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Indian Knowledge Systems and Ethical Leadership in Human Resource Management

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Abstract:

Imaginative role of Indian Knowledge Systems (IKS) in education, governance, management and social responsibility in India is increasingly being discussed. Meanwhile, HRM is confronted with ongoing ethical dilemmas concerning employee dignity, performance pressure, fairness, voice and employee wellbeing, as well as balancing organisational and stakeholder interests. This conceptual paper covers the ways in which some of the principles of IKS can be used to guide ethical leadership in HRM, while not replacing the current traditions of classical leadership with new principles of contemporary law, evidence or universal rights for employees. The paper sets up a framework connecting dharma, nishkama karma, lokasangraha, ethically bounded artha and leader self-mastery with moral role modelling, fair process, stakeholder orientation and responsible HR practices, following an integrative review of the foundational Indian texts, contemporary IKS scholarship, ethical-leadership research and employee-centred HRM literature. The findings indicate that when purpose, self-regulation, long-term wellbeing, and responsibilities toward others are enhanced, IKS can be an asset, but it can be used in ways that involve complying with demands, giving up oneself, or agreeing to injustice. The paper therefore suggests constitutional morality, non-discrimination, pluralism, employee voice and empirical accountability as boundary conditions. It argues that IKS is an ethical resource that can be used in the HRM field in a reflective way and is not a substitute for the HRM ethical frameworks of the modern age.

Keywords: Indian Knowledge Systems, ethical leadership, human resource management, dharma, sustainable HRM, employee well-being

Introduction:

Hiring, payment, and appraisal of employees is not the only administrative process which constitutes human resources management. It's also a moral one, shaping who gets to be heard, the extent of power used, what types of behaviour receive recognition and if workers are treated as people

or merely productive resources. Modern HRM scholarship is thus concerned with providing connections between organisational performance and employee wellbeing, fairness, responsible leadership, and contributing to sustainable value creation (Guest, 2017; Greenwood, 2002). A comparable case can be made about the research on ethical leadership; how leaders positively influence behavior not just through the promulgation of formal rules, but through their role models, their communication, their reinforcement, and their everyday decisions (Brown et al., 2005; Brown & Treviño, 2006).

It is now in India there are dialogues happening between these two and there is a new desire to focus on Indian Knowledge Systems (IKS). The recent scholarship on IKS has envisioned and described the Indian philosophical and practical traditions not as a single doctrine, but a huge knowledge domain which remains multidisciplinary (Mahadevan et al., 2022; MofE, 2020). This provides important insights for management: whether the moral quality in the leadership and HRM can be enhanced with the concepts from the Indian moral and governance traditions.

The paper posits that the critical interpretation and translation of selected ideas from IKS can enhance ethical leadership in modern-day organisations. Ideals of responsible duty (dharma), action without excessive attachment to personal gain (nishkama karma), and securing the welfare of the larger social order (lokasangraha) can invite leaders to go beyond narrow-mindedness. However, borrowing without asking questions could be risky. Historical contexts of the classical texts had embedded social and political concepts that do not automatically apply to the workplace. Thus, any IKS informed HRM framework needs to be seen and understood in the light of constitutional rights, equality, non-discrimination, employee voice and evidence-based management. This paper proposes to create such a “balanced” framework and find applications, benefits, risks, and research directions.

The method and scope of the conceptual review is outlined below.

