the organisation from human-perspective to propose four organisational causal goals as knowledge management, competitiveness, corporate entrepreneurship and socio technical systems. These organisational causal goals are interpreted as human goals-based theory of the firm.

Keywords: rethinking; organisational goals; Indian ethos; firm theory.

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1 Introduction

Organisations exist to accomplish certain goals. It doesn't matter whether the organisation is a business enterprise, a governmental entity, a non-profit, or even a religious organisation – they all have certain strategic goals. What these goals are and ought to be? The present article examines organisational goals in the current business environment and in the context of Indian cultural ethos and the implications of the latter for present management thought and practice.

2 Organisational goal: prevalent management thought and practice

2.1 Profit maximisation

The traditional theory of the firm says that the primary goal of any organisation is 'profit maximisation' and profit is treated as the sine qua non of its existence. The business of business is business. Hence, profit is sacred and the essential goal. Profit 'maximisation' has bearing on efficient utilisation of resources for maximising the output or minimising the input cost (though it is preferable to do both). The underlying logic is 'efficiency', Thus profit equated with efficiency becomes synonymous with a 'company/firm's performance, while this could also bring societal benefits in discrete and indiscrete ways.

2.2 Profit maximising versus satisfying

The primary goal of 'profit maximisation' is constrained by many variables. Due to information asymmetry in organisations, and a whole lot of variables that cannot be contained (arising out of uncertain and volatile business environments), managers frequently settle for decisions that adequately serve their purpose or contingent to a given situation than necessarily maximise profit. In fact, this was the argument that Simon (1947) and Cyert and March (1963), had put forth in their books '*Administrative Behaviour'* and 'A *Behavioural Theory of the Firm'*

2.3 Shareholder value maximisation

As businesses grew large and complex, family ownership of business slowly gave way to multiple ownership in terms of share holders since growing business required more financial outlay and investments. The professional managers displaced the earlier owner-managers (Berle and Means, 1932) and were expected to operate the firm efficiently in the best interests of the shareholders and generate higher returns on their investments

2.4 Customer value maximisation

While professional managers and professional management was necessary, management theorists realised that a business exists and grows only if there are customers for a company's products and services. Apparently, it is not the shareholder who is the boss but the customer who creates the destiny for shareholders. Companies need to capture 'the customer wallet'. "The purpose of a business is to create and keep a customer"

(Drucker, 1954). Wal-Mart, the biggest and the most successful retail store in the world, considers customer as its soul. The only value a company will ever create is the value that comes from customers: the present customers, the not-yet customers and the future customers.

2.5 Employee value maximisation

While it is true that customers bring growth and prosperity to any company, it is also true that employees within the company are the driving force to make the company customer-focused and profitable. Collins's (2001) *Good to Great* study proves that, "The executives who ignited the transformations from good to great did not first figure out where to drive the bus and get people to take it there. No, they first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it".

Bill Gates (Micro-soft) and Narayana Murthy (Infosys) consider their employees as moving assets. HCL Technologies believe that the best way of creating value culture in the organisation is to have highly focused, committed and result-oriented employees. The National Thermal Power Corporation (NTPC), a successful Indian company is able to compete globally because of its focus on 'employee value maximisation'. NTPC has been ranked number one in the "best workplaces for large organizations" in the year 2008, as well has won the SCOPE Meritorious award for Best Practices in HRM in 2007.

2.6 Stakeholder value maximisation

In 1984, Edward Freeman emphasised the perspective of stakeholders rather than shareholders alone. The stakeholder perspective emphasises surplus value creation for all company constituents along with the profitability dimension of stockholders. Jones (1995) suggested that in coming years the Stakeholder-inclusive companies will out-perform the stakeholder-exclusive companies. Infosys founder, Narayana Murthy (2008) emphasised the importance of Corporations creating social impact. The Big Bazar founder, Kishore Biyani (2007) believes, "that the day we stop valuing and nurturing the relationships that we have with customers, communities, investors, business partners and vendors, we will set ourselves up for complete destruction". Stakeholder value advocates the belief that an organisation's success should be measured by the satisfaction among all the stakeholders. The research (Luque et al., 2008) shows that CEOs who put stakeholders' interests ahead of profits generate greater workforce engagement – and thus deliver the superior financial results that they have made a secondary goal (Washburn, 2009). Shareholder or ownership perspective dwarfs one's vision hence one should broaden this perspective for the inclusion of all stakeholders. Ackoff (1998) says "No one owns a nation, city, or neighborhood. But each must take into account the purposes of all its stakeholders".

