Management Lessons from

Panchatantra

“Rewrite Rules, Retain Values”

The Panchatantra (Five Principles) is an ancient Indian inter-related collection of animal fables in verse and prose, in a frame story format. The original Sanskrit work, which some scholars believe was composed in the 3rd century BCE, is attributed to Vishnu Sharma. It is based on older oral traditions, including animal fables that are as old as we are able to imagine, including the Buddhist Jataka Tales. It is certainly the most frequently translated literary product of India, and these stories are among the most widely known in the world.
Agenda

- Introduction to Panchtantra
- Origin of the Book and Organisation of chapters
- Five Strategies for Efficient Management
- The Story of the Bharunda Bird and Lessons on Organisational Structure
- The story of the Cunning Hare and the Witless Lion and Lessons on Perception Management
- The Story on the King and the Foolish Monkey and Lessons on Skill Management
- The Story of Dharmabuddhi and Papbuddhi and Lessons on Crisis Management
- The tale of two Fishes and a Frog and Lessons on Risk Management
- Relevance of Panchtantra in Today’s Context
Pandit Vishnu Sharma’s creation, composed in 3rd Century BC; The book is divided into (pancha) five 'tantra's (systems) of 'Nitishashtra' (Science of wise conduct).
Compiled into 5 volumes in Sanskrit (Hindu) and Pali (Bhuddhist).
Arabic version around 8th century AD, and a Greek version around 11th century AD.
The art of story telling to impart practical wisdom
The fact that it is translated in more than 50 languages, is evidence of its popularity.
Modern science supports this form of education, and brain scans have revealed that telling stories enables a story teller to plant ideas and thoughts into the listener's brain and are retained for long.
Panchatantra : Significance of 5

Five strategies in five volumes of stories

1. Conflict among friends
2. Winning Friends
3. Crows and Owls (War and Peace strategies)
4. Forfeit of Profits
5. Inconsiderate action
The mechanism is such that any damage is prevented as early as possible. The princes were taught to understand the reasons and drawback of the separation of friends in the first book.

Once older friends were kept intact, they were taught how to win more friends in the second book.

Keeping friends alongside, the third book taught the princes how to lead a life through war and peace to achieve success.

But anything that can be gained, can be lost! The princes were thus taught to tackle situations where gains may be lost in the fourth book.

And finally the fifth book provides lessons of actions that the princes should strictly refrain from.
The Panchatantra uses five primary strategies for efficient management:

1. **Mítra-bheda: The Separation of friends**
   Through stories of situations when friends get separated, the Panchatantra teaches managers to avoid rift with colleagues, associates, clients and other professional contacts - which can lead to unpleasant consequences.

2. **Mítra-lábha or Mítra-sampráptí: The Gaining of friends**
   The Panchatantra teaches managers to make efforts to make alliances with professional allies, associations and trade bodies - which can lead to gaining and sharing of experiences.

3. **Kákolükïyam: War and Peace**
   Managers are cautioned of entrusting those who have a proven record of unreliability. Panchatantra points to factors where even with friends, as with enemies - reliability should be based on proper analysis of behaviors.
4. **Labdhanranásam: Loss of gains**

It is noted by the Panchatantra, that lessons should be taken by past experiences of others. Role models should be followed, and their experiences should be analysed to ensure not taking paths which are not favourable. It is noted that, presence of mind should be cultivated to face all circumstances.

5. **Apariksítakárakam: Ill-considered actions**

Finally, the Panchatantra encourages managers to be prepared to operate in untested, unfamiliar situations. It also cautions against taking paths that are proven to be a failure by others to have faced similar situations.
The story presented hereby illustrates the importance of the strategy.

There lived a strange bird, known as the 'Bharunda' bird, that had a single belly but two necks - each with a head.

One day, while wandering the first head came across a delicious fruit. The other head wanted a taste of it, but the first head did not share it.

The other head was very angry, and when it came across a poisonous food, it ate to teach a lesson to the first head. But they shared the same belly. So, when the poison reached their belly, they both died.

An analysis of this case reveals that the bird, despite having two heads, shared the same body. They are functionally one, and should have synchronized their actions.
When there are two heads within an organization, there can be internal conflicts - on sharing of revenue, for example.

When the heads of an organization are in conflict, they may act foolishly and may sacrifice their objective of survival.