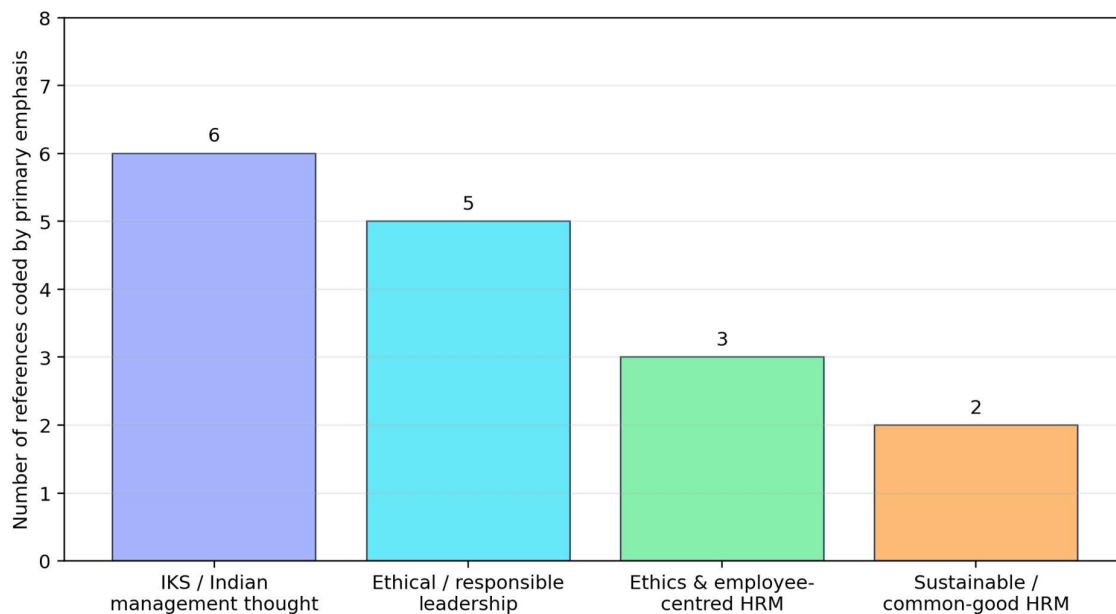
Concept-review method is employed as an integrative method. It is not a systematic review or a meta-analysis, and it does not provide original survey or experimental data. A purposive selection of sources was made to represent the four streams of literature – foundational and interpretive IKS literature, modern Indian Management Thought, mainstream ethical and responsible leadership research and HRM literature on ethics, employee well-being, sustainability and common good. This design is suitable since the research question is fundamentally normative and conceptual--how to integrate different intellectual traditions in a coherent HRM framework and where do stop and start?

The analysis was carried out in the following three steps. The first step was to derive recurring IKS principles pertinent to leadership and governance from the Bhagavad Gita tradition, the Arthashastra by Kautilya and the modern Indian management scholarship (Chakraborty, 1987, 1995; Easwaran, 2007; Mahadevan et al., 2022; Rangarajan, 1992). Second, those principles were contrasted with other mechanisms that have been used in ethical-leadership research, such as moral role modelling, two-way

communication, reinforcement, fairness, and stakeholder responsibility (Brown et al., 2005; Maak & Pless, 2006; Treviño et al., 2003). Thirdly, the resulting mechanisms were aligned with HRM mechanisms like recruitment, performance management, remuneration, development, employee relations and wellness. The composition of the reference base for this paper is detailed in Figure 1, which is only descriptive and should not be interpreted as strength of evidence.

Figure 1

Descriptive composition of the literature base used in this paper



Note. The graph is an author-generated descriptive coding of the references used in this paper and is not a meta-analytic measure of evidence strength.

The following Principles are relevant to ethical leadership in the context of the IKS.

Dharma is a good beginning. The term carries numerous meanings from a philosophic point of view and shouldn't be stated as a corporate slogan. In the context of leadership, it can be understood as a commitment to moral behaviour, duty and responsibilities of leadership. The concept of managerial effectiveness is also linked to character and a broader responsibility, as Vedantic principles suggest (Chakraborty, 1995), and the same is true of the scholarship of the IKS, which also highlights the moral and civilisational dimensions of the use of knowledge (Mahadevan et al., 2022). In the context of HRM, dharma involves not only the question of efficiency and legality, but also the questions of fairness, humanity and adherence with the duties of organisational power.

The other principle is what is known as nishkama karma or righteous action without any motive of fruition. The Bhagavad Gita's approach to action is to emphasize steadiness in action, so that actions are not driven by the desire to do good or avoid harm, nor by the hope of reward or fear of punishment (Easwaran, 2007). This can help with self-regulation, service orientation and a lack of opportunistic decision making for leadership. It also shares similarities with the expectation of ethical leadership that

leaders act in ways that are consistent with their moral ideals (Brown et al., 2005). Importantly, nishkama karma is not to be interpreted as a “managerial demand” which suggests that workers ignore rights, workload, pay and promotion. The principle is best justified from the standpoint of the employee and the leaders; they should not employ organisational authority mainly in the interest of their own.

Lokasangraha is an added element of the collective. The idea may be understood as a duty to maintain social stability and social welfare, as well as in terms of the benefit to the individual and short-term organisation. The orientation is suitable for responsible leadership, which views leadership as a relational and stakeholder-focused approach and not limited to leader-follower relationships within the organization (Maak & Pless, 2006). It is also relevant to common-good and sustainable human resource management practices in which the question is posed as to whether a particular HRM practice yields value over time while keeping human and social resources. Furthermore, the issue is relevant to common-good and sustainable HRM practices that consider whether a given HRM practice generates value over time and maintains human and social resources (Aust et al., 2020; Ehnert, 2009).

