IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Bridging Indian Knowledge System and Modern Governance for Sustainable Development

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Abstract

In the contemporary context, the Indian Knowledge System (IKS) holds considerable significance as a comprehensive knowledge tradition characterized by logic, diversity, openness and scientific reasoning. It represents the accumulated customs, cultural values, experiences and wisdom transmitted across generations and different historical periods. The contributions of several eminent Indian thinkers and scholars have brought the spiritual philosophy and managerial insights embedded within various components of IKS to global attention. At sits core, the Indian Knowledge System emphasizes the pursuit of higher self-realization through spiritual knowledge. The Bhagavad Gita, one of India's significant contributions to global thought, offers extensive wisdom with relevance to everyday life as well as professional and managerial contexts.

In the contemporary business environment, sustainable development has emerged as a major concern across different spheres of life. Sustainabiliity has increasingly become an important consideration for both large corporations and small and medium-sized enterprises. Alongside financial performance and return on investment, organisations are paying greater attention to their social and environmental responsibilities. Consequently, corporate governance is gradually expanding its focus from financial outcomes to the broader social and environmental impact of business activities. Against this background, the present study examines the relationship and interdependence between corporate governance and sustainable development through the perspective of the Indian Knowledge System.

The study aims to explore whether traditional Indian Knowledge can provide meaningful insights for addressing managerial challenges within organizations. Particular emphasis is placed on the managerial lessons derived from the Bhagavad Gita, Ramayana and Mahabharata. The study is based on secondary data. The findings suggest that the managerial teachings embedded in these Indian texts can be valuable for business professionals by helping them overcome the fear of failure and enhance their competencies and capabilities. The study further concludes that incorporating relevant lessons from different dimensions of the Indian Knowledge System can contribute to improving the effectiveness and efficiency of business organisations.

Keywords: Indian Knowledge System, Modern governance, Sustainable Development, self realisation, corporate governance

1. INTRODUCTION

"Corporate governance" has become one of the most used phrases in the language of global business. The global financial crisis that swept the financial markets and economies around the world, causing bankruptcies and resulting economic recession has pushed the concept of corporate governance in the spotlight (Fülöp&Pintea, 2014). Deficits in corporate governance are thought to b0e the root of the crisis. The primary "accused" liquidity crisis and its effects include excessive manager compensation, ineffective internal control and risk management, insufficient activity monitoring, and the lack of independence of boards of management. Events associated to crises have brought special focus to risk management, internal control systems, and entity performance... While previous attempts to reform the system of corporate governance focused on composition board or remuneration matters, the financial crisis has brought risk to the forefront. (Jianu, 2006). In 1987, the Bruntland Commission published its report, Our Common Future, in an effort to link the issues of economic development and environmental stability. In doing so, this report provided the oft-cited definition of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987, p. 43).(Emas, n.d.). The distinctive features of the new economy necessitate new, non-economic performance requirements for economic entities. To guaranty the sustainability of operations, these requirements ought to be incorporated into the creation of business strategies. Corporate governance reforms, which are today defined by what we refer to as corporate accountability and transparency, are impacted by globalization. Companies are pressed to provide in addition to financial information the non-financial information, which focus on social and environmental impact of their activities and the way sustainability related constraints are integrated into their strategy for achieving organizational success.(Pintea & Fülöp, n.d.). Despite growing awareness and interest in the notion since the early 2000s, the application of corporate governance (CG) concepts extends back hundreds of years to the 1600s. But at the time, the idea lacked a name, a law, or a legal requirement that would have allowed it to be used in commerce. In addition to the analysis of agency theory, a great deal of focus has been placed on the implementation of QA procedures and principles because one of the main goals of QA is an extension of agency. The enormous range of papers reflects the wide range of techniques to theoretically embroidering GC. The aim of CG theories is to study how managers are governed rather than how they govern themselves, despite what the generic term "corporate governance" sometimes encourages us to believe. This is because doing so would lead us to confuse the terms "governance" with "administration." From the financial model that focused on protecting shareholders' interests to more complex models that include all stakeholder groups and emphasize the creative and intellectual aspects of value creation, corporate governance theories have evolved.. This evolution, influenced by that of the theories of the company, leads to consider To the increasingly significant human capital since the formation of the competition.(Garzón Castrillón, 2021)

Sustainable development concerns are prevalent in today's world. Everyone discusses sustainability in all facets of our lives. It is increasingly on the agendas of both large organizations and small and medium-sized businesses. We choose to investigate the connection and interdependence between corporate governance and sustainable development within this framework. This work was supported by both empirical research and a survey and analysis of the literature. This paper present some of the results from our survey showing the changes that occur in the corporate governance and the position of the managing boards of directors due to the sustainable development policy applied worldwide.(Boeva et al., 2017)

By demonstrating openness and social responsibility, good corporate governance reduces risk, boosts performance, creates an appealing investment climate, and opens the door to efficient financial markets. Five fundamental ideas form the foundation of good governance. An organization that consistently exhibits responsibility, leadership, integrity, stewardship, and openness in both words and deeds is one that employs good governance. Corporate governance should, above all, guaranty the organization's functioning in order to achieve the goals, in addition to ensuring compliance and performance standards for responsibility. So, those charged with the management must verify that agreements and governance practices are not unduly concentrated on the line at the expense of performance.(Pintea & Fülöp, n.d.).