For any organizational structure, there should be as many heads as are bellies (processes or departments, for example)

Conflict of heads of an organization affects all parts of the organization, and exposes other parts to risks too.
Hence, organizations that have 'two-bosses' (or more than one) commit a tactical and strategic blunder. This effects their growth, and the very survival of the organizations.

The management lessons that this story presents are:

- Organizational structure is of utmost importance, and should be done strategically.
- It is suicidal for any organizational structure to have two heads.
- The 'One-Organization-One-Head' strategy is similar to Henri Fayol's "Unity of Command" ('One-Boss-Only').
- Henri Fayol's further "Unity of Direction" makes it essential for harmony (unity) of heads.
- In sync with modern management principles like "Unity of Command" and "Unity of Direction", Panchatantra suggests organizations to 'Avoid-Two-Bosses' as a tactical strategy. Panchatantra cautions this may effect the integrity of the organization and can have its impact on its very survival.
A merciless lion would kill any animal in the jungle regardless of his needs.
All animals decided they would offer one amongst themselves to stop the lion from killing indiscriminately.
One day, it was the turn of a hare, who deliberately delayed and blamed it upon another lion inside a well.
The lion was persuaded to combat the other lion.
Unable to recognize his own reflection in the water of the well, he jumped inside the well and perished.
An analysis of this case reveals the following essentials of **Perception Management:**

Firstly, all animals persuaded the lion to stop killing them mercilessly.

The hare deliberately delayed his arrival, and decepted the lion in his projection of truth.

The hare further persuaded the lion into believing that his reflection was another lion - who was an enemy.

The lion, in a fit of rage (uncontrolled emotion) jumped into the well without considering the security of the operation.

The hare returned to the other animals and revealed the truth. He did not project the truth of his operation before it was executed.

**Advertising is the most visible of all fields where communication is based on the perception, with the sole reason of persuading the audience.**

Perception management also finds a pivotal role in areas of **brand management, leadership, and marketing** - making inroads to our daily lives.
The Case of The King and the Foolish Monkey

A simple case to illustrate management of skills.

A king was fond of his pet monkey, who had the freedom to enter any place at his wish.

The monkey was also very loyal and served the king with all dedication.

One day, when the king was asleep, a fly entered the king's bedroom.

The monkey tried to shoo the fly away so that it does not disturb the king's sleep.

When he failed to do so, he got angry and picked a sword to kill the fly.

When the fly sat on the king's chest the monkey truck at it. The fly flew away but the king was killed instantly.
An analysis of this case reveals the following:
- The king allowed a foolish (untrained) favourite to serve him in his personal chambers, but disallowed any trained attendant.
- The monkey tried to counter a situation for which he neither had the skills or experience.
- The tool (sword) used by the monkey was not appropriate in the given scenario, neither had he any training to use it.
- The foolish monkey did not seek the help of a skilled attendant, when he was faced with a situation that he did not have the skills to overcome.
- The king and his attendant were at fault to keep the sword in a place, where it can be freely accessed by unskilled persons.

Managing skills have become an important manegerial aspect for every organization.
- Skills management elevates the productivity of the organization because individual employees become aware of the skills sets required for specific tasks and upgrade their skills to attain personal goals, thus, adding value to the organization.
- Managers also have an advantage because they are pre-informed about the strengths and weaknesses of individuals of their team.
- Managers and senior management, on the other hand would require multiple skillsets themselves.
The story of 'Dharmabuddhi and Papabuddhi'

Two friends earn some money in a certain village and hide the money under a tree before returning home.

One of the friends, Papabuddhi, digs up the money alone, and blames the other of stealing it.

When the matter is escalated to the elders of their village, Dharmabuddhi faces the allegations of being the thief through false evidence. It is then that Dharmabuddhi swings to action to prove his innocence during this crisis.

An analysis of this story reveals that when the innocent one among the friends is faced with evidence to prove him guilty, he understands the crisis caused and the importance of immediate damage control before he is prosecuted.
Being unprepared is no excuse:

Be prepared for all types of incidents, and be able to recover from disasters.

These preparations should include:
1. Unexpected incidents
2. Predictable crises
As in this case, Dharmabuddhi should have foreseen this coming when there was no security of the money being kept, especially after having been with Papabuddhi's association enough to learn about his behaviour.

Know the threats and be prepared for them:

One should not wait for a crisis to happen to mitigate the crisis.
All elements of threat which may cause a crisis need to be identified and preparations need to be made accordingly.

the crisis in this case was waiting to happen, From the moment they decided to bury the money under a tree
As in this case, Dharmabuddhi waits for the elders to ask for his side of explanations. He gets into action to present his stand when he is asked to do so. In today's dynamic corporate, no good manager should be waiting to be provided an opportunity. The need therefore is to have objectives and statements ready, and communicated.