3 The financial goal – is it the end and be all?

Greater focus on the profitability or economic interests alone of business may have harmful consequences for others. This is in fact what Bakan (2004), an eminent legal theorist suggests. His argument is that some corporations relentlessly pursue their own economic interests even unmindful of its harmful consequences for individuals and society. In their unbridled economic interest, they (corporations) could also be self-destructive, as revealed in some of the recent scams and scandals of the Wall-Street. He suggests the need for appropriate deregulatory and democratic control measures.

Smith and Max-Neef (2011) argue the need for a moral-economic paradigm – a humanised economy, supported by solidarity, cooperation and compassion replacing greed and the excessive desire to accumulate wealth, The purpose of an economy is to serve the needs of people which in turn serve furthers better economic growth.

Corporations cannot be profit machines reacting to market forces. They do have a symbiotic relationship with the society in which they exist and are run by people (Engardio and Mcgregor, 2006). Moreover, profits that serve the interests of the shareholder cannot be an employee motivating factor – unless employees have direct (a corresponding/desirable share in the profit), and indirect benefits (growth, advancement etc.,) to an equal measure of their efforts. Otherwise, they are bound to consider that they work hard for 'someone's-benefit' and get paid only to work harder. Employees maintain a cognitive balance or a psychological equation ("for what I get, this is what the work I do"). Such a state of affairs may not be conducive for organisational and employee growth or health in the long run.

The fundamental basis of the financial goal of the firm has also been questioned by others also (Porter 2006; Senge, 2008; Welch, 2009a). They are of the opinion that "profit can never be the right goal of the firm" and even questioned the validity of financial metrics used to measure the shareholder value as the corporate goal. Porter (2006) asserts "We have had this horrendous decade where people thought the goal of a company is shareholder value. *Shareholder value is a result. Shareholder value comes from creating superior economic performance*". Senge (2008), reiterates, "a well-managed business will have a high return on invested capital. But that is a consequence. It is not a way to manage a business".

Welch (2009a) opined "it's obvious that strategies are what drive a business" You might, have a strategy around innovation….., or to become the low-cost global supplier, or... to globalise a company,…….. But you would never tell your employees, "Shareholder value is our strategy". As a strategy, "…..It doesn't energize or motivate anyone. …..."

Thomas (2004) an accounting expert and co-founder of activity-based costing (ABC), questioned the quantitative goals of the organisation. He said, "Increasingly after World War II …… business people came to discuss their organizations in terms of abstract quantities, not concrete human affair. They spoke, for example, of providing for customer needs in terms of 'revenue' and employing human talents in terms of 'cost'. Profit, the quantitative difference between revenue and cost, was increasingly viewed as the primary goal of business………By the 1970s, maximization of shareholder wealth became widely accepted as the one and only goal of business". Alfred North Whitehead (1978) called this "the fallacy of misplaced concreteness". Currently, people speak of the 'hard stuff' (the numbers) versus the 'soft stuff' (human relationships and value), reifying the 'lesser' reality of relationships versus numbers even though no one has ever actually seen or touched 'a profit' or 'a revenue' (Thomas, 2004).

An attempt to integrate 'hard stuff' and 'soft stuff' focusing on multiple dimensions has been made by Kaplan and Norton (1992) in their 'balanced scorecard'. The four dimensions of balanced scorecard are customer, shareholder value, internal business processes and learning and development. The focus is more on balancing these four dimensions, while the societal dimension does not find its place/importance.

Organisations have become aware of the importance of corporate social responsibility (CSR) and the necessity to be good corporate citizens. CSR is not just some corporate philanthropy but more of a strategic necessity. Since organisations have symbiotic relationship with society "the focus must move away from an emphasis on image to an emphasis on substance. ….. NGOs, governments, and companies must stop thinking in terms of 'corporate social responsibility' and start thinking in terms of '*corporate social integration*' (Porter and Kramer, 2006)". This is similar to 'inclusive Capitalism of CK Prahlad (Engardio and McGregor, 2006)'. Sumantra Ghosal (Engardio and McGregor, 2006) considers that "there is no inherent conflict between the economic well-being of companies and their serving as a force for good in society". Tata Consultancy Services (TCS), an Indian IT company goes a step further and imbibes the Tata Group's philosophy of building strong *sustainable* businesses that are firmly rooted in 'community' and demonstrated care for the *environment*.