Kautilya's Arthashastra adds a more pragmatic approach to governance. In the text, the focus is on statecraft, prosperity, discipline in administration, accountability and the roles of rulers. Although it is not a modern HRM model, the constant theme of competence, monitoring, welfare and disciplined exercise of authority indicates that economic and administrative effectiveness was not considered morally neutral activities (Rangarajan, 1992). Be careful, this tradition can help to reinforce the notion that artha, or material prosperity, must be governed and controlled. Profit and productivity are still valid for organisations but how it is achieved by them should be constrained by ethical and social responsibility.

Table 1

Selected IKS principles and their possible HRM translation

IKS principle	Ethical meaning	Possible HRM application	Critical safeguard
Dharma	Responsible duty and right conduct	Transparent selection; procedural fairness; accountable supervision	Do not confuse role duty with obedience to arbitrary authority
Nishkama karma	Disciplined action without ego-driven attachment to reward	Leader self-regulation; integrity in appraisal; service orientation	Never use “detachment” to deny fair pay, recognition, or employee rights
Lokasangraha	Weighing social welfare and cohesion	Employee well-being; stakeholder-oriented HR; long-term workforce stewardship	Define welfare inclusively and preserve employee voice

IKS principle	Ethical meaning	Possible HRM application	Critical safeguard
Artha bounded by ethics	Material prosperity under governance and restraint	Productivity with compliance, fairness, and responsible rewards	Profit cannot override law, dignity, or non-discrimination
Self-mastery / discernment	Control of impulse; reflective judgment	Leadership development, ethical reflection, conflict-of-interest management	Use secular, voluntary, and evidence-informed development practices

Note. The translations are interpretive applications for contemporary HRM, not claims that classical texts contain modern HR policies.

Principles of IKS to Ethical Practices of HRM:

IKS does not create new HR techniques but could add an ethical perspective to existing HR systems. This orientation is of importance as explained by the ethical theory of leadership. Brown et al. (2005) distinguish the following aspects of ethical leadership: normatively appropriate conduct, role modelling, communication, reinforcement, and decision making. Subsequent research demonstrates that ethical leadership can permeate through levels of the organization and impact on employee experience and behaviors (Mayer et al., 2009). Therefore, HRM is a key transmission belt and if values are not demonstrated in the staffing, appraisal, reward, development and grievance processes they are not credible.

The first test is recruitment and selection. A dharma interpretation would demand leaders to specify the competency of their jobs, reveal the standards, minimize discretion, and refrain from making status-based or nepotistic decisions. Employees are vulnerable stakeholders since organisations have access to jobs, wages, information and opportunity for advancement (Greenwood, 2002). For this reason, it is important that an IKS-informed approach emphasize procedural justice instead of personal loyalty. Structured interviews, documented criteria, conflict-of-interest disclosures, various selection panels and reviewable decisions are more consistent with responsible duty than is opaque patronage.

Another field of use is performance management. Induction of gaming, silencing and short-termism possible with narrow target culture. In Nishkama karma, the purpose is to direct attention in a disciplined manner to the quality and the integrity of action, and not only to the reward of the results. An ethical appraisal system could then assess the product as well as process, working together, the way individuals are treated, learning, and adherence to professional standards. This is also consistent with the focus on reinforcement found in the study of ethical leadership – that is, on what employees see leaders rewarding (Treviño et al., 2003). Performance expectations must still be measurable and

contestable, though. Spiritual terms should not be used as a substitute for clear goals or as a way of branding employees as not being spiritual if they want to be fairly compensated for their work.

Even greater protections are needed in compensation and Employee Relations. A culture of collective welfare can foster living wages, benefit security, a sense of psychological safety, respectful treatment, and voice for employees. Guest (2017) suggests that HRM should be evaluated in terms of employee well-being in addition to employee performance because not everything that is good for performance is good for employee well-being. Also, research findings in the field of HRM and social responsibility are correlated with the employees' focus (Shen & Zhu, 2011). In the eyes of the IKS, lokasangraha is compatible with these ideas, as it expands the decision horizon beyond the short-term extraction of finance. It is ethically wrong, however, to call for sacrifice and duty when one is fighting for wage rights, collective voice or grievance. The test is whether the organisation itself meets reciprocal obligations.

