

The karmic leader: India sets the pace

With about 10 percent of professors at top U.S. business schools now hailing from India, a new, Eastern feeling has started wafting through the American marketplace.

During a Young Presidents' Organization meeting recently at a mansion in New Jersey, about 20 executives from midsize companies got a dose of Hindu philosophy along with their vegetarian canapés. Basically, it's a theory of business that replaces the shareholder-centric agenda with a wider view of stakeholders, and it resonates with the "emotional intelligence" and "servant leadership" now in vogue.

"The best way to describe it is 'inclusive capitalism,'" says University of Michigan business professor C.K. Prahalad. "It's the idea that corporations can simultaneously create value and social justice."

Marketing, too, which used to be lashed to the metaphor of war, now is leaning toward collaboration and interdependence with customers.

What does Eastern business-think have in store for leaders? Leaders should be selfless, take initiative and focus on duty instead of profit.

"The key point," says leadership guru (no pun intended) Ram Charan, "is to put purpose before self. This is absolutely applicable to corporate leadership today."

While Indian thinkers like Prahalad and Charan didn't invent these ideas, they're pushing them hard. Dartmouth business professor Vijay Govindarajan links his work directly to Hinduism. He tries to help companies stop reacting to the past and start creating the future, saying the notion of karma, that the future is partly determined by the present, influences his work.

Naturally, there's now a book called *Bhagavad Gita on Effective Leadership*, and Deloitte has hired Deepak Chopra to conduct his controversial self-help programs.

And why not, asks Mark Tercek, a managing director at Goldman Sachs.

"We can hire the smartest damn people in the world," he says, "but many of them ultimately don't succeed because they can't motivate and work with those around them. I think the Indians are on to something."

—Adapted from "Karma Capitalism," Pete Engardio with Jena McGregor, *Business Week Online*, www.businessweek.com.