Indian Knowledge System

The Indian information system (IKS) is the methodical transfer of knowledge from one generation to the next. It is a means of knowledge transfer and an organized system rather than a custom. The Indian Knowledge System is based on the Vedic literature, the Upanishads, the Vedas, and the Upvedas. The Indian Knowledge Systems, comprising Jnan, Vignan, and Jeevan Darshan, have evolved via experimentation, observation, experience, and in-depth study. Education, the arts, administration, law, justice, health, manufacturing, and commerce have all been touched by this history of validating and putting into practice..(Mandavkar, 2023).

The style of living is a significant component of the Indian knowledge system. It acknowledges the interconnectedness of all facets of life, including the self, others, and the natural world, as well as issues and spirituality. Many Indian practices, including Ayurveda, yoga, and prayer, which emphasize preserving harmony and balance with the environment, also use a holistic approach. The value of gaining knowledge via observation and firsthand experience is another significant facet of Indian knowledge. The teachings of ancient scholars and Indian sages, who promote introspection and meditation based on knowledge and insight, mirror this methodology. Additionally, it emphasizes the importance of oral culture, which transmits information thru debate, discussion, and storytelling. The Vedas, the earliest holy books in Hinduism, were composed during this time and are regarded as the cornerstone of Indian philosophy and wisdom. Before being recorded in writing, the Vedas are a collection of hymns, ceremonies, and mantras that were transmitted orally from generation to generation for ages. They are well-versed in cosmology, ethics, spirituality, rituals, sacrifices, and the end of reality. They show that the universe is non-dual and that universal consciousness exists. Buddhism, another significant school of thought, first appeared in the first century BC and quickly expanded throughout Asia, impacting Indian knowledge and philosophy. The Indian experience encountered difficulties and saw substantial transformations following India's entry. Indian and Western ideologies were connected by the introduction of Western education and ideas by Europeans, while Islamic leaders brought their own culture and customs. Indian knowledge is still robust and expanding in spite of these developments. While the rise of Sikhism in the 15th century combined aspects of Islam and Hinduism, the Bhakti movement of the 15th and 16th centuries focused on devotion and love for God. Indian knowledge and ideas saw a resurgence during the Raj. India's founders understood the value of conserving and advancing the nation's rich cultural legacy. Ancient texts and theories were therefore highly valued in education and culture, and several institutions were established to preserve and advance Indian knowledge (Integrating_Indian_Knowledge_System_in_Education_A_Study_of_Government-Libre.Pdf, n.d.).

Governance Models and Traditional Administrative Practices India’s traditional governance models have played a great role in shaping present administrative structures. Ancient Indian governance was deeply rooted in decentralization, participatory decision-making, and ethical leadership, which align with modern governance principles. Ancient Indian administrative systems placed a strong emphasis on welfare administration, economic policy, and justice, as seen by writings like Kautilya's Arthashastra (Sihag, 2009). These ideas still have an impact on governance models today, especially in the areas of policymaking, rural administration, and local self-government. The focus on decentralization in traditional Indian government was among its most noteworthy features. The Panchayat system, which was common in villages in the past, served as a self-governing body in charge of local administration, conflict settlement, and decision-making. By guaranteeing group involvement, the Gram Sabha (village assembly) improved accountability and transparency in government (Tamboli, 2005). The 73rd CAA, 1992 commenced the Panchayati Raj system, which is in line with contemporary governance ideas. Furthermore, dharmic ideas and ethical governance were integrated into ancient Indian administration, guaranteeing that leaders followed moral and ethical standards. According to Arthashastra, the idea of Dandaniti (the science of government and justice) emphasized the necessity of a powerful but fair ruler, economic success, and the well-being of the populace. In a same vein, Dharma (moral obligation) and the responsibility of rulers in fostering social peace and public welfare were central to Buddhist governance concepts (Bronkhorst, 2009). These principles are in line with modern notions of social fairness, sustainable development, and good governance. Additionally, resource management and economic planning were encouraged by earlier types of governance. An early system of economic government, the guild system (Shreni) governed industries, trade, and commerce. These guilds were crucial for maintaining labour rights, occupational training, and economic stability. Traditional economic governance is still relevant, as seen by the incorporation of these ideas into contemporary strategies like Make in India and Skill India (Ghonge et al, 2020). Analyzing traditional governance models offers important insights on ethical leadership, participatory governance, and administrative effectiveness. India may establish a more transparent, inclusive, and long-lasting administrative structure by incorporating these ideas into contemporary governance systems. Reviving these historic methods can improve public service delivery and fortify democratic institutions, especially in the areas of social welfare policy, economic management, and local government (MadhaviBhuta, 2021).