Leadership development is likely one of the most organic places where IKS can be integrated. Self-control, introspection, judgement, and control of spontaneous appetites are all important factors in many classical Indian practices. The following ideas can be applied to secular leadership-development approaches like reflective journaling, ethical case discussion, mindful practice without religious pressure, conflict-of-interest analysis, stakeholder mapping, and mentoring. Chakraborty (1987, 1995) suggests that Indian perspectives can help in achieving effectiveness in management if inner development is related to work and responsibility. Today, such development should be complemented with behaviour: managers should be assessed on the following situations: fairness, listening, speak-up climate, and consistency between values and decisions.

Finally, sustainable HRM can serve as a link between IKS and today's global practice. In sustainable HRM, organisations are required to maintain human, social and ecological elements that support their sustainable performance (Ehnert, 2009). Common-good HRM further builds on this, by arguing that HRM is responsible not just for organisational competitiveness, but also for the flourishing of society at large (Aust et al., 2020). These are approaches that are in tune with lokasangraha and the concept of prosperity being integrated into ethical responsibility. The linkage is not an equivalence—rather, through the culturally rich language of IKS, Indian organizations have a language with which to speak of long-term stewardship and obligations to stakeholders.

Conceptual Framework:

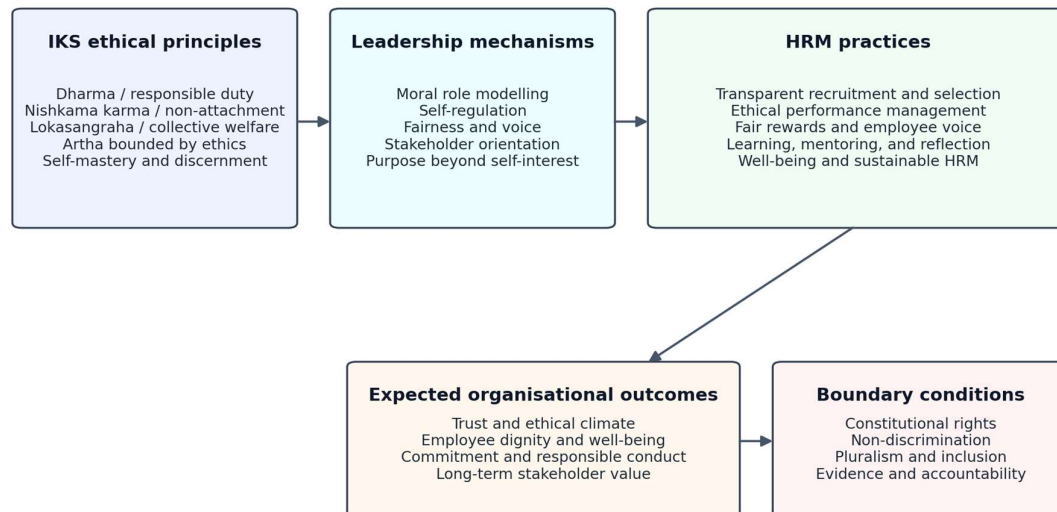
Figure 2 combines the above analysis. The first layer is the principles of IKS but is not directly responsible for HR outcomes. The influence they have is mediated through leadership mechanisms: self-regulation, moral role modelling, fairness, stakeholder orientation, and purpose beyond self-interest. These mechanisms are then formalised in HRM practices. From this perspective, the model does not support the notion that spiritual influences in the workplace can result in an ethical

environment. Ethical purpose needs to be translated into systems that are observable, questionable and experienced by employees consistently.

The framework also includes boundary conditions. The non-negotiable minimum level of organisational behaviour is set by constitutional rights and employment law. Employees who don't subscribe to a philosophical or religious orientation are protected by pluralism. Non-discrimination means that the hierarchy that was created in the past is not reproduced in the cultural language. Finally, there is a need for evidence and accountability to ensure an intervention is effective at increasing fairness, well-being, trust, or ethical climate. This is a model that sees IKS as a resource for reflection on the law, not a waiver of it.

Figure 2

Conceptual framework for integrating IKS with ethical leadership in HRM



Note. Author synthesis based on the literature reviewed. Arrows represent proposed conceptual relationships rather than tested causal effects.

The importance of risk and protection. Significance of risk and protection.

Selective idealisation is the biggest challenge in practicing IKS in HRM. Indian intellectual traditions are internal to India and multi-layered from historical perspective and sometimes conflicting. If we treat IKS as an "evergreen management recipe," we lose this plurality (Mahadevan et al., 2022). Another threat is hierarchy. Classical political and social work were produced in a context that did not reflect current ideals of equality of employment opportunity, gender equality, or employee voice in democracy. Organisations must therefore separate transferable ethical understandings from traditional social structures.

