

Management Fundamentals in Kautilya's Arthashastra – VII



RADHAKRISHNAN PILLAI

Basic Principles of Management

Like adversity, prosperity has its own quota of problems. We may be surprised at this, but any successful person will vouch for the fact that prosperity brings its own problems. We generally think that not being successful is the problem and once we are at the top, everything will be easy. An airconditioned office, excellent cars, a large number of people working under you – well this is the dream of a corporate person. But success also brings a greater measure of responsibilities. One of the best ways of continuing to be successful is to

keep accepting higher and higher responsibilities.

How does one face the problems that success brings along with it? To put it in simple words, 'Back to the roots, back to basics.' Every now and then, it is important to take stock of oneself. One has to remember where one started from, and where one is heading. Otherwise, it will be the same old story of starting to reach a particular place and landing up somewhere else.

Looking back gives us the strength to move forward. It gives us an opportunity to look at our struggling days, the dreams that we wanted to achieve, the hurdles that we crossed, among others. It also gives us a chance to look at the 'simple' yet basic principles of dealing with any problem.

The author may be contacted by email at radhakrishnan@atmadarshan.com

So, in this issue we will once again take a look at the basics of what we started to explore – the Management ‘**Fundamentals**’ of Kautilya in his *Arthashastra*.

Definition and the Basic Elements of Management

Management is largely a ‘mindset’. Once we develop this mindset, we need not worry about whether we have done our formal education in management or not. However, a continuous empowerment is always necessary. What are the basics of Management? What are those principles that, once understood, make the whole complex world of Management become simple?

Kautilya, in his very first book of the *Arthashastra*, states clearly the foundations and basic elements of the Management world in just one simple verse.

“The means of starting undertakings, the excellence of men and material, (suitable) apportionment of place and time, provision against failure (and) accomplishment of work – this is deliberation in its five aspects.” (1.15.42)

Therefore the basics of Management can be summed up in its five simple aspects thus:

1. The Means of Starting Undertakings (Assignments/Projects)

In order to manage, firstly, some project or assignment is needed. In the case of an employee, certain assignments are given. For example, the account statements have to be ready by a particular date, the sales team has to achieve a particular sales target, etc. Assignments are usually given by the seniors to the juniors. It is a process of delegation to complete a particular task.

Projects are basically started by the top management. Companies and organisations work on projects. Either one takes up projects (which have been outsourced from other organisations) or starts one’s own projects. Many companies work on multiple projects at any given point of time, but there are some which work on a single project for a long period of time.

Assignments usually take less time to complete compared to projects.

The leader needs to start or undertake projects in order to assign jobs. This gives the organisation something to do, something to contribute. With-

out projects or assignments even the best talent is useless.

2. The Excellence of Men and Materials

The second aspect of management is productivity. Whenever any work is started, it requires two basic elements – the men (the people who do the work), and the materials that are used by these men. The materials may include money, machinery and various other tools to process a particular task.

An efficient manager will be responsible for bringing out productivity from both men and materials. Productivity also includes efficiency.

One has to bring out the best from the people. Having hired them and trained them, they have to be useful to the organisation. By setting targets, encouraging them and constantly guiding them, the excellence of men will be achieved.

How does one bring out the best from materials and machines? This is where planning comes into the picture. One may buy good machines with the latest technology. But what does one do if there is no work? It is the responsibility of the manager to keep bringing in

more and more work. For this he has to keep an eye on the current trends in the market scenario, and also observe continually, the various changes that are bound to take place there.

However, one cannot just keep running a machine day and night. Maintenance work needs to be considered too.

3. Deciding the Suitable Place and Time

This is the single most important factor for strategy in management. There are various factors that affect a business environment. The global and political scenario, the various initiatives taken by the competitors, all have to be considered before planning your move.

The right timing is the key to success in any undertaking. For example, we can note that companies wait till the budget each year before declaring the new prices of various products/services. Quite often, a company waits to watch the acceptance of the competitor's product in the market before launching its own.