Organisation should be sensitive enough to consider all-inclusive factors to be able to sustain in the long-run. Organisations need to take a proactive role in shaping the business world and evolve beyond their usual reactive orientation. Rather than being influenced by their environment they should seek to design the environment and create abundance in value instead of just distributing value among stakeholders. They need to evolve in their orientation – from 'mechanistic', 'biological' to 'human' orientation – to create more value (Ackoff, 1998) and also be sensitive to all the demands, viz., profit, shareholder, employee, customer, stakeholder and society. The 'fragmented – mechanistic' and the 'incremental-biological' orientations must be transcended by 'human orientation' to make the organisation alive to the demands of the environment and even design the environment to create a better value. In this process, they exhibit the highest freedom and may create their own environment. For example, Apple Computers created space for a new market that did not exist before with their i-Pods and i-Phones – an example of *freedom*. Examples of such are abound with Microsoft, Intel, 3M etc., where they were not reacting to external environment but proactively shaping the external environment

Organisations also have to be ethical and this possibility is found more in human-oriented organisations and very less in firms characterised by mechanistic or biological orientation.

4 Why 'rethink' organisational goals?

The goals like profit, shareholder value, customer value, employee value, stakeholder value etc. are the outcome goals or performance goals or consequences of an organisation – not necessarily the primary or causal goals. They are only the by-products of some other primary/causal goals (Porter, 2006; Senge, 2008; Welch, 2009a).

Rethinking organisational goals is to distinguish organisational goals into causal goals and outcome goals. So far, organisations have been focusing on outcome goals mistaking them as primary goals, and this has contributed to more confusion and chaos. Which are the primary goals of an organisation? – is still a mystery, though some researchers have tried to bring a distinction between 'causes' and 'consequences'. Porter (2006), Senge (2008) and Welch (2009a) consider 'profit', 'shareholder value' are the consequences or the end goals and not the 'true or causal' goals of an organisation. 'Customer value', 'employee value' and 'stakeholder value' are also the consequences. Discovering organisational causal goals are necessary to design true organisational strategy. If organisational strategy focuses on consequences rather than on causes the true potential of an organisation may not be actualised.

Lathem and Locke (2006, p.334) say, "When people lack the knowledge and skill to attain a performance goal, giving them a difficult goal sometimes leads to poorer performance. A performance goal may misdirect their cognitive resources to sheer effort and persistence, which proves futile for goal attainment in the absence of knowledge as to how to attain it. Instead, assigning specific *learning goals* – to discover specific ways to master the tasks—often leads to highest performance". Learning/knowledge' become the 'causal goal' and the consequence of it the performance ('outcome') goal.

Dr. G. Chandra Sekhar (2012), the Director of LV Prasad Eye Institute in Hyderabad, India says "we don't tell our consultants to do more number of cataract surgeries, but provide excellent service to patients. Our focus is primarily on excellence *in* treatment rather than on number of surgeries done per day". LV Prasad Eye Institute provides complete freedom to consultants to learn their own ways of performing surgeries. The consultants benchmark with themselves, each time, to provide better and best services. Learning, time and again, is the undercurrent rather than how many patients are treated. Sekhar opines that excellence is a path not a destination. Excellence is future-oriented and not past driven. Learning & innovation drive excellence. Number of surgeries performed certainly goes up along with the learning curve as a consequence and not vice-versa.

Organisations have to serve people and be responsible to the Ecology. Expressed explicitly, "the economy should serve the people, not the people the economy'. The economy is a sub-system of larger and finite….biosphere… hence permanent growth is impossible without sustainability" (Smith and Max-Neef, 2011).

De Geus (1999) conceptualises the Firm as a living, organic entity. Like a human being it has birth, growth and finally decays. Like all human beings, it learns to sustain itself in the complex environment in which it exists. Therefore, 'learning is the fundamental function of any successful organisation for and in its evolution'. Mechanistic organisations that believe in the control of human behaviour leave no space for experimentation and human learning to occur. "The moment you take the learning ability away, you take away the viability of the institution" (De Geus, 1999).