Integration of Indian Knowledge Systems (IKS) with Modern Governance Models

In Indian Administration, Indian modern Governance was built on the strong foundations of traditional values and culture to create a holistic, sustainable, and culturally rooted administrative framework. The governance practices like ethical leadership, decentralization and community participation and Citizen centric administration focus on efficiency, transparency, accountability, digitalization, and participatory democracy. This blend helps India strengthen its administrative structures while staying close to its rich historical traditions. Decentralization and participatory governance are two important areas where IKS is consistent with contemporary governance ideals. Localized and self-governance models, like the Panchayat system, were prevalent in ancient India to bring community involvement in decision-making. The 73rd and 74th Constitutional Amendments brought the notable changes into the governance process, it has strengthened local administration and decentralize authority, have formalized this ancient structure (Sihag, 2009). Andhra Pradesh's Village Secretariat system is one of the initiatives that brought back traditional administration structures that guarantees effective service delivery and increased grassroots public participation by reaching the last mile delivery. IKS has made a substantial contribution to contemporary governance in the areas of Dharma-based administration and moral leadership. In Kautilya's most celebrated work Arthashastra the Rajadharma principles, Dharma (ethical obligation), fairness, and accountability to the people from the king and looking after the welfare of the people were highly valued in ancient Indian administration. These governance ethics are consistent with the modern ideals of honesty in public service, transparency, and good governance by promoting democratic decentralization. In India's current Code of Ethics for Civil Servants, these principles are reflected which guarantees that administrators respect justice, fairness, and public service (Tamboli, 2005).

Ancient Indian Knowledge makes a successful contribution to environmental governance and sustainable development. When it comes to solving today's environmental problems, ecological balance and sustainability are given top priority in traditional Indian wisdom. Modern regulations like the National Green Tribunal (NGT) and the Biodiversity Acts are in line with ancient writings like the Vrikshayurveda (Science of Plants) and customs such the preservation of holy woods.

Additionally, the integration of IKS into e-Government and digital democracy represents a harmony between modern technology-driven administration and traditional deliberative governance approaches. The Right to Information (RTI) Act, Digital India, and online grievance redressal processes are examples of e-Government projects that reflect the ancient Indian reliance on Sabhas (deliberative assemblies) and Nyaya (justice systems). Public Service delivery, Direct Bank Transfers and the Aadhaar-based governance framework are present day examples of India's long-standing emphasis on data-driven governance and public accountability.

IKS is also essential to India's skill development and knowledge economy. By incorporating ancient knowledge systems like Ayurveda, Vedic mathematics, and indigenous crafts into contemporary vocational education, the NEP 2020 encourages transdisciplinary learning. This also supports the goals of India's Atmanirbhar Bharat and Skill India programs, which are encouraging entrepreneurship, self-sufficiency, and the re-establishment of historic industries. IKS promotes sustainable livelihoods and economic empowerment by supporting regional knowledge-based and skill-based enterprises. To sum up, the integration of IKS with modern governance models is changing Indian administration by making it more sustainable, inclusive, and culturally grounded. India's governance structure is strengthened by this hybrid approach, which also increases its ability to adjust to local demands and global problems.

Integration of Indian Knowledge Systems (IKS) with Modern Governance Models for Sustainable Growth

The United Nations (UN) adopted a set of 17 goals known as the Sustainable Development Goals (SDGs) in 2015 to address global issues. The SDGs' primary goal is to "leave no one behind," and nations all across the world, including India, are aligning their policies and governance frameworks with the SDGs to achieve sustainable growth. The integration of Indian Knowledge Systems (IKS) with modern governance models provides a holistic and sustainable approach to development in India. By blending traditional wisdom with contemporary administrative mechanisms, India can align its governance framework with the United Nations SDGs while ensuring economic growth, social equity, and environmental sustainability.

Good Governance and Institutional Strengthening (SDG 16 – Peace, Justice, and Strong Institutions) Sustainability by demonstrating how well good governance works to balance the social, environmental, and economic facets of sustainable growth (Omri et al., 2020). Strong institutional structures that encourage fairness, accountability, and participation are the main goal of sustainable governance. Ancient Indian governance models, like the Sabha (council system) and Nyaya (justice system), emphasized deliberation, India's modern e-Governance initiatives, digital democracy, Peoples Planning in India and the Village Secretariat system in Andhra Pradesh, which enhance public service delivery, grievance redressal, and citizen engagement. Such governance mechanisms ensure that institutions are inclusive, participatory, and effective, transparent, accountable and aligning with SDG 16 by fostering peaceful, just, and accountable societies.