Public opinions, especially of customers and critics play an important role in modern organizations. Overcoming a crisis requires generating a positive public opinion about the solution. In our case, the public opinion of the village elders play the pivotal role.

Get outside help: got outside help, in the form of village elders, to mitigate the fallout.
A crisis management plan should ideally consider training to all concerned on the protocol that is to be followed when a crisis unfolds. This protocol should have a crisis management team in place, and a communication protocol for actions such as 'who needs to be informed', 'who speaks for the organization', etc needs to be clearly defined which all personnel should be trained to follow.

How the team deals with the actual crisis saves lives, or lawsuits, or lost sales, or at least reputation.

Public relations also plays a role here because managing public perception is a critical part of damage control to protect reputation.

Once the situation is under control,

the crisis management team should take time to assemble the team for a public response - that needs to be done as quickly as possible.
The STORY of 'The Tale Of Two Fishes and a Frog'

Three friends, two fishes and a frog, lived merrily in a pond.

One day, they overheard few fishermen as they planned to cast their nets in the pond next morning.

The fishes were confident of their skills to dodge the nets, and even though the frog tried hard to explain the risks, they would not leave.

As the fishermen cast their nets in the pond, all fishes got caught - including the frog's friends. The frog, however, escaped because he left for a well with his family.

An analysis of this STORY reveals the following
The frog was early to detect the risk and planned his counter-action, which the fishes failed to do.

He realized the intensity of the risk, and undertook a long-term alternative.

The frog prioritized his actions, he left with his family in the night, without wasting his time debating with the fishes or trying to save the fishes.

The fishes were dear friends of the frog. To seek their welfare remained in the frog's list of priority - but was not on a higher priority than saving his own life and that of his family.

The frog did not end his actions, when the higher priorities (saving himself and his family) were served and returned to check on the fishes, which was a follow-up on his lesser priority actions.
Every business exposes itself to a certain amount of threats and uncertainties, or in other words: risk. Risks may arise from multiple events and scenarios, like legal liabilities, project failures. 

Through varied strategies, “risk management revolves around identifying, accessing, prioritizing and eventually negating the effects of the risk”

Strategies to manage risks Include avoiding the Threat Transferring the threat to another party, reducing the threat and even accepting some or all Consequences of the threat.
Formulate a business process that include risk control measures.

Include periodical re-accessing of risks as a part of the business operations.

Mitigate the risks/Transfer risks to third-parties insurance companies.

Avoid areas of risks by shutting down areas that exposes the business to high risk.
Modern management's approach to risk management include:

- To detect, identify threats
- To determine the likelihood and consequences to specific threats
- To identify ways to deal with specific threats
- Based on strategy, to prioritize risk reduction measures.
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<tr>
<th>Title</th>
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<tr>
<td><strong>The Brahmin's Dream</strong></td>
<td>Set realistic goals, and surge ahead</td>
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<td><strong>'The Story Of The Blue Jackal'</strong></td>
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<tr>
<td><strong>'The Brahmin And The Crooks</strong></td>
<td>Belief works wonders in our struggle for accomplishments while we lose possessions, position and prestige when we fail to believe in ourselves</td>
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<tr>
<td><strong>The Jackal &amp; The Drum, 'The Monkey &amp; Wedge,</strong></td>
<td>precautions to be taken while setting realistic goals. Rewards await for those who are brave to surge ahead in the path to accomplishments.</td>
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<td><strong>'The Cunning Hare And The Witless Lion</strong></td>
<td>use intelligence and knowledge to overcome all evils that come in our path to success.</td>
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Corporate governance ensures the welfare of shareholders and other stakeholders in achieving long-term strategic goals. It is a set of processes, policies, laws, customs and institutions to govern a corporation's way of direction, administration and control.

The Panchatantra by its own introductory narration, guided three princes on the intricacies of statecraft & make them ready to govern the state. An obvious guide for modern corporate governance.

Panchatantra packages the wisdom of ages for people of all classes. Through simple yet enchanting stories, it teaches us important lessons of life that we tend to overlook as we mature. This is despite of the fact that the wisdom it carries enlightens us with the path to success, and lead a life of peace. In this ever dynamic and competitive world, these lessons become more relevant in today's context than ever before!