Nonaka (1988) and Stacey (1992) argue that disorder and chaos are intrinsic to organisations. The constant disturbances that managers fight contain important creative opportunities, which can be harnessed to produce learning that transcends established ways of thinking (Mintzberg et al., 2007).

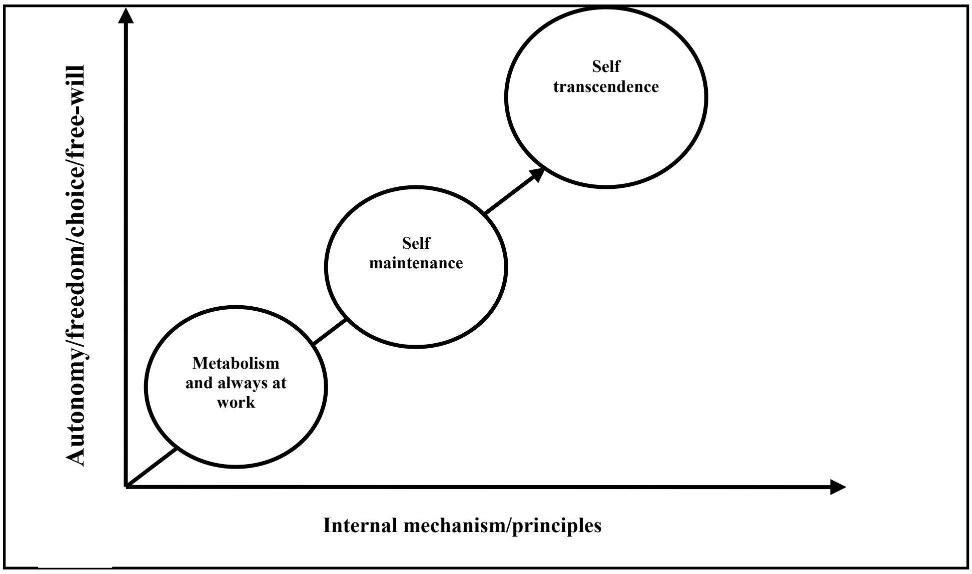
Christensen and Allworth (2011) say that "Most companies cannot bring themselves to make decisions that result in the market for their existing core products being completely destroyed. When they consider it from a financial perspective, it just doesn't make sense to create new products at the risk of jeopardizing your profitable, existing products. …………. It's exactly that fear has led many great companies to leave themselves vulnerable to disrupting from others".

But it is not how 'Apple' sees the world. Profitability isn't necessarily at the centre of its every decision. Apple focuses on making truly great products, products so great that its own employees want to use them. That philosophy has made Apple one of the most innovative companies in the world. Steve Jobs legacy isn't the Mac. It's neither the IPhone, nor the iPod. His legacy is in the creation of Apple itself, which reminds us that profit is not necessarily the ultimate goal, but rather a consequence of something greater.

The entrepreneurial philosophy or corporate entrepreneurship has made Apple a ‘disrupting company’ by itself and that freedom has enabled it to design its own environment and markets. The freedom to explore, disrupting its own products and markets, has made Apple the most successful company. Google is successful because of enough freedom within the organisation to innovate a variety of products and services through its focus on corporate entrepreneurship.

Belgian Noble laureate Ilya Prigogine (in Capra, 1982) suggests that self-organising systems are ‘always at work’. They maintain a continuous exchange of energy and matter with their environment. This behaviour is very essential for their *self-maintenance* done through the process of self-renewal, self-healing, regeneration and adaptation. They also show a tendency to transcend themselves, to reach out, generate new structures and new forms of organisation. The functions of self organising system are shown in Figure 1.

Figure 1 Functions of self-organising system (see online version for colours)



Self-transcendence also occurs through self-exploration. By exploration is meant such things as search, discovery, novelty, and innovation and involves variation, risk taking, and experimentation (March, 1991). Self-exploration and self-transcendence are possible only in human-oriented systems but not possible in mechanistic – or biological – oriented systems which essentially lack such freedom for exploration and transcendence.

Therefore, an organisation can design its own transformation by the level of freedom it chooses in its ‘parts’ and ‘whole’. Organisations need to explore the human dimension with-in and with-out the organisation to optimise their freedom and design their own evolution. The freedom in an organisation is qualified by its nature. In the mechanistic orientation neither the part nor the whole have any freedom. In the biological orientation only the whole has freedom while the part is imprisoned, while in the humanistic orientation both the part and the whole have freedom, and hence the possibility of self-exploration. An organisation being a community of individuals, its employees should have enough freedom for individual and collective exploration and transformation

(Ackoff, 1998; Botla, 2009).Transformational change is possible when an organisation functions from human-oriented perspective.