Environmental Sustainability and Climate Action (SDG 13 – Climate Action, SDG 15 – Life on Land, SDG 6 – Clean Water and Sanitation)

IKS has harmonious coexistence with nature, stressing upon sustainable agriculture, water conservation, and biodiversity protection. Traditional water management systems such as step wells, tanks, and rainwater harvesting structures serve as models for contemporary climate-resilient water management practices. The Vrikshayurveda (Science of Plants) and traditional forest conservation practices offer solutions for reforestation, sustainable land management, and ecological restoration, contributing to Climate Action and Life on Land. By incorporating these principles into modern environmental policies such as Jal Shakti Abhiyan, Jal Jeevan Mission and Mission LiFE (Lifestyle for Environment), India is promoting for long-term ecological balance.

Sustainable Urban and Rural Development (SDG 11-Sustainable Cities and Communities)

Traditional governance models, like Panchayati Raj institutions and the Village Secretariat system, emphasize decentralized governance, local resource management, and self-reliant communities. These models align with SDG 11 (Sustainable Cities and Communities) by ensuring inclusive urban planning, eco-friendly infrastructure, and efficient public service delivery. The integration of IKS with smart city projects such as green architecture, waste management based on circular economy principles, and community-based energy conservation ensures that urbanization remains sustainable, resilient, and inclusive. Health and Well-being through Indigenous Knowledge (SDG 3 – Good Health and Well-being) India's rich traditional healthcare practices, including Ayurveda, Siddha, and Unani, provide a holistic and preventive approach to well-being. By integrating Yoga asana into the curriculum promotes the wellbeing The Ayushman Bharat initiative integrates ancient Ayurvedic practices with modern medicine, ensuring accessible and affordable healthcare for everyone. Ayurveda is attracting the foreigners around the world to reach out to India medicine, India contributes to SDG 3, ensuring that healthcare remains preventive, holistic, and inclusive (Ghonge et al, 2020). The integration of IKS with modern governance aligns with India's vision for sustainable growth while directly contributing to the UNSDGs. By incorporating traditional knowledge in governance, environmental management, education, healthcare, and economic empowerment, India can create an equitable, resilient, and self-reliant society. This synthesis of heritage and innovation ensures that development remains sustainable, inclusive, and forward-looking, making India a global leader in sustainable governance and policy innovation.(Awasthi, 2026)

Government initiatives and contemporary relevance

National Education Policy (NEP) 2020 promotes the integration of the Indian Knowledge System in higher education and research. It also encourages value-based education, ethics and indigenous knowledge.

UGC supports IKS centers, research and curriculum development in universities. It encourages interdisciplinary studies linking with IKS with management and governance.

The theme of G20 2023 under the presidency of India was "Vasudhaiva Kutumbakam- One Earth, One Family, One Future" emphasizes inclusive, ethical and sustainable governance aligned with Indian values.

Mission LiFE (Lifestyle for Environment) promotes responsible and sustainable lifestyles. It reinforces IKS principles of environmental responsible leadership and corporate responsibility.

Sustainable Development Goals (SDGs) aligns IKS values with ESG and sustainable corporate governance. SDGs encourages responsible business practices and stakeholder welfare.

Atmanirbhar Bharat Abhiyan promotes self-reliance, innovation and indigenous capabilities. This abhiyan encourages businesses to adopt Indian values while remaining globally competitive.

Regulations under Companies Act 2013 and SEBI (LODR) strengthen transparency, accountability, independent boards, CSR and ethical governance. It provide an opportunity to integrate IKS values such as Dharma and stakeholder welfare into corporate governance.

Digital Indian Initiative promotes digital governance, transparency and accountability. I highlights the need for ethical decision-making in the digital business environment.

These initiatives highlights that integration the Indian Knowledge System with modern corporate governance s timely and relevant. They support ethical leadership, sustainable development, responsible business conduct and value-based governance, making IKS an important foundation for the future of corporate governance in India.

Research Gap

Despite the increasing academic interest in both the Indian Knowledge System (IKS) and corporate governance, there remains a significant gap in understanding how traditional Indian wisdom can be systematically integrated into modern governance practices. Existing corporate governance literature is predominantly based on Western theories such as Agency Theory, Stewardship Theory and Stakeholder Theory, with limited attention given to indigenous governance philosophies rooted in Indian traditions. Although concepts such as Dharma, Lokasangraha (welfare of all), ethical leadership and sustainable living have been discussed in philosophical and management contexts, their practical application in corporate governance frameworks has not been adequately examined.