The other factor is the right place to attack. In the field of management, this is technically called 'positioning'. Your

product or service should be positioned in the right place. There is no point in trying to sell an aeroplane to the lower income group living in villages, or a first standard text book to a postgraduate student.

Companies across the globe are spending huge amounts of money to do R&D (Research and Development) to analyse and conclude if the positioning of their product is in the right segment. Offering financial services like loans for tractors to farmers living in the rural areas is 'right' positioning. While offering the same loan to a teacher working in a metropolitan city is 'wrong' positioning.

4. Provision against Failure

Failures are stepping stones to success. In any project we undertake, there are more chances of losing than winning. The best way of avoiding failure is to be well prepared for it. Thinking from all possible angles, taking into consideration all the risks involved, is very essential for any manager. One needs to have backup plans. There should be various alternatives available in case the direct path does not work. What if plan A does not work? There

should be a plan B ready. What if plan B fails? Plan C should be ready.

There are various tools available to handle the risks involved. Insurance is a good tool. One can easily insure one's life as well as various materials in case of unforeseen calamities. Another backup plan is to save for the bad season. In various industries, the market is very seasonal. How does the management then provide for the salaries of the people during the 'slack' season? They should keep a 'reserve' of funds for such needs.

At the governmental level, a country generally makes provisions for natural calamities and disasters in its budget.

5. Accomplishment of Work

Finally, management is all about the completion of work. All of us start different kinds of work at different times, but most of us do not generally complete them. A great thinker once remarked, "I believe more in completing a few tasks that I have undertaken, than starting many new tasks."

Experimenting with various ideas is good, but finally one has to focus on successfully completing at least a few of

them. Otherwise one lands up in a circle, going round and round without reaching anywhere.

In the final tally, results alone matter. People do not keep count of the process, they see only the results achieved, just as in a cricket match, even though one has made good runs, if the team loses finally, it has little value other than embellishing the player's personal performance history.

Results, results and results! It is the bottom line for which a manager is appointed.

Power

Every person in a high position is endorsed with certain decision-making powers. These executive powers are meant for accomplishing certain tasks, not to be misused for selfish benefits.

When it comes to the leaders of the various nations, the control and power they possess is very high. Every manager is like a leader of his organisation in his own way. Therefore a correct understanding of the term 'power' is very essential for him to function and achieve the expected results.

L.N. Rangarajan, in his translation of *Arthashastra*, gives a summary of the concept of power as Kautilya emphasised:

"Power for Kautilya is not just military might or the economic strength backing it. Intellectual power, which enables a king make an objective analysis and arrive at the correct judgment, is the most important. Intellectual power, military might, enthusiasm and morale – these are the three constituents of power." (pg. 625)

Therefore 'power', according to Kautilya, has three constituents:

1. Intellectual Power (Knowledge)
2. Military/Money Power
3. Power of Enthusiasm and Morale.

1. Intellectual Power (Knowledge)

In the *Arthashastra*, the highest importance is given to intellectual power. It is the power of knowledge. A bright, analytical and sharp mind is always ahead in any chosen field. Kautilya himself was a giant intellect. Dull people cannot be good leaders. Leaders have to be men who are decision-makers. These decisions affect

a large number of people within and outside the organisation. Therefore one has to be sharp-witted enough to keep oneself updated with not only what is happening around, but also foresee future events.

2. Military/Money Power

Money is a very powerful tool. To a great extent, it is power by itself. It has the capacity to buy men as well as various materials. The military is perhaps the most powerful force in any society. It is well trained as well as well equipped with various weapons. In the corporate world, these two refer to the financial strength of the company and the skilled and efficient workers in its employment.

It is difficult to beat a person who has control over these two factors.

3. Power of Enthusiasm and Morale

A highly energetic man is a powerful man. Hitler, though for the wrong reasons, was a passionate speaker. He could move the masses with his oratory. Enthusiasm is highly contagious.

Finally, the most powerful men are the men of moral strength who are doubly fortified with the strength of conviction. A simple, yet firm Gandhiji could pull down the British Empire with his high morale and dedication.