5 Rethinking organisational goals in the context of Indian ethos

Indian ethos has attempted to understand the relationship between the part as an individual with the whole as a society in an integrated perspective in the conceptualisation of 'purusharthas' at the individual level and the 'chaturvarna' at the societal level. It serves the harmonisation of the individual-organisation and society [a paradigm that could address the concerns expressed by Bakan (2004), Smith and Max-Neef (2011)]

Indian Ethos has also conceptualised the symmetry between the purusarthas and the chaturvarna for the evolution of human society at the macro-level along with the evolution of any individual at micro-level simultaneously.

The '*purusarthas*' or the individual goals are four: Kama, Artha, Dharma and Moksha. These four exhaust the entire quest of man. The worldly life is taken care of by the first three and the spiritual quest in the pursuit of moksha. The four goals of life are:

1 knowledge about oneself, one's relation with others and the cosmos (Moksha)

2 actualising one's unique personality in ethical way and adherence to universal law (Dharma).

3 wealth generation and other possessions (Artha).

4 health and hygiene needs (Kama) – (Ivaturi 1989; Sharma 2006; Chopra, 2006).

Indian ethos has conceptualised the societal governance mechanism in 'chaturvarna' where four functions are espoused as societal goals (Prabhupada, 1973). The four societal goals are:

1 knowledge management

2 protection of the society

3 wealth generation

4 food, nourishment and health and hygiene of the society.

No goal is less important than the others for the survival, growth and development of the society. Those with responsibility for the realisation of these four goals in terms of functional specialisation are:

1 Brahmana

2 Kshtriya

3 Vaishya

4 Shudra.

These are classified so in terms of their temperament and behaviour and not by birth.

Yogananda (1975) describes chaturvarna: "Men (society) are distinguished by natural evolution into four classes; those capable of offering services to society through bodily labour are *sudras*; those who serve through mentality, skill, agriculture, trade, commerce, business life in general are *vaishyas*; those whose talents are administrative, executive and protective are *kshatriyas*; those of contemplative, spiritually inspiring nature are *brahmanas*. Neither birth nor sacrament nor study nor ancestry can decide to which class one belongs to. 'only character and conduct can decide"- Mahabharata declares..

The *brahmana* goal emanates from knowledge. Knowledge is fundamental for any society. Every activity of society is governed by knowledge – knowledge about oneself and others, knowledge about Nature-the organic and inorganic world and relationship with Cosmos. *Brahmana* serves the knowledge needs of the society: knowledge seeking, gathering, creation, application, sharing etc. Wisdom is the culminating point of Brahmana goal (Chinmayananda, 2001). It is the knowledge and the accrued wisdom thereby that transforms a society consistently. And knowledge is basic to business and its growth and transformation.

The *kshtriya* goal is to protect the society and people. The kshatriya goal is preservation, expansion and enrichment of a territory. The basic activity is the acquisition of territories not possessed, preservation of territories possessed, the augmentation of territories preserved and bestowal of territories augmented on worthy recipients and the administration of territories under control. In the context of modern business, territory is nothing but a bunch of customers. Enhancing the market share is the primary function of this goal through preserving customers, expanding customers and enriching customers consistently.

The *vaishya goal* is to create wealth and managing resources optimally for value creation. Exchange of resources is necessary for value addition and value generation. Innovative ways of wealth and resources maximisation and deployment of these for societal growth is the primary purpose of vaishya. It is basically entrepreneurship in thought and practice in serving the society.

The *shudra goal* is development and deployment of systems to feed the society, maintain the health and hygiene of the society and provide the contextual environment for the achievement of the societal goals for the other functionaries – it is creating and maintaining socio-technical support systems in the service of society.

For the wholesomeness and the holistic development of a society, all these goals are equally important. Individual development is consequent to one's efforts of achieving societal goals – the goal that befits one in terms of one's temperament, character and conduct (Yogi, 1980; Rama, 1996; Chinmayananda, 2001; Yogananda 2002; Ranganathananda, 2006; Sharma 2007).