Further, most existing studies are conceptual in nature and lack empirical validation, sector-specific analysis or implementation models that organizations can adopt. There is also limited research on how IKS principles can contribute to board effectiveness, corporate ethics, ESG performance, stakeholder engagement and long-term organizational sustainability. The absence of measureable indicators to evaluate IKS- based governance further widens the research gap. Therefore, this study seeks to bridge these gaps by proposing a comprehensive framework that integrates Indian Knowledge System principles with modern corporate governance, thereby promoting ethical, sustainable and culturally relevant governance practices for contemporary organizations.

Significance of the study

This study is significance because it explore how the principles of IKS can be integrated with modern corporate governance to create ethical, sustainable and culturally relevant governance practices. It highlights the relevance of indigenous knowledge in addressing contemporary corporate challenges and contributes to developing governance models that balance economic growth with social responsibility.

The study contributes to the existing body of knowledge by expanding the literature on corporate governance through the integration of Indian philosophical and management traditions. It bridges the gap between traditional Indian concepts such as Dharma, ethical leadership, stakeholder welfare and modern governance theories. It also promotes interdisciplinary research by linking Indian Knowledge Systems with corporate governance, business ethics, sustainability and management studies. The findings may serve as a foundation for future research on indigenous governance frameworks and their applicability in contemporary organizations.

The findings of this study will be useful for corporate leaders, board members, policymakers, regulatory authorities, business organizations, management professionals, educational institutions, and researchers. It provides practical insights into incorporating Indian ethical values into corporate governance practices, improving transparency, accountability, stakeholder engagement and responsible decision-making. The study may also support the development of governance policies, leadership training programmes and management curricula that integrate Indian Knowledge Systems with modern business practices.

The study promotes ethical and value-based governance b encouraging organizations to adopt principles that prioritize integrity, fairness, social welfare and environmental responsibility. It helps preserve and promote India's rich intellectual and cultural heritage by demonstrating its relevance in modern corporate governance. Further, the study supports sustainable development by encouraging governance practices that balance the interests of businesses, society and environment, thereby, contributing to inclusive and long-term economic growth.

Objectives of the study

1. To examine the key principles of the Indian Knowledge System relevant to corporate governance.
2. To identify the challenges of integrating IKS into corporate governance.

Research Methodology

Research Design

The present study adopts a conceptual and qualitative research design to examine how the integration of Indian Knowledge System (IKS) with modern governance practices can contribute to sustainable development. The study does not seek to establish statistical relationships, rather, it develops a conceptual understanding of how indigenous Indian philosophical principles can strengthen contemporary governance frameworks. A conceptual research approach is appropriate as the study focuses on theoretical integration, critical interpretation of existing literature, and the development of an integrated governance framework.

Sources of Data

The study is based entirely on secondary data collected from academic and institutional sources. Relevant information was obtained from peer-reviewed journal articles, books, conference papers, policy documents, international organization reports and government frameworks...
Academic databases such as Scopus, Web of Science, Google Scholar, and Science Direct were used to identify relevant literature. In addition, publications from organizations such as the Ministry of Education (IKS Division), NITI Aayog, SEBI, OECD were reviewed to understand governance, sustainability and policy perspectives.

Literature Selection Criteria

The literature selection was guided by relevance, academic credibility and conceptual contribution, the review focused on studies related to Indian Knowledge Systems, corporate governance, public governance, sustainable development, ethical leadership, ESG, stakeholder theory and indigenous governance practices.
Keywords included Indian Knowledge System, modern governance, sustainable development, dharma, Panchtatva, Vasudhaiva Kutumbakam, ethical governance, ESG, stakeholder governance and good governance. The review primarily covered literature published between 2005 and 2026 while also incorporating classical Indian texts wherever conceptually relevant.

Conceptual and Integrative Analysis

The study employs a conceptual and integrative approach to analyze the existing literature on Indian Knowledge Systems, modern governance and sustainable development. The purpose of this analysis is to identify the fundamental principles, ideas and governance practices emerging from both traditional Indian Knowledge and contemporary governance literature and to examine their areas of convergence and interdependence.

The analysis is undertaken by examining the selected literature from two broad perspectives. The first perspective examines major dimensions of modern governance, such as transparency, accountability, participation, ethical leadership, stakeholder orientation, institutional responsibility and sustainability. The second perspective focuses on relevant principles of Indian Knowledge Systems, including Dharma, Satya, Ahimsa, Vasudhaiva Kutumbakam, Lokasangraha and Panchatatva, particularly their implications for ethical conduct, collective welfare, responsibility, social harmony and ecological balance.