Managerial appropriation is a third risk. Words like duty, detachment, harmony or sacrifice can

be rhetorically appealing to employers as they can both deter dissent and give employers a sense of control. That is why the employee-centered ethics must be kept in the forefront. Greenwood (2002) believes that HRM presents a unique ethical issue of managing people; it is also in service of organisational goals. A good approach would be to eliminate this tension through reciprocity; when employees are asked to behave in a responsible manner, it is important that leaders accept limitations on power and disclose the rationale for decisions, offer fair rewards, and establish safe avenues for disagreement.

There's a fourth risk about evidence. Although the concept of ethical leadership has a developing empirical literature, the assertion that IKS-based HR interventions will lead to measurable HR outcomes is less developed. Future research should thus not use philosophical compatibility as causal proof. Organisations could explore the implementation of leadership modules based on IKS and measure any differences in ethical climate, perceived supervisor fairness, employee voice, well-being, turnover intention and grievance patterns. Qualitative research might also investigate whether workers with varying religious and linguistic orientations, caste, gender and regional affiliations perceive these programmes as inclusive or coercive.

Table 2

Risk-control matrix for IKS-informed HRM

Implementation risk	Why it matters	Recommended control
Cultural or religious coercion	Employees may not share the same philosophical interpretation	Use inclusive, secular framing; make devotional practices voluntary
Duty used to suppress dissent	“Dharma” can be misread as unquestioning obedience	Protect grievance channels, whistleblowing, and reason-giving by managers
Detachment used to justify under-reward	“Nishkama karma” may be misused against legitimate employee interests	Maintain market-based pay, transparent rewards, and appeal procedures
Historical hierarchy reproduced	Traditional social assumptions may conflict with equality norms	Apply constitutional morality, anti-discrimination rules, and diversity audits
Symbolic ethics without evidence	Values programmes may become ceremonial	Track ethical climate, fairness, well-being, voice, and misconduct indicators

Note. Safeguards are derived from the ethical-leadership and employee-centred HRM literature reviewed in the paper.

The discussion and implications for HR leaders will be further explored.

For HR leaders, this means employing IKS to ask questions, not to give answers. In a challenging situation, the question of dharma can be, "What are our responsibilities that arise from our power in this situation? By encouraging leaders to consider Nishkama karma, they can be reminded of the distinction between organisational purpose and ego and individual reward. Lokasangraha can help to question who is paying the hidden price for a decision. Competence, accountability, and disciplined administration can be brought to the fore through themes on governance in the Kautilyan approach. Only if accompanied by clear processes, meaningful metrics and employee representation does this set of questions acquire an ethical dimension.

This method can also increase cultural relevance. In India imported management frameworks tend to be used without considering local ethical vocabularies. IKS can assist leaders in connecting purpose and responsibility to a segment of the Indian social and intellectual context. Meanwhile, today's workplaces are religious and culturally diverse. The devotional aspect should therefore be avoided to the development based on IKS. Secular language should be provided, and no employee should be penalized for declining the spiritual language.

The wider theoretical message is that ethical leadership and sustainable HRM could be enhanced through cross-cultural conversation. Mainstream ethical-leadership studies provide insights into such mechanisms as modelling and reinforcement, whereas IKS brings reflections on self-mastery, duty, welfare and the (moral) limits of material pursuit that extend into the past. These traditions can be brought together to create a fuller leadership picture, but only as long as current human rights and empirical evidence are dominant.

Conclusion:

Indian Knowledge Systems can have a significant impact on ethical leadership in Human Resource Management if used critically, inclusively and institutionally. Dharma can expand the notion of responsible role playing, nishkama karma can unsettle the notion of ego-driven leadership, lokasangraha can broaden the scope of stakeholder's concern and the ethicalization of artha can set prosperity within limits of accountability and welfare. These principles align with existing research that demonstrates that ethical leaders impact organisations through role modelling, communication, fair decision making and reinforcement (Brown et al., 2005; Brown & Treviño, 2006).

The significance of IKS, however, is not to replace the modern HRM methods with old solutions. It plays a good reflective and normative role. The modern HR system must continue to be bound by the principles of constitutional morality, equality, the principle of non-discrimination, evidence and employee voice. In this context, IKS can enhance leadership development and enable the organisation to define a more compassionate role of HRM. The resulting model is not a rejection of the global HR scholarship, nor is it a blind celebration of tradition, but rather a disciplined synthesis

with an ethical, sustainable, and contextually based focus on the people management.

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