6 Societal goals vs. organisational goals vs. individual goals

Organisational goals need not be different from the early societal goals. Organisations have to manage knowledge, be competitive, be entrepreneurial and have to manage the socio-technical systems within and without. If an organisation has to manage knowledge, its employees have to be knowledgeable and be knowledge managers. If an organisation has to be competitive its employees have to be competitive. If an organisation has to be entrepreneurial, its employees have to be entrepreneurial. If an organisation has to have appropriate socio-technical systems within, these have to be designed, implemented, maintained and improved by its employees. Thus individual goals are in no way different from organisational goals and in fact, both are intertwined. The four organisational goals that parallel the purusarthas and chaturvarna are therefore:

1 knowledge management
2 competitiveness
3 corporate entrepreneurship
4 socio-technical systems.

These goals can account for an organisation's survival, growth and development much better than the goals of Profit maximisation, share holder value, customer value, employee value and stakeholder value maximisation.

6.1 Knowledge management

Knowledge Management covers any intentional and systematic process or practice of creating, acquiring, capturing, sharing and using productive knowledge, wherever it resides, to enhance the learning and performance of an organisation (Scarborogh et al., 2002).

Knowledge management goal converts an organisation into 'learning organisation'. According to Senge (1990, 2008) learning organisations are "…..organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together".

The chairman of L V Prasad Eye Institute, a Centre of Excellence (CoE) in Ophthalmology, Hyderabad, India, Rao says (2012), "Centre of Excellence should do three things continuously. It should create new knowledge, share knowledge created and practice knowledge shared. And its name also should come up among top ten in the world when people discuss, otherwise it cannot be called as a Centre of Excellence". Knowledge creation, sharing and practice are the essential function of any CoE. L V Prasad Eye Institute activities are focused on research, training and clinical care. In a year, it publishes 180 research articles, trains 3,200 eye care professionals and treats 0.8 million patients to create, share and practice knowledge. Knowledge management has become a primary goal of LVPEI which in turn drives other performance goals.

6.2 Competitiveness

Competitiveness is the ability to provide products and services more effectively and efficiently than relevant competitors to sustain success in national and international markets without protection or subsidies or any type of reservations. Competitiveness refers to strength that is earned, and lies in retaining current customers, gaining new customers, protecting one's current markets, foraying into new markets and sustaining the company's products and services for their brand image and perceived and realised value (Botla and Harigopal, 2011).

TCS is competitive because of its ability to retain and expand customer base and design technological solutions through benchmarking practices around customer requirements through its customer-centric engagement model. It takes a 'follow-the-sun-approach' (24/7) while serving customers with its Global Network

Delivery Model (GNDM™). TCS supports customer business goals and offers partnership opportunities based on gain-and risk-share models in a *collaborative mode*.

The CEO & MD of TCS, Chandrasekaran has been given 'Asia Business Leader Award-2012' by CNBC for his ability to retain loyal customers, inspire and motivate staff, and make his vision for the company a reality. TCS is the first Indian IT Company to cross US$10 billion milestone in terms of annual revenue.

6.3 Corporate entrepreneurship

Corporate Entrepreneurship is also called as intrapreneurship. Antoncic and Hisrich (2001, p.497) defines, intrepreneurship as "A process that goes on inside an existing firm, regardless of its size, and leads not only to new business ventures but also to other innovative activities and orientations such as development of new products, services, technologies, administrative techniques, strategies and competitive postures". Entrepreneurship is basic to wealth creation.

Corporate Entrepreneurship is the causal goal to make more profit or market share as a consequence. If the end of strategic management is--obtaining market share, profit, and sustained competitive advantage, the beginning of it is in the entrepreneurship of creating products, firms, and markets (Sarasvathy and Venkataraman, 2000). For example, Bharat Heavy Electrical Limited (BHEL) has been innovative resulting launch of new offerings, entering new markets and generating bigger income streams. Forbs magazine has given it the rating of 'the top ten most innovative companies in the world' for the year 2011. BHEL has also got CII-Thomson Reuters Innovation Award for the year 2010 based on number of patents and impact of innovation as measured by patent citations. BHEL has filed during FY 2011–2012, nearly 351 patents which is equivalent to filing of one patent/copyright every working day.