The identified concepts are then compared and conceptually mapped to determine how principles derived from Indian Knowledge Systems can complement contemporary governance mechanisms. The analysis particularly examines their potential contribution to the economic, social, environmental and ethical dimensions of sustainable development. Rather than statistically testing relationships, the study interprets the existing body of knowledge to establish conceptual linkages between traditional wisdom and modern governance requirements.

This integrative analysis provides the foundation for developing the proposed conceptual framework. It helps identify how indigenous principles can be incorporated into existing governance structures without replacing modern institutional mechanisms.

Thus, the analysis seeks to establish a complementary relationship between traditional Indian wisdom and contemporary governance approaches, providing a theoretical basis for sustainable and ethically oriented governance.

<u>Development of the Conceptual Framework</u>

The present study proposes a conceptual framework that combines the ethical and philosophical foundations of Indian Knowledge Systems (IKS) with the principles of modern governance to achieve sustainable development. Rather than viewing governance solely as a mechanism for regulatory compliance and organizational control, the framework emphasizes governance as a value-driven process that promotes ethical conduct, social responsibility, environmental stewardship and long term organizational resilience.

The framework is built on the premise that ancient Indian wisdom offers timeless governance principles that remain relevant in addressing contemporary sustainability challenges.

Within this framework, Dharma serves as the ethical foundation for governance by encouraging integrity, fairness and responsible leadership in organizational decision-making. Satya reinforces openness and truthful communication, thereby strengthening transparency and public trust. Vasudhaiva Kutumbakam broadens the governance perspective by recognizing that organizations have responsibilities not only to shareholders but also to employees, customers, communities, future generations and the natural environment. Likewise, Panchatatva promotes environmental consciousness y encouraging governance practices that respect ecological balance and sustainable resource utilization. The principle of Lokasangraha supports inclusive governance by prioritizing collective welfare and long-term societal benefits over short-term organizational gains.

The framework further suggests that integrating these indigenous values into contemporary governance structures can improve the quality of leadership, strengthen ethical organizational culture, enhance stakeholder confidence and encourage environmentally and socially responsible business practices. Such integration enables governance systems to move beyond compliance-based approaches towards a holistic model that balances economic growth, social equity environmental sustainability and ethical responsibility.

Ultimately, the proposed conceptual framework demonstrates that the convergence of Indian Knowledge Systems and modern governance can provide a culturally rooted and ethically informed pathway for achieving sustainable development. It offers a theoretical foundation for policymakers, corporate leaders, educational institutions and researchers to develop governance models that are both globally relevant and deeply aligned with India’s civilizational values.

Objective wise analysis and justification

Dharma refers to righteous conduct and moral duty. In management, this aligns with ethical leadership, corporate governance, and compliance. Organizations guided by dharma prioritize fairness, transparency, and long-term reputation over short-term gains.(Patharkar, 2026).

The concept of lokasangraha (Sarve Bhavantu Sukhinah or welfare of all) closely parallels stakeholder theory, which argues that organizations must serve not only shareholders but also employees, customers, society, and the environment.(Patharkar, 2026).