6.4 Socio-technical systems

Modern organisations are socio-technical systems where social and technical factors create conditions for successful organisational performance. Socio-technical systems are created to support learning in the organisation, sustain its competitiveness, and facilitate corporate entrepreneurship so that a firm can maintain its competitive edge. The socio-technical systems determine and assist the process and function and interconnectedness within and without the organisation for achieving the above major goals.

Venkataswamy, the founder of Aravind Eye Care System(AECS) is inspired by the Buddha's 'sanga', Christian 'missionaries' and especially the modern food chain 'McDonald's' to reach a higher scale of delivery of the standard cataract surgery with the support of appropriate 'Systems' for delivering consistent, reliable and affordable service to blind people. AECS treats nearly 3.0 million patients and performs 0.35 million surgeries in a year (Mehta and Shenoy, 2011).

7 Do we have a theory for organisational goals?

Today, organisation is the intervening entity between individual and society. A fundamental question is: what should be the goals of an organisation that fuses 'individual' with 'society' organically? How can an organisation integrate individual goals with its own and the societal goals? Do we have a philosophy of organisational goals where individual and organisational goals and societal goals get balanced?

The need of the hour is to identify what the goals of an organisation are that make it competent in terms of own intrinsic strengths, in addition to being proactive in dealing with constantly changing business environment. Organisations that react to changes in the business environment by dovetailed strategies and tactics get only a temporary cure that fail when newer or different changes impact business. What we see so far in management thought and practice, are a number of techniques suggested with each changing business environment, while none of these have provided a sustained cure. Plethoras of problems are dealt with by a plethora of solutions. No strategy is enduring and organisations are on a constant reactive run of finding remedies from time-to-time.

As against this, we have to consider organisational goals that translate into individual goals on the one hand and into societal goals on the other hand which are evenly balanced on all the three fronts. Unless an organisation has the potential to satisfy human goals, employees cannot participate in the achievement of organisational goals. Any organisation is by the people, for the people and of the people. It is a community of humans and its goals must invariably have the human dimension.

Once organisational goals create sufficient space, employee goals are also met with while achieving organisational goals. Hence, we need a comprehensive theory that discusses organisational goals that balances individual, organisational with societal goals.

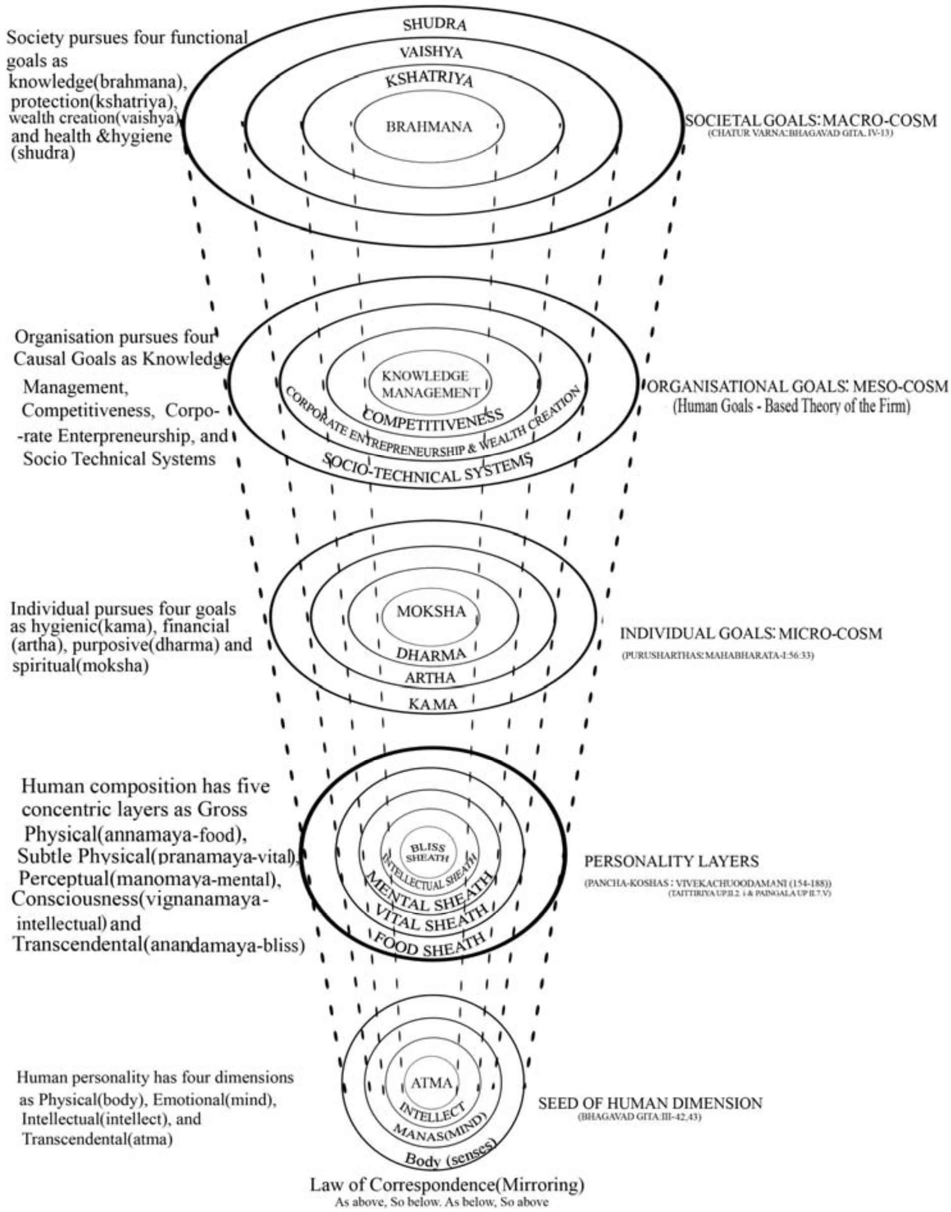
8 Human goals-based theory of the firm

Rethinking the organisation in the context of Indian Ethos endeavours to conceptualise the firm in terms of 'human goals' and can be seen as 'human goals-based theory of the Firm'. This conceptualisation can be applied at various levels of abstraction like individual, organisational and societal levels. Figure 2 clearly depicts the human goals-based theory of the firm from the context of Indian Ethos.

Organisational models that are not based on human nature cannot be successful in the long-run. O'Brien (Senge, 2006) opines, that "……the ferment in management will continue until organizations begin to address these needs, for all employees". The human nature is the 'sap' of the organisation.

The societal dimension, organisational dimension and the individual dimension must be integrated simultaneously to optimise the interrelationships for maximum value creation. Many thinkers call for a theory of the firm that has a more holistic and balanced view of human and firm nature. Few of the models conceptualised by Indian Management thinkers are 'Foundations of the Indian Model' with the integration of individual, society and organisation by Sharma (2007), complex adaptive system model by Malik (2003), SAPTH SLOG (the seven principles of management) by Someswarananda (1996), managerial transformation by values by Chakraborthy (1993) and others. The Government of Bhutan has also developed 'Gross National Happiness Index (GNH index)' by replacing GNP to integrate societal holistic development with the individual-citizen holistic development based on 9 domains that include 33 indicators (Ura et al., 2012).

Figure 2 Rethinking organisational goals



Aurobindo (1970) said that human beings can become supermen if the human energies are properly nurtured. Where human energies are properly nurtured, such organisations have sustained growth and development.

Human energies are optimised when an organisational context provides opportunities for enhancing the "cognitive development, self-competencies, and intrapreneurial initiatives" of employees. The organisational context is that one which provides for conducive and supportive structure and systems and organisational culture for such enhancement. Employees have to be evaluated and rewarded for their contribution to the 'causal goals' and 'outcome goals' of the organisation in equal measures. In the network of an organisation's work structure, there are certain nodal or pivotal points (as in the human nervous system) which if strengthened through knowledge, entrepreneurial interventions and employee competitiveness (competency enhancement) surely catapult an organisation to greater growth and achievement. The growth in nodal points spread growth in the related 'work-networks'.

The four goals suggested in terms of the Indian ethos is the *summum-bonum of* individual-organisation-societal integration, contributing to freedom in the parts and the whole.

9 Conclusions

Organisational goals are deeply personal and inherently collective. Unless organisation takes human dimension as its characteristic nature, its relationship with other stakeholder cannot become proactive. Only a proactive organisation can provide optimum value to the market and transform all the stakeholder relationships as complimentary. Only a proactive organisation can create space for its employees to materialise their individual goals and offer optimum value to society while enriching social relationships. An Organisation meets individual goals and societal goals simultaneously only by transforming its goals as human goals and conceptualising its true nature as Human Goals-Based Theory of the Firm.

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