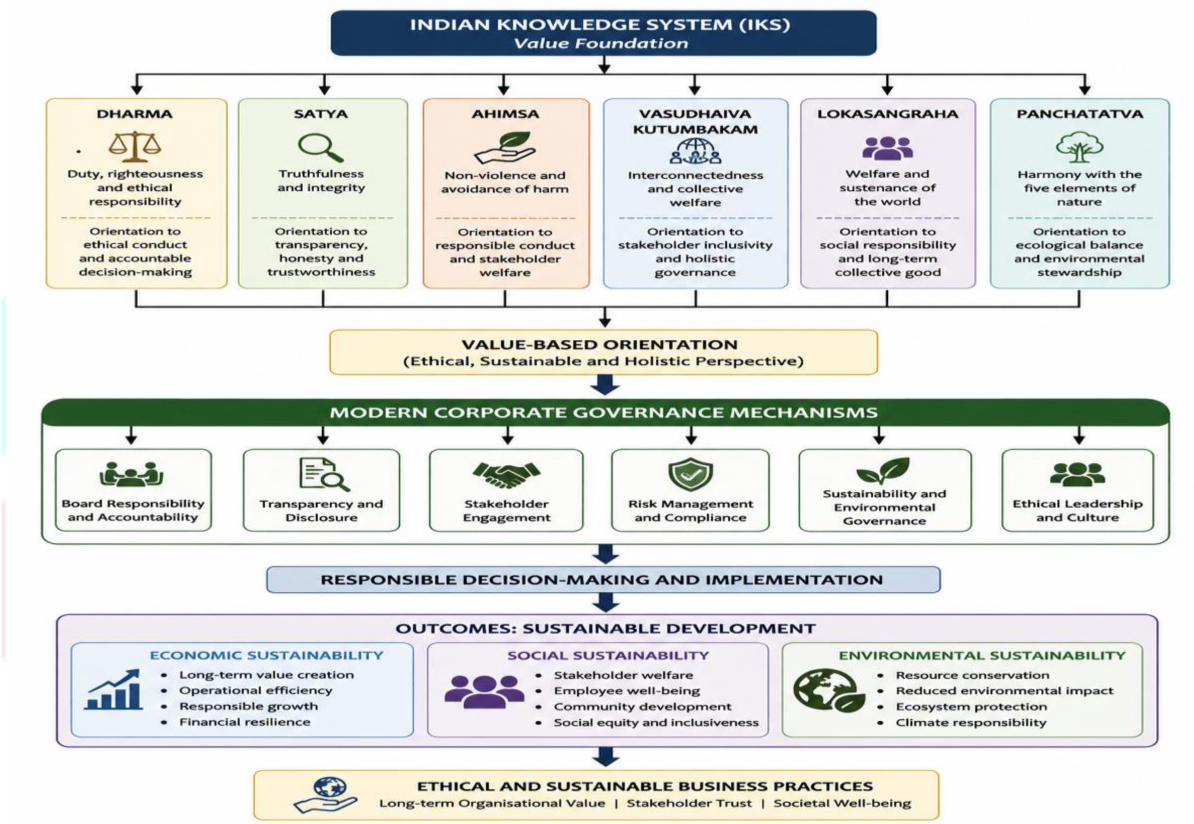
Ancient Indian texts such as the Arthashastra and Dharmashastra provide insights into governance and economic responsibility relevant to sustainable development. Good governance was linked with justice, welfare, and protection of resources.(*Integrating Corporate Governance and Sustainability Practices in Indian SMEs Amid Industry 4.0*, n.d.).

Village self-governance and local decision-making strengthened accountability and resource management. Community institutions managed common lands, forests, and water bodies through shared norms and participation. (*Integrating Corporate Governance and Sustainability Practices in Indian SMEs Amid Industry 4.0*, n.d.).

The existence of this universe has five constituent elements, i.e., Prithvi (Earth), Jal (Water), Agni (Fire), Vayu (Air), and Akash (Space). These five elements are the basis of all cosmic creation. There is a cycle of creation, preservation, and destruction going on where every creation develops from varying combinations of these elements, and after the objectives of these creations are achieved, they return to these constituent elements. The ancient Indian culture always prioritized the value of the environment.(Dr Mahadeb Chattopadhyay, Dr Sunil Kumar Baskey et al., 2020)

Ahimsa, emphasized in Hinduism, Buddhism, and Jainism, extends non-violence beyond human relations to all living beings. This principle discourages exploitation and promotes compassion toward animals, plants, and ecosystems.
Aparigraha, especially central to Jain philosophy, means non-possessiveness and restraint in consumption. In an age of excessive materialism, this principle directly supports sustainable lifestyles by reducing waste and unnecessary accumulation. . (*Indian-Knowledge-Systems-IKS-and-Sustainable-Development.Pdf*, n.d.)
In order to perform a variety of functions, business entities must meet a complex set of political goals, economic, social and environmental issues, stating that the primary objective of increasing or maintaining welfare.(Pintea & Fülöp, n.d.)
Vasudhaiva Kutumbakam, meaning "the whole world is one family," promotes global solidarity and ecological ethics. It expands moral concern beyond national and individual interests to include all life forms and future generations. (*Indian-Knowledge-Systems-IKS-and-Sustainable-Development.Pdf*, n.d.).
Ancient Indian texts such as the Arthashastra by Kautilya offer sophisticated insights into administration, economics, leadership, and governance. The Bhagavad Gita and Ramayana present a philosophy of action, leadership, motivation, and self-management, while the Upanishads emphasize self-awareness and inner discipline. These texts, though composed centuries ago, address universal managerial concerns such as decision-making under uncertainty, ethical dilemmas, performance, accountability, and stakeholder welfare. Ancient Indian texts such as the Arthashastra by Kautilya offer sophisticated insights into administration, economics, leadership, and governance. The Bhagavad Gita and Ramayana present a philosophy of action, leadership, motivation, and self-management, while the Upanishads emphasize self-awareness and inner discipline. These texts, though composed centuries ago, address universal managerial concerns such as decision-making under uncertainty, ethical dilemmas, performance, accountability, and stakeholder welfare.(Patharkar, 2026)
Principles pertaining to honesty, integrity, moral conduct, and dedication to stakeholders form the foundation of the concept of governance. Because it is subjective, it is extremely challenging to analyze and quantify the extent to which the organization or employees exhibit their behavior. Therefore, we require a validated opinion that is difficult to challenge. Today, corporations are challenged to meet through performance the values, interests and expectations of society.(Pintea & Fülöp, n.d.).

Although incorporating IKS principles has many advantages, businesses find it difficult to apply these antiquated ideas in contemporary work settings. (Gallani, n.d, 2024).
Documentation gaps remain significant because much traditional knowledge exists in oral form and is vulnerable to loss due to urbanization and generational change.(Singh, 2025).
Corporate environment faces the difficulty of striking a balance between social responsibility and profitability. Dharma, which prioritizes both long-term public welfare and company prosperity, helps to maintain this equilibrium. (Gallani, n.d, 2024)
Despite the quick growth of corporate sectors, they still have to strike a balance between its dedication to Dharmic values and its business interests. It's a constant struggle to make sure that the company's profit goals don't take precedence over its social and ethical obligations. (Gallani, n.d, 2024).
When corporate governance is dedicated to corporate social responsibility (CSR), the corporate sectors must strike a balance between its commercial goals and its social obligations. Careful planning and moral decision-making are necessary to guarantee that CSR initiatives do not jeopar dize revenue. (Gallani, n.d, 2024).



Source- prepared by researcher

Contribution of the study

The present study contributes to the emerging literature on Indian Knowledge System (IKS) and contemporary corporate governance by providing a conceptual understanding how selected principles of IKS can complement modern governance mechanisms for promoting ethical and sustainable business practices. The study goes beyond viewing IKS merely as a source of traditional wisdom and systematically relates selected principles with contemporary corporate governance concerns.
First, the study contributes by identifying and establishing the relevance of selected IKS principles – Dharma., Satya, Ahimsa, Vasudhaiva Kutumbakam, Lokasangraha and Panchatatva- to contemporary corporate governance. These principles are conceptually associated with ethical responsibility, integrity, responsible conduct, stakeholder welfare, collective responsibility and ecological consciousness, respectively.
Second, the study contributes by providing a critical perspective on the integration of IKS with modern corporate governance. Rather than assuming that traditional principles can be directly applied to contemporary organizations, the study recognizes both the potential opportunities and the challenges involved in their

integration, including issues of interpretation, operationalization, institutional compatibility and practical implementation.

Third, the study contributes through the development of an integrated conceptual framework linking IKS principles with modern corporate governance mechanisms. The framework proposes that IKS can function as a value-based and ethical foundation, while contemporary governance mechanisms provide the institutional and operational structure for implementing these values. This integration creates a conceptual pathway towards responsible decision-making, stakeholder orientation and sustainable business practices.

Fourth, the study contributes to the discourse on sustainable corporate governance by connecting IKS principles with the economic, social and environmental dimensions of sustainability. It provides an alternative perspective in which corporate governance is not condoned with regulatory compliance and organizational perspective in which corporate governance is not confined to regulatory compliance and organizational performance but also incorporates ethical responsibility, stakeholder welfare and environmental stewardship.

Finally, the study provides a conceptual foundation for future empirical research. As the present study is based on secondary literature and conceptual analysis, the proposed framework is not presented as an empirically validated modern. Future researchers may test the proposed relationships through organizational case studies, sector-specific studies, primary surveys and empirical measures of IKS-oriented governance and sustainability performance.

Scope and Limitations of the Study

The study is conceptual in nature and relies exclusively on secondary data and theoretical interpretation. No primary survey or empirical analysis has been undertaken. The discussion mainly focuses on relevance of Indian Knowledge Systems in strengthening modern governance for sustainable development. Although the study proposes a conceptual framework, empirical validation remains beyond its scope. Future research may validate the framework through case studies, industry-level analysis, surveys, or empirical examination of sustainability disclosures among Indian corporations.

Conclusion

Indian Knowledge System provides comprehensive, multidisciplinary, and sustainable solutions that address today's pressing global issues by encouraging cultural preservation, environmental awareness, skill development, and interdisciplinary learning. The NEP, 2020 recognizes the importance of IKS and works to create an education system that is both contextually appropriate and values-based. Similarly, decentralization, participatory decision-making, and sustainable resource management are improved by fusing traditional governance methods with contemporary administrative techniques. These values support the SDGs, especially SDG 16, SDG 8, and SDG 4. However, obstacles including lack of established frameworks, institutional opposition, and low awareness make this adoption difficult. Strategic actions including curricular revisions, digital information platforms, and legislative initiatives are crucial to closing this gap. India can build a knowledge-driven and self-sufficient society by integrating IKS into education and government, improving social inclusion, sustainability, and economic resilience. The success to a sustainable and forward-thinking future is in the combination of historic knowledge with contemporary innovation, which will guarantee harmonic and balanced development model for future generations(Awasthi, 